

1 To: Senator Cohen, Chair

2 Committee on Finance

3 Senator Stumpf,

4 Chair of the K-12 Education Budget Division, to which was
5 referred

6 S.F. No. 917: A bill for an act relating to health;
7 providing for grants related to positive abortion alternatives;
8 appropriating money; proposing coding for new law in Minnesota
9 Statutes, chapter 145.

10 Reports the same back with the recommendation that the bill
11 be amended as follows:

12 Delete everything after the enacting clause and insert:

13 "Section 1. [127A.145] [POSITIVE ABORTION ALTERNATIVES.]

14 Subdivision 1. [DEFINITIONS.] For purposes of this
15 section, "abortion" means the use of any means to terminate the
16 pregnancy of a woman known to be pregnant with knowledge that
17 the termination with those means will, with reasonable
18 likelihood, cause the death of the unborn child. For purposes
19 of this section, abortion does not include an abortion necessary
20 to prevent the death of the mother.

21 Subd. 2. [ELIGIBILITY FOR GRANTS.] (a) The commissioner of
22 education shall award grants to eligible applicants under
23 paragraph (c) for the reasonable expenses of alternatives to
24 abortion programs to support, encourage, and assist women in
25 carrying their pregnancies to term and caring for their babies
26 after birth by providing information on, referral to, and
27 assistance with securing necessary services that enable women to
28 carry their pregnancies to term and care for their babies after
29 birth. Necessary services must include, but are not limited to:

30 (1) medical care;

31 (2) nutritional services;

32 (3) housing assistance;

33 (4) adoption services;

34 (5) education and employment assistance;

35 (6) child care assistance; and

36 (7) parenting education and support services, including

37 services that support the continuation and completion of high

38 school.

1 An applicant may not provide or assist a woman to obtain
2 adoption services from a provider of adoption services that is
3 not accredited.

4 (b) In addition to providing information and referral under
5 paragraph (a), an eligible program may provide one or more of
6 the necessary services under paragraph (a) that assists women in
7 carrying their pregnancies to term. To avoid duplication of
8 efforts, grantees may refer to other public or private programs,
9 rather than provide the care directly, if a woman meets
10 eligibility criteria for the other programs.

11 (c) To be eligible for a grant, an agency or organization
12 must:

13 (1) be a private, nonprofit organization;

14 (2) demonstrate that the program is conducted under
15 appropriate supervision;

16 (3) not charge women for services provided under the
17 program;

18 (4) provide each pregnant woman counseled with accurate
19 information on the developmental characteristics of babies and
20 of unborn children, including offering the printed information
21 described in section 145.4243;

22 (5) ensure that its alternatives to abortion program's
23 purpose is to assist and encourage women in carrying their
24 pregnancies to term and to maximize their potentials thereafter;
25 and

26 (6) ensure that none of the funds provided is used to
27 encourage a woman to have an abortion not necessary to prevent
28 her death or to provide her an abortion.

29 (d) The provisions, words, phrases, and clauses of
30 paragraph (c) are inseverable from this subdivision, and if any
31 provision, word, phrase, or clause of paragraph (c) or the
32 application thereof to any person or circumstance is held
33 invalid, such invalidity shall apply to all of this subdivision.

34 (e) An organization that provides abortions, promotes
35 abortions, or encourages or arranges for abortions is ineligible
36 to receive a grant under this program. An affiliate of an

1 organization that provides abortions, promotes abortions, or
2 encourages or arranges for abortions is ineligible to receive a
3 grant under this section unless the organizations are separately
4 incorporated and independent from each other. To be
5 independent, the organizations may not share any of the
6 following:

7 (1) the same or a similar name;

8 (2) medical facilities or nonmedical facilities, including
9 but not limited to, business offices, treatment rooms,
10 consultation rooms, examination rooms, and waiting rooms;

11 (3) expenses;

12 (4) employee wages or salaries; or

13 (5) equipment or supplies, including but not limited to,
14 computers, telephone systems, telecommunications equipment, and
15 office supplies.

16 (f) An organization that receives a grant under this
17 section and that is affiliated with an organization that
18 provides abortion services must maintain financial records that
19 demonstrate strict compliance with this subdivision and that
20 demonstrate that its independent affiliate that provides
21 abortion services receives no direct or indirect economic or
22 marketing benefit from the grant under this section.

23 (g) If an organization or agency receiving a grant under
24 this section provides information on abortion, the information
25 provided must be objective, nonjudgmental, and designed to
26 convey only accurate scientific information. The commissioner
27 of education, in consultation with the commissioner of health,
28 shall approve any information provided by a grantee on the
29 health risks associated with abortions to ensure that the
30 information meets this requirement.

31 Subd. 3. [PRIVACY PROTECTION.] (a) Any program receiving a
32 grant under this section must have a privacy policy and
33 procedures in place that ensure that the name, address,
34 telephone number, or any other information that might identify
35 any woman seeking the services of the program shall not be made
36 public or shared with any other agency or organization without

1 the written consent of the woman and all communications between
2 the program and the woman must remain confidential. For
3 purposes of any medical care provided by the program, including,
4 but not limited to, pregnancy tests or ultrasonic scanning, the
5 program must adhere to the requirements in section 144.335 that
6 apply to providers before releasing any information relating to
7 the medical care provided.

8 (b) Notwithstanding paragraph (a), the commissioner of
9 education shall have access to any information necessary to
10 monitor and review a grantee's program as required under
11 subdivision 4.

12 Subd. 4. [DUTIES OF COMMISSIONER.] The commissioner of
13 education shall make grants under subdivision 2 beginning no
14 later than July 1, 2006. In awarding grants, the commissioner
15 shall consider the program's demonstrated capacity in providing
16 services to assist a pregnant woman in carrying her pregnancy to
17 term. The commissioner shall monitor and review the programs of
18 each grantee to ensure that the grantee carefully adheres to the
19 purposes and requirements of subdivision 2 and shall cease
20 funding a grantee that fails to do so.

21 Subd. 5. [SEVERABILITY.] Except as provided in subdivision
22 2, paragraph (d), if any provision, word, phrase, or clause of
23 this section or the application thereof to any person or
24 circumstance is held invalid, such invalidity shall not affect
25 the provisions, words, phrases, clauses, or applications of this
26 section that can be given effect without the invalid provision,
27 word, phrase, clause, or application and to this end, the
28 provisions, words, phrases, and clauses of this section are
29 declared to be severable.

30 Sec. 2. [APPROPRIATIONS; COMMUNITY HEALTH AND FAMILY
31 PROMOTION.]

32 Of the general fund appropriation in fiscal year 2007,
33 \$2,500,000 is for positive abortion alternatives under Minnesota
34 Statutes, section 127A.145. Of this amount, \$100,000 may be
35 used for administrative costs of implementing the grant
36 program. An additional \$50,000 is appropriated from the general

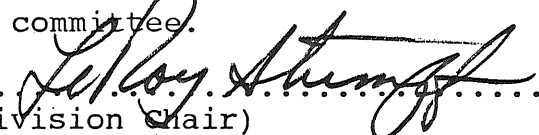
1 fund to the commissioner of education in fiscal year 2006 for
2 administrative costs of program implementation."

3 Delete the title and insert:

4 "A bill for an act relating to health; providing for grants
5 related to positive abortion alternatives; appropriating money;
6 proposing coding for new law in Minnesota Statutes, chapter
7 127A."

8 And when so amended that the bill be recommended to pass
9 and be referred to the full committee.

10
11
12
13
14

.....

.....
(Division Chair)

April 20, 2005.....
(Date of Division action)

E-12 Education Finance Targets

2005 Legislative Session

	Senate K-12 Finance & ECFE Finance*	Governor's Recommendation
<u>AID BUDGET</u>		
Feb Fcst	FY 2006-07	FY 2006-07
K-12	11,853,061	11,853,061
Early Childhood & Fam. Ed.	159,781	159,781
Feb Fcst	12,012,842	12,012,842
<u>SF 1879 Targets Increments</u>		
K-12	(3,346)	0
Early Childhood	0	0
SF 1879 Base	12,009,496	12,012,842
<u>Funding Target Increments Relative to SF 1879</u>		
K-12	765,000	388,695
Early Childhood & Fam. Ed.	35,000	3,149
Target	12,809,496	391,844
<u>Final Spending Numbers</u>		
K-12	12,614,715	12,241,756
Early Childhood & Fam. Ed.	194,781	162,930
Difference	12,809,496	12,404,686
<u>Difference Relative to Feb Fcst</u>		
K-12	761,654	388,695
Early Childhood & Fam. Ed.	35,000	3,149
Difference	796,654	391,844
<u>LEVY BUDGET</u>		
	Pay 2006	Pay 2006
K-12	1,474,670	1,474,670
Early Childhood & Fam. Ed.	70,835	70,835
Feb. Fcst	1,545,506	1,545,506
K-12	1,474,670	1,613,886
Early Childhood & Fam. Ed.	70,835	70,820
Structural Target	1,545,506	1,684,706
K-12	0	139,216
Early Childhood & Fam. Ed.	0	(15)
Difference	0	139,201

Senate aid targets reflect the combed jurisdictions of the K-12 budget division & the Early Childhood budget division for the purpose of comparison to the combined House jurisdictions
Both committees' targets are a net zero above the February forecast base.

Summary in Chair's Recommended 2005 Senate K-12 Bill
As of April 21, 2005

- Aid Target = 765M over SF. 1879
- The K-12 levy target is zero.
- Formula allowance 5% and 4%.
- Special Education Growth Factors Reinstated in FY07 and later.
- Proposal will expand the pilot Alternative Compensation (ProComp) program with an incentive for expanded staff development. Additional sites for those districts that are ready will be funded under the bill.
- Proposal will collapse equity, safe schools, operating capital into a single "consolidated levy" inside the Gened program. Levied against ANTC. Levy will be a Net Zero.
- Compensatory, Referendum Cap, Sparsity, PSEO, Transportation Sparsity, Nonpublic Pupil Aid and Nonpublic Pupil Transportation Aid will all remain linked to formula allowance.
- Ref cap will increase based on formula allowance growth. Grandfathers will be provided additional revenue in FY07.
- Governor's recommendation on transportation sparsity to adjust the "slope of the line" will be accepted. Mostly technical.
- Transition revenue will be rolled into referendum revenue with board vote in FY07.
- Referendum equalization will be increased.
- 4 YO Pre K Funded in bill at 1% of original allowance
- Funding for LEP extended to seven years IF the formula does not grow by at least 3.5 percent each year.

ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2004, section 120A.05, is amended by adding a subdivision to read:

Subd. 18. [KINDERGARTEN.] "Kindergarten" means a program designed for pupils five years of age on September 1 of the calendar year in which the school year commences that prepares pupils to enter first grade the following school year. A program designed for pupils younger than five years of age on September 1 of the calendar year in which the school year commences that prepares pupils to enter kindergarten the following school year is a prekindergarten program.

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

Sec. 2. [121A.24] [SAFE SCHOOLS; RESERVED REVENUE.]

School districts must reserve an amount of the basic revenue under section 126C.10, subdivision 2, equal to \$27 per adjusted marginal cost pupil unit in fiscal year 2007 and later. The amount reserved under this section must be used for the purposes allowed under section 126C.44, including to pay for school counselors.

Sec. 3. Minnesota Statutes 2004, section 123A.05, subdivision 2, is amended to read:

Subd. 2. [RESERVE REVENUE.] Each district that is a member

1 of an area learning center must reserve revenue in an amount
2 equal to at least 90 percent of the district average general
3 education revenue per pupil unit minus an amount equal to the
4 product of the formula allowance according to section 126C.10,
5 subdivision 2, times .0485 for fiscal year 2006 and .0458 for
6 fiscal year 2007 and later, calculated without basic skills
7 revenue, transportation sparsity revenue, and the transportation
8 portion of the transition revenue adjustment, times the number
9 of pupil units attending an area learning center program under
10 this section. The amount of reserved revenue under this
11 subdivision may only be spent on program costs associated with
12 the area learning center. Compensatory revenue must be
13 allocated according to section 126C.15, subdivision 2.

14 [EFFECTIVE DATE.] This section is effective for revenue for
15 fiscal year 2007.

16 Sec. 4. Minnesota Statutes 2004, section 123B.49,
17 subdivision 4, is amended to read:

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

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

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

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

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

36 (3) the content of the activities is determined primarily

1 by the pupil participants under the guidance of a staff member
2 or other adult.

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

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

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

27 Sec. 5. Minnesota Statutes 2004, section 123B.75, is
28 amended by adding a subdivision to read:

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

34 Sec. 6. Minnesota Statutes 2004, section 123B.76,
35 subdivision 3, is amended to read:

36 Subd. 3. [EXPENDITURES BY BUILDING.] (a) For the purposes

1 of this section, "building" means education site as defined in
2 section 123B.04, subdivision 1.

3 (b) Each district shall maintain separate accounts to
4 identify general fund expenditures~~7-excluding-capital~~
5 ~~expenditures-and-pupil-transportation7~~ for each building. All
6 expenditures for regular instruction, secondary vocational
7 instruction, and school administration must be reported to the
8 department separately for each building. All expenditures for
9 special education instruction, instructional support services,
10 and pupil support services provided within a specific building
11 must be reported to the department separately for each
12 building. Salary expenditures reported by building must reflect
13 actual salaries for staff at the building and must not be based
14 on districtwide averages. All other general fund expenditures
15 may be reported by building or on a districtwide basis.

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

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

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

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

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

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

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

35 (7) other general fund revenues shall be allocated on a
36 uniform per pupil basis, except that the department may allocate

1 other revenues attributable to specific buildings directly to
2 those buildings.

3 Sec. 7. Minnesota Statutes 2004, section 123B.79,
4 subdivision 6, is amended to read:

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

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

18 Sec. 8. Minnesota Statutes 2004, section 123B.81,
19 subdivision 1, is amended to read:

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

27 Sec. 9. Minnesota Statutes 2004, section 123B.82, is
28 amended to read:

29 123B.82 [REORGANIZATION OPERATING DEBT.]

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

36 (1) June 30 of the fiscal year before the first year that a

1 district receives revenue according to section 123A.39,
2 subdivision 3; or

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

5 Sec. 10. Minnesota Statutes 2004, section 123B.83,
6 subdivision 2, is amended to read:

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

14 Sec. 11. Minnesota Statutes 2004, section 123B.92,
15 subdivision 5, is amended to read:

16 Subd. 5. [DISTRICT REPORTS.] (a) Each district must report
17 data to the department as required by the department to account
18 for transportation expenditures.

19 (b) Salaries and fringe benefits of district employees
20 whose primary duties are other than transportation, including
21 central office administrators and staff, building administrators
22 and staff, teachers, social workers, school nurses, and
23 instructional aides, must not be included in a district's
24 transportation expenditures, except that a district may include
25 salaries and benefits according to paragraph (c) for (1) an
26 employee designated as the district transportation director, (2)
27 an employee providing direct support to the transportation
28 director, or (3) an employee providing direct transportation
29 services such as a bus driver or bus aide.

30 (c) Salaries and fringe benefits of other district
31 employees who work part-time in transportation and part-time in
32 other areas must not be included in a district's transportation
33 expenditures unless the district maintains documentation of the
34 employee's time spent on pupil transportation matters in the
35 form and manner prescribed by the department.

36 (d) Pupil transportation expenditures, excluding

1 expenditures for capital outlay, leased buses, student board and
2 lodging, crossing guards, and aides on buses, must be allocated
3 among transportation categories based on a cost per mile, cost
4 per student, cost per hour, or cost per route, regardless of
5 whether the transportation services are provided on
6 district-owned or contractor-owned school buses. Expenditures
7 for school bus driver salaries and fringe benefits may either be
8 directly charged to the appropriate transportation category or
9 may be allocated among transportation categories on a cost per
10 mile, cost per student basis, cost per hour, or cost per route.
11 Expenditures by private contractors or individuals who provide
12 transportation exclusively in one transportation category must
13 be charged directly to the appropriate transportation category.
14 Transportation services provided by contractor-owned school bus
15 companies incorporated under different names but owned by the
16 same individual or group of individuals must be treated as the
17 same company for cost allocation purposes.

18 [EFFECTIVE DATE.] This section is effective for expenditure
19 reporting for fiscal year 2006 and later.

20 Sec. 12. Minnesota Statutes 2004, section 124D.11,
21 subdivision 1, is amended to read:

22 Subdivision 1. [GENERAL EDUCATION REVENUE.] (a) For fiscal
23 year 2006, general education revenue must be paid to a charter
24 school as though it were a district. The general education
25 revenue for each adjusted marginal cost pupil unit is the state
26 average general education revenue per pupil unit, plus the
27 referendum equalization aid allowance in the pupil's district of
28 residence, minus an amount equal to the product of the formula
29 allowance according to section 126C.10, subdivision 2, times
30 .0485, calculated without basic skills revenue, extended time
31 revenue, transition revenue, and transportation sparsity
32 revenue, plus basic skills revenue, extended time revenue, and
33 transition revenue as though the school were a school district.
34 The general education revenue for each extended time marginal
35 cost pupil unit equals \$4,378.

36 (b) For fiscal year 2007 and later, general education

1 revenue must be paid to a charter school as though it were a
2 district. The general education revenue for each adjusted
3 marginal cost pupil unit is the state average general education
4 revenue per pupil unit, plus the referendum equalization aid
5 allowance in the pupil's district of residence, minus an amount
6 equal to the product of the formula allowance according to
7 section 126C.10, subdivision 2, times .0458, calculated without
8 basic skills revenue, extended time revenue, transition revenue,
9 and transportation sparsity revenue, plus basic skills revenue
10 and extended time revenue as though the school were a school
11 district. The general education revenue for each extended time
12 marginal cost pupil unit equals \$4,378. Each year, a charter
13 school must also be paid an amount equal to its 2004 transition
14 revenue allowance multiplied times its adjusted marginal cost
15 pupil units for the current year.

16 (c) Notwithstanding ~~paragraph~~ paragraphs (a) and (b), for
17 charter schools in the first year of operation, general
18 education revenue shall be computed using the number of adjusted
19 pupil units in the current fiscal year.

20 Sec. 13. Minnesota Statutes 2004, section 124D.11,
21 subdivision 2, is amended to read:

22 Subd. 2. [TRANSPORTATION REVENUE.] Transportation revenue
23 must be paid to a charter school that provides transportation
24 services according to section 124D.10, subdivision 16, according
25 to this subdivision. Transportation aid shall equal
26 transportation revenue.

27 In addition to the revenue under subdivision 1, a charter
28 school providing transportation services must receive general
29 education aid for each pupil unit equal to the sum of an amount
30 equal to the product of the formula allowance according to
31 section 126C.10, subdivision 2, times .0485 in fiscal years 2005
32 and 2006 and .0458 in fiscal years 2007 and later, plus the
33 transportation sparsity allowance for the school district in
34 which the charter school is located.

35 Sec. 14. Minnesota Statutes 2004, section 124D.69,
36 subdivision 1, is amended to read:

1 Subdivision 1. [AID.] If a pupil enrolls in an alternative
 2 program, eligible under section 124D.68, subdivision 3,
 3 paragraph (d), or subdivision 4, operated by a private
 4 organization that has contracted with a school district to
 5 provide educational services for eligible pupils under section
 6 124D.68, subdivision 2, the district contracting with the
 7 private organization must reimburse the provider an amount equal
 8 to at least 95 percent of the district's average general
 9 education less basic skills revenue per pupil unit times the
 10 number of pupil units for pupils attending the program. Basic
 11 skills revenue shall be paid according to section 126C.10,
 12 subdivision 4. Compensatory revenue must be allocated according
 13 to section 126C.15, subdivision 2. For a pupil attending the
 14 program part time, the revenue paid to the program must be
 15 reduced proportionately, according to the amount of time the
 16 pupil attends the program, and revenue paid to the district
 17 shall be reduced accordingly. Pupils for whom a district
 18 provides reimbursement may not be counted by the district for
 19 any purpose other than computation of general education
 20 revenue. If payment is made to a district or program for a
 21 pupil under this section, the department must not make a payment
 22 for the same pupil under section 124D.68, subdivision 9.
 23 Notwithstanding sections 125A.15, 125A.51, and 125A.515, general
 24 education revenue for a student who receives educational
 25 services under this section shall be paid according to this
 26 section.

27 Sec. 15. Minnesota Statutes 2004, section 126C.01,
 28 subdivision 11, is amended to read:

29 Subd. 11. [~~NET UNAPPROPRIATED-OPERATING~~ UNRESERVED GENERAL
 30 FUND BALANCE.] "Net unappropriated-operating unreserved general
 31 fund balance" means the sum of the unreserved general fund
 32 ~~balances-in-the-general, food-service, and community-service~~
 33 ~~funds-minus-the-balances-reserved-for-statutory-operating-debt~~
 34 ~~reduction, bus-purchase, severance-pay, taconite, unemployment~~
 35 ~~benefits, maintenance-levy-reduction, operating-capital,~~
 36 ~~disabled-access, health-and-safety,~~ balance and encumbrances,

1 computed as of June 30 each year.

2 Sec. 16. Minnesota Statutes 2004, section 126C.05, is
3 amended by adding a subdivision to read:

4 Subd. 5a. [EXTENDED TIME PUPIL UNITS.] (a) "Extended time
5 average daily membership for a district or charter school" means
6 the sum of the average daily membership according to subdivision
7 8, paragraph (a), minus the sum of the average daily membership
8 according to subdivision 8, paragraph (b), for pupils enrolled
9 in a learning year program under section 124D.128; an area
10 learning center under sections 123A.05 and 123A.06; an
11 alternative program under section 124D.68, subdivision 3,
12 paragraph (d); or section 124D.69.

13 (b) "Extended time pupil units for a district or charter
14 school" means the sum of the average daily membership in
15 paragraph (a) weighted according to subdivision 1 for:

16 (1) pupils served according to subdivision 7; plus
17 (2) pupils according to subdivision 1 for whom the district
18 or charter school pays tuition under section 123A.18; 123A.22;
19 123A.30; 123A.32; 123A.44; 123A.488; 123B.88, subdivision 4;
20 124D.04; 124D.05; 125A.03 to 125A.24; 125A.51; or 125A.65, minus

21 (3) pupils according to subdivision 1 for whom the district
22 or charter school receives tuition under section 123A.18;
23 123A.22; 123A.30; 123A.32; 123A.44; 123A.488; 123B.88,
24 subdivision 4; 124D.04; 124D.05; 125A.03 to 125A.24; 125A.51; or
25 125A.65.

26 (c) "Extended time marginal cost pupil units" means the
27 greater of:

28 (1) the sum of .77 times the pupil units defined in
29 paragraph (b) for the current school year and .23 times the
30 pupil units defined in paragraph (b) for the previous school
31 year; or

32 (2) the number of extended time pupil units defined in
33 paragraph (b) for the current school year.

34 Sec. 17. Minnesota Statutes 2004, section 126C.05, is
35 amended by adding a subdivision to read:

36 Subd. 20. [PROJECT-BASED AVERAGE DAILY MEMBERSHIP.] (a) To

1 receive general education revenue for a pupil enrolled in a
 2 public school with a project-based program, a school must meet
 3 the requirements in this paragraph. The school must:

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

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

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

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

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

15 (1) 1.0; or

16 (2) the ratio of (i) the number of membership hours
 17 generated by project-based credits completed during the school
 18 year plus membership hours generated by credits completed in a
 19 seat-based setting to (ii) the annual required instructional
 20 hours at that grade level. Membership hours for a partially
 21 completed project-based credit must be prorated.

22 Sec. 18. Minnesota Statutes 2004, section 126C.10,
 23 subdivision 1, is amended to read:

24 Subdivision 1. [GENERAL EDUCATION REVENUE.] (a) ~~For fiscal~~
 25 ~~year 2003, the general education revenue for each district~~
 26 ~~equals the sum of the district's basic revenue, basic skills~~
 27 ~~revenue, training and experience revenue, secondary sparsity~~
 28 ~~revenue, elementary sparsity revenue, transportation sparsity~~
 29 ~~revenue, total operating capital revenue, and equity revenue.~~

30 (b) For fiscal year 2004 and later 2006, the general
 31 education revenue for each district equals the sum of the
 32 district's basic revenue, extended time revenue, basic skills
 33 revenue, training and experience revenue, secondary sparsity
 34 revenue, elementary sparsity revenue, transportation sparsity
 35 revenue, total operating capital revenue, equity revenue, and
 36 transition revenue.

1 (b) For fiscal year 2007 and later, the general education
 2 revenue for each district equals the sum of the district's basic
 3 revenue, extended time revenue, basic skills revenue, training
 4 and experience revenue, secondary sparsity revenue, elementary
 5 sparsity revenue, transportation sparsity revenue, total
 6 operating capital revenue, and equity revenue.

7 Sec. 19. Minnesota Statutes 2004, section 126C.10,
 8 subdivision 2, is amended to read:

9 Subd. 2. [BASIC REVENUE.] The basic revenue for each
 10 district equals the formula allowance times the adjusted
 11 marginal cost pupil units for the school year. The formula
 12 allowance for fiscal year 2001 2005 is \$37964 \$4,601. The
 13 formula allowance for fiscal year 2002 2006 is \$47068 \$......
 14 The formula allowance for fiscal year 2003 2007 and subsequent
 15 years is \$47601 \$......

16 Sec. 20. Minnesota Statutes 2004, section 126C.10,
 17 subdivision 13, is amended to read:

18 Subd. 13. [TOTAL OPERATING CAPITAL REVENUE.] (a) For
 19 fiscal year 2000 and thereafter, total operating capital revenue
 20 for a district equals the amount determined under paragraph (b)
 21 or (c), plus \$73 times the adjusted marginal cost pupil units
 22 for the school year. The revenue must be placed in a reserved
 23 account in the general fund and may only be used according to
 24 paragraph (d) or subdivision 14.

25 (b) For fiscal years 2000 and later, capital revenue for a
 26 district equals \$100 times the district's maintenance cost index
 27 times its adjusted marginal cost pupil units for the school year.

28 (c) For fiscal years 2000 and later, the revenue for a
 29 district that operates a program under section 124D.128, is
 30 increased by an amount equal to \$30 times the number of marginal
 31 cost pupil units served at the site where the program is
 32 implemented.

33 ~~(d) For fiscal years 2001, 2002, and 2003, the district~~
 34 ~~must reserve an amount equal to \$5 per adjusted marginal cost~~
 35 ~~pupil unit for telecommunication access costs. Reserve revenue~~
 36 ~~under this paragraph must first be used to pay for ongoing or~~

1 ~~recurring-telecommunication-access-costs,-including-access-to~~
 2 ~~data-and-video-connections,-including-Internet-access.--Any~~
 3 ~~revenue-remaining-after-covering-all-ongoing-or-recurring-access~~
 4 ~~costs-may-be-used-for-computer-hardware-or-equipment.~~

5 Sec. 21. Minnesota Statutes 2004, section 126C.10,
 6 subdivision 13a, is amended to read:

7 Subd. 13a. [OPERATING CAPITAL LEVY.] To obtain operating
 8 capital revenue for fiscal year years 2005 and ~~later~~ 2006, a
 9 district may levy an amount not more than the product of its
 10 operating capital revenue for the fiscal year times the lesser
 11 of one or the ratio of its adjusted net tax capacity per
 12 adjusted marginal cost pupil unit to \$22,222.

13 Sec. 22. Minnesota Statutes 2004, section 126C.10,
 14 subdivision 13b, is amended to read:

15 Subd. 13b. [OPERATING CAPITAL AID.] For fiscal years 2005
 16 and 2006, a district's operating capital aid equals its
 17 operating capital revenue minus its operating capital levy times
 18 the ratio of the actual amount levied to the permitted levy.

19 Sec. 23. Minnesota Statutes 2004, section 126C.10,
 20 subdivision 18, is amended to read:

21 Subd. 18. [TRANSPORTATION SPARSITY REVENUE ALLOWANCE.] (a)
 22 For fiscal year 2006, a district's transportation sparsity
 23 allowance equals the greater of zero or the result of the
 24 following computation:

25 ~~(i)~~ (1) multiply the formula allowance according to
 26 subdivision 2, by .1469~~;~~

27 ~~(ii)~~ (2) multiply the result in clause ~~(i)~~ (1) by the
 28 district's sparsity index raised to the 26/100 power~~;~~

29 ~~(iii)~~ (3) multiply the result in clause ~~(ii)~~ (2) by the
 30 district's density index raised to the 13/100 power~~;~~

31 ~~(iv)~~ (4) multiply the formula allowance according to
 32 subdivision 2, by .0485~~;~~ and

33 ~~(v)~~ (5) subtract the result in clause ~~(iv)~~ (4) from the
 34 result in clause ~~(iii)~~ (3).

35 (b) For fiscal year 2007 and later, a district's
 36 transportation sparsity allowance equals the greater of zero or

1 the result of the following computation:

2 (1) multiply the formula allowance according to subdivision
3 2 by .1469;

4 (2) multiply the result in clause (1) by the district's
5 sparsity index raised to the 28/100 power;

6 (3) multiply the result in clause (2) by the district's
7 density index raised to the 13/100 power;

8 (4) multiply the formula allowance according to subdivision
9 2 by .0458; and

10 (5) subtract the result in clause (4) from the result in
11 clause (3).

12 (c) Transportation sparsity revenue is equal to the
13 transportation sparsity allowance times the adjusted marginal
14 cost pupil units.

15 (d) Transportation sparsity revenue is equal to the
16 transportation sparsity allowance times the adjusted marginal
17 cost pupil units.

18 Sec. 24. Minnesota Statutes 2004, section 126C.10,
19 subdivision 24, is amended to read:

20 Subd. 24. [EQUITY REVENUE.] (a) A school district
21 qualifies for equity revenue if:

22 (1) the school district's adjusted marginal cost pupil unit
23 amount of basic revenue~~7-supplemental-revenue7-transition~~
24 ~~revenue7~~ and referendum revenue is less than the value of the
25 school district at or immediately above the 95th percentile of
26 school districts in its equity region for those revenue
27 categories; and

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

30 (b) Equity revenue for a qualifying district that receives
31 referendum revenue under section 126C.17, subdivision 4, equals
32 the product of (1) the district's adjusted marginal cost pupil
33 units for that year; times (2) the sum of (i) \$13, plus (ii)
34 \$75, times the school district's equity index computed under
35 subdivision 27.

36 (c) Equity revenue for a qualifying district that does not

1 receive referendum revenue under section 126C.17, subdivision 4,
2 equals the product of the district's adjusted marginal cost
3 pupil units for that year times \$13.

4 (d) For fiscal year 2007 and later, referendum revenue for
5 the purpose of this section does not include referendum
6 conversion allowance authority transferred to the referendum
7 allowance in fiscal year 2007 under section 126C.17, subdivision
8 13, by the vote of a school board. Referendum conversion
9 allowance authority added to the referendum allowance under
10 section 126C.17, subdivision 1, shall be included in the
11 referendum for the purposes of this section if a school district
12 reauthorizes the revenue at an election according to section
13 126C.17, subdivision 9.

14 Sec. 25. Minnesota Statutes 2004, section 126C.10,
15 subdivision 29, is amended to read:

16 Subd. 29. [EQUITY LEVY.] To obtain equity revenue for
17 fiscal year years 2005 and ~~later~~ 2006, a district may levy an
18 amount not more than the product of its equity revenue for the
19 fiscal year times the lesser of one or the ratio of its
20 referendum market value per resident marginal cost pupil unit to
21 \$476,000.

22 Sec. 26. Minnesota Statutes 2004, section 126C.10,
23 subdivision 30, is amended to read:

24 Subd. 30. [EQUITY AID.] For fiscal years 2005 and 2006, a
25 district's equity aid equals its equity revenue minus its equity
26 levy times the ratio of the actual amount levied to the
27 permitted levy.

28 Sec. 27. Minnesota Statutes 2004, section 126C.10,
29 subdivision 31, is amended to read:

30 Subd. 31. [TRANSITION REVENUE.] (a) A district's
31 transition allowance for fiscal years 2004 through ~~2008~~ 2006
32 equals the greater of zero or the product of the ratio of the
33 number of adjusted marginal cost pupil units the district would
34 have counted for fiscal year 2004 under Minnesota Statutes 2002
35 to the district's adjusted marginal cost pupil units for fiscal
36 year 2004, times the difference between: (1) the lesser of the

1 district's general education revenue per adjusted marginal cost
2 pupil unit for fiscal year 2003 or the amount of general
3 education revenue the district would have received per adjusted
4 marginal cost pupil unit for fiscal year 2004 according to
5 Minnesota Statutes 2002, and (2) the district's general
6 education revenue for fiscal year 2004 excluding transition
7 revenue divided by the number of adjusted marginal cost pupil
8 units the district would have counted for fiscal year 2004 under
9 Minnesota Statutes 2002. A district's transition allowance for
10 fiscal year ~~2009~~ 2007 and later is zero.

11 (b) A district's transition revenue for fiscal year years
12 2004 and ~~later~~ 2005 equals the product of the district's
13 transition allowance times the district's adjusted marginal cost
14 pupil units.

15 (c) A district's transition revenue for fiscal year 2006
16 equals the sum of (1) the product of the district's transition
17 allowance times the district's adjusted marginal cost pupil
18 units, plus (2) the amount of referendum revenue under section
19 126C.17 and general education revenue, excluding transition
20 revenue, for fiscal year 2004 attributable to pupils four or
21 five years of age on September 1, 2003, enrolled in a
22 prekindergarten program implemented by the district before July
23 1, 2003, and reported as kindergarten pupils under section
24 126C.05, subdivision 1, for fiscal year 2004 multiplied times
25 0.01, plus (3) the amount of compensatory education revenue
26 under subdivision 3 for fiscal year 2005 attributable to pupils
27 four years of age on September 1, 2003, enrolled in a
28 prekindergarten program implemented by the district before July
29 1, 2003, and reported as kindergarten pupils under section
30 126C.05, subdivision 1, for fiscal year 2004 multiplied times
31 0.01.

32 Sec. 28. Minnesota Statutes 2004, section 126C.10,
33 subdivision 32, is amended to read:

34 Subd. 32. [TRANSITION LEVY.] To obtain transition revenue
35 for fiscal year years 2005 and ~~later~~ 2006, a district may levy
36 an amount not more than the product of its transition revenue

1 for the fiscal year times the lesser of one or the ratio of its
2 referendum market value per resident marginal cost pupil unit to
3 \$476,000.

4 Sec. 29. Minnesota Statutes 2004, section 126C.10,
5 subdivision 33, is amended to read:

6 Subd. 33. [TRANSITION AID.] (a) For fiscal year 2004, a
7 district's transition aid equals its transition revenue.

8 (b) For fiscal year years 2005 and ~~later~~ 2006, a district's
9 transition aid equals its transition revenue minus its
10 transition levy times the ratio of the actual amount levied to
11 the permitted levy.

12 Sec. 30. Minnesota Statutes 2004, section 126C.13, is
13 amended by adding a subdivision to read:

14 Subd. 3a. [CONSOLIDATED TAX RATE.] The commissioner must
15 establish the consolidated tax rate by July 1 of each year for
16 levies payable in the following year. The consolidated tax
17 capacity rate must be a rate, rounded up to the nearest
18 hundredth of a percent, that, when applied to the adjusted net
19 tax capacity for all districts, raises the amount specified in
20 this subdivision. The consolidated tax rate must be the rate
21 that raises \$..... for fiscal year 2007, \$..... for
22 fiscal year 2008, and \$..... for fiscal year 2009 and
23 later years. The consolidated tax rate may not be changed due
24 to changes or corrections made to a district's adjusted net tax
25 capacity after the tax rate has been established.

26 Sec. 31. Minnesota Statutes 2004, section 126C.13, is
27 amended by adding a subdivision to read:

28 Subd. 3b. [CONSOLIDATED LEVY.] To obtain general education
29 revenue, a district may levy an amount not to exceed the
30 consolidated tax rate times the adjusted net tax capacity of the
31 district for the preceding year. If the amount of the
32 consolidated levy would exceed the general education revenue,
33 the consolidated levy must be determined according to
34 subdivision 3c.

35 Sec. 32. Minnesota Statutes 2004, section 126C.13, is
36 amended by adding a subdivision to read:

1 Subd. 3c. [CONSOLIDATED LEVY; DISTRICTS OFF THE
 2 FORMULA.] If the amount of the consolidated levy for a district
 3 exceeds the district's general education revenue, the amount of
 4 the consolidated levy must be limited to the following:

- 5 (1) the district's general education revenue; plus
 6 (2) the amount of the aid reduction for the same school
 7 year according to section 126C.14; minus
 8 (3) payments made for the same school year according to
 9 section 126C.21, subdivision 3.

10 For purposes of statutory cross-reference, a levy made
 11 according to this subdivision shall be construed to be the levy
 12 made according to subdivision 3b.

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

15 Subd. 4. [GENERAL EDUCATION AID.] (a) For fiscal ~~year-2004~~
 16 years 2005 and 2006, a district's general education aid is the
 17 sum of the following amounts:

- 18 (1) general education revenue;
 19 (2) shared time aid according to section 126C.01,
 20 subdivision 7;
 21 (3) referendum aid according to section 126C.17; and
 22 (4) online learning aid according to section 126C.24.

23 (b) For fiscal ~~year~~ years 2005 and ~~later~~ 2006, a district's
 24 general education aid is the sum of the following amounts:

- 25 (1) general education revenue, excluding equity revenue,
 26 total operating capital, and transition revenue;
 27 (2) operating capital aid according to section 126C.10,
 28 subdivision 13b;
 29 (3) equity aid according to section 126C.10, subdivision
 30 30;
 31 (4) transition aid according to section 126C.10,
 32 subdivision 33;
 33 (5) shared time aid according to section 126C.01,
 34 subdivision 7;
 35 (6) referendum aid according to section 126C.17; and
 36 (7) online learning aid according to section 126C.24.

1 (c) For fiscal year 2007 and later, a district's general
 2 education aid is the sum of the following amounts:

3 (1) the product of:

4 (i) the difference between the general education revenue
 5 and the consolidated levy; times

6 (ii) the ratio of the actual amount levied to the permitted
 7 levy;

8 (2) shared time aid according to section 126C.01,
 9 subdivision 7;

10 (3) referendum aid according to section 126C.17; and

11 (4) online learning aid according to section 126C.24.

12 Sec. 34. Minnesota Statutes 2004, section 126C.17,
 13 subdivision 1, is amended to read:

14 Subdivision 1. [REFERENDUM ALLOWANCE.] (a) For fiscal year
 15 ~~2003~~ 2006 and later, a district's initial referendum revenue
 16 allowance equals the sum of the allowance under section 126C.16,
 17 subdivision 2, plus any additional allowance per resident
 18 marginal cost pupil unit authorized under subdivision 9 before
 19 May 1, 2001, for fiscal year 2002 and later, plus the referendum
 20 conversion allowance approved under subdivision 13, minus \$415.
 21 For districts with more than one referendum authority, the
 22 reduction must be computed separately for each authority. The
 23 reduction must be applied first to the referendum conversion
 24 allowance and next to the authority with the earliest expiration
 25 date. A district's initial referendum revenue allowance may not
 26 be less than zero.

27 ~~(b) For-fiscal-year-2003,-a-district's-referendum-revenue~~
 28 ~~allowance-equals-the-initial-referendum-allowance-plus-any~~
 29 ~~additional-allowance-per-resident-marginal-cost-pupil-unit~~
 30 ~~authorized-under-subdivision-9-between-April-30,-2001,-and~~
 31 ~~December-30,-2001,-for-fiscal-year-2003-and-later.~~

32 ~~(c)~~ For fiscal year ~~2004-and-later~~ 2006, a district's
 33 referendum revenue allowance equals the sum of:

34 (1) the product of (i) the ratio of the resident marginal
 35 cost pupil units the district would have counted for fiscal year
 36 2004 under Minnesota Statutes 2002, section 126C.05, to the

1 district's resident marginal cost pupil units for fiscal year
 2 2004, times (ii) the initial referendum allowance plus any
 3 additional allowance per resident marginal cost pupil unit
 4 authorized under subdivision 9 between April 30, 2001, and May
 5 30, 2003, for fiscal year 2003 and later, plus

6 (2) any additional allowance per resident marginal cost
 7 pupil unit authorized under subdivision 9 after May 30, 2003,
 8 for fiscal year 2005 and later.

9 (c) For fiscal year 2007 and later, a district's referendum
 10 revenue allowance equals the sum of: (1) the referendum
 11 allowance the district would have received for fiscal year 2007
 12 and later under section 126C.17, subdivision 1, paragraph (c),
 13 based on elections held under subdivision 9, before May 30,
 14 2005, plus any additional allowance per resident pupil unit
 15 authorized under subdivision 9 after May 30, 2005, plus the
 16 referendum conversion allowance approved under subdivision 13.

17 Sec. 35. Minnesota Statutes 2004, section 126C.17,
 18 subdivision 2, is amended to read:

19 Subd. 2. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding
 20 ~~subdivision 1, for fiscal year 2003, a district's referendum~~
 21 ~~allowance must not exceed the greater of:~~

22 ~~(1) the sum of a district's referendum allowance for fiscal~~
 23 ~~year 1994 times 1.162 plus its referendum conversion allowance~~
 24 ~~for fiscal year 2003, minus \$415;~~

25 ~~(2) 18.2 percent of the formula allowance;~~

26 ~~(3) for a newly reorganized district created on July 1,~~
 27 ~~2002, the referendum revenue authority for each reorganizing~~
 28 ~~district in the year preceding reorganization divided by its~~
 29 ~~resident marginal cost pupil units for the year preceding~~
 30 ~~reorganization, minus \$415; or~~

31 ~~(4) for a newly reorganized district created after July 1,~~
 32 ~~2002, the referendum revenue authority for each reorganizing~~
 33 ~~district in the year preceding reorganization divided by its~~
 34 ~~resident marginal cost pupil units for the year preceding~~
 35 ~~reorganization.~~

36 (b) Notwithstanding subdivision 1, for fiscal year 2004 and

1 later, a district's referendum allowance must not exceed the
2 greater of:

3 (1) the sum of: (i) a district's referendum allowance for
4 fiscal year 1994 times 1.177 times the annual inflationary
5 increase as calculated under paragraph (c) plus (ii) its
6 referendum conversion allowance for fiscal year 2003, minus
7 (iii) \$415;

8 (2) the greater of (i) 18.6 percent of the formula
9 allowance or (ii) \$855.79 times the annual inflationary increase
10 as calculated under paragraph ~~(e)~~ (b); or

11 (3) for a newly reorganized district created after July 1,
12 2002, the referendum revenue authority for each reorganizing
13 district in the year preceding reorganization divided by its
14 resident marginal cost pupil units for the year preceding
15 reorganization.

16 ~~(e)~~ (b) For purposes of this subdivision, for fiscal year
17 2005 and later, "inflationary increase" means one plus the
18 percentage change in the Consumer Price Index for urban
19 consumers, as prepared by the United States Bureau of Labor
20 Standards, for the current fiscal year to fiscal year 2004. For
21 fiscal years 2009 and later, for purposes of paragraph (b),
22 clause (1), the inflationary increase equals the inflationary
23 increase for fiscal year 2008 plus one-fourth of the percentage
24 increase in the formula allowance for that year compared with
25 the formula allowance for fiscal year 2008.

26 Sec. 36. Minnesota Statutes 2004, section 126C.17,
27 subdivision 5, is amended to read:

28 Subd. 5. [REFERENDUM EQUALIZATION REVENUE.] (a) For fiscal
29 year 2003 and later, a district's referendum equalization
30 revenue equals the sum of the first tier referendum equalization
31 revenue and the second tier referendum equalization revenue.

32 (b) A district's first tier referendum equalization revenue
33 equals the district's first tier referendum equalization
34 allowance times the district's resident marginal cost pupil
35 units for that year.

36 ~~(c) For-fiscal-years-2003-and-2004,-a-district's-first-tier~~

~~1 referendum-equalization-allowance-equals-the-lesser-of-the~~
~~2 district's-referendum-allowance-under-subdivision-1-or-\$126-~~
3 For fiscal year 2005, a district's first tier referendum
4 equalization allowance equals the lesser of the district's
5 referendum allowance under subdivision 1 or \$405. For fiscal
6 year 2006 ~~and-later~~, a district's first tier referendum
7 equalization allowance equals the lesser of the district's
8 referendum allowance under subdivision 1 or \$500. For fiscal
9 year 2007 and later, a district's first tier referendum
10 equalization allowance equals the lesser of the district's
11 referendum allowance under subdivision 1 or \$524.

12 (d) A district's second tier referendum equalization
13 revenue equals the district's second tier referendum
14 equalization allowance times the district's resident marginal
15 cost pupil units for that year.

16 (e) A district's second tier referendum equalization
17 allowance equals the lesser of the district's referendum
18 allowance under subdivision 1 or 18.6 percent of the formula
19 allowance, minus the district's first tier referendum
20 equalization allowance.

21 (f) Notwithstanding paragraph (e), the second tier
22 referendum allowance for a district qualifying for secondary
23 sparsity revenue under section 126C.10, subdivision 7, or
24 elementary sparsity revenue under section 126C.10, subdivision
25 8, equals the district's referendum allowance under subdivision
26 1 minus the district's first tier referendum equalization
27 allowance.

28 Sec. 37. Minnesota Statutes 2004, section 126C.17,
29 subdivision 9, is amended to read:

30 Subd. 9. [REFERENDUM REVENUE.] (a) The revenue authorized
31 by section 126C.10, subdivision 1, may be increased in the
32 amount approved by the voters of the district at a referendum
33 called for the purpose. The referendum may be called by the
34 board or shall be called by the board upon written petition of
35 qualified voters of the district. The referendum must be
36 conducted one or two calendar years before the increased levy

1 authority, if approved, first becomes payable. Only one
2 election to approve an increase may be held in a calendar year.
3 Unless the referendum is conducted by mail under paragraph (g),
4 the referendum must be held on the first Tuesday after the first
5 Monday in November. The ballot must state the maximum amount of
6 the increased revenue per resident ~~marginal-cost~~ pupil unit, the
7 estimated referendum tax rate as a percentage of referendum
8 market value in the first year it is to be levied, and that the
9 revenue must be used to finance school operations. The ballot
10 may state a schedule, determined by the board, of increased
11 revenue per resident ~~marginal-cost~~ pupil unit that differs from
12 year to year over the number of years for which the increased
13 revenue is authorized. ~~If-the-ballot-contains-a-schedule~~
14 ~~showing-different-amounts,-it-must-also-indicate-the-estimated~~
15 ~~referendum-tax-rate-as-a-percent-of-referendum-market-value-for~~
16 ~~the-amount-specified-for-the-first-year-and-for-the-maximum~~
17 ~~amount-specified-in-the-schedule.~~ The ballot may state that
18 existing referendum levy authority is expiring. In this case,
19 the ballot may also compare the proposed levy authority to the
20 existing expiring levy authority, and express the proposed
21 increase as the amount, if any, over the expiring referendum
22 levy authority. The ballot must designate the specific number
23 of years, not to exceed ten, for which the referendum
24 authorization applies. The ballot, including a ballot on the
25 question to revoke or reduce the increased revenue amount under
26 paragraph (c), must abbreviate the term "per resident pupil
27 unit" as "per pupil." The notice required under section 275.60
28 may be modified to read, in cases of renewing existing levies:
29 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU MAY BE VOTING
30 FOR A PROPERTY TAX INCREASE."
31 The ballot may contain a textual portion with the
32 information required in this subdivision and a question stating
33 substantially the following:
34 "Shall the increase in the revenue proposed by (petition
35 to) the board of, School District No. ..., be approved?"
36 If approved, an amount equal to the approved revenue per

1 resident marginal cost pupil unit times the resident ~~margina~~
2 ~~cost~~ pupil units for the school year beginning in the year after
3 the levy is certified shall be authorized for certification for
4 the number of years approved, if applicable, or until revoked or
5 reduced by the voters of the district at a subsequent referendum.

6 (b) The board must prepare and deliver by first class mail
7 at least 15 days but no more than 30 days before the day of the
8 referendum to each taxpayer a notice of the referendum and the
9 proposed revenue increase. The board need not mail more than
10 one notice to any taxpayer. For the purpose of giving mailed
11 notice under this subdivision, owners must be those shown to be
12 owners on the records of the county auditor or, in any county
13 where tax statements are mailed by the county treasurer, on the
14 records of the county treasurer. Every property owner whose
15 name does not appear on the records of the county auditor or the
16 county treasurer is deemed to have waived this mailed notice
17 unless the owner has requested in writing that the county
18 auditor or county treasurer, as the case may be, include the
19 name on the records for this purpose. The notice must project
20 the anticipated amount of tax increase in annual dollars and
21 annual percentage for typical residential homesteads,
22 agricultural homesteads, apartments, and commercial-industrial
23 property within the school district.

24 The notice for a referendum may state that an existing
25 referendum levy is expiring and project the anticipated amount
26 of increase over the existing referendum levy in the first year,
27 if any, in annual dollars and annual percentage for typical
28 residential homesteads, agricultural homesteads, apartments, and
29 commercial-industrial property within the district.

30 The notice must include the following statement: "Passage
31 of this referendum will result in an increase in your property
32 taxes." However, in cases of renewing existing levies, the
33 notice may include the following statement: "Passage of this
34 referendum may result in an increase in your property taxes."

35 (c) A referendum on the question of revoking or reducing
36 the increased revenue amount authorized pursuant to paragraph

1 (a) may be called by the board and shall be called by the board
2 upon the written petition of qualified voters of the district.
3 A referendum to revoke or reduce the revenue amount must state
4 the amount per resident marginal cost pupil unit by which the
5 authority is to be reduced. Revenue authority approved by the
6 voters of the district pursuant to paragraph (a) must be
7 available to the school district at least once before it is
8 subject to a referendum on its revocation or reduction for
9 subsequent years. Only one revocation or reduction referendum
10 may be held to revoke or reduce referendum revenue for any
11 specific year and for years thereafter.

12 (d) A petition authorized by paragraph (a) or (c) is
13 effective if signed by a number of qualified voters in excess of
14 15 percent of the registered voters of the district on the day
15 the petition is filed with the board. A referendum invoked by
16 petition must be held on the date specified in paragraph (a).

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

20 (f) At least 15 days before the day of the referendum, the
21 district must submit a copy of the notice required under
22 paragraph (b) to the commissioner and to the county auditor of
23 each county in which the district is located. Within 15 days
24 after the results of the referendum have been certified by the
25 board, or in the case of a recount, the certification of the
26 results of the recount by the canvassing board, the district
27 must notify the commissioner of the results of the referendum.

28 Sec. 38. Minnesota Statutes 2004, section 126C.17,
29 subdivision 13, is amended to read:

30 Subd. 13. [REFERENDUM CONVERSION ALLOWANCE.] (a) A school
31 district that received supplemental or transition revenue in
32 fiscal year 2002 may convert its supplemental revenue conversion
33 allowance and transition revenue conversion allowance to
34 additional referendum allowance under subdivision 1 for fiscal
35 year 2003 and thereafter. A majority of the school board must
36 approve the conversion at a public meeting before November 1,

1 2001. For a district with other referendum authority, the
 2 referendum conversion allowance approved by the board continues
 3 until the portion of the district's other referendum authority
 4 with the earliest expiration date after June 30, 2006, expires.
 5 For a district with no other referendum authority, the
 6 referendum conversion allowance approved by the board continues
 7 until June 30, 2012.

8 (b) A school district that received transition revenue in
 9 fiscal year 2004 may convert ~~all-or-part-of-its-transition~~
 10 ~~revenue-to-referendum-revenue-with-voter-approval-in-a~~
 11 ~~referendum-called-for-the-purpose.---The-referendum-must-be-held~~
 12 ~~in-accordance-with-subdivision-97-except-that-the-ballot-may~~
 13 ~~state-that-existing-transition-revenue-authority-is-being~~
 14 ~~canceled-or-is-expiring.---In-this-case,--the-ballot-shall-compare~~
 15 ~~the-proposed-referendum-allowance-to-the-canceled-or-expiring~~
 16 ~~transition-revenue-allowance.---For-purposes-of-this-comparison,~~
 17 ~~the-canceled-or-expiring-transition-revenue-allowance-per~~
 18 ~~adjusted-marginal-cost-pupil-unit-shall-be-converted-to-an~~
 19 ~~allowance-per-resident-marginal-cost-pupil-unit-based-on-the~~
 20 ~~district's-ratio-of-adjusted-marginal-cost-pupil-units-to~~
 21 ~~resident-marginal-cost-pupil-units-for-the-preceding-fiscal~~
 22 ~~year.---The-referendum-must-be-held-on-the-first-Tuesday-after~~
 23 ~~the-first-Monday-in-November.---The-notice-required-under-section~~
 24 ~~275.60-may-be-modified-to-read:---"BY-VOTING-'YES'-ON-THIS-BALLOT~~
 25 ~~QUESTION,--YOU-MAY-BE-VOTING-FOR-A-PROPERTY-TAX-INCREASE."~~
 26 ~~Elections-under-this-paragraph-must-be-held-in-2007-or~~
 27 ~~earlier. its transition revenue 2004 conversion allowance to~~
 28 ~~additional referendum allowance under subdivision 1 for fiscal~~
 29 ~~year 2007 and thereafter. A majority of the school board must~~
 30 ~~approve the conversion at a public meeting before November 1,~~
 31 ~~2005. For a district with other referendum authority, the~~
 32 ~~referendum conversion allowance approved by the board under this~~
 33 ~~paragraph continues until the portion of the district's other~~
 34 ~~referendum authority with the earliest expiration date after~~
 35 ~~June 30, 2010, expires. For a district with no other referendum~~
 36 ~~authority, the referendum conversion allowance approved by the~~

1 board continues until June 30, 2016.

2 Sec. 39. Minnesota Statutes 2004, section 126C.21,
3 subdivision 4, is amended to read:

4 Subd. 4. [TACONITE DEDUCTIONS.] ~~(1)-Notwithstanding any~~
5 ~~provisions of any other law to the contrary, the adjusted net~~
6 ~~tax capacity used in calculating general education aid may~~
7 ~~include only that property that is currently taxable in the~~
8 ~~district.~~

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

34 Sec. 40. Minnesota Statutes 2004, section 126C.48,
35 subdivision 2, is amended to read:

36 Subd. 2. [NOTICE TO COMMISSIONER; FORMS.] By October 7 of

1 each year each district must notify the commissioner of the
 2 proposed levies in compliance with the levy limitations of this
 3 chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, 127A,
 4 and 136D. By January 15 7 of each year each district must
 5 notify the commissioner of the final levies certified. The
 6 commissioner shall prescribe the form of these notifications and
 7 may request any additional information necessary to compute
 8 certified levy amounts.

9 Sec. 41. Minnesota Statutes 2004, section 126C.48,
 10 subdivision 8, is amended to read:

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

14 (2) Notwithstanding any other law to the contrary,
 15 districts ~~which received payments~~ that have revenue pursuant to
 16 sections 298.018; 298.225; 298.24 to 298.28, except an amount
 17 distributed under ~~section~~ sections 298.26; 298.28, subdivision
 18 4, ~~paragraph~~ paragraphs (c), clause (ii), and (d); 298.34 to
 19 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law
 20 imposing a tax upon severed mineral values, ~~or recognized~~
 21 ~~revenue under section 477A.15 must not include a portion of~~
 22 ~~these aids in their permissible levies pursuant to those~~
 23 ~~sections, but instead~~ must reduce the permissible levies
 24 authorized by this chapter and chapters 120B, 122A, 123A, 123B,
 25 124A, 124D, 125A, and 127A by ~~the greater of the following:~~ 95
 26 percent of the previous year's revenue specified under this
 27 clause.

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

32 ~~(b) an amount equal to the total dollar amount of the~~
 33 ~~payments received pursuant to those sections or revenue~~
 34 ~~recognized under section 477A.15 in the previous fiscal year~~
 35 ~~less the product of the same dollar amount of payments or~~
 36 ~~revenue times five percent.~~

1 ~~For levy year 2002 only, 77 percent of the amounts~~
2 ~~distributed under section 298.225 and 298.28, and 100 percent of~~
3 ~~the amounts distributed under sections 298.018, 298.34 to~~
4 ~~298.39, 298.391 to 298.396, 298.405, and any law imposing a tax~~
5 ~~upon severed mineral values, or recognized revenue under section~~
6 ~~477A.15, shall be used for purposes of the calculations under~~
7 ~~this paragraph. For levy year 2003 only, the levy reductions~~
8 ~~under this subdivision must be calculated as if section 298.28,~~
9 ~~subdivision 4, paragraph (f), did not apply for the 2003~~
10 ~~distribution.~~

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

26 (4) Before computing the reduction pursuant to this
27 subdivision of the health and safety levy authorized by sections
28 123B.57 and 126C.40, subdivision 5, the commissioner shall
29 ascertain from each affected school district the amount it
30 proposes to levy under each section or subdivision. The
31 reduction shall be computed on the basis of the amount so
32 ascertained.

33 (5) To the extent the levy reduction calculated under
34 paragraph (2) exceeds the limitation in paragraph (3), an amount
35 equal to the excess must be distributed from the school
36 district's distribution under sections 298.225, 298.28, and

1 477A.15 in the following year to the cities and townships within
2 the school district in the proportion that their taxable net tax
3 capacity within the school district bears to the taxable net tax
4 capacity of the school district for property taxes payable in
5 the year prior to distribution. No city or township shall
6 receive a distribution greater than its levy for taxes payable
7 in the year prior to distribution. The commissioner of revenue
8 shall certify the distributions of cities and towns under this
9 paragraph to the county auditor by September 30 of the year
10 preceding distribution. The county auditor shall reduce the
11 proposed and final levies of cities and towns receiving
12 distributions by the amount of their distribution.
13 Distributions to the cities and towns shall be made at the times
14 provided under section 298.27.

15 Sec. 42. Minnesota Statutes 2004, section 127A.45,
16 subdivision 11, is amended to read:

17 Subd. 11. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] One
18 hundred percent of the aid for the previous fiscal year must be
19 paid in the current year for the following aids:
20 telecommunications/Internet access equity aid according to
21 section 125B.26, special education special pupil aid according
22 to section 125A.75, subdivision 3, aid for litigation costs
23 according to section 125A.75, subdivision 8, aid for
24 court-placed special education expenses according to section
25 125A.79, subdivision 4, and aid for special education
26 out-of-state tuition according to section 125A.79, subdivision 8
27 and shared time aid according to section 126C.01, subdivision 7.

28 Sec. 43. Minnesota Statutes 2004, section 127A.47,
29 subdivision 8, is amended to read:

30 Subd. 8. [CHARTER SCHOOLS.] (a) The general education aid
31 for districts must be adjusted for each pupil attending a
32 charter school under section 124D.10. The adjustments must be
33 made according to this subdivision.

34 (b) General education aid paid to a district in which a
35 charter school not providing transportation according to section
36 124D.10, subdivision 16, is located must be increased by an

1 amount equal to the product of: (1) the sum of an amount equal
2 to the product of the formula allowance according to section
3 126C.10, subdivision 2, times .0485 for fiscal years 2005 and
4 2006 and times .0458 for fiscal year 2007 and later, plus the
5 transportation sparsity allowance for the district; times (2)
6 the pupil units attributable to the pupil.

7 Sec. 44. Minnesota Statutes 2004, section 127A.49,
8 subdivision 2, is amended to read:

9 Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278,
10 sections 270.07, 375.192, or otherwise, the net tax capacity of
11 any district for any taxable year is changed after the taxes for
12 that year have been spread by the county auditor and the local
13 tax rate as determined by the county auditor based upon the
14 original net tax capacity is applied upon the changed net tax
15 capacities, the county auditor shall, prior to February 1 of
16 each year, certify to the commissioner of education the amount
17 of any resulting net revenue loss that accrued to the district
18 during the preceding year. Each year, the commissioner shall
19 pay an abatement adjustment to the district in an amount
20 calculated according to the provisions of this subdivision.
21 This amount shall be deducted from the amount of the levy
22 authorized by section 126C.46. The amount of the abatement
23 adjustment must be the product of:

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

26 (2) the ratio of:

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

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

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

35 (C) section 124D.135, subdivision 3, if the district
36 received early childhood family education aid according to

1 section 124D.135 for the second preceding year; and

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

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

8 Sec. 45. Minnesota Statutes 2004, section 127A.49,
9 subdivision 3, is amended to read:

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

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

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

21 (2) the ratio of:

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

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

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

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

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

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

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

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

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

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

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

17 Sec. 46. Minnesota Statutes 2004, section 275.14, is
18 amended to read:

19 275.14 [CENSUS.]

20 ~~For the purposes of sections 275.124 to 275.167, the~~
21 ~~population of a city shall be that established by the last~~
22 ~~federal census, by a special census taken by the United States~~
23 ~~Bureau of the Census, by an estimate made by the Metropolitan~~
24 ~~Council, or by the state demographer made according to section~~
25 ~~4A.02, whichever has the latest stated date of count or~~
26 ~~estimate, before July 2 of the current levy year. The~~
27 population of a school district must be as certified by the
28 Department of Education from the most recent federal census. In
29 any year in which no federal census is taken pursuant to law in
30 any school district affected by sections ~~275.124 to~~
31 ~~275.16~~ 124D.20 and 124D.531 a population estimate may be made
32 and submitted to the state demographer for approval as
33 hereinafter provided. The school board of a school district, in
34 case it desires a population estimate, shall pass a resolution
35 by July 1 containing a current estimate of the population of the
36 school district and shall submit the resolution to the state

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

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

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

36 Sec. 47. Minnesota Statutes 2004, section 275.16, is

1 amended to read:

2 275.16 [COUNTY AUDITOR TO FIX AMOUNT OF LEVY.]

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

15 Sec. 48. Minnesota Statutes 2004, section 469.177,
16 subdivision 9, is amended to read:

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

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

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

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

36 (b) The amounts distributed shall be deducted in computing

1 the levy limits of the taxing district for the succeeding
 2 taxable year. ~~In the case of a school district, only the~~
 3 ~~proportion of the excess taxes attributable to unequalized~~
 4 ~~levies that are subject to a fixed dollar amount levy limit~~
 5 ~~shall be deducted from the levy limit.~~

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

13 Sec. 49. [FOUR-YEAR OLD PREKINDERGARTEN ALLOWANCE.]

14 (a) A district's four-year old prekindergarten revenue
 15 equals the sum of (1) the amount of referendum revenue under
 16 Minnesota Statutes, section 126C.17, and general education
 17 revenue, excluding transition revenue, for fiscal year 2004
 18 attributable to pupils four or five years of age on September 1,
 19 2003, enrolled in a prekindergarten program implemented by the
 20 district before July 1, 2003, and reported as kindergarten
 21 pupils under Minnesota Statutes, section 126C.05, subdivision 1,
 22 for fiscal year 2004, plus (2) the amount of compensatory
 23 education revenue under Minnesota Statutes, section 126C.05,
 24 subdivision 3, for fiscal year 2005 attributable to pupils four
 25 years of age on September 1, 2003, enrolled in a prekindergarten
 26 program implemented by the district before July 1, 2003, and
 27 reported as kindergarten pupils under Minnesota Statutes,
 28 section 126C.05, subdivision 1, for 2004.

29 (b) A district's four-year old prekindergarten allowance
 30 equals a district's four-year old prekindergarten revenue under
 31 paragraph (a) divided by its 2007 resident marginal cost pupil
 32 units.

33 Sec. 50. [TRANSITION REVENUE 2004 CONVERSION ALLOWANCE.]

34 (a) A district's transition revenue 2004 conversion
 35 allowance is equal to the district's total fiscal year 2004
 36 transition revenue divided by its fiscal year 2007 resident

1 marginal cost pupil units plus its four-year old prekindergarten
2 allowance multiplied by 0.01.

3 (b) Notwithstanding Minnesota Statutes, section 126C.17,
4 subdivision 2, the transition revenue 2004 conversion allowance
5 is increased by \$..... for any school district whose
6 referendum allowance limit under Minnesota Statutes, section
7 126C.17, subdivision 2, does not increase in fiscal year 2007 as
8 a result of real growth in the formula allowance under Minnesota
9 Statutes, section 126C.10, subdivision 2, and whose referendum
10 allowance under Minnesota Statutes, section 126C.17, subdivision
11 1, is greater than the formula allowance multiplied by 18.6
12 percent. A district that is eligible for sparsity revenue is
13 not eligible for this additional transition allowance adjustment.

14 Sec. 51. [SCHOOL BUS LOAN; CARPENTER SCHOOL BUSES.]

15 Subdivision 1. [BUS LOAN REVENUE.] In fiscal year 2006
16 only, a school district may receive bus loan revenue equal to up
17 to \$30,000 times the number of Carpenter school buses in its
18 fleet between March 30, 2003, and March 30, 2004, that have been
19 determined to have potentially defective welds and are subject
20 to the limitations imposed by the Department of Public Safety.
21 A school district that is eligible to receive revenue under this
22 subdivision must approve a board resolution to receive revenue
23 according to this section.

24 Subd. 2. [LEVY.] For taxes payable in 2006 through 2009, a
25 school district that receives revenue under subdivision 1 must
26 levy an amount equal to its bus loan revenue times .25.

27 Subd. 3. [GENERAL EDUCATION REVENUE WITHHOLDING.] For
28 fiscal years 2007 through 2010, the Department of Education
29 shall reduce the general education aid under Minnesota Statutes,
30 section 126C.13, subdivision 4, for each district that receives
31 revenue under subdivision 1 in an amount equal to the district's
32 bus loan revenue times .25.

33 Sec. 52. [RED LAKE FISCAL YEAR 2005 PUPIL UNITS.]

34 Notwithstanding Minnesota Statutes, section 126C.05, the
35 fiscal year 2005 average daily membership for Independent School
36 District No. 38, Red Lake, shall be the greater of the amount

1 that would have been computed if the district's school buildings
2 had not reopened after March 21, 2005, or the amount computed
3 using actual data for the entire school year. Notwithstanding
4 Minnesota Statutes, section 126C.05, subdivision 15, for fiscal
5 year 2005, learning year pupil units for Independent School
6 District No. 38, Red Lake, must be calculated using the hours in
7 excess of the actual number of instructional hours in the
8 calendar year for the school attended by the student, instead of
9 the number of hours in excess of 1,020 for a secondary school
10 pupil.

11 Sec. 53. [FISCAL YEARS 2006 AND 2007 DECLINING PUPIL UNIT
12 AID, RED LAKE.]

13 For fiscal years 2006 and 2007 only, Independent School
14 District No. 38, Red Lake, is eligible for declining pupil unit
15 aid equal to the greater of zero or the product of the general
16 education formula allowance times the difference between the
17 district's adjusted marginal cost pupil units for fiscal year
18 2005 and the district's adjusted marginal cost pupil units for
19 that fiscal year. Notwithstanding Minnesota Statutes, section
20 126C.13, the declining pupil unit aid must be included in
21 calculating the district's general education aid.

22 Sec. 54. [KINDERGARTEN REPORTING.]

23 Notwithstanding Minnesota Statutes, sections 120A.05,
24 subdivision 18; 120A.20, subdivision 1; and 124D.02, subdivision
25 1, pupils four or five years of age on September 1 of the
26 calendar year in which the school year commences and enrolled in
27 a prekindergarten program implemented by the district before
28 July 1, 2003, may be reported as kindergarten pupils under
29 Minnesota Statutes, section 126C.05, subdivision 1, for fiscal
30 year 2004 and earlier.

31 [EFFECTIVE DATE.] This section is effective the day
32 following final enactment and applies to fiscal year 2004 and
33 earlier.

34 Sec. 55. [TRANSITION REVENUE ADJUSTMENTS.]

35 For taxes payable in 2006, a district may levy an amount
36 equal to the increase in the district's transition levy for

1 fiscal year 2006 under Minnesota Statutes, section 126C.10,
2 subdivision 31, paragraph (c).

3 Sec. 56. [APPROPRIATIONS.]

4 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
5 indicated in this section are appropriated from the general fund
6 to the Department of Education for the fiscal years designated.

7 Subd. 2. [SCHOOL BUS LOAN REVENUE.] For school bus loan
8 revenue under section 51:

9 \$..... .. 2006

10 Sec. 57. [REPEALER.]

11 (a) Minnesota Statutes 2004, sections 123B.83, subdivision
12 1; and 126C.42, subdivisions 1 and 4, are repealed.

13 (b) Minnesota Statutes 2004, sections 126C.10, subdivisions
14 13a, 13b, 29, 30, 31, 32, and 33; and 126C.44, are repealed for
15 revenue for fiscal year 2007.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2004, section 13.321, is amended by adding a subdivision to read:

Subd. 10. [TEACHER DATA FROM VALUE-ADDED ASSESSMENT MODEL.] Data on individual teachers generated from a value-added assessment model are governed under section 120B.362.

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

Sec. 2. [120A.38] [CLASSROOM PLACEMENT; PARENT DISCRETION.]

(a) A parent or guardian of twins or higher order multiples may request that the children be placed in the same classroom or in separate classrooms if the children are in the same grade level at the same school. The school may recommend classroom placement to the parents and provide professional education advice to the parents to assist them in making the best decision for their children's education. A school must provide the placement requested by the children's parent or guardian, unless the school board makes a classroom placement determination following the school principal's request according to this section. The parent or guardian must request the classroom placement no later than 14 days after the first day of each school year or 14 days after the first day of attendance of the

1 children during a school year if the children are enrolled in
2 the school after the school year commences. At the end of the
3 initial grading period, if the school principal, in consultation
4 with the children's classroom teacher, determines that the
5 requested classroom placement is disruptive to the school, the
6 school principal may request that the school board determine the
7 children's classroom placement.

8 (b) For purposes of this section, "higher order multiples"
9 means triplets, quadruplets, quintuplets, or more.

10 [EFFECTIVE DATE.] This section is effective for the
11 2005-2006 school year and later.

12 Sec. 3. Minnesota Statutes 2004, section 120B.02, is
13 amended to read:

14 120B.02 [EDUCATIONAL EXPECTATIONS FOR MINNESOTA'S
15 STUDENTS.]

16 (a) The legislature is committed to establishing rigorous
17 academic standards for Minnesota's public school students. To
18 that end, the commissioner shall adopt in rule statewide
19 academic standards. The commissioner shall not prescribe in
20 rule or otherwise the delivery system, classroom assessments, or
21 form of instruction that school sites must use. For purposes of
22 this chapter, a school site is a separate facility, or a
23 separate program within a facility that a local school board
24 recognizes as a school site for funding purposes.

25 (b) All commissioner actions regarding the rule must be
26 premised on the following:

27 (1) the rule is intended to raise academic expectations for
28 students, teachers, and schools;

29 (2) any state action regarding the rule must evidence
30 consideration of school district autonomy; and

31 (3) the Department of Education, with the assistance of
32 school districts, must make available information about all
33 state initiatives related to the rule to students and parents,
34 teachers, and the general public in a timely format that is
35 appropriate, comprehensive, and readily understandable.

36 (c) When fully implemented, the requirements for high

1 school graduation in Minnesota must require students to ~~pass the~~
2 ~~basic skills test requirements and~~ satisfactorily complete, as
3 determined by the school district, the course credit
4 requirements under section 120B.024 and:

5 (1) for students enrolled in grade 8 before the 2005-2006
6 school year, to pass the basic skills test requirements; or

7 (2) for students enrolled in grade 8 in the 2005-2006
8 school year and later, to pass the Minnesota Comprehensive
9 Assessments Second Edition (MCA-IIs).

10 (d) The commissioner shall periodically review and report
11 on the state's assessment process.

12 (e) School districts are not required to adopt specific
13 provisions of ~~the Goals-2000 and~~ the federal School-to-Work
14 programs.

15 Sec. 4. Minnesota Statutes 2004, section 120B.021,
16 subdivision 1, is amended to read:

17 Subdivision 1. [REQUIRED ACADEMIC STANDARDS.] The
18 following subject areas are required for statewide
19 accountability:

20 (1) language arts;

21 (2) mathematics;

22 (3) science;

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

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

27 (6) the arts, for which statewide or locally developed
28 academic standards apply, as determined by the school district.

29 Public elementary and middle schools must offer at least three
30 and require at least two of the following four arts areas:

31 dance; music; theater; and visual arts. Public high schools
32 must offer at least three and require at least one of the

33 following five arts areas: media arts; dance; music; theater;
34 and visual arts.

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

1 For purposes of applicable federal law, the academic standards
2 for language arts, mathematics, and science apply to all public
3 school students, except the very few students with extreme
4 cognitive or physical impairments for whom an individualized
5 education plan team has determined that the required academic
6 standards are inappropriate. An individualized education plan
7 team that makes this determination must establish alternative
8 standards.

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

21 At a minimum, school districts must maintain the same
22 physical education and health education requirements for
23 students in kindergarten through grade 8 adopted for the
24 2004-2005 school year through the 2007-2008 school year. Before
25 a revision of the local health and physical education standards,
26 a school district must consult the grade-specific benchmarks
27 developed by the Department of Education's health and physical
28 education quality teaching network for the six national physical
29 education standards and the seven national health standards.

30 Sec. 5. Minnesota Statutes 2004, section 120B.021, is
31 amended by adding a subdivision to read:

32 Subd. 1a. [RIGOROUS COURSE OF STUDY; WAIVER.] (a) Upon
33 receiving a student's application signed by the student's parent
34 or guardian, a school district, area learning center, or charter
35 school must declare that a student meets or exceeds a specific
36 academic standard required for graduation under this section if

1 the local school board, the school board of the school district
2 in which the area learning center is located, or the charter
3 school board of directors determines that the student:

4 (1) is participating in a course of study, including an
5 advanced placement or international baccalaureate course or
6 program; a learning opportunity outside the curriculum of the
7 district, area learning center, or charter school; or an
8 approved preparatory program for employment or postsecondary
9 education that is equally or more rigorous than the
10 corresponding state or local academic standard required by the
11 district, area learning center, or charter school;

12 (2) would be precluded from participating in the rigorous
13 course of study, learning opportunity, or preparatory employment
14 or postsecondary education program if the student were required
15 to achieve the academic standard to be waived; and

16 (3) satisfactorily completes the requirements for the
17 rigorous course of study, learning opportunity, or preparatory
18 employment or postsecondary education program.

19 Consistent with the requirements of this section, the local
20 school board, the school board of the school district in which
21 the area learning center is located, or the charter school board
22 of directors also may formally determine other circumstances in
23 which to declare that a student meets or exceeds a specific
24 academic standard that the site requires for graduation under
25 this section.

26 (b) A student who satisfactorily completes a postsecondary
27 enrollment options course or program under section 124D.09 is
28 not required to complete other requirements of the academic
29 standards corresponding to that specific rigorous course of
30 study.

31 Sec. 6. Minnesota Statutes 2004, section 120B.024, is
32 amended to read:

33 120B.024 [GRADUATION REQUIREMENTS; COURSE CREDITS.]

34 Students beginning 9th grade in the 2004-2005 school year
35 and later must successfully complete the following high school
36 level course credits for graduation:

1 (1) four credits of language arts;

2 (2) three credits of mathematics, encompassing at least the
3 mathematical reasoning, algebra, geometry, statistics, and
4 probability ~~sufficient-to-satisfy-the-academic~~
5 ~~standard~~ identified in the mathematics grades 9, 10, and 11
6 standards documents;

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

9 (4) three and one-half credits of social studies,
10 encompassing at least United States history, geography,
11 government and citizenship, world history, and economics or
12 three credits of social studies encompassing at least United
13 States history, geography, government and citizenship, and world
14 history, and one-half credit of economics taught in a school's
15 social studies or business department;

16 (5) one credit in the arts; and

17 (6) one-half credit in physical education and one-half
18 credit in health education; and

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

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

24 Sec. 7. Minnesota Statutes 2004, section 120B.11,
25 subdivision 1, is amended to read:

26 Subdivision 1. [DEFINITIONS.] For the purposes of this
27 section and section 120B.10, the following terms have the
28 meanings given them.

29 (a) "Instruction" means methods of providing learning
30 experiences that ~~enables~~ enable a student to meet state and
31 district academic standards and graduation
32 standards requirements.

33 (b) "Curriculum" means district or school adopted programs
34 and written plans for providing students with learning
35 experiences that lead to expected knowledge, and skills, and
36 positive-attitudes.

1 Sec. 8. Minnesota Statutes 2004, section 120B.11,
2 subdivision 2, is amended to read:

3 Subd. 2. [ADOPTING POLICIES.] (a) A school board shall
4 ~~adopt-annually-a~~ have in place an adopted written policy that
5 includes the following:

6 (1) district goals for instruction ~~and~~ including the use of
7 best practices, district and school curriculum, and achievement
8 for all student subgroups;

9 (2) a process for evaluating each student's progress toward
10 meeting ~~graduation~~ academic standards and identifying the
11 strengths and weaknesses of instruction and curriculum affecting
12 students' progress;

13 (3) a system for periodically reviewing and evaluating all
14 instruction and curriculum;

15 (4) a plan for improving instruction ~~and,~~ curriculum, and
16 student achievement; and

17 (5) ~~an instruction-plan-that-includes~~ education
18 effectiveness ~~processes-developed-under~~ plan aligned with
19 section 122A.625 ~~and~~ that integrates instruction, curriculum,
20 and technology.

21 Sec. 9. Minnesota Statutes 2004, section 120B.11,
22 subdivision 3, is amended to read:

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

1 and program evaluations. Learning sites may expand upon
2 district evaluations of instruction, curriculum, assessments, or
3 programs. Whenever possible, parents and other community
4 residents shall comprise at least two-thirds of advisory
5 committee members.

6 Sec. 10. Minnesota Statutes 2004, section 120B.11,
7 subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

32 (b) The school board shall publish the report in the local
33 newspaper with the largest circulation in the district or, by
34 mail, or by electronic means such as the district Web site. If
35 electronic means are used, copies of the report must be made
36 available to the public on request. The board shall make a copy

1 of the report available to the public for inspection. The board
2 shall send a copy of the report to the commissioner of education
3 by October 15 of each year.

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

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

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

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

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

17 Subd. 8. [BIENNIAL EVALUATION; ASSESSMENT PROGRAM.] At
18 least once every two years, the district report shall include an
19 evaluation of the district testing programs, according to the
20 following:

21 (1) written objectives of the assessment program;

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

23 (3) use of test results; and

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

26 Sec. 13. [120B.15] [GIFTED AND TALENTED STUDENTS
27 PROGRAMS.]

28 Subdivision 1. [GIFTED AND TALENTED STUDENTS.] School
29 districts must adopt guidelines for assessing and identifying
30 students for participation in gifted and talented programs. The
31 guidelines should include the use of:

32 (1) multiple and objective criteria; and

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

35 Subd. 2. [STUDENT ACCESS; PROGRAM CONTENT AND
36 DEVELOPMENT.] (a) Gifted and talented programs may include:

1 (1) curriculum aligned with the cognitive, affective,
2 developmental, and physical needs of gifted and talented
3 students;

4 (2) articulated prekindergarten through grade 12 learning
5 experiences;

6 (3) flexible instructional pacing and subject and
7 grade-based opportunities to accelerate instruction;

8 (4) rigorous content consistent with students' abilities
9 and social and emotional development;

10 (5) challenging learning experiences focused on problem
11 solving and advanced reasoning; and

12 (6) differentiated guidance services to nurture students'
13 social and emotional development.

14 (b) School districts, in collaboration with interested
15 community members and with technical assistance from the state
16 Department of Education, may offer gifted and talented programs.

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

19 Sec. 14. [120B.25] [AMERICAN HERITAGE EDUCATION.]

20 School districts shall permit grade-level instruction for
21 students to read and study America's founding documents,
22 including documents that contributed to the foundation or
23 maintenance of America's representative form of limited
24 government, the Bill of Rights, our free-market economic system,
25 and patriotism.

26 Sec. 15. Minnesota Statutes 2004, section 120B.30,
27 subdivision 1, is amended to read:

28 Subdivision 1. [STATEWIDE TESTING.] (a) The commissioner,
29 with advice from experts with appropriate technical
30 qualifications and experience and stakeholders, consistent with
31 subdivision 1a, shall include in the comprehensive assessment
32 system, for each grade level to be tested, state-constructed
33 tests developed from and aligned with the state's required
34 academic standards under section 120B.021 and administered
35 annually to all students in grades 3 through 8 and at the high
36 school level. A state-developed test in a subject other than

1 writing, developed after the 2002-2003 school year, must include
2 both ~~multiple-choice~~ machine-scoreable and constructed response
3 questions. The commissioner shall establish one or more months
4 during which schools shall administer the tests to students each
5 school year. For students enrolled in grade 8 before the
6 2005-2006 school year, only Minnesota basic skills tests in
7 reading, mathematics, and writing shall fulfill students' basic
8 skills testing requirements for a passing state notation. The
9 passing scores of the state tests in reading and mathematics are
10 the equivalent of:

11 (1) 70 percent correct for students entering grade 9 in
12 1996; and

13 (2) 75 percent correct for students entering grade 9 in
14 1997 and thereafter, as based on the first uniform test
15 administration of February 1998.

16 For students enrolled in grade 8 in the 2005-2006 school
17 year and later, only the Minnesota Comprehensive Assessments
18 Second Edition (MCA-IIIs) in reading, mathematics, and writing
19 shall fulfill students' academic standard requirements.

20 (b) The third through 8th grade and high school level test
21 results shall be available to districts for diagnostic purposes
22 affecting student learning and district instruction and
23 curriculum, and for establishing educational accountability.
24 The commissioner must disseminate to the public the test results
25 upon receiving those results.

26 (c) State tests must be constructed and aligned with state
27 academic standards. The testing process and the order of
28 administration shall be determined by the commissioner. The
29 statewide results shall be aggregated at the site and district
30 level, consistent with subdivision 1a.

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

34 (1) uniform statewide testing of all students in grades 3
35 through 8 and at the high school level that provides exemptions,
36 only with parent or guardian approval, for those very few

1 students for whom the student's individual education plan team
2 under sections 125A.05 and 125A.06, determines that the student
3 is incapable of taking a statewide test, or for a limited
4 English proficiency student under section 124D.59, subdivision
5 2, if the student has been in the United States for fewer than
6 three years;

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

12 (3) students' scores on the American College Test; and

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

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

21 Sec. 16. Minnesota Statutes 2004, section 120B.30,
22 subdivision 1a, is amended to read:

23 Subd. 1a. [STATEWIDE AND LOCAL ASSESSMENTS; RESULTS.] (a)
24 The commissioner must develop ~~language-arts~~ reading,

25 mathematics, and science assessments aligned with state academic
26 standards that districts and sites must use to monitor student
27 growth toward achieving those standards. The commissioner must
28 not develop statewide assessments for academic standards in
29 social studies and the arts. The commissioner must require:

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

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

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

5 (c) Reporting of assessment results must:

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

9 (2) include, by the 2006-2007 school year, a value-added
10 component to measure student achievement growth over time; and

11 (3)(i) for students enrolled in grade 8 before the
12 2005-2006 school year, determine whether students have met the
13 state's basic skills requirements; or

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

17 (d) Consistent with applicable federal law and subdivision
18 1, paragraph (d), clause (1), the commissioner must include
19 alternative assessments for the very few students with
20 disabilities for whom statewide assessments are inappropriate
21 and for students with limited English proficiency.

22 (e) A school, school district, and charter school must
23 administer statewide assessments under this section, as the
24 assessments become available, to evaluate student progress in
25 achieving the academic standards. If a state assessment is not
26 available, a school, school district, and charter school must
27 determine locally if a student has met the required academic
28 standards. A school, school district, or charter school may use
29 a student's performance on a statewide assessment as one of
30 multiple criteria to determine grade promotion or retention. A
31 school, school district, or charter school may use a high school
32 student's performance on a statewide assessment as a percentage
33 of the student's final grade in a course, or place a student's
34 assessment score on the student's transcript.

35 Sec. 17. Minnesota Statutes 2004, section 120B.30, is
36 amended by adding a subdivision to read:

1 Subd. 4. [ACCESS TO TESTS.] The commissioner must adopt
2 and publish a policy to provide public and parental access for
3 review of basic skills tests, Minnesota Comprehensive
4 Assessments, or any other such statewide test and assessment.
5 Upon receiving a written request, the commissioner must make
6 available to parents or guardians a copy of their student's
7 actual answer sheet to the test questions to be reviewed by the
8 parent.

9 Sec. 18. [120B.361] [VALUE-ADDED ASSESSMENT PROGRAM.]

10 (a) The commissioner of education must implement a
11 value-added assessment program to assist school districts,
12 public schools, and charter schools in assessing and reporting
13 students' growth in academic achievement under section 120B.30,
14 subdivision 1a. The program must use assessments of students'
15 academic achievement to make longitudinal comparisons of each
16 student's academic growth over time. School districts, public
17 schools, and charter schools may apply to the commissioner to
18 participate in the initial trial program using a form and in the
19 manner the commissioner prescribes. The commissioner must
20 select program participants from urban, suburban, and rural
21 areas throughout the state.

22 (b) The commissioner may issue a request for a proposal to
23 contract with an organization that provides a value-added
24 assessment model that reliably estimates school and school
25 district effects on students' academic achievement over time.
26 The model the commissioner selects must accommodate diverse data
27 and must use each student's test data across grades.

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

31 [EFFECTIVE DATE.] This section is effective the day
32 following final enactment.

33 Sec. 19. Minnesota Statutes 2004, section 121A.06,
34 subdivision 2, is amended to read:

35 Subd. 2. [REPORTS; CONTENT.] ~~By January 17, 1994, the~~
36 ~~commissioner, in consultation with the criminal and juvenile~~

1 ~~information-policy-group,-shall-develop-a-standardized-form-to~~
2 ~~be-used-by-schools-to-report-incidents-involving-the-use-or~~
3 ~~possession-of-a-dangerous-weapon-in-school-zones.~~ School
4 districts must electronically report to the commissioner of
5 education incidents involving the use or possession of a
6 dangerous weapon in school zones. The form ~~shall~~ must include
7 the following information:

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

10 (2) where, at what time, and under what circumstances the
11 incident occurred;

12 (3) information about the offender, other than the
13 offender's name, including the offender's age; whether the
14 offender was a student and, if so, where the offender attended
15 school; and whether the offender was under school expulsion or
16 suspension at the time of the incident;

17 (4) information about the victim other than the victim's
18 name, if any, including the victim's age; whether the victim was
19 a student and, if so, where the victim attended school; and if
20 the victim was not a student, whether the victim was employed at
21 the school;

22 (5) the cost of the incident to the school and to the
23 victim; and

24 (6) the action taken by the school administration to
25 respond to the incident.

26 The commissioner ~~also shall develop~~ provide an alternative
27 electronic reporting format that allows school districts to
28 provide aggregate data, ~~with-an-option-to-use-computer~~
29 ~~technology-to-report-the-data.~~

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

32 Subd. 3. [REPORTS; FILING REQUIREMENTS.] By ~~February 1~~ and
33 ~~July 1~~ 31 of each year, each school, other than a home-school,
34 shall report incidents involving the use or possession of a
35 dangerous weapon in school zones to the commissioner. The
36 reports by public schools must be ~~made-on-the-standardized-forms~~

1 ~~er-using-the-alternative-format~~ submitted using the electronic
2 reporting system developed by the commissioner under subdivision
3 2. The commissioner shall compile the information it receives
4 from the schools and report it annually to the commissioner of
5 public safety, ~~the-criminal-and-juvenile-information-policy~~
6 ~~group~~, and the legislature.

7 Sec. 21. [121A.0695] [SCHOOL BOARD POLICY; PROHIBITING
8 INTIMIDATION AND BULLYING.]

9 Subdivision 1. [INTIMIDATION OR BULLYING
10 DEFINED.] "Intimidation or bullying" means an intentional
11 gesture or a written, oral, or physical act or threat that a
12 reasonable person under the circumstances knows or should know
13 has the effect of:

14 (1) harming a student;

15 (2) damaging a student's property;

16 (3) placing a student in reasonable fear of harm to the
17 student's person;

18 (4) placing a student in reasonable fear of damage to the
19 student's property; or

20 (5) creating a severe or persistent environment of
21 intimidation or abuse.

22 Subd. 2. [MODEL POLICY.] The commissioner of education
23 shall maintain and make available to school boards and other
24 schools a model policy prohibiting intimidation and bullying
25 that addresses the requirements of subdivision 3.

26 Subd. 3. [SCHOOL BOARD POLICY.] Each school board shall
27 adopt a written policy prohibiting intimidation and bullying of
28 any student, including, but not limited to, the acts defined in
29 subdivision 1. The policy must describe the behavior expected
30 of each student and state the consequences for and the
31 appropriate remedial action to be taken against the person
32 acting to intimidate or bully. The policy must include
33 reporting procedures, including, at a minimum, requiring school
34 personnel to report student intimidation or bullying incidents
35 and allowing persons to report incidents anonymously. Each
36 district must integrate into its violence prevention program

1 under section 120B.22, if applicable, behavior and expectations
2 established under this section. Each school must include the
3 policy in the student handbook on school policies.

4 [EFFECTIVE DATE.] This section is effective for the
5 2005-2006 school year and later.

6 Sec. 22. [121A.222] [POSSESSION AND USE OF NONPRESCRIPTION
7 PAIN RELIEVERS BY SECONDARY STUDENTS.]

8 A secondary student may possess and use nonprescription
9 pain relief in a manner consistent with the labeling, if the
10 district has received a written authorization from the student's
11 parent permitting the student to self-administer the
12 medication. The parent must submit written authorization for
13 the student to self-administer the medication each school year.
14 The district may revoke a student's privilege to possess and use
15 nonprescription pain relievers if the district determines that
16 the student is abusing the privilege.

17 Sec. 23. [121A.231] [COMPREHENSIVE FAMILY LIFE AND
18 SEXUALITY EDUCATION PROGRAMS.]

19 Subdivision 1. [DEFINITIONS.] (a) "Comprehensive family
20 life and sexuality education" means education in grades 7
21 through 12 that:

- 22 (1) respects community values and encourages family
23 communication;
- 24 (2) develops skills in communication, decision making, and
25 conflict resolution;
- 26 (3) contributes to healthy relations;
- 27 (4) provides human development and sexuality education that
28 is age appropriate and medically accurate;
- 29 (5) promotes responsible sexual behavior, including an
30 abstinence-first approach to delaying initiation to sexual
31 activity that emphasizes abstinence while also including
32 education about the use of protection and contraception; and
33 (6) promotes individual responsibility.

34 (b) "Age appropriate" refers to topics, messages, and
35 teaching methods suitable to particular ages or age groups of
36 children and adolescents, based on developing cognitive,

1 emotional, and behavioral capacity typical for the age or age
2 group.

3 (c) "Medically accurate" means verified or supported by
4 research conducted in compliance with scientific methods and
5 published in peer-reviewed journals, where appropriate, and
6 recognized as accurate and objective by professional
7 organizations and agencies in the relevant field, such as the
8 federal Centers for Disease Control and Prevention, the American
9 Public Health Association, the American Academy of Pediatrics,
10 or the American College of Obstetricians and Gynecologists.

11 Subd. 2. [CURRICULUM REQUIREMENTS.] (a) A school district
12 may offer and may independently establish policies, procedures,
13 curriculum, and services for providing comprehensive family life
14 and sexuality education that is age appropriate and medically
15 accurate for kindergarten through grade 6.

16 (b) A school district must offer and may independently
17 establish policies, procedures, curriculum, and services for
18 providing comprehensive family life and sexuality education that
19 is age appropriate and medically accurate for grades 7 through
20 12.

21 Subd. 3. [NOTICE AND PARENTAL OPTIONS.] (a) It is the
22 legislature's intent to encourage pupils to communicate with the
23 pupils' parents or guardians about human sexuality and to
24 respect rights of parents or guardians to supervise the parents'
25 or guardians' children's education on these subjects.

26 (b) Parents or guardians may excuse the parents' or
27 guardians' children from all or part of a comprehensive family
28 life and sexuality education program.

29 (c) A school district must establish procedures for
30 providing parents or guardians reasonable notice with the
31 following information:

32 (1) if the district is offering a comprehensive family life
33 and sexuality education program to the parents' or guardians'
34 child during the course of the year;

35 (2) how the parents or guardians may inspect the written
36 and audiovisual educational materials used in the program and

1 the process for inspection;

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

5 (4) the right to choose not to have the parents' or
6 guardians' child participate in the program and the procedure
7 for exercising that right.

8 (d) A school district must establish procedures for
9 reasonably restricting the availability of written and
10 audiovisual educational materials from public view of students
11 who have been excused from all or part of a comprehensive family
12 life and sexuality education program at the request of a parent
13 or guardian.

14 Sec. 24. Minnesota Statutes 2004, section 121A.53, is
15 amended to read:

16 121A.53 [REPORT TO COMMISSIONER OF EDUCATION.]

17 Subdivision 1. [EXCLUSIONS AND EXPULSIONS.] The school
18 board ~~shall~~ must report through the department electronic
19 reporting system each exclusion or expulsion within 30 days of
20 the effective date of the action to the commissioner of
21 education. This report ~~shall~~ must include a statement of
22 alternative educational services given the pupil and the reason
23 for, the effective date, and the duration of the exclusion or
24 expulsion. The report must also include the student's age,
25 grade, gender, race, and special education status.

26 Subd. 2. [REPORT.] The school board must include state
27 student identification numbers of affected pupils on all
28 dismissal reports required by the department. The department
29 must report annually to the commissioner summary data on the
30 number of dismissals by age, grade, gender, race, and special
31 education status of the affected pupils. All dismissal reports
32 must be submitted through the department electronic reporting
33 system.

34 Sec. 25. Minnesota Statutes 2004, section 122A.06,
35 subdivision 4, is amended to read:

36 Subd. 4. [COMPREHENSIVE, SCIENTIFICALLY BASED READING

1 INSTRUCTION.] ~~"Comprehensive, scientifically-based-reading~~
 2 ~~instruction"-includes-instruction-and-practice-in-phonemic~~
 3 ~~awareness, phonics-and-other-word-recognition-skills, and-guided~~
 4 ~~oral-reading-for-beginning-readers, as-well-as-extensive-silent~~
 5 ~~reading, vocabulary-instruction, instruction-in-comprehension,~~
 6 ~~and-instruction-that-fosters-understanding-and-higher-order~~
 7 ~~thinking-for-readers-of-all-ages-and-proficiency~~
 8 ~~levels.~~ "Comprehensive, scientifically based reading
 9 instruction" includes a program or collection of instructional
 10 practices with demonstrated success in instructing learners and
 11 reliable and valid evidence to support the conclusion that when
 12 these methods are used with learners, learners can be expected
 13 to achieve, at a minimum, satisfactory progress in reading
 14 achievement. The program or collection of practices must
 15 include, at a minimum, instruction in five areas of reading:
 16 phonemic awareness, phonics, fluency, vocabulary, and text
 17 comprehension.

18 Comprehensive, scientifically based reading instruction
 19 also includes and integrates instructional strategies for
 20 continuously assessing and evaluating the learner's reading
 21 progress and needs in order to design and implement ongoing
 22 interventions so that learners of all ages and proficiency
 23 levels can read and comprehend text and apply higher-level
 24 thinking skills.

25 Sec. 26. Minnesota Statutes 2004, section 122A.12,
 26 subdivision 2, is amended to read:

27 Subd. 2. [TERMS; COMPENSATION; REMOVAL; ADMINISTRATION;
 28 REIMBURSEMENT.] (a) Membership terms, removal of members, and
 29 the filling of membership vacancies are as provided in section
 30 214.09. The terms of the initial board members must be
 31 determined by lot as follows:

32 (1) three members must be appointed for terms that expire
 33 August 1, 2002;

34 (2) three members must be appointed for terms that expire
 35 August 1, 2003; and

36 (3) four members must be appointed for terms that expire

1 August 1, 2004.

2 Members shall not receive the daily payment under section
3 214.09, subdivision 3. The public employer of a member shall
4 not reduce the member's compensation or benefits for the
5 member's absence from employment when engaging in the business
6 of the board. The provision of staff, administrative services,
7 and office space; the review and processing of complaints; the
8 setting of fees; the selection and duties of an executive
9 secretary to serve the board; and other provisions relating to
10 board operations are as provided in chapter 214. Fiscal year
11 and reporting requirements are as provided in sections 214.07
12 and 214.08.

13 (b) The board may reimburse local school districts for the
14 cost of a substitute teacher employed when a regular teacher is
15 providing professional assistance to the state by serving on the
16 board or on a committee or task force appointed by the board.

17 Sec. 27. Minnesota Statutes 2004, section 122A.18,
18 subdivision 2a, is amended to read:

19 Subd. 2a. [READING STRATEGIES.] (a) All colleges and
20 universities approved by the Board of Teaching to prepare
21 persons for classroom teacher licensure must include in their
22 teacher preparation programs ~~reading-best-practices-that-enable~~
23 ~~classroom-teacher-licensure-candidates-to-know-how-to-teach~~
24 ~~reading, such as phonics or other~~ research-based best practices
25 in reading, consistent with section 122A.06, subdivision 4, that
26 enable the licensure candidate to know how to teach reading in
27 the candidate's content areas.

28 (b) Board-approved teacher preparation programs for
29 teachers of elementary education must require instruction in the
30 application of comprehensive, scientifically based, and balanced
31 reading instruction programs ~~that:~~

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

36 (2) teach specialized instruction in reading strategies,

1 interventions, and remediations that enable students of all ages
2 and proficiency levels to become proficient readers.

3 Sec. 28. Minnesota Statutes 2004, section 122A.40,
4 subdivision 5, is amended to read:

5 Subd. 5. [PROBATIONARY PERIOD.] (a) The first three
6 consecutive years of a teacher's first teaching experience in
7 Minnesota in a single district is deemed to be a probationary
8 period of employment, and after completion thereof, the
9 probationary period in each district in which the teacher is
10 thereafter employed shall be one year. The school board must
11 adopt a plan for written evaluation of teachers during the
12 probationary period. Evaluation must occur at least three times
13 each year for a teacher performing services on 120 or more
14 school days, at least two times each year for a teacher
15 performing services on 60 to 119 school days, and at least one
16 time each year for a teacher performing services on fewer than
17 60 school days. Days devoted to parent-teacher conferences,
18 teachers' workshops, and other staff development opportunities
19 and days on which a teacher is absent from school must not be
20 included in determining the number of school days on which a
21 teacher performs services. Except as otherwise provided in
22 paragraph (b), during the probationary period any annual
23 contract with any teacher may or may not be renewed as the
24 school board shall see fit. However, the board must give any
25 such teacher whose contract it declines to renew for the
26 following school year written notice to that effect before July
27 1. If the teacher requests reasons for any nonrenewal of a
28 teaching contract, the board must give the teacher its reason in
29 writing, including a statement that appropriate supervision was
30 furnished describing the nature and the extent of such
31 supervision furnished the teacher during the employment by the
32 board, within ten days after receiving such request. The school
33 board may, after a hearing held upon due notice, discharge a
34 teacher during the probationary period for cause, effective
35 immediately, under section 122A.44.

36 (b) A board must discharge a probationary teacher,

1 effective immediately, upon receipt of notice under section
2 122A.20, subdivision 1, paragraph (b), that the teacher's
3 license has been revoked due to a conviction for child abuse or
4 sexual abuse.

5 (c) A probationary teacher must complete at least 60 days
6 of teaching service each year during the probationary period.
7 Days devoted to parent-teacher conferences, teachers' workshops,
8 and other staff development opportunities and days on which a
9 teacher is absent from school do not count as days of teaching
10 service under this paragraph.

11 (d) A probationary teacher whose first three years of
12 consecutive employment is interrupted for active military
13 service and who promptly resumes teaching consistent with
14 federal reemployment timelines for uniformed service personnel
15 under United States Code, title 38, section 4312(e), is
16 considered to have a consecutive teaching experience for
17 purposes of paragraph (a).

18 [EFFECTIVE DATE.] Paragraph (c) of this section is
19 effective July 1, 2005. Paragraph (d) of this section is
20 retroactively effective from September 10, 2001, and applies to
21 those probationary teachers absent for active military service
22 beginning on September 10, 2001, or later.

23 Sec. 29. Minnesota Statutes 2004, section 122A.41,
24 subdivision 2, is amended to read:

25 Subd. 2. [PROBATIONARY PERIOD; DISCHARGE OR DEMOTION.] (a)
26 All teachers in the public schools in cities of the first class
27 during the first three years of consecutive employment shall be
28 deemed to be in a probationary period of employment during which
29 period any annual contract with any teacher may, or may not, be
30 renewed as the school board, after consulting with the peer
31 review committee charged with evaluating the probationary
32 teachers under subdivision 3, shall see fit. The school site
33 management team or the school board if there is no school site
34 management team, shall adopt a plan for a written evaluation of
35 teachers during the probationary period according to subdivision
36 3. Evaluation by the peer review committee charged with

1 evaluating probationary teachers under subdivision 3 shall occur
2 at least three times each year for a teacher performing services
3 on 120 or more school days, at least two times each year for a
4 teacher performing services on 60 to 119 school days, and at
5 least one time each year for a teacher performing services on
6 fewer than 60 school days. Days devoted to parent-teacher
7 conferences, teachers' workshops, and other staff development
8 opportunities and days on which a teacher is absent from school
9 shall not be included in determining the number of school days
10 on which a teacher performs services. The school board may,
11 during such probationary period, discharge or demote a teacher
12 for any of the causes as specified in this code. A written
13 statement of the cause of such discharge or demotion shall be
14 given to the teacher by the school board at least 30 days before
15 such removal or demotion shall become effective, and the teacher
16 so notified shall have no right of appeal therefrom.

17 (b) A probationary teacher must complete at least 60 days
18 of teaching service each year during the probationary period.
19 Days devoted to parent-teacher conferences, teachers' workshops,
20 and other staff development opportunities and days on which a
21 teacher is absent from school do not count as days of teaching
22 service under this paragraph.

23 (c) A probationary teacher whose first three years of
24 consecutive employment is interrupted for active military
25 service and who promptly resumes teaching consistent with
26 federal reemployment timelines for uniformed service personnel
27 under United States Code, title 38, section 4312(e), is
28 considered to have a consecutive teaching experience for
29 purposes of paragraph (a).

30 [EFFECTIVE DATE.] Paragraph (b) of this section is
31 effective July 1, 2005. Paragraph (c) of this section is
32 retroactively effective from September 10, 2001, and applies to
33 those probationary teachers absent for active military service
34 beginning on September 10, 2001, or later.

35 Sec. 30. Minnesota Statutes 2004, section 122A.41,
36 subdivision 5a, is amended to read:

1 Subd. 5a. [PROBATIONARY PERIOD FOR PRINCIPALS HIRED
2 INTERNALLY.] A board and the exclusive representative of the
3 school principals in the district may negotiate a plan for a
4 probationary period of up to two school years for licensed
5 teachers employed by the board who are subsequently employed by
6 the board as a licensed school principal or assistant principal
7 and an additional probationary period of up to two years for
8 licensed assistant principals employed by the board who are
9 subsequently employed by the board as a licensed school
10 principal.

11 [EFFECTIVE DATE.] This section is effective August 1, 2005.

12 Sec. 31. Minnesota Statutes 2004, section 122A.41,
13 subdivision 14, is amended to read:

14 Subd. 14. [SERVICES TERMINATED BY DISCONTINUANCE OR LACK
15 OF PUPILS; PREFERENCE GIVEN.] (a) A teacher whose services are
16 terminated on account of discontinuance of position or lack of
17 pupils must receive first consideration for other positions in
18 the district for which that teacher is qualified. In the event
19 it becomes necessary to discontinue one or more positions, in
20 making such discontinuance, teachers must be discontinued in any
21 department in the inverse order in which they were employed,
22 unless a board and the exclusive representative of teachers in
23 the district negotiate a plan providing otherwise.

24 (b) Notwithstanding the provisions of clause (a), a teacher
25 is not entitled to exercise any seniority when that exercise
26 results in that teacher being retained by the district in a
27 field for which the teacher holds only a provisional license, as
28 defined by the Board of Teaching, unless that exercise of
29 seniority results in the termination of services, on account of
30 discontinuance of position or lack of pupils, of another teacher
31 who also holds a provisional license in the same field. The
32 provisions of this clause do not apply to vocational education
33 licenses.

34 (c) Notwithstanding the provisions of clause (a), a teacher
35 must not be reinstated to a position in a field in which the
36 teacher holds only a provisional license, other than a

1 vocational education license, while another teacher who holds a
2 nonprovisional license in the same field is available for
3 reinstatement.

4 [EFFECTIVE DATE.] This section is effective August 1, 2005.

5 Sec. 32. Minnesota Statutes 2004, section 122A.413, is
6 amended to read:

7 122A.413 [EDUCATIONAL IMPROVEMENT PLAN.]

8 Subdivision 1. [QUALIFYING PLAN.] A district may develop
9 an educational improvement plan for the purpose of qualifying
10 for ~~alternative-teacher-compensation~~ professional compensation
11 for teachers aid under ~~sections-122A.414-and-122A.415~~ section
12 122A.4142. The plan must include measures for improving school
13 district, school site, teacher, and individual student
14 performance.

15 Subd. 2. [PLAN COMPONENTS.] The educational improvement
16 plan must be approved by the school board and have at least
17 these elements:

18 (1) assessment and evaluation tools to measure student
19 performance and progress;

20 (2) performance goals and benchmarks for improvement;

21 (3) measures of student attendance and completion rates;

22 (4) a rigorous professional development system, consistent
23 with section 122A.601, that is aligned with educational

24 improvement, designed to achieve teaching quality improvement,
25 and consistent with clearly defined research-based standards;

26 (5) measures of student, family, and community involvement
27 and satisfaction;

28 (6) a data system about students and their academic
29 progress that provides parents and the public with
30 understandable information; and

31 (7) a teacher induction and mentoring program for
32 probationary teachers that provides continuous learning and
33 sustained teacher support. ~~---The process for developing the plan~~
34 ~~must involve district teachers; and~~

35 (8) substantial teacher participation in developing the
36 plan, including teachers selected by the exclusive

1 representative of the teachers.

2 Subd. 3. [SCHOOL SITE ACCOUNTABILITY.] A district that
3 develops a plan under subdivisions 1 and 2 must ensure that each
4 school site develops a board-approved educational improvement
5 plan that is aligned with the district educational improvement
6 plan under subdivision 2 and developed with teacher
7 participation consistent with subdivision 2, clause (8). While
8 a site plan must be consistent with the district educational
9 improvement plan, it may establish performance goals and
10 benchmarks that meet or exceed those of the district. ~~The~~
11 ~~process-for-developing-the-plan-must-involve-site-teachers.~~

12 Sec. 33. [122A.4142] [PROFESSIONAL COMPENSATION FOR
13 TEACHERS.]

14 Subdivision 1. [PROFESSIONAL COMPENSATION SYSTEM.] A
15 school district and the exclusive representative of the teachers
16 may adopt, by agreement, professional compensation for teachers
17 under subdivision 2 to provide incentives to attract and retain
18 high-quality teachers, encourage high-quality teachers to accept
19 difficult assignments, encourage teachers to improve their
20 knowledge and skills, and support teachers' roles in improving
21 students' educational achievement.

22 Subd. 2. [ELIGIBILITY FOR PROFESSIONAL COMPENSATION FOR
23 TEACHERS AID.] (a) To be eligible for professional compensation
24 for teachers aid, a school district must submit to the
25 department:

26 (1) a districtwide or site-based educational improvement
27 plan as described in section 122A.413;

28 (2) an executed collective bargaining agreement that
29 contains at least the following elements:

30 (i) a description of the conditions or actions necessary
31 for career advancement and additional compensation;

32 (ii) compensation provisions that base at least 60 percent
33 of any increase in compensation on performance and not on years
34 of service or the attainment of additional education or
35 training;

36 (iii) career advancement options for teachers retaining

1 primary roles in student instruction and for other members of
2 the bargaining unit;

3 (iv) incentives for teachers' continuous improvement in
4 content knowledge, pedagogy, and use of best practices;

5 (v) an objective evaluation program, including classroom or
6 performance observation, that is aligned with the district's or
7 site's educational improvement plan, and is a component of
8 determining performance;

9 (vi) provisions preventing any teacher's compensation from
10 being reduced as a result of implementing professional
11 compensation for teachers;

12 (vii) provisions enabling any teacher in the district if
13 professional compensation for teachers is applied districtwide,
14 or at a site, if professional compensation for teachers applies
15 only to a site, to participate in professional compensation for
16 teachers without limitations by quota or other restrictions;

17 (viii) provisions encouraging collaboration among teachers
18 rather than competition; and

19 (ix) provisions for participation by all teachers in a
20 district, all teachers at a site, or at least 25 percent of the
21 teachers in a district.

22 (b) An agreement may contain different compensation
23 provisions for separate classifications of employees.

24 Subd. 3. [COMMISSIONER APPROVAL.] (a) Before concluding a
25 collective bargaining agreement, a district may submit a
26 proposed agreement and educational improvement plan for review,
27 comment, and preliminary approval by the commissioner. If the
28 plan and agreement are executed in the same form as
29 preliminarily approved by the commissioner, the plan and
30 agreement must be approved without further review.

31 (b) The application to the commissioner must contain a
32 formally adopted collective bargaining agreement, memorandum of
33 understanding, or other binding agreement that implements
34 professional compensation for teachers consistent with this
35 section.

36 (c) The commissioner's approval must be based on the

1 requirements established in subdivision 2. If the commissioner
2 does not approve an application, the notice to the school
3 district must provide details regarding the commissioner's
4 reason for rejecting the application.

5 (d) A school district that intends to apply for
6 professional compensation for teachers aid for the first time
7 must notify the commissioner in writing by November 1 prior to
8 the academic year for which they intend to seek aid. The
9 commissioner must approve initial applications for school
10 districts qualifying under subdivision 4, paragraph (b), clause
11 (1), by January 15 of each year.

12 Subd. 4. [AID AMOUNT.] (a) A school district that meets
13 the conditions of this section, as approved by the commissioner,
14 is eligible for professional compensation for teachers aid.

15 (b) Professional compensation for teachers aid for a
16 qualifying school district, site, or portion of a district or
17 school site is as follows:

18 (1) for a school district in which the school board and the
19 exclusive representative of the teachers agree to place all
20 teachers in the district or at the site in the professional
21 compensation for teachers system, aid equals \$150 times the
22 district's or the site's number of pupils enrolled on October 1
23 of the previous fiscal year; or

24 (2) for a district in which the school board and the
25 exclusive representative of the teachers agree that at least 25
26 percent of the district's licensed teachers will be paid under
27 the professional compensation system, aid equals \$150 times the
28 percentage of participating teachers times the district's number
29 of pupils enrolled as of October 1 of the previous fiscal year.

30 Subd. 5. [PERCENTAGE OF TEACHERS.] For purposes of
31 subdivision 4, the percentage of teachers participating in the
32 professional compensation system equals the ratio of the number
33 of licensed teachers who are working at least 60 percent of a
34 full-time teacher's hours and agree to participate in the
35 professional compensation system to the total number of licensed
36 teachers who are working at least 60 percent of a full-time

1 teacher's hours.

2 Subd. 6. [AID TIMING.] Districts or sites with approved
3 applications must receive professional compensation for teachers
4 aid for each school year that the district or site participates
5 in the program.

6 [EFFECTIVE DATE.] This section is effective for fiscal year
7 2006 and thereafter.

8 Sec. 34. [122A.4143] [CLOSED CONTRACT.]

9 A district and the exclusive representative of the teachers
10 may agree jointly to reopen a collective bargaining agreement
11 for the sole purpose of entering into a professional
12 compensation system consistent with section 122A.4142 and an
13 educational improvement plan under section 122A.413.

14 Sec. 35. [122A.601] [STAFF DEVELOPMENT PROGRAM.]

15 Subdivision 1. [REQUIREMENT.] Each school district must
16 implement a staff development program that improves the quality
17 of teaching and increases the achievement of all students.
18 Staff development must be a part of each district and site
19 improvement plan and must be aligned with state and federal
20 requirements. A school board must use the revenue authorized in
21 section 122A.61 for staff development that addresses areas
22 identified for improvement by the district advisory committee
23 and site teams, or for violence prevention training authorized
24 in section 120B.22, subdivision 2.

25 Subd. 2. [DISTRICT STAFF DEVELOPMENT ADVISORY
26 COMMITTEE.] (a) The school board must appoint a district staff
27 development advisory committee. A majority of the advisory
28 committee must be teachers representing various grade levels,
29 subject areas, and special education. The district committee
30 must also include personnel who work with federal programs,
31 nonteaching staff, parents, paraprofessionals, and
32 administrators including the superintendent or superintendent's
33 designee.

34 (b) The district staff development advisory committee shall:

35 (1) analyze student achievement and other kinds of
36 district-related data;

1 (2) establish districtwide staff development goals and
2 learning outcomes based on the analysis of data, including the
3 goal of eliminating achievement gaps among students;

4 (3) review the site team staff development plans for
5 alignment with district goals;

6 (4) review the site team staff development plans for
7 alignment with applications for federal funding;

8 (5) approve the site team plans or consult with site teams
9 as needed to align with district goals and applications for
10 federal funding;

11 (6) forward the approved site team plans and district staff
12 development goals and learning outcomes to the superintendent
13 and to the school board for approval prior to implementation.

14 Subd. 3. [STAFF DEVELOPMENT SCHOOL SITE TEAM.] (a) Each
15 school site in a district must establish a staff development
16 school site team that must include the principal. A majority of
17 the site team must be teachers representing various grade
18 levels, subject areas, and special education. The site team may
19 also include nonteaching staff, personnel who work with federal
20 programs, parents, and paraprofessionals. Kindergarten through
21 grade 12 sites may function with a single committee that serves
22 as both the site team and the district advisory committee.

23 (b) The staff development site team shall create a staff
24 development plan for the site that improves instruction and
25 student achievement. The plan shall:

26 (1) analyze student achievement and other kinds of
27 site-related data;

28 (2) establish staff development goals and learning outcomes
29 for the site based on the analysis of data, including the goal
30 of eliminating achievement gaps among groups of students;

31 (3) identify procedures at each site for annually assessing
32 and evaluating progress toward meeting the goals and outcomes;

33 (4) specify the staff development activities needed to
34 increase the content knowledge and instructional skills of
35 staff; and

36 (5) specify the staff development activities needed to

1 enhance the leadership skills of principals to support
2 instruction.

3 Subd. 4. [EFFECTIVE STAFF DEVELOPMENT ACTIVITIES.] Staff
4 development activities must:

5 (1) focus on the school classroom and research-based
6 strategies that improve student learning;

7 (2) provide opportunities for teachers to practice and
8 improve their skills over time;

9 (3) provide opportunities for teachers to use data to
10 increase student achievement as part of their daily work;

11 (4) enhance teacher content knowledge and instructional
12 skills;

13 (5) align with state and local academic standards; and

14 (6) provide opportunities to build professional
15 relationships, foster collaboration among principals and staff
16 who provide instruction, and provide opportunities for
17 teacher-to-teacher mentoring.

18 Staff development activities may include curriculum development
19 and curriculum training programs, and activities that provide
20 teachers and other members of site-based teams training to
21 enhance team performance. In addition, the school district may
22 implement other staff development activities as required by law
23 and those associated with professional teacher compensation
24 models. Release time provided for teachers to supervise
25 students on field trips and school activities, or independent
26 tasks not associated with enhancing the teacher's knowledge and
27 skills, such as preparing report cards, calculating grades, or
28 organizing classroom materials, may not be counted as staff
29 development time that is financed with staff development
30 reserved revenue under section 122A.61.

31 Subd. 5. [STAFF DEVELOPMENT REPORT.] (a) By October 15 of
32 each year, the district and site staff development committees
33 shall write and submit a report of staff development activities
34 and expenditures for the previous year, in the form and manner
35 determined by the commissioner. The report must include
36 assessment and evaluation data indicating progress toward

1 district and site staff development goals based on teaching and
 2 learning outcomes, including the percentage of teachers
 3 participating in effective staff development activities under
 4 subdivision 4.

5 (b) The report must provide a breakdown of expenditures for:

6 (1) curriculum development and curriculum training
 7 programs; and

8 (2) staff development training models, workshops, and
 9 conferences, and the cost of releasing teachers or providing
 10 substitute teachers for staff development purposes.

11 The report must also include whether the expenditures were
 12 incurred at the district level or the school site level, and
 13 whether the school site expenditures were made possible by
 14 grants to school sites that demonstrate exemplary use of
 15 allocated staff development revenue. These expenditures must be
 16 reported using the Uniform Financial and Accounting and
 17 Reporting Standards.

18 (c) The commissioner shall report the staff development
 19 progress and expenditure data to the house of representatives
 20 and senate committees having jurisdiction over education by
 21 February 15 each year.

22 Sec. 36. Minnesota Statutes 2004, section 122A.61,
 23 subdivision 1, is amended to read:

24 Subdivision 1. [STAFF DEVELOPMENT REVENUE.] A district ~~is~~
 25 ~~required to~~ may reserve an amount equal to at least two percent
 26 of the basic revenue under section 126C.10, subdivision 2, for
 27 in-service education for programs under section 120B.22,
 28 subdivision 2, for staff development plans, including plans for
 29 challenging instructional activities and experiences under
 30 section ~~122A.60~~ 122A.601, and for curriculum development and
 31 programs, other in-service education, teachers' workshops,
 32 teacher conferences, the cost of substitute teachers staff
 33 development purposes, preservice and in-service education for
 34 special education professionals and paraprofessionals, and other
 35 related costs for staff development efforts. ~~A district may~~
 36 ~~annually waive the requirement to reserve their basic revenue~~

~~1 under this section if a majority vote of the licensed teachers~~
~~2 in the district and a majority vote of the school board agree to~~
~~3 a resolution to waive the requirement. -- A district in statutory~~
~~4 operating debt is exempt from reserving basic revenue according~~
~~5 to this section. A district that reserves at least two percent~~
~~6 of its basic revenue under this subdivision must receive a match~~
~~7 of state funds equal to one percent of its basic revenue if the~~
~~8 reserve and the match are used for staff development leading~~
~~9 towards professional compensation for teachers. Districts may~~
10 expend an additional amount of unreserved revenue for staff
11 development based on their needs. With the exception of amounts
12 reserved for staff development from revenues allocated directly
13 to school sites, the board must initially allocate 50 percent of
14 the reserved revenue to each school site in the district on a
15 per teacher basis, which must be retained by the school site
16 until used. The board may retain 25 percent to be used for
17 district wide staff development efforts. The remaining 25
18 percent of the revenue must be used to make grants to school
19 sites for best practices methods. A grant may be used for any
20 purpose authorized under section 120B.22, subdivision 2,
21 122A.60, or for the costs of curriculum development and
22 programs, other in-service education, teachers' workshops,
23 teacher conferences, substitute teachers for staff development
24 purposes, and other staff development efforts, and determined by
25 the site professional development team. The site professional
26 development team must demonstrate to the school board the extent
27 to which staff at the site have met the outcomes of the
28 program. The board may withhold a portion of initial allocation
29 of revenue if the staff development outcomes are not being met.

30 Sec. 37. Minnesota Statutes 2004, section 123B.02, is
31 amended by adding a subdivision to read:

32 Subd. 14a. [EMPLOYEE RECOGNITION.] A school board may
33 establish and operate an employee recognition program for
34 district employees, including teachers, and may expend funds as
35 necessary to achieve the objectives of the program.

36 Sec. 38. Minnesota Statutes 2004, section 123B.02, is

1 amended by adding a subdivision to read:

2 Subd. 22. [REWARDS.] A school board may offer a reward to
3 persons who provide accurate and reliable information that leads
4 to the apprehension and arrest of a person who has committed a
5 crime against school district property, students, employees or
6 volunteers, or school board members.

7 [EFFECTIVE DATE.] This section is effective the day
8 following final enactment.

9 Sec. 39. Minnesota Statutes 2004, section 123B.88, is
10 amended by adding a subdivision to read:

11 Subd. 3a. [PUPIL TRANSPORTATION SAFETY COMMITTEE.] (a) A
12 school board may establish a pupil transportation safety
13 committee. The chair of the pupil transportation safety
14 committee is the district's school transportation safety
15 director. The school board shall appoint the other members of
16 the pupil transportation safety committee. Membership may
17 include parents, school bus drivers, representatives of school
18 bus companies, local law enforcement officials, other school
19 district staff, and representatives from other units of local
20 government.

21 (b) The duties of the pupil transportation safety committee
22 include: (1) reviewing and recommending changes to the
23 district's pupil transportation safety policy required under
24 subdivision 1; and (2) developing a comprehensive plan for the
25 safe transportation of students who face hazardous
26 transportation conditions. The comprehensive hazardous
27 transportation plan shall consider safety factors including the
28 types of roads that students must cross, the speed of traffic on
29 those roads, the age of the students, and any other factors as
30 determined by the committee.

31 (c) The pupil transportation safety committee must hold at
32 least one public meeting before adopting its comprehensive plan
33 for transporting students who face hazardous transportation
34 conditions.

35 (d) Any recommended changes to the district's pupil
36 transportation safety policy and the comprehensive plan for

1 hazardous transportation must be submitted to the school board.

2 [EFFECTIVE DATE.] This section is effective the day
3 following final enactment.

4 Sec. 40. Minnesota Statutes 2004, section 124D.081, is
5 amended to read:

6 124D.081 [~~FIRST-GRADE-PREPAREDNESS~~ ALL-DAY KINDERGARTEN
7 PROGRAM.]

8 Subdivision 1. [PURPOSE.] The purposes of the ~~first-grade~~
9 ~~preparedness~~ all-day kindergarten program are to ensure that
10 every child has the opportunity before first grade to develop
11 the skills and abilities necessary to read and succeed in school
12 and to reduce the underlying causes that create a need for
13 compensatory revenue.

14 Subd. 2. [QUALIFYING DISTRICT.] A school district may
15 receive ~~first-grade-preparedness~~ all-day kindergarten revenue
16 for qualifying school sites if, consistent with subdivision 5,
17 the school board approves a resolution requiring the district to
18 provide services to all children located in a qualifying school
19 site attendance area.

20 Subd. 3. [QUALIFYING SCHOOL SITE.] (a) The commissioner
21 shall rank all school sites with kindergarten programs that do
22 not exclusively serve students under sections 125A.03 to
23 125A.24, and 125A.65. The ranking must be from highest to
24 lowest based on the site's free and reduced lunch count as a
25 percent of the fall enrollment using the preceding October 1
26 enrollment data. Once a school site is calculated to be
27 eligible, it remains eligible for the duration of the pilot
28 ~~program, unless the site's ranking falls below the state average~~
29 ~~for elementary schools.~~ For each school site, the percentage
30 used to calculate the ranking must be the greater of (1) the
31 percent of the fall kindergarten enrollment receiving free and
32 reduced lunch, or (2) the percent of the total fall enrollment
33 receiving free and reduced lunch. The list of ranked sites must
34 be separated into the following geographic areas: Minneapolis
35 district, St. Paul district, suburban Twin Cities districts in
36 the seven-county metropolitan area, and school districts in

1 greater Minnesota.

2 (b) The commissioner shall establish a process and
3 timelines to qualify school sites for the next school year.
4 School sites must be qualified in each geographic area from the
5 list of ranked sites until the estimated revenue available for
6 this program has been allocated. The total estimated revenue
7 must be distributed to qualified school sites in each geographic
8 area as follows: 25 percent for Minneapolis sites, 25 percent
9 for St. Paul sites, 25 percent for suburban Twin Cities sites,
10 and 25 percent for greater Minnesota.

11 Subd. 4. [PROGRAM.] A qualifying school site must develop
12 its ~~first-grade-preparedness~~ all-day kindergarten program in
13 collaboration with other providers of school readiness and child
14 development services. A school site must offer a full-day
15 kindergarten program to participating children who are five
16 years of age or older for the full school day every day ~~7-a~~
17 ~~program-for-participating-children-who-are-four-years-old7-or-a~~
18 ~~combination-of-beth~~. The program may offer as an option to
19 families home visits and other practices as appropriate, and may
20 provide such services with the consent of the parent or
21 guardian. Program providers must ensure that the program
22 supplements existing school readiness and child development
23 programs and complements the services provided with compensatory
24 revenue. Where possible, individuals receiving assistance under
25 a family assistance plan can meet the work activity requirement
26 of the plan by participating in a ~~first-grade-preparedness~~ an
27 all-day kindergarten program as a volunteer.

28 Subd. 5. [EXTENDED DAY REQUIREMENTS.] The board of a
29 qualifying school district must develop and approve a plan to
30 provide extended day services to serve as many children as
31 possible. To accept children whose families participate in
32 child care assistance programs under section 119B.03 or 119B.05,
33 and to meet the requirements of section 245A.03, subdivision 2,
34 the board must formally approve the ~~first-grade-preparedness~~
35 all-day kindergarten program. All revenue received under
36 subdivision 6 must be allocated to the qualifying school sites

1 within the district.

2 Subd. 6. [PREPAREDNESS REVENUE.] (a) A qualifying school
3 district is eligible for ~~first-grade-preparedness~~ all-day
4 kindergarten revenue equal to the basic formula allowance for
5 that year times the number of children five years of age or
6 older enrolled in a kindergarten program at the site on October
7 1 of the previous year times .53.

8 (b) This revenue must supplement and not replace
9 compensatory revenue that the district uses for the same or
10 similar purposes under chapters 120B, 123A, 123B, 124D, 126C,
11 and 127A.

12 (c) A pupil enrolled in the ~~first-grade-preparedness~~
13 all-day kindergarten program at a qualifying school site is
14 eligible for transportation under section 123B.88, subdivision 1.

15 (d) ~~First-grade-preparedness~~ All-day kindergarten revenue
16 paid to a charter school for which a school district is
17 providing transportation according to section 124D.10,
18 subdivision 16, shall be decreased by an amount equal to the
19 product of the formula allowance according to section 126C.10,
20 subdivision 2, times .0485 times the pupil units calculated
21 according to paragraph (a). This amount shall be paid to the
22 school district for transportation costs.

23 Subd. 9. [RESERVE ACCOUNT.] ~~First-grade-preparedness~~
24 All-day kindergarten revenue must be placed in a reserve account
25 within the general fund and may only be used for ~~first-grade~~
26 ~~preparedness~~ all-day kindergarten programs at qualifying school
27 sites.

28 Sec. 41. Minnesota Statutes 2004, section 124D.09,
29 subdivision 12, is amended to read:

30 Subd. 12. [CREDITS.] A pupil may enroll in a course under
31 this section for either secondary credit or postsecondary
32 credit. At the time a pupil enrolls in a course, the pupil
33 shall designate whether the course is for secondary or
34 postsecondary credit. A pupil taking several courses may
35 designate some for secondary credit and some for postsecondary
36 credit. A pupil must not audit a course under this section.

1 A district shall grant academic credit to a pupil enrolled
2 in a course for secondary credit if the pupil successfully
3 completes the course. Seven quarter or four semester college
4 credits equal at least one full year of high school credit.
5 Fewer college credits may be prorated. A district must also
6 grant academic credit to a pupil enrolled in a course for
7 postsecondary credit if secondary credit is requested by a
8 pupil. If no comparable course is offered by the district, the
9 district must, as soon as possible, notify the commissioner, who
10 shall determine the number of credits that shall be granted to a
11 pupil who successfully completes a course. If a comparable
12 course is offered by the district, the school board shall grant
13 a comparable number of credits to the pupil. If there is a
14 dispute between the district and the pupil regarding the number
15 of credits granted for a particular course, the pupil may appeal
16 the board's decision to the commissioner. The commissioner's
17 decision regarding the number of credits shall be final.

18 The secondary credits granted to a pupil must be counted
19 toward the graduation requirements and subject area requirements
20 of the district. Evidence of successful completion of each
21 course and secondary credits granted must be included in the
22 pupil's secondary school record. A pupil shall provide the
23 school with a copy of the pupil's grade in each course taken for
24 secondary credit under this section. Upon the request of a
25 pupil, the pupil's secondary school record must also include
26 evidence of successful completion and credits granted for a
27 course taken for postsecondary credit. In either case, the
28 record must indicate that the credits were earned at a
29 postsecondary institution.

30 If a pupil enrolls in a postsecondary institution after
31 leaving secondary school, the postsecondary institution must
32 award postsecondary credit for any course successfully completed
33 for secondary credit at that institution. Other postsecondary
34 institutions may award, after a pupil leaves secondary school,
35 postsecondary credit for any courses successfully completed
36 under this section. An institution may not charge a pupil for

1 the award of credit.

2 The Board of Trustees of the Minnesota State Colleges and
3 Universities and the Board of Regents of the University of
4 Minnesota must, and private nonprofit and proprietary
5 postsecondary institutions, should award postsecondary credit
6 for any successfully completed courses in a program certified by
7 the National Alliance of Concurrent Enrollment Partnerships
8 offered according to an agreement under subdivision 10.

9 Sec. 42. Minnesota Statutes 2004, section 124D.11,
10 subdivision 6, is amended to read:

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

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

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

21 (d) A charter school may receive money from any source for
22 capital facilities needs. In the year-end report to the
23 commissioner of education, the charter school shall report the
24 total amount of funds received from grants and other outside
25 sources.

26 Sec. 43. Minnesota Statutes 2004, section 124D.66,
27 subdivision 3, is amended to read:

28 Subd. 3. [ELIGIBLE SERVICES.] (a) Assurance of mastery
29 programs may provide direct instructional services to an
30 eligible pupil, or a group of eligible pupils, under the
31 following conditions in paragraphs (b) to (d).

32 (b) Instruction may be provided at one or more grade levels
33 from kindergarten to grade 8 and for students in grades 9
34 through 12 who were enrolled in grade 8 before the 2005-2006
35 school year and have failed the basic skills tests, or were
36 enrolled in grade 8 in the 2005-2006 school year and later and

1 who have failed the Minnesota Comprehensive Assessments
2 (MCA-IIIs) in reading, mathematics, or writing as required for
3 high school graduation under section 120B.02. If an assessment
4 of pupils' needs within a district demonstrates that the
5 eligible pupils in grades kindergarten to grade 8 are being
6 appropriately served, a district may serve eligible pupils in
7 grades 9 to 12.

8 (c) Instruction must be provided under the supervision of
9 the eligible pupil's regular classroom teacher. Instruction may
10 be provided by the eligible pupil's classroom teacher, by
11 another teacher, by a team of teachers, or by an education
12 assistant or aide. A special education teacher may provide
13 instruction, but instruction that is provided under this section
14 is not eligible for aid under section 125A.76.

15 (d) The instruction that is provided must differ from the
16 initial instruction the pupil received in the regular classroom
17 setting. The instruction may differ by presenting different
18 curriculum than was initially presented in the regular classroom
19 or by presenting the same curriculum:

20 (1) at a different rate or in a different sequence than it
21 was initially presented;

22 (2) using different teaching methods or techniques than
23 were used initially; or

24 (3) using different instructional materials than were used
25 initially.

26 Sec. 44. Minnesota Statutes 2004, section 124D.74,
27 subdivision 1, is amended to read:

28 Subdivision 1. [PROGRAM DESCRIBED.] American Indian
29 education programs are programs in public elementary and
30 secondary schools, nonsectarian nonpublic, community,
31 tribal, charter, or alternative schools enrolling American
32 Indian children designed to:

33 (1) support postsecondary preparation for pupils;

34 (2) support the academic achievement of American Indian
35 students with identified focus to improve reading and mathematic
36 skills;

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

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

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

7 (6) supplement, not supplant, state and federal educational
8 and cocurricular programs.

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

25 Sec. 45. Minnesota Statutes 2004, section 124D.81,
26 subdivision 1, is amended to read:

27 Subdivision 1. [GRANTS; PROCEDURES.] Each fiscal year the
28 commissioner of education must make grants to no fewer than six
29 American Indian education programs. At least three programs
30 must be in urban areas and at least three must be on or near
31 reservations. The board of a local district, a participating
32 school or a group of boards may develop a proposal for grants in
33 support of American Indian education programs. Proposals may
34 provide for contracts for the provision of program components by
35 nonsectarian nonpublic, community, tribal, charter, or
36 alternative schools. The commissioner shall prescribe the form

1 and manner of application for grants, and no grant shall be made
2 for a proposal not complying with the requirements of sections
3 124D.71 to 124D.82. ~~The commissioner must submit all proposals~~
4 ~~to the state Advisory Committee on American Indian Education~~
5 ~~Programs for its recommendations concerning approval,~~
6 ~~modification, or disapproval and the amounts of grants to~~
7 ~~approved programs.~~

8 Sec. 46. Minnesota Statutes 2004, section 124D.84,
9 subdivision 1, is amended to read:

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

1 and a federal standardized need analysis. Applicants are
2 encouraged to apply for all other sources of financial aid. The
3 ~~amount-and-type-of-each-scholarship-shall-be-determined-through~~
4 ~~the-advice-and-counsel-of-the-Minnesota-Indian-education~~
5 ~~committee.~~

6 When an Indian student satisfactorily completes the work
7 required by a certain college or school in a school year the
8 student is eligible for additional scholarships, if additional
9 training is necessary to reach the student's educational and
10 vocational objective. Scholarships may not be given to any
11 Indian student for more than five years of study ~~without-special~~
12 ~~recommendation-of-the-Minnesota-Indian-Education-Committee.~~

13 Sec. 47. [127A.095] [IMPLEMENTATION OF NO CHILD LEFT
14 BEHIND ACT.]

15 Subdivision 1. [CONTINUED IMPLEMENTATION.] The Department
16 of Education shall continue to implement the federal No Child
17 Left Behind Act, Public Law 107-110, without interruption.

18 Subd. 2. [NO CHILD LEFT BEHIND NULLIFICATION.] (a) The
19 consolidated state plan submitted by the state to the federal
20 Department of Education on implementing the No Child Left Behind
21 Act, Public Law 107-110, and any other Minnesota state contract
22 or agreement under the provisions of the No Child Left Behind
23 Act, shall be nullified and revoked by the commissioner of
24 education on July 1, 2006, if the conditions of paragraph (b)
25 are not met.

26 (b) The commissioner shall report to the house of
27 representatives and senate committees having jurisdiction over
28 kindergarten through grade 12 education policy and finance by
29 April 1, 2006, whether the department has:

30 (1) received approval from the federal Department of
31 Education to allow the state to develop a plan using multiple
32 measures including value-added measurement of student
33 achievement in addition to relying on standardized test results
34 to evaluate school and student performance for the purpose of
35 determining adequate yearly progress;

36 (2) received approval from the federal Department of

1 Education to allow the state to average three years of data for
2 the purposes of identifying a school for improvement;

3 (3) developed a plan and model legislation to ensure that
4 if an adequate yearly progress determination was made in error,
5 that the error will not adversely affect the school's or school
6 district's sanction status in subsequent years. The department
7 must have a policy in place to correct errors to accountability
8 reports;

9 (4) reported the additional costs for state fiscal years
10 2006 to 2009 that the No Child Left Behind Act imposes on the
11 state, the state's school districts, and charter schools that
12 are in excess of costs associated with the Improving America's
13 Schools Act of 1994, Public Law 103-382;

14 (5) received approval from the federal Department of
15 Education to allow the state to use No Child Left Behind Act
16 money to provide supplemental education services only in the
17 academic subject area that causes a school to miss adequate
18 yearly progress;

19 (6) received approval from the federal Department of
20 Education to exclude from sanctions schools that have not made
21 adequate yearly progress solely due to a subgroup of students
22 with disabilities not testing at a proficient level;

23 (7) received approval from the federal Department of
24 Education to exclude from sanctions a school that is classified
25 as not having made adequate yearly progress solely due to
26 different subgroups testing below proficient levels for at least
27 two consecutive years;

28 (8) received approval from the federal Department of
29 Education to identify a school as not making adequate yearly
30 progress only after missing the adequate yearly progress targets
31 in the same subject and subgroup for two consecutive years;

32 (9) received approval from the federal Department of
33 Education to identify a district as in need of improvement only
34 after missing the adequate yearly progress target in the same
35 subject across multiple grade spans for two consecutive years;

36 (10) received approval from the federal Department of

1 Education to limit the score of a student within multiple
2 subgroups to the one subgroup that is the smallest subgroup in
3 which that student is a part of when calculating adequate yearly
4 progress;

5 (11) implemented a uniform financial reporting system for
6 school districts to report costs related to implementing No
7 Child Left Behind Act requirements, including the costs of
8 complying with sanctions;

9 (12) received approval from the federal Department of
10 Education to determine the percentage of the special education
11 students that would be best educated based on out-of-level
12 standards and tested accordingly based on an individual
13 education plan; and

14 (13) received approval from the federal Department of
15 Education to determine when to hold schools accountable for
16 including a student with limited English proficiency in adequate
17 yearly progress calculations.

18 Subd. 3. [DEPARTMENT OF FINANCE CERTIFICATION.] If the
19 commissioner of education has not received approval from the
20 federal Department of Education regarding the conditions in
21 subdivision 2, paragraph (b), the commissioner of finance shall
22 certify and report to the legislature beginning January 1, 2007,
23 and each year thereafter, the amount of federal revenue, if any,
24 that has been withheld by the federal government as a result of
25 the state's discontinued implementation of the No Child Left
26 Behind Act. The report shall also specify the intended purpose
27 of the federal revenue and the amount of revenue withheld from
28 the state, each school district, and each charter school in each
29 fiscal year.

30 Subd. 4. [ANNUAL CONTINGENT APPROPRIATION.] For fiscal
31 year 2007 and thereafter, an amount equal to the federal revenue
32 withheld in the same fiscal year as a result of the state's
33 discontinued implementation of the No Child Left Behind Act, as
34 certified by the commissioner of finance under subdivision 3, is
35 appropriated from the general fund to the commissioner of
36 education. The commissioner of education shall allocate the

1 appropriation under this section according to the report from
2 the commissioner of finance in subdivision 3.

3 [EFFECTIVE DATE.] This section is effective the day
4 following final enactment.

5 Sec. 48. [129C.105] [BOARD MEETINGS BY TELEPHONE OR OTHER
6 ELECTRONIC MEANS.]

7 (a) Notwithstanding section 13D.01 and if complying with
8 section 13D.02 is impractical, the Board of the Perpich Center
9 for Arts Education may conduct a meeting of its members by
10 telephone or other electronic means when:

11 (1) all members of the board participating in the meeting,
12 wherever the members' physical locations, can hear one another
13 and all discussion and testimony;

14 (2) members of the public present at the regular meeting
15 location of the board can hear all discussion and testimony and
16 all votes of members of the board;

17 (3) at least one member of the board is physically present
18 at the regular meeting location; and

19 (4) all votes are conducted by roll call, so each member's
20 vote on each issue can be identified and recorded.

21 (b) Each member of the board participating in a meeting by
22 telephone or other electronic means is considered present at the
23 meeting for purposes of determining a quorum and participating
24 in all proceedings.

25 (c) If telephone or other electronic means is used to
26 conduct a meeting, the board, to the extent practical, shall
27 allow a person to monitor the meeting electronically from a
28 remote location. The board may require the person making such a
29 connection to pay for documented marginal costs that the board
30 incurs as a result of the additional connection.

31 (d) If telephone or other electronic means is used to
32 conduct a regular, special, or emergency meeting, the board
33 shall provide notice of the regular meeting location, of the
34 fact that some members may participate by telephone or other
35 electronic means, and of the provisions of paragraph (c). The
36 timing and method of providing notice is governed by section

1 13D.04.

2 [EFFECTIVE DATE.] This section is effective the day
3 following final enactment.

4 Sec. 49. Minnesota Statutes 2004, section 179A.03,
5 subdivision 14, is amended to read:

6 Subd. 14. [PUBLIC EMPLOYEE OR EMPLOYEE.] "Public employee"
7 or "employee" means any person appointed or employed by a public
8 employer except:

9 (a) elected public officials;

10 (b) election officers;

11 (c) commissioned or enlisted personnel of the Minnesota
12 National Guard;

13 (d) emergency employees who are employed for emergency work
14 caused by natural disaster;

15 (e) part-time employees whose service does not exceed the
16 lesser of 14 hours per week or 35 percent of the normal work
17 week in the employee's appropriate unit;

18 (f) employees whose positions are basically temporary or
19 seasonal in character and: (1) are not for more than 67 working
20 days in any calendar year; or (2) are not for more than 100
21 working days in any calendar year and the employees are under
22 the age of 22, are full-time students enrolled in a nonprofit or
23 public educational institution prior to being hired by the
24 employer, and have indicated, either in an application for
25 employment or by being enrolled at an educational institution
26 for the next academic year or term, an intention to continue as
27 students during or after their temporary employment;

28 (g) employees providing services for not more than two
29 consecutive quarters to the Board of Trustees of the Minnesota
30 State Colleges and Universities under the terms of a
31 professional or technical services contract as defined in
32 section 16C.08, subdivision 1;

33 (h) employees of charitable hospitals as defined by section
34 179.35, subdivision 3;

35 (i) full-time undergraduate students employed by the school
36 which they attend under a work-study program or in connection

1 with the receipt of financial aid, irrespective of number of
2 hours of service per week;

3 (j) an individual who is employed for less than 300 hours
4 in a fiscal year as an instructor in an adult vocational
5 education program;

6 (k) an individual hired by the Board of Trustees of the
7 Minnesota State Colleges and Universities to teach one course
8 for three or fewer credits for one semester in a year;

9 (l) with respect to court employees:

10 (1) personal secretaries to judges;

11 (2) law clerks;

12 (3) managerial employees;

13 (4) confidential employees; and

14 (5) supervisory employees.

15 The following individuals are public employees regardless
16 of the exclusions of clauses (e) and (f):

17 (i) an employee hired by a school district or the Board of
18 Trustees of the Minnesota State Colleges and Universities except
19 at the university established in section 136F.13 or for
20 community services or community education instruction offered on
21 a noncredit basis: (A) to replace an absent teacher or faculty
22 member who is a public employee, where the replacement employee
23 is employed more than 30 working days as a replacement for that
24 teacher or faculty member; or (B) to take a teaching position
25 created due to increased enrollment, curriculum expansion,
26 courses which are a part of the curriculum whether offered
27 annually or not, or other appropriate reasons; and

28 (ii) an employee hired for a position under clause (f)(1)
29 if that same position has already been filled under clause
30 (f)(1) in the same calendar year and the cumulative number of
31 days worked in that same position by all employees exceeds 67
32 calendar days in that year. For the purpose of this paragraph,
33 "same position" includes a substantially equivalent position if
34 it is not the same position solely due to a change in the
35 classification or title of the position; and

36 (iii) an early childhood family education teacher employed

1 by a school district.

2 [EFFECTIVE DATE.] This section is effective July 1, 2005.

3 Sec. 50. Minnesota Statutes 2004, section 260C.201,
4 subdivision 1, is amended to read:

5 Subdivision 1. [DISPOSITIONS.] (a) If the court finds that
6 the child is in need of protection or services or neglected and
7 in foster care, it shall enter an order making any of the
8 following dispositions of the case:

9 (1) place the child under the protective supervision of the
10 responsible social services agency or child-placing agency in
11 the home of a parent of the child under conditions prescribed by
12 the court directed to the correction of the child's need for
13 protection or services:

14 (i) the court may order the child into the home of a parent
15 who does not otherwise have legal custody of the child, however,
16 an order under this section does not confer legal custody on
17 that parent;

18 (ii) if the court orders the child into the home of a
19 father who is not adjudicated, he must cooperate with paternity
20 establishment proceedings regarding the child in the appropriate
21 jurisdiction as one of the conditions prescribed by the court
22 for the child to continue in his home;

23 (iii) the court may order the child into the home of a
24 noncustodial parent with conditions and may also order both the
25 noncustodial and the custodial parent to comply with the
26 requirements of a case plan under subdivision 2; or

27 (2) transfer legal custody to one of the following:

28 (i) a child-placing agency; or

29 (ii) the responsible social services agency. In placing a
30 child whose custody has been transferred under this paragraph,
31 the agencies shall make an individualized determination of how
32 the placement is in the child's best interests using the
33 consideration for relatives and the best interest factors in
34 section 260C.212, subdivision 2, paragraph (b); or

35 (3) if the child has been adjudicated as a child in need of
36 protection or services because the child is in need of special

1 services or care to treat or ameliorate a physical or mental
2 disability, the court may order the child's parent, guardian, or
3 custodian to provide it. The court may order the child's health
4 plan company to provide mental health services to the child.
5 Section 62Q.535 applies to an order for mental health services
6 directed to the child's health plan company. If the health
7 plan, parent, guardian, or custodian fails or is unable to
8 provide this treatment or care, the court may order it
9 provided. Absent specific written findings by the court that
10 the child's disability is the result of abuse or neglect by the
11 child's parent or guardian, the court shall not transfer legal
12 custody of the child for the purpose of obtaining special
13 treatment or care solely because the parent is unable to provide
14 the treatment or care. If the court's order for mental health
15 treatment is based on a diagnosis made by a treatment
16 professional, the court may order that the diagnosing
17 professional not provide the treatment to the child if it finds
18 that such an order is in the child's best interests; or

19 (4) if the court believes that the child has sufficient
20 maturity and judgment and that it is in the best interests of
21 the child, the court may order a child 16 years old or older to
22 be allowed to live independently, either alone or with others as
23 approved by the court under supervision the court considers
24 appropriate, if the county board, after consultation with the
25 court, has specifically authorized this dispositional
26 alternative for a child.

27 (b) If the child was adjudicated in need of protection or
28 services because the child is a runaway or habitual truant, the
29 court may order any of the following dispositions in addition to
30 or as alternatives to the dispositions authorized under
31 paragraph (a):

32 (1) counsel the child or the child's parents, guardian, or
33 custodian;

34 (2) place the child under the supervision of a probation
35 officer or other suitable person in the child's own home under
36 conditions prescribed by the court, including reasonable rules

1 for the child's conduct and the conduct of the parents,
2 guardian, or custodian, designed for the physical, mental, and
3 moral well-being and behavior of the child; or with the consent
4 of the commissioner of corrections, place the child in a group
5 foster care facility which is under the commissioner's
6 management and supervision;

7 (3) subject to the court's supervision, transfer legal
8 custody of the child to one of the following:

9 (i) a reputable person of good moral character. No person
10 may receive custody of two or more unrelated children unless
11 licensed to operate a residential program under sections 245A.01
12 to 245A.16; or

13 (ii) a county probation officer for placement in a group
14 foster home established under the direction of the juvenile
15 court and licensed pursuant to section 241.021;

16 (4) require the child to pay a fine of up to \$100. The
17 court shall order payment of the fine in a manner that will not
18 impose undue financial hardship upon the child;

19 (5) require the child to participate in a community service
20 project;

21 (6) order the child to undergo a chemical dependency
22 evaluation and, if warranted by the evaluation, order
23 participation by the child in a drug awareness program or an
24 inpatient or outpatient chemical dependency treatment program;

25 (7) if the court believes that it is in the best interests
26 of the child and or of public safety that the child's driver's
27 license or instruction permit be canceled, the court may order
28 the commissioner of public safety to cancel the child's license
29 or permit for any period up to the child's 18th birthday. If
30 the child does not have a driver's license or permit, the court
31 may order a denial of driving privileges for any period up to
32 the child's 18th birthday. The court shall forward an order
33 issued under this clause to the commissioner, who shall cancel
34 the license or permit or deny driving privileges without a
35 hearing for the period specified by the court. At any time
36 before the expiration of the period of cancellation or denial,

1 the court may, for good cause, order the commissioner of public
2 safety to allow the child to apply for a license or permit, and
3 the commissioner shall so authorize;

4 (8) order that the child's parent or legal guardian deliver
5 the child to school at the beginning of each school day for a
6 period of time specified by the court; or

7 (9) require the child to perform any other activities or
8 participate in any other treatment programs deemed appropriate
9 by the court.

10 To the extent practicable, the court shall enter a
11 disposition order the same day it makes a finding that a child
12 is in need of protection or services or neglected and in foster
13 care, but in no event more than 15 days after the finding unless
14 the court finds that the best interests of the child will be
15 served by granting a delay. If the child was under eight years
16 of age at the time the petition was filed, the disposition order
17 must be entered within ten days of the finding and the court may
18 not grant a delay unless good cause is shown and the court finds
19 the best interests of the child will be served by the delay.

20 (c) If a child who is 14 years of age or older is
21 adjudicated in need of protection or services because the child
22 is a habitual truant and truancy procedures involving the child
23 were previously dealt with by a school attendance review board
24 or county attorney mediation program under section 260A.06 or
25 260A.07, the court shall order a cancellation or denial of
26 driving privileges under paragraph (b), clause (7), for any
27 period up to the child's 18th birthday.

28 (d) In the case of a child adjudicated in need of
29 protection or services because the child has committed domestic
30 abuse and been ordered excluded from the child's parent's home,
31 the court shall dismiss jurisdiction if the court, at any time,
32 finds the parent is able or willing to provide an alternative
33 safe living arrangement for the child, as defined in Laws 1997,
34 chapter 239, article 10, section 2.

35 (e) When a parent has complied with a case plan ordered
36 under subdivision 6 and the child is in the care of the parent,

1 the court may order the responsible social services agency to
2 monitor the parent's continued ability to maintain the child
3 safely in the home under such terms and conditions as the court
4 determines appropriate under the circumstances.

5 Sec. 51. [CONTINGENT ALL-DAY KINDERGARTEN REVENUE
6 INCREASE.]

7 (a) If on the basis of the November 2005 and February 2006
8 forecast there is an available unrestricted general fund balance
9 projected for June 30, 2007, attributable to the collection of
10 sales taxes by sellers who do not have a physical presence in
11 Minnesota and the conditions of Minnesota Statutes, section
12 16A.152, subdivision 2, have been met, then the commissioner of
13 finance shall implement the provisions in paragraphs (b) to (e).

14 (b) The revenue in Minnesota Statutes, section 124D.081,
15 subdivision 6, shall be increased in fiscal year 2006 and later
16 by the amounts available from the taxation of Internet sales not
17 to exceed a total appropriation of \$160,000,000 annually.

18 (c) The amount necessary to implement this section is
19 appropriated from the general fund.

20 (d) The amount available to increase grants for all-day
21 kindergarten shall be certified to the commissioner of education
22 the day after the release of the November 2005 and February 2006
23 forecasts.

24 (e) The commissioner of education shall notify appropriate
25 school districts based on the all-day kindergarten grant
26 formulas in Minnesota Statutes, section 124D.081, of the
27 resulting increase in the grant within two weeks of the
28 certification.

29 Sec. 52. [COLLEGE PREPARATION STANDARDS.]

30 (a) The Higher Education Advisory Council must convene a
31 working group to develop standards describing the skills and
32 knowledge a high school graduate must have at entry into
33 postsecondary education in order to successfully graduate from
34 college. The standards must, to the extent possible, be
35 applicable for all postsecondary education but may describe
36 differences in the skills and knowledge necessary for success in

1 different higher education institutions and programs. The
2 standards need not be comprehensive but must, at a minimum, be
3 the essential skills and knowledge that will enable a student to
4 succeed in college. The Higher Education Services Office must
5 provide staff for the working group.

6 (b) The Higher Education Advisory Council must submit the
7 standards to the commissioner of education no later than January
8 15, 2006. No later than March 15, 2006, the commissioner of
9 education must report, to the chairs of the legislative
10 committees with jurisdiction over kindergarten through grade 12
11 education policy and finance and higher education policy and
12 finance, its recommendations regarding the changes, if any, that
13 must be made in Minnesota's academic standards in order to
14 ensure that Minnesota high school graduates meet the college
15 readiness standards established by the Higher Education Advisory
16 Council.

17 (c) The Higher Education Advisory Council must invite the
18 University of Minnesota, Minnesota State Colleges and
19 Universities, representatives of private colleges, and other
20 private postsecondary institutions, to participate in the
21 working group and may invite other individuals or entities to
22 participate. The Higher Education Advisory Council and its
23 working group may collaborate with the Minnesota P-16 Education
24 Partnership in developing the college readiness standards.

25 Sec. 53. [MINNESOTA COMPREHENSIVE ASSESSMENTS; RULES.]

26 The commissioner of education shall adopt rules on or
27 before January 1, 2005, to implement the Minnesota Comprehensive
28 Assessments Second Edition (MCA-II) in reading, mathematics,
29 and writing. For purposes of state and local high school
30 graduation requirements, the rules must include criteria
31 enabling school districts to:

32 (1) appropriately accommodate a student who fails but seeks
33 to pass the Minnesota Comprehensive Assessments Second Edition;
34 and

35 (2) exempt a disabled student, consistent with the
36 student's individualized education plan, or an English language

1 learner from the Minnesota Comprehensive Assessments Second
2 Edition or administer an alternative assessment either to a
3 disabled student, consistent with the student's individualized
4 education plan, or to an English language learner.

5 Sec. 54. [HEALTH AND PHYSICAL EDUCATION MODEL BENCHMARKS.]

6 By July 1, 2006, the commissioner of education must
7 transmit to school districts model kindergarten through grade 12
8 health and physical education benchmarks developed by the
9 department's health and physical education quality teaching
10 network.

11 Sec. 55. [RULES FOR SUPPLEMENTAL SERVICE PROVIDERS.]

12 The commissioner of education must amend Minnesota Rules,
13 part 3512.5400, relating to supplemental service providers to
14 include outcome standards. The commissioner must include in the
15 amended rules criteria to remove an education service provider
16 from the listing of approved service providers if they fail to
17 meet the outcome standards.

18 Sec. 56. [MODEL POLICY; INTIMIDATION AND BULLYING.]

19 The commissioner of education shall work with the Minnesota
20 School Boards Association to develop a model policy that
21 prohibits intimidating and bullying as required in Minnesota
22 Statutes, section 121A.0695, subdivision 2.

23 Sec. 57. [SCHOOL FINANCE STUDY.]

24 (a) The commissioner of education must contract with an
25 independent contractor that has extensive experience working
26 with various states on education finance systems to continue and
27 complete the work done by the governor's education funding task
28 force included in the June 2004 report, Investing in Our
29 Future. The commissioner must contract with a firm other than
30 the consulting firm performing services for and submitting a
31 report on behalf of the governor's education funding task force.

32 (b) The contractor must:

33 (1) conduct an in-depth analysis of the governor's
34 education funding task force report, Investing in Our Future,
35 dated June 2004, focusing on the data produced by the
36 professional judgment panel study included in the report;

1 (2) convene a meeting in Minnesota to help gather any
2 necessary additional data that is not contained in the
3 governor's task force report or to further validate some of the
4 report's existing data;

5 (3) determine the dollar value of an instructional services
6 allocation, including cost estimates for each school district
7 adjusting the allocation for individual student and school
8 district characteristics; and

9 (4) conduct outreach and support to explain its findings to
10 appropriate officials in Minnesota.

11 (c) In addition to the requirements in paragraph (b), the
12 contractor must analyze data from Minnesota school districts
13 that have proven to be successful in educating students to meet
14 the state's academic standards. The contractor must use a
15 statistical analysis to help explain differences in spending
16 across school districts while controlling for student
17 performance.

18 (d) The commissioner must report on the findings on the
19 contract to the legislative committees having jurisdiction over
20 kindergarten through grade 12 finance before December 15, 2005.

21 [EFFECTIVE DATE.] This section is effective the day
22 following final enactment.

23 Sec. 58. [EVALUATING THE EDUCATIONAL IMPACT OF FEDERAL AND
24 STATE TESTS ON KINDERGARTEN THROUGH GRADE 12 STUDENTS.]

25 (a) The Office of Educational Accountability under
26 Minnesota Statutes, section 120B.31, subdivision 3, must
27 evaluate the educational impact of the federal No Child Left
28 Behind Act and other state and federal laws requiring school
29 districts to administer tests to kindergarten through grade 12
30 students. The evaluation at least must include:

31 (1) potential educational costs to kindergarten through
32 grade 12 public school students through the 2013-2014 school
33 year of complying with testing requirements;

34 (2) educational factors that may increase or decrease the
35 educational costs identified under clause (1);

36 (3) the impact of testing requirements on the statewide

1 accountability system, teacher training and employment, and
2 curriculum development; and

3 (4) the relationship between the testing requirements,
4 postsecondary entrance requirements, and the expectations of the
5 business community regarding the educational preparation of new
6 high school graduates seeking employment.

7 The Office of Educational Accountability, at its
8 discretion, may include additional areas for evaluation.

9 (b) In preparing this evaluation, the Office of Educational
10 Accountability must select a sample of school districts to
11 explore in depth the areas listed in paragraph (a). The school
12 districts must be of varying sizes and geographical locations,
13 and must include some districts with schools designated by the
14 state Department of Education as "needing improvement" under the
15 No Child Left Behind Act. The Office of Educational
16 Accountability must contact school officials, employees of
17 postsecondary institutions, and representatives of business
18 communities from throughout the state to collect information and
19 perceptions related to the evaluation. State and local entities
20 must cooperate with and assist the Office of Educational
21 Accountability with this evaluation at the request of the Office
22 of Educational Accountability.

23 (c) The Office of Educational Accountability must submit
24 the evaluation in writing to the chairs of the house of
25 representatives and senate committees having jurisdiction over
26 kindergarten through grade 12 education policy and finance by
27 February 15, 2006.

28 [EFFECTIVE DATE.] This section is effective the day
29 following final enactment.

30 Sec. 59. [LICENSED STUDENT SUPPORT SERVICES.]

31 Subdivision 1. [ACCESS TO SERVICES.] School districts and
32 the Department of Education shall work to provide for students'
33 educational achievement, to provide for student safety, and to
34 enhance student physical, emotional, and social well-being by
35 providing access to licensed student support services, such as
36 licensed school nurses, licensed school counselors, licensed

1 school social workers, licensed alcohol and drug abuse
2 counselors, and licensed school psychologists.

3 Subd. 2. [FUNDING.] School districts and the Department of
4 Education shall explore opportunities for obtaining additional
5 funds to improve students' access to needed licensed student
6 support services including, at least, medical assistance
7 reimbursements, local collaborative time study funds, federal
8 funds, public health funds, and specifically designated funds.

9 Subd. 3. [IMPROVING ACCESS.] School districts and the
10 Department of Education must consider nationally recommended
11 licensed staff-to-student ratios, work loads, and best practices
12 when working to improve student access to needed licensed
13 student support services.

14 Sec. 60. [BOARD OF TEACHING REPORT.]

15 By January 16, 2006, the Board of Teaching, in consultation
16 with the Department of Education and other education
17 stakeholders, must prepare and submit to the house of
18 representatives and senate committees having jurisdiction over
19 kindergarten through grade 12 education policy and finance
20 proposed licensure requirements for teachers of
21 interdisciplinary curriculum to facilitate learning in
22 state-approved innovative schools and programs.

23 Sec. 61. [PROFESSIONAL COMPENSATION FOR TEACHERS TASK
24 FORCE.]

25 The commissioner of education must convene a task force on
26 professional compensation models for teachers. The commissioner
27 shall report the task force findings to the legislative
28 committees having jurisdiction over kindergarten through grade
29 12 education funding and policy issues by December 16, 2006.
30 The task force must recommend a professional compensation model
31 designed to improve teacher performance and student
32 achievement. The task force must recommend a method to
33 transition from the current pilot alternative compensation sites
34 to a statewide program, including recommendations for funding a
35 statewide program.

36 Sec. 62. [APPROPRIATIONS.]

1 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
2 indicated in this section are appropriated from the general fund
3 to the Department of Education for the fiscal years designated.

4 Subd. 2. [IMPROVED SCHOOL FINANCE SYSTEM CONTRACT.] For a
5 contract to follow up on the work of the governor's education
6 funding task force:

7 \$ 2005

8 Subd. 3. [STAFF DEVELOPMENT STATE MATCH.] For the state
9 match for staff development under Minnesota Statutes, section
10 122A.61:

11 \$.,..... 2006

12 \$.,..... 2007

13 Special School District No. 6, South St. Paul, may use its
14 state match to implement its elementary and middle school
15 international baccalaureate program expansion.

16 Subd. 4. [PROFESSIONAL COMPENSATION FOR TEACHERS TASK
17 FORCE.] For the professional compensation for teachers task
18 force:

19 \$ 2006

20 Sec. 63. [REPEALER.]

21 Minnesota Statutes 2004, sections 121A.23; 122A.414;
22 122A.415; and 122A.60, are repealed.

1 ARTICLE 3

2 SPECIAL PROGRAMS

3 Section 1. Minnesota Statutes 2004, section 121A.66,
4 subdivision 5, is amended to read:

5 Subd. 5. [EMERGENCY.] "Emergency" means a situation in
6 which immediate intervention is necessary to protect a pupil or
7 other individual from physical injury or to prevent serious
8 property damage.

9 Sec. 2. Minnesota Statutes 2004, section 121A.66, is
10 amended by adding a subdivision to read:

11 Subd. 6. [POSITIVE BEHAVIORAL INTERVENTIONS AND
12 SUPPORTS.] "Positive behavioral interventions and supports"
13 means those strategies used to improve the school environment
14 and teach pupils skills likely to increase pupil ability to
15 exhibit appropriate behaviors.

16 Sec. 3. Minnesota Statutes 2004, section 121A.66, is
17 amended by adding a subdivision to read:

18 Subd. 7. [TIME-OUT.] "Time-out" means:

19 (1) a contingent observation, which is not a regulated
20 intervention, and involves instructing the pupil to leave the
21 school activity during the school day and not participate for a
22 period of time, but to observe the activity and listen to the
23 discussion from a time-out area within the same setting;

24 (2) an exclusionary time-out, which is not a regulated

1 intervention, and involves instructing the pupil to leave the
2 school activity during the school day and not participate in or
3 observe the classroom activity, but to go to another area from
4 which the pupil may leave; or

5 (3) a locked time-out, which is a regulated intervention,
6 and involves involuntarily removing the pupil from the school
7 activity during the school day and placing the pupil in a
8 specially designed and continuously supervised isolation room
9 that the pupil is prevented from leaving.

10 Sec. 4. Minnesota Statutes 2004, section 121A.67, is
11 amended to read:

12 121A.67 [AVERSIVE AND DEPRIVATION PROCEDURES.]

13 Subdivision 1. [RULES.] The commissioner, after
14 consultation with interested parent organizations and advocacy
15 groups, the Minnesota Administrators for Special Education, the
16 Minnesota Association of School Administrators, Education
17 Minnesota, the Minnesota School Boards Association, the
18 Minnesota Police Officers Association, a representative of a
19 bargaining unit that represents paraprofessionals, the
20 Elementary School Principals Association, and the Secondary
21 School Principals Association, must ~~adopt~~ amend rules governing
22 the use of aversive and deprivation procedures by school
23 district employees or persons under contract with a school
24 district. The rules must:

25 (1) promote the use of positive ~~approaches~~ behavioral
26 interventions and supports and must not encourage or require the
27 use of aversive or deprivation procedures;

28 (2) require that planned application of aversive and
29 deprivation procedures only be a-part-of-an instituted after
30 completing a functional behavior assessment and developing a
31 behavior intervention plan that is included in or maintained
32 with the individual education plan;

33 (3) require ~~parents-or-guardians-to-be-notified-after-the~~
34 use-of educational personnel to notify a parent or guardian of a
35 pupil with an individual education plan on the same day aversive
36 or deprivation procedures are used in an emergency or in writing

1 within two school days if district personnel are unable to
2 provide same-day notice;

3 (4) establish health and safety standards for the use of
4 locked time-out procedures that require a safe environment,
5 continuous monitoring of the child, ventilation, and adequate
6 space, a locking mechanism that disengages automatically when
7 not continuously engaged by school personnel, and full
8 compliance with state and local fire and building codes,
9 including state rules on time-out rooms; and

10 (5) contain a list of prohibited procedures;

11 (6) consolidate and clarify provisions related to behavior
12 intervention plans;

13 (7) require school districts to register with the
14 commissioner any room used for locked time-out, which the
15 commissioner must monitor by making announced and unannounced
16 on-site visits;

17 (8) place a student in locked time-out only if the
18 intervention is:

19 (i) part of the comprehensive behavior intervention plan
20 that is included in or maintained with the student's individual
21 education plan, and the plan uses positive behavioral
22 interventions and supports, and data support its continued use;
23 or

24 (ii) used in an emergency for the duration of the emergency
25 only; and

26 (9) require a providing school district or cooperative to
27 establish an oversight committee composed of at least one member
28 with training in behavioral analysis and other appropriate
29 education personnel to annually review aggregate data regarding
30 the use of aversive and deprivation procedures.

31 Subd. 2. [REMOVAL BY PEACE OFFICER.] If a pupil who has an
32 individual education plan is restrained or removed from a
33 classroom, school building, or school grounds by a peace officer
34 at the request of a school administrator or a school staff
35 person during the school day twice in a 30-day period, the
36 pupil's individual education program team must meet to determine

1 if the pupil's individual education plan is adequate or if
2 additional evaluation is needed.

3 [EFFECTIVE DATE.] Subdivision 1 of this section is
4 effective the day following final enactment.

5 Sec. 5. Minnesota Statutes 2004, section 122A.15, is
6 amended by adding a subdivision to read:

7 Subd. 3. [STUDENT SUPPORT SERVICES ADVISORY COMMITTEE;
8 DISTRICT PLAN.] (a) A student support services advisory
9 committee composed of ten members selected by the commissioner
10 is established under section 15.059. The commissioner must
11 select one committee member from each of the following
12 organizations:

- 13 (1) the Minnesota Department of Education;
14 (2) the Minnesota School Boards Association;
15 (3) the Minnesota Association of School Administrators;
16 (4) the Minnesota School Social Work Association;
17 (5) the School Nurse Organization of Minnesota;
18 (6) the Minnesota School Psychologists Association;
19 (7) the Minnesota School Counselors Association;
20 (8) the Minnesota Association of Resources for Recovery and
21 Chemical Health;
22 (9) the Minnesota Administrators for Special Education; and
23 (10) the Minnesota Parent Teachers Association.

24 (b) The committee must:

- 25 (1) establish a method for identifying student needs that
26 are barriers to learning;
27 (2) identify alternatives for integrating student support
28 services into public schools;
29 (3) recommend support staff to student ratios and best
30 practices for providing student support services premised on
31 evidence-based practice;
32 (4) identify the substance and extent of the work that
33 student support services staff are trained and licensed to
34 provide and the characteristics of the student populations they
35 serve;
36 (5) recommend how school districts can most appropriately

1 integrate student support services into the education program;
2 and

3 (6) recommend public and nonpublic revenue sources that
4 school districts can use to fund student support services
5 including, among other sources, medical assistance
6 reimbursements, private health insurance, local collaborative
7 time study funds, federal funds, public health funds, and
8 specifically designated funds such as school safety levies and
9 district general funds, among other funds.

10 (c) The committee must consider the oral and written
11 testimony of school district personnel and parents and students
12 in complying with paragraph (b). The committee must submit
13 periodic recommendations about student support services to the
14 commissioner and to the committees of the legislature having
15 jurisdiction over birth to age 21 education policy and budget
16 issues. The commissioner must consider the committee's
17 recommendations in deciding whether to develop and maintain a
18 model district plan for student support services. If the
19 commissioner develops and maintains a model plan, the
20 commissioner also must decide whether to transmit the plan to
21 school districts, whether to require the districts to adopt and
22 maintain a district plan for providing student support services
23 that meets the criteria recommended by the advisory committee,
24 and whether to require the districts to submit the plan for
25 biennial review.

26 (d) Notwithstanding section 15.059, subdivision 5, the
27 committee expires on June 30, 2016.

28 [EFFECTIVE DATE.] This section is effective the day
29 following final enactment and applies to the 2006-2007 school
30 year and later.

31 Sec. 6. Minnesota Statutes 2004, section 123B.92,
32 subdivision 1, is amended to read:

33 Subdivision 1. [DEFINITIONS.] For purposes of this section
34 and section 125A.76, the terms defined in this subdivision have
35 the meanings given to them.

36 (a) "Actual expenditure per pupil transported in the

1 regular and excess transportation categories" means the quotient
2 obtained by dividing:

3 (1) the sum of:

4 (i) all expenditures for transportation in the regular
5 category, as defined in paragraph (b), clause (1), and the
6 excess category, as defined in paragraph (b), clause (2), plus
7 (ii) an amount equal to one year's depreciation on the
8 district's school bus fleet and mobile units computed on a
9 straight line basis at the rate of 15 percent per year for
10 districts operating a program under section 124D.128 for grades
11 1 to 12 for all students in the district and 12-1/2 percent per
12 year for other districts of the cost of the fleet, plus

13 (iii) an amount equal to one year's depreciation on the
14 district's type three school buses, as defined in section
15 169.01, subdivision 6, clause (5), which must be used a majority
16 of the time for pupil transportation purposes, computed on a
17 straight line basis at the rate of 20 percent per year of the
18 cost of the type three school buses by:

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

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

24 (1) Regular transportation is:

25 (i) transportation to and from school during the regular
26 school year for resident elementary pupils residing one mile or
27 more from the public or nonpublic school they attend, and
28 resident secondary pupils residing two miles or more from the
29 public or nonpublic school they attend, excluding desegregation
30 transportation and noon kindergarten transportation; but with
31 respect to transportation of pupils to and from nonpublic
32 schools, only to the extent permitted by sections 123B.84 to
33 123B.87;

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

36 (iii) transportation of a pupil who is a custodial parent

1 and that pupil's child between the pupil's home and the child
2 care provider and between the provider and the school, if the
3 home and provider are within the attendance area of the school;

4 (iv) transportation to and from or board and lodging in
5 another district, of resident pupils of a district without a
6 secondary school; and

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

15 For the purposes of this paragraph, a district may
16 designate a licensed day care facility, respite care facility,
17 the residence of a relative, or the residence of a person chosen
18 by the pupil's parent or guardian as the home of a pupil for
19 part or all of the day, if requested by the pupil's parent or
20 guardian, and if that facility or residence is within the
21 attendance area of the school the pupil attends.

22 (2) Excess transportation is:

23 (i) transportation to and from school during the regular
24 school year for resident secondary pupils residing at least one
25 mile but less than two miles from the public or nonpublic school
26 they attend, and transportation to and from school for resident
27 pupils residing less than one mile from school who are
28 transported because of extraordinary traffic, drug, or crime
29 hazards; and

30 (ii) transportation to and from school during the regular
31 school year required under subdivision 3 for nonresident
32 secondary pupils when the distance from the attendance area
33 border to the school is at least one mile but less than two
34 miles from the public school they attend, and for nonresident
35 pupils when the distance from the attendance area border to the
36 school is less than one mile from the school and who are

1 transported because of extraordinary traffic, drug, or crime
2 hazards.

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

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

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

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

20 (iii) necessary transportation for resident pupils with
21 disabilities required by sections 125A.12, and 125A.26 to
22 125A.48;

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

25 (v) transportation from one educational facility to another
26 within the district for resident pupils enrolled on a
27 shared-time basis in educational programs, and necessary
28 transportation required by sections 125A.18, and 125A.26 to
29 125A.48, for resident pupils with disabilities who are provided
30 special instruction and services on a shared-time basis or if
31 resident pupils are not transported, the costs of necessary
32 travel between public and private schools or neutral
33 instructional sites by essential personnel employed by the
34 district's program for children with a disability;

35 (vi) transportation for resident pupils with disabilities
36 to and from board and lodging facilities when the pupil is

1 boarded and lodged for educational purposes; and

2 (vii) services described in clauses (i) to (vi), when
3 provided for pupils with disabilities in conjunction with a
4 summer instructional program that relates to the pupil's
5 individual education plan or in conjunction with a learning year
6 program established under section 124D.128.

7 For purposes of computing special education base revenue
8 under section 125A.76, subdivision 2, the cost of providing
9 transportation for children with disabilities includes (A) the
10 additional cost of transporting a homeless student from a
11 temporary nonshelter home in another district to the school of
12 origin, or a formerly homeless student from a permanent home in
13 another district to the school of origin but only through the
14 end of the academic year; and (B) depreciation on district-owned
15 school buses purchased after July 1, 2005, and used primarily
16 for transportation of pupils with disabilities, calculated
17 according to paragraph (a), clauses (ii) and (iii).
18 Depreciation costs included in the disabled transportation
19 category must be excluded in calculating the actual expenditure
20 per pupil transported in the regular and excess transportation
21 categories according to paragraph (a).

22 (5) "Nonpublic nonregular transportation" is:

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

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

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

35 (c) "Mobile unit" means a vehicle or trailer designed to
36 provide facilities for educational programs and services,

1 including diagnostic testing, guidance and counseling services,
2 and health services. A mobile unit located off nonpublic school
3 premises is a neutral site as defined in section 123B.41,
4 subdivision 13.

5 Sec. 7. Minnesota Statutes 2004, section 124D.11,
6 subdivision 5, is amended to read:

7 Subd. 5. [SPECIAL EDUCATION AID.] (a) Except as provided
8 in subdivision 2, special education aid must be paid to a
9 charter school according to section 125A.76, as though it were a
10 school district. The charter school may charge tuition to the
11 district of residence equal to the lesser of the district's
12 initial unreimbursed special education cost per pupil or the
13 charter school's initial unreimbursed special education cost per
14 pupil.

15 (b) The charter school may submit a tuition bill in an
16 amount equal to 70 percent of its remaining unreimbursed costs
17 to the commissioner of education as provided in section 125A.11.

18 (c) For purposes of this subdivision, "initial unreimbursed
19 special education cost" means the difference between the school
20 district or charter school's total special education costs for
21 that year and its regular special education revenue.

22 [EFFECTIVE DATE.] This section is effective for revenue for
23 fiscal year 2006.

24 Sec. 8. [124D.4531] [CAREER AND TECHNICAL LEVY.]

25 Subdivision 1. [CAREER AND TECHNICAL LEVY.] (a) A district
26 with a career and technical program approved under this section
27 for the fiscal year in which the levy is certified may levy an
28 amount equal to the lesser of:

29 (1) \$80 times the district's average daily membership in
30 grades 10 through 12 for the fiscal year in which the levy is
31 certified; or

32 (2) 25 percent of approved expenditures in the fiscal year
33 in which the levy is certified for the following:

34 (i) salaries paid to essential, licensed personnel
35 providing direct instructional services to students in that
36 fiscal year for services rendered in the district's approved

1 career and technical education programs;

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

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

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

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

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

15 (vii) specialized vocational instructional supplies.

16 (b) Up to ten percent of a district's career and technical
17 levy may be spent on equipment purchases. Districts using the
18 career and technical levy for equipment purchases must report to
19 the department on the improved learning opportunities for
20 students that result from the investment in equipment.

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

23 Subd. 2. [ALLOCATION FROM COOPERATIVE CENTERS AND
24 INTERMEDIATE DISTRICTS.] For purposes of this section, a
25 cooperative center or an intermediate district must allocate its
26 approved expenditures for career and technical education
27 programs among participating districts.

28 Subd. 3. [LEVY GUARANTEE.] Notwithstanding subdivision 1,
29 the career and technical education levy for a district is not
30 less than the lesser of:

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

33 (2) 100 percent of the approved expenditures for career and
34 technical programs included in subdivision 1, paragraph (b), for
35 the fiscal year in which the levy is certified.

36 Subd. 4. [DISTRICT REPORTS.] Each district or cooperative

1 center must report data to the department for all career and
2 technical education programs as required by the department to
3 implement the career and technical levy formula.

4 [EFFECTIVE DATE.] This section is effective for taxes
5 payable in 2009.

6 Sec. 9. Minnesota Statutes 2004, section 124D.59,
7 subdivision 2, is amended to read:

8 Subd. 2. [PUPIL OF LIMITED ENGLISH PROFICIENCY.] (a)
9 "Pupil of limited English proficiency" means a pupil in
10 kindergarten through grade 12 who meets the following
11 requirements:

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

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

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

33 (c) Notwithstanding paragraphs (a) and (b), a pupil in
34 kindergarten through grade 12 shall not be counted as a pupil of
35 limited English proficiency in calculating limited English
36 proficiency pupil units under section 126C.05, subdivision 17,

1 and shall not generate state limited English proficiency aid
2 under section 124D.65, subdivision 5, if:

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

6 (2) the pupil has generated ~~five~~ seven or more years of
7 average daily membership in Minnesota public schools since July
8 1, 1996.

9 [EFFECTIVE DATE.] This section is effective for revenue for
10 fiscal years 2006 and 2007 if the basic formula allowance under
11 Minnesota Statutes, section 126C.10, subdivision 2, does not
12 grow by at least a real three and one-half percent each year.

13 Sec. 10. Minnesota Statutes 2004, section 125A.11,
14 subdivision 1, is amended to read:

15 Subdivision 1. [NONRESIDENT TUITION RATE; OTHER COSTS.]

16 (a) For fiscal year 2006, when a school district provides
17 instruction and services outside the district of residence,
18 board and lodging, and any tuition to be paid, shall be paid by
19 the district of residence. The tuition rate to be charged for
20 any child with a disability, excluding a pupil for whom tuition
21 is calculated according to section 127A.47, subdivision 7,
22 paragraph (d), must be the sum of (1) the actual cost of
23 providing special instruction and services to the child
24 including ~~a-proportionate-amount-for-capital-outlay-and-debt~~
25 service-but-not-including-any-amount-for special transportation,
26 plus (2) the amount of general education revenue and referendum
27 aid excluding portions attributable to district and school
28 administration, district support services, operations and
29 maintenance, capital expenditures, and pupil transportation
30 attributable to that pupil for the portion of time the pupil
31 receives instruction in the regular classroom, plus (3) the
32 portion of general education revenue and referendum aid
33 attributable to district and school administration, district
34 support services, operations and maintenance, capital
35 expenditures, and pupil transportation attributable to that
36 pupil, minus (4) the amount of special education aid for

1 children with a disability received on behalf of that child. If
2 the boards involved do not agree upon the tuition rate, either
3 board may apply to the commissioner to fix the rate. Without
4 regard to chapter 14, the commissioner must then set a date for
5 a hearing or request a written statement from each board, giving
6 each board at least ten days' notice, and after the hearing or
7 review of the written statements the commissioner must make an
8 order fixing the tuition rate, which is binding on both school
9 districts. General education revenue and referendum aid
10 attributable to a pupil must be calculated using the resident
11 district's average general education and referendum revenue per
12 adjusted average daily membership.

13 (b) For fiscal year 2007 and later, when a school district
14 provides special instruction and services for a pupil with a
15 disability as defined in section 125A.02 outside the district of
16 residence, excluding a pupil for whom an adjustment to special
17 education aid is calculated according to section 127A.47,
18 subdivision 7, paragraph (e), special education aid paid to the
19 resident district must be reduced by an amount equal to (1) the
20 actual cost of providing special instruction and services
21 including special transportation to the pupil, plus (2) the
22 amount of general education revenue and referendum aid excluding
23 portions attributable to district and school administration,
24 district support services, operations and maintenance, capital
25 expenditures, and pupil transportation attributable to that
26 pupil for the portion of time the pupil receives instruction in
27 the regular classroom, plus (3) the portion of general education
28 revenue and referendum aid attributable to district and school
29 administration, district support services, operations and
30 maintenance, capital expenditures, and pupil transportation
31 attributable to that pupil, minus (4) the amount of special
32 education aid received on behalf of that child. General
33 education revenue and referendum aid attributable to a pupil
34 must be calculated using the resident district's average general
35 education and referendum revenue per adjusted average daily
36 membership. If the resident district's special education aid is

1 insufficient to make the full adjustment, the remaining
2 adjustment shall be made to other state aid due to the district.

3 Sec. 11. Minnesota Statutes 2004, section 125A.11,
4 subdivision 1, is amended to read:

5 Subdivision 1. [NONRESIDENT TUITION RATE; OTHER COSTS.]
6 When a school district provides instruction and services outside
7 the district of residence, board and lodging, and any tuition to
8 be paid, shall be paid by the district of residence, except as
9 provided in subdivision 4. The tuition rate to be charged for
10 any child with a disability must be the actual cost of providing
11 special instruction and services to the child including a
12 proportionate amount for capital outlay and debt service but not
13 including any amount for transportation, minus the amount of
14 special aid for children with a disability received on behalf of
15 that child. If the boards involved do not agree upon the
16 tuition rate, either board may apply to the commissioner to fix
17 the rate. The commissioner must then set a date for a hearing,
18 giving each board at least ten days' notice, and after the
19 hearing the commissioner must make an order fixing the tuition
20 rate, which is binding on both school districts.

21 [EFFECTIVE DATE.] This section is effective July 1, 2005,
22 for revenue for fiscal year 2006.

23 Sec. 12. Minnesota Statutes 2004, section 125A.11, is
24 amended by adding a subdivision to read:

25 Subd. 4. [CHARTER SCHOOL TUITION RATE.] (a) When a charter
26 school provides instruction and services to a child with a
27 disability, the tuition rate to be charged to the resident
28 school district for that child must equal the amount determined
29 under section 124D.11, subdivision 5.

30 (b) The charter school may bill the commissioner of
31 education for 70 percent of the difference between the actual
32 cost of providing special instruction and services to the child
33 including a proportionate amount for capital outlay and debt
34 service but not including any amount for transportation, and the
35 sum of the amount of special aid for children with a disability
36 received on behalf of that child directly from the regular

1 special education formula and the tuition paid by the resident
2 school district to the charter school.

3 (c) The commissioner must pay the unfunded special
4 education costs directly to the charter school from the charter
5 school special education account according to section 125A.795.

6 [EFFECTIVE DATE.] This section is effective July 1, 2005,
7 for revenue for fiscal year 2006.

8 Sec. 13. Minnesota Statutes 2004, section 125A.24, is
9 amended to read:

10 125A.24 [PARENT ADVISORY COUNCILS.]

11 In order to increase the involvement of parents of children
12 with disabilities in district policy making and decision making,
13 school districts must have a special education advisory council
14 that is incorporated into the district's special education
15 system plan.

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

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

21 (3) At least half of the designated council members must be
22 parents of students with a disability. The council must include
23 at least one member who is a parent of a nonpublic school
24 student with a disability or an employee of a nonpublic school
25 if a nonpublic school is located in the district. Each local
26 council must meet no less than once each year. The number of
27 members, frequency of meetings, and operational procedures are
28 to be locally determined.

29 Sec. 14. Minnesota Statutes 2004, section 125A.28, is
30 amended to read:

31 125A.28 [STATE INTERAGENCY COORDINATING COUNCIL.]

32 An Interagency Coordinating Council of at least 17, but not
33 more than 25 members is established, in compliance with Public
34 Law 102-119, section 682. The members must be appointed by the
35 governor. Council members must elect the council chair. The
36 representative of the commissioner may not serve as the chair.

1 The council must be composed of at least five parents, including
2 persons of color, of children with disabilities under age 12,
3 including at least three parents of a child with a disability
4 under age seven, five representatives of public or private
5 providers of services for children with disabilities under age
6 five, including a special education director, county social
7 service director, local Head Start director, and a community
8 health services or public health nursing administrator, one
9 member of the senate, one member of the house of
10 representatives, one representative of teacher preparation
11 programs in early childhood-special education or other
12 preparation programs in early childhood intervention, at least
13 one representative of advocacy organizations for children with
14 disabilities under age five, one physician who cares for young
15 children with special health care needs, one representative each
16 from the commissioners of commerce, education, health, human
17 services, a representative from the state agency responsible for
18 child care, and a representative from Indian health services or
19 a tribal council. Section 15.059, subdivisions 2 to 5, apply to
20 the council. The council must meet at least quarterly.

21 The council must address methods of implementing the state
22 policy of developing and implementing comprehensive,
23 coordinated, multidisciplinary interagency programs of early
24 intervention services for children with disabilities and their
25 families.

26 The duties of the council include recommending policies to
27 ensure a comprehensive and coordinated system of all state and
28 local agency services for children under age five with
29 disabilities and their families. The policies must address how
30 to incorporate each agency's services into a unified state and
31 local system of multidisciplinary assessment practices,
32 individual intervention plans, comprehensive systems to find
33 children in need of services, methods to improve public
34 awareness, and assistance in determining the role of interagency
35 early intervention committees.

36 ~~By-September-1~~ On the date that Minnesota Part C Annual

1 Performance Report is submitted to the federal Office of Special
2 Education, the council must recommend to the governor and the
3 commissioners of education, health, human services, commerce,
4 and employment and economic development policies for a
5 comprehensive and coordinated system.

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

8 Sec. 15. Minnesota Statutes 2004, section 125A.51, is
9 amended to read:

10 125A.51 [PLACEMENT OF CHILDREN WITHOUT DISABILITIES;
11 EDUCATION AND TRANSPORTATION.]

12 The responsibility for providing instruction and
13 transportation for a pupil without a disability who has a
14 short-term or temporary physical or emotional illness or
15 disability, as determined by the standards of the commissioner,
16 and who is temporarily placed for care and treatment for that
17 illness or disability, must be determined as provided in this
18 section.

19 (a) The school district of residence of the pupil is the
20 district in which the pupil's parent or guardian resides.

21 (b) When parental rights have been terminated by court
22 order, the legal residence of a child placed in a residential or
23 foster facility for care and treatment is the district in which
24 the child resides.

25 (c) Before the placement of a pupil for care and treatment,
26 the district of residence must be notified and provided an
27 opportunity to participate in the placement decision. When an
28 immediate emergency placement is necessary and time does not
29 permit resident district participation in the placement
30 decision, the district in which the pupil is temporarily placed,
31 if different from the district of residence, must notify the
32 district of residence of the emergency placement within 15 days
33 of the placement.

34 (d) When a pupil without a disability is temporarily placed
35 for care and treatment in a day program and the pupil continues
36 to live within the district of residence during the care and

1 treatment, the district of residence must provide instruction
2 and necessary transportation to and from the treatment facility
3 for the pupil. Transportation shall only be provided by the
4 district during regular operating hours of the district. The
5 district may provide the instruction at a school within the
6 district of residence, at the pupil's residence, or in the case
7 of a placement outside of the resident district, in the district
8 in which the day treatment program is located by paying tuition
9 to that district. The district of placement may contract with a
10 facility to provide instruction by teachers licensed by the
11 state Board of Teaching.

12 (e) When a pupil without a disability is temporarily placed
13 in a residential program for care and treatment, the district in
14 which the pupil is placed must provide instruction for the pupil
15 and necessary transportation while the pupil is receiving
16 instruction, and in the case of a placement outside of the
17 district of residence, the nonresident district must bill the
18 district of residence for the actual cost of providing the
19 instruction for the regular school year and for summer school,
20 excluding transportation costs.

21 (f) Notwithstanding paragraph (e), if the pupil is homeless
22 and placed in a public or private homeless shelter, then the
23 district that enrolls the pupil under section 127A.47,
24 subdivision 2, shall provide the transportation, unless the
25 district that enrolls the pupil and the district in which the
26 pupil is temporarily placed agree that the district in which the
27 pupil is temporarily placed shall provide transportation. When
28 a pupil without a disability is temporarily placed in a
29 residential program outside the district of residence, the
30 administrator of the court placing the pupil must send timely
31 written notice of the placement to the district of residence.
32 The district of placement may contract with a residential
33 facility to provide instruction by teachers licensed by the
34 state Board of Teaching. For purposes of this section, the state
35 correctional facilities operated on a fee-for-service basis are
36 considered to be residential programs for care and treatment.

1 {f} (g) The district of residence must include the pupil in
2 its residence count of pupil units and pay tuition as provided
3 in section 123A.488 to the district providing the instruction.
4 Transportation costs must be paid by the district providing the
5 transportation and the state must pay transportation aid to that
6 district. For purposes of computing state transportation aid,
7 pupils governed by this subdivision must be included in the
8 disabled transportation category if the pupils cannot be
9 transported on a regular school bus route without special
10 accommodations.

11 Sec. 16. Minnesota Statutes 2004, section 125A.76,
12 subdivision 1, is amended to read:

13 Subdivision 1. [DEFINITIONS.] For the purposes of this
14 section, the definitions in this subdivision apply.

15 (a) "Base year" for fiscal year 1998 and later fiscal years
16 means the second fiscal year preceding the fiscal year for which
17 aid will be paid.

18 (b) "Basic revenue" has the meaning given it in section
19 126C.10, subdivision 2. For the purposes of computing basic
20 revenue pursuant to this section, each child with a disability
21 shall be counted as prescribed in section 126C.05, subdivision 1.

22 (c) "Essential personnel" means teachers, cultural
23 liaisons, related services, and support services staff providing
24 direct services to students. Essential personnel may also
25 include special education paraprofessionals or clericals
26 providing support to teachers and students by preparing
27 paperwork and making arrangements related to special education
28 compliance requirements, including parent meetings and
29 individual education plans.

30 (d) "Average daily membership" has the meaning given it in
31 section 126C.05.

32 (e) "Program growth factor" means 1.046 for fiscal year
33 2003~~7~~and; 1.0 for fiscal year years 2004, 2005, and 2006; and
34 for fiscal year 2007 and later.

35 [EFFECTIVE DATE.] This section is effective for revenue for
36 fiscal year 2006.

1 Sec. 17. Minnesota Statutes 2004, section 125A.76,
2 subdivision 4, is amended to read:

3 Subd. 4. [STATE TOTAL SPECIAL EDUCATION AID.] The state
4 total special education aid for fiscal year 2004 equals
5 \$530,642,000. The state total special education aid for fiscal
6 year 2005 equals \$529,164,000. The state total special
7 education aid for fiscal year 2006 equals \$.....,000. The
8 state total special education aid for later fiscal years equals:

9 (1) the state total special education aid for the preceding
10 fiscal year; times

11 (2) the program growth factor; times

12 (3) the ratio of the state total average-daily-membership
13 unduplicated count of students with an individual education plan
14 for the current fiscal year to the state total average-daily
15 membership unduplicated count of students with an individual
16 education plan for the preceding fiscal year.

17 [EFFECTIVE DATE.] This section is effective for revenue for
18 fiscal year 2006.

19 Sec. 18. Minnesota Statutes 2004, section 125A.79,
20 subdivision 1, is amended to read:

21 Subdivision 1. [DEFINITIONS.] For the purposes of this
22 section, the definitions in this subdivision apply.

23 (a) "Unreimbursed special education cost" means the sum of
24 the following:

25 (1) expenditures for teachers' salaries, contracted
26 services, supplies, equipment, and transportation services
27 eligible for revenue under section 125A.76; plus

28 (2) expenditures for tuition bills received under sections
29 125A.03 to 125A.24 and 125A.65 for services eligible for revenue
30 under section 125A.76, subdivision 2; minus

31 (3) revenue for teachers' salaries, contracted services,
32 supplies, and equipment under section 125A.76; minus

33 (4) tuition receipts under sections 125A.03 to 125A.24 and
34 125A.65 for services eligible for revenue under section 125A.76,
35 subdivision 2.

36 (b) "General revenue" means for fiscal year 1996, the sum

1 of the general education revenue according to section 126C.10,
 2 subdivision 1, as adjusted according to section 127A.47,
 3 subdivision 7, plus the total referendum revenue according to
 4 section 126C.17, subdivision 4. For fiscal years 1997 and
 5 later, "general revenue" means the sum of the general education
 6 revenue according to section 126C.10, subdivision 1, as adjusted
 7 according to section 127A.47, subdivisions 7 and 8, plus the
 8 total referendum revenue minus transportation sparsity revenue
 9 minus total operating capital revenue.

10 (c) "Average daily membership" has the meaning given it in
 11 section 126C.05.

12 (d) "Program growth factor" means 1.02 for fiscal year
 13 2003~~7~~and; 1.0 for fiscal year years 2004 and 2005; and 1.02
 14 for fiscal year 2006 and later.

15 [EFFECTIVE DATE.] This section is effective for revenue for
 16 fiscal year 2006.

17 Sec. 19. Minnesota Statutes 2004, section 125A.79,
 18 subdivision 1, is amended to read:

19 Subdivision 1. [DEFINITIONS.] For the purposes of this
 20 section, the definitions in this subdivision apply.

21 (a) "Unreimbursed special education cost" means the sum of
 22 the following:

23 (1) expenditures for teachers' salaries, contracted
 24 services, supplies, equipment, and transportation services
 25 eligible for revenue under section 125A.76; plus

26 (2) expenditures for tuition bills received under sections
 27 125A.03 to 125A.24 and 125A.65 for services eligible for revenue
 28 under section 125A.76, subdivision 2; minus

29 (3) revenue for teachers' salaries, contracted services,
 30 supplies, and equipment under section 125A.76; minus

31 (4) tuition receipts under sections 125A.03 to 125A.24 and
 32 125A.65 for services eligible for revenue under section 125A.76,
 33 subdivision 2.

34 ~~(b) "General revenue" means for fiscal year 19967 the sum~~
 35 ~~of the general education revenue according to section 126C.107~~
 36 ~~subdivision 17 as adjusted according to section 127A.477~~

1 ~~subdivision 7, plus the total referendum revenue according to~~
 2 ~~section 126C.17, subdivision 4. For fiscal years 1997 and~~
 3 ~~later,~~ "General revenue" means the sum of the general education
 4 revenue according to section 126C.10, subdivision 1, as adjusted
 5 according to section 127A.47, subdivisions 7 and 8, plus the
 6 total referendum revenue minus transportation sparsity revenue
 7 minus total operating capital revenue.

8 (c) "Average daily membership" has the meaning given it in
 9 section 126C.05.

10 (d) "Program growth factor" means 1.02 for fiscal year
 11 2003, and 1.0 for fiscal year 2004 and later.

12 Sec. 20. Minnesota Statutes 2004, section 125A.79,
 13 subdivision 6, is amended to read:

14 Subd. 6. [STATE TOTAL SPECIAL EDUCATION EXCESS COST AID.]
 15 The state total special education excess cost aid for fiscal
 16 year 2004 equals \$92,067,000. The state total special education
 17 aid for fiscal year 2005 equals \$91,811,000. The state total
 18 special education excess cost aid for fiscal year 2006 equals
 19 \$..... The state total special education excess cost aid for
 20 fiscal year ~~2006~~ 2007 and later fiscal years equals:

21 (1) the state total special education excess cost aid for
 22 the preceding fiscal year; times

23 (2) the program growth factor; times

24 (3) the ratio of the state total average daily membership
 25 for the current fiscal year to the state total average daily
 26 membership for the preceding fiscal year;

27 (4) all less the amount transferred into the charter school
 28 special education reimbursement account under section 125A.795.

29 [EFFECTIVE DATE.] This section is effective for revenue for
 30 fiscal year 2006.

31 Sec. 21. [125A.795] [CHARTER SCHOOL SPECIAL EDUCATION
 32 REIMBURSEMENT ACCOUNT.]

33 Subdivision 1. [ACCOUNT CREATED.] The charter school
 34 special education reimbursement account is created in the state
 35 general fund.

36 Subd. 2. [REVENUE.] The estimated amount necessary to pay

1 for the state share of net unreimbursed special education costs
2 of charter school pupils with a disability is transferred from
3 the appropriation for special education excess cost aid to the
4 charter school special education reimbursement account.

5 Subd. 3. [REVIEW.] The commissioner of education must
6 examine the tuition bills from charter schools and may adjust
7 the bills in the same manner as authorized under section 125A.80.

8 [EFFECTIVE DATE.] This section is effective July 1, 2005,
9 for revenue for fiscal year 2006.

10 Sec. 22. Minnesota Statutes 2004, section 126C.40,
11 subdivision 1, is amended to read:

12 Subdivision 1. [TO LEASE BUILDING OR LAND.] (a) When an
13 independent or a special school district or a group of
14 independent or special school districts finds it economically
15 advantageous to rent or lease a building or land for any
16 instructional purposes or for school storage or furniture
17 repair, and it determines that the operating capital revenue
18 authorized under section 126C.10, subdivision 13, is
19 insufficient for this purpose, it may apply to the commissioner
20 for permission to make an additional capital expenditure levy
21 for this purpose. An application for permission to levy under
22 this subdivision must contain financial justification for the
23 proposed levy, the terms and conditions of the proposed lease,
24 and a description of the space to be leased and its proposed use.

25 (b) The criteria for approval of applications to levy under
26 this subdivision must include: the reasonableness of the price,
27 the appropriateness of the space to the proposed activity, the
28 feasibility of transporting pupils to the leased building or
29 land, conformity of the lease to the laws and rules of the state
30 of Minnesota, and the appropriateness of the proposed lease to
31 the space needs and the financial condition of the district.
32 The commissioner must not authorize a levy under this
33 subdivision in an amount greater than 90 percent of the cost to
34 the district of renting or leasing a building or land for
35 approved purposes. The proceeds of this levy must not be used
36 for custodial or other maintenance services. A district may not

1 levy under this subdivision for the purpose of leasing or
2 renting a district-owned building or site to itself.

3 (c) For agreements finalized after July 1, 1997, a district
4 may not levy under this subdivision for the purpose of leasing:
5 (1) a newly constructed building used primarily for regular
6 kindergarten, elementary, or secondary instruction; or (2) a
7 newly constructed building addition or additions used primarily
8 for regular kindergarten, elementary, or secondary instruction
9 that contains more than 20 percent of the square footage of the
10 previously existing building.

11 (d) Notwithstanding paragraph (b), a district may levy
12 under this subdivision for the purpose of leasing or renting a
13 district-owned building or site to itself only if the amount is
14 needed by the district to make payments required by a lease
15 purchase agreement, installment purchase agreement, or other
16 deferred payments agreement authorized by law, and the levy
17 meets the requirements of paragraph (c). A levy authorized for
18 a district by the commissioner under this paragraph may be in
19 the amount needed by the district to make payments required by a
20 lease purchase agreement, installment purchase agreement, or
21 other deferred payments agreement authorized by law, provided
22 that any agreement include a provision giving the school
23 districts the right to terminate the agreement annually without
24 penalty.

25 (e) The total levy under this subdivision for a district
26 for any year must not exceed \$90 times the resident pupil units
27 for the fiscal year to which the levy is attributable.

28 (f) For agreements for which a review and comment have been
29 submitted to the Department of Education after April 1, 1998,
30 the term "instructional purpose" as used in this subdivision
31 excludes expenditures on stadiums.

32 (g) The commissioner of education may authorize a school
33 district to exceed the limit in paragraph (e) if the school
34 district petitions the commissioner for approval. The
35 commissioner shall grant approval to a school district to exceed
36 the limit in paragraph (e) for not more than five years if the

1 district meets the following criteria:

2 (1) the school district has been experiencing pupil
3 enrollment growth in the preceding five years;

4 (2) the purpose of the increased levy is in the long-term
5 public interest;

6 (3) the purpose of the increased levy promotes colocation
7 of government services; and

8 (4) the purpose of the increased levy is in the long-term
9 interest of the district by avoiding over construction of school
10 facilities.

11 (h) A school district that is a member of an intermediate
12 school district may include in its authority under this section
13 90 percent of the costs associated with leases of administrative
14 and classroom space for intermediate school district programs.
15 This authority must not exceed \$22.50 times the adjusted
16 marginal cost pupil units of the member districts. This
17 authority is in addition to any other authority authorized under
18 this section.

19 (i) In addition to the allowable capital levies in
20 paragraph (a), a district that is a member of the "Technology
21 and Information Education Systems" data processing joint board,
22 that finds it economically advantageous to enter into a lease
23 purchase agreement for a building for a group of school
24 districts or special school districts for staff development
25 purposes, may levy for its portion of lease costs attributed to
26 the district within the total levy limit in paragraph (e).

27 (j) A school district that is a member of the Wright
28 Technical Center may include in its authority under this section
29 90 percent of the costs associated with leases of administrative
30 and classroom space at the Wright Technical Center. This
31 authority must not exceed \$22.50 times the adjusted marginal
32 cost pupil units of the member districts. This authority may be
33 in addition to any other authority authorized under this section.

34 Sec. 23. Minnesota Statutes 2004, section 126C.457, is
35 amended to read:

36 126C.457 [CAREER AND TECHNICAL LEVY.]

1 For taxes payable in 2006, 2007, and 2008, a school
2 district may levy an amount equal to the greater of (1) \$10,000,
3 or (2) the district's fiscal year 2001 entitlement for career
4 and technical aid under Minnesota Statutes 2000, section
5 124D.453. The district must recognize the full amount of this
6 levy as revenue for the fiscal year in which it is certified.
7 Revenue received under this section must be reserved and used
8 only for career and technical programs.

9 Sec. 24. [127A.21] [STATE COORDINATOR FOR WORLD
10 LANGUAGES.]

11 (a) The commissioner of education shall designate a
12 full-time state coordinator for world languages education within
13 the Department of Education by July 1, 2005. The commissioner
14 shall seek input from the Quality Teaching Network before
15 designating or hiring the coordinator who must have classroom
16 experience teaching world languages. The coordinator, at a
17 minimum, shall:

18 (1) survey school districts in the state to:

19 (i) identify the types of existing world language programs
20 and exemplary model extended world languages programs; and

21 (ii) in consultation with Minnesota postsecondary
22 institutions, identify and address staff development needs of
23 current world language teachers and preservice teachers;

24 (2) identify successful extended world language programs
25 from other states;

26 (3) establish guidelines for a variety of model extended
27 world languages programs;

28 (4) research and recommend the funding necessary to
29 implement various models of extended world languages programs in
30 different languages; and

31 (5) support and monitor, using the most recent information
32 available, current world languages programs.

33 (b) For the purposes of this section, "extended world
34 languages program" means a world languages program with a
35 sequence of consecutive years in any of kindergarten through
36 grade 12, including, for example, sequences of kindergarten

1 through grade 12, grades 5 through 12, and grades 7 through 12.

2 Sec. 25. Minnesota Statutes 2004, section 127A.47,
3 subdivision 7, is amended to read:

4 Subd. 7. [ALTERNATIVE ATTENDANCE PROGRAMS.] The general
5 education aid and special education aid for districts must be
6 adjusted for each pupil attending a nonresident district under
7 sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.08, and
8 124D.68. The adjustments must be made according to this
9 subdivision.

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

13 (b) General education aid paid to a district serving a
14 pupil in programs listed in this subdivision must be increased
15 by an amount equal to the referendum equalization aid
16 attributable to the pupil in the nonresident district.

17 (c) If the amount of the reduction to be made from the
18 general education aid of the resident district is greater than
19 the amount of general education aid otherwise due the district,
20 the excess reduction must be made from other state aids due the
21 district.

22 (d) For fiscal year 2006, the district of residence must
23 pay tuition to a district or an area learning center, operated
24 according to paragraph (e) (f), providing special instruction
25 and services to a pupil with a disability, as defined in section
26 125A.02, or a pupil, as defined in section 125A.51, who is
27 enrolled in a program listed in this subdivision. The tuition
28 must be equal to (1) the actual cost of providing special
29 instruction and services to the pupil, including ~~a-proportionate~~
30 ~~amount-for-debt-service-and-for-capital-expenditure-facilities~~
31 ~~and-equipment,-and-debt-service-but-not-including-any-amount-for~~
32 special transportation, minus (2) the amount of general
33 education revenue and referendum aid attributable to that pupil
34 for the portion of time the pupil receives special instruction
35 and services outside of the regular classroom, excluding
36 portions attributable to district and school administration,

1 district support services, operations and maintenance, capital
2 expenditures, and pupil transportation, minus (3) special
3 education aid but-not-including-any-amount-for-transportation,
4 attributable to that pupil, that is received by the district
5 providing special instruction and services. For purposes of
6 this paragraph, general education revenue and referendum aid
7 attributable to a pupil must be calculated using the serving
8 district's average general education revenue and referendum aid
9 per adjusted average daily membership.

10 (e) For fiscal year 2007 and later, special education aid
11 paid to a resident district must be reduced by an amount equal
12 to (1) the actual cost of providing special instruction and
13 services, including special transportation, for a pupil with a
14 disability, as defined in section 125A.02, or a pupil, as
15 defined in section 125A.51, who is enrolled in a program listed
16 in this subdivision, minus (2) the amount of general education
17 revenue and referendum aid attributable to that pupil for the
18 portion of time the pupil receives special instruction and
19 services outside of the regular classroom, excluding portions
20 attributable to district and school administration, district
21 support services, operations and maintenance, capital
22 expenditures, and pupil transportation, minus (3) special
23 education aid attributable to that pupil, that is received by
24 the district providing special instruction and services. For
25 purposes of this paragraph, general education revenue and
26 referendum aid attributable to a pupil must be calculated using
27 the serving district's average general education revenue and
28 referendum aid per adjusted average daily membership. Special
29 education aid paid to the district providing special instruction
30 and services for the pupil, or to the fiscal agent district for
31 a cooperative, must be increased by the amount of the reduction
32 in the aid paid to the resident district. If the resident
33 district's special education aid is insufficient to make the
34 full adjustment, the remaining adjustment shall be made to other
35 state aids due to the district.

36 (f) An area learning center operated by a service

1 cooperative, intermediate district, education district, or a
2 joint powers cooperative may elect through the action of the
3 constituent boards to charge the resident district tuition for
4 pupils rather than to have the general education revenue paid to
5 a fiscal agent school district. Except as provided in paragraph
6 (d) or (e), the district of residence must pay tuition equal to
7 at least 90 percent of the district average general education
8 revenue per pupil unit minus an amount equal to the product of
9 the formula allowance according to section 126C.10, subdivision
10 2, times .0485 for fiscal year 2006, and .0458 for fiscal year
11 2007 and later fiscal years, calculated without basic skills
12 revenue and transportation sparsity revenue, times the number of
13 pupil units for pupils attending the area learning center, plus
14 the amount of compensatory revenue generated by pupils attending
15 the area learning center.

16 Sec. 26. Minnesota Statutes 2004, section 134.31, is
17 amended by adding a subdivision to read:

18 Subd. 6. [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 Sec. 27. [EMINENCE CREDENTIALING.]

25 Subdivision 1. [GOAL.] It is the goal of the state to
26 support the teaching and revitalization of the Dakota and
27 Anishinaabe languages. The Native Language Eminence
28 Credentialing Task Force is created to achieve this goal.

29 Subd. 2. [MEMBERSHIP.] The Native Language Eminence
30 Credentialing Task Force consists of the following members:

31 (1) four members representing public schools with large
32 Native American populations appointed by the commissioner of
33 education;

34 (2) one member appointed by each federally recognized
35 Indian tribe in the state;

36 (3) one member appointed by each institution of higher

1 education that trains credentialed Dakota and Anishinaabe
2 language teachers;

3 (4) one member representing the Minnesota Historical
4 Society;

5 (5) the chair of the state Indian Affairs Council; and

6 (6) three native speakers of the Anishinaabe language and
7 three native speakers of the Dakota language, all appointed by
8 the Dakota Ojibwe Language Revitalization Alliance.

9 Subd. 3. [ADMINISTRATION.] (a) The Native Language
10 Eminence Credentialing Task Force is governed by Minnesota
11 Statutes, section 15.059.

12 (b) The task force shall elect a chair from its
13 membership. The commissioner of education shall provide staff
14 and administrative support for the task force.

15 Subd. 4. [DUTIES.] The task force shall review and
16 recommend changes to the eminence credentials for teachers of
17 the Dakota and Anishinaabe languages in order to increase the
18 number of fluent "first speakers" who can teach the language and
19 the number of teachers of the Dakota and Anishinaabe languages
20 by considering and addressing the following:

21 (1) whether a rating system should be developed that
22 includes separate ratings for fluency of the spoken language,
23 writing and reading skills in language, and specifying which
24 dialect of the Anishinaabe and Dakota languages is being spoken;

25 (2) whether a strategy for determining the level of fluency
26 should be developed;

27 (3) consistency of evaluation of language fluency;

28 (4) identifying issues between tribal authority and state
29 law around strategies of language revitalization; and

30 (5) a strategy to provide affordable and accessible
31 language and culture credentials throughout Minnesota.

32 Subd. 5. [REPORT.] The task force shall submit a report to
33 the legislature by January 15, 2006, to fulfill the duties of
34 the task force.

35 Subd. 6. [EXPIRATION.] The task force expires upon
36 submission of the report on January 15, 2006.

1 Sec. 28. [TASK FORCE ON DELIVERY OF SPECIAL EDUCATION TO
2 NONPUBLIC SCHOOL STUDENTS BY PUBLIC SCHOOL DISTRICTS.]

3 Subdivision 1. [PURPOSE; ESTABLISHMENT.] With the
4 congressional reauthorization of the federal Individuals with
5 Disabilities Education Act, a task force on the delivery of
6 special education services to nonpublic school students by
7 public school districts shall be established to compare and
8 evaluate how the individual needs of each child are being met,
9 if services are provided in the least restrictive environment,
10 and whether best practices and program efficiencies are being
11 used in the specific areas of transportation, location of
12 services, and shared time aid.

13 Subd. 2. [MEMBERS.] The governor shall appoint the members
14 of the task force from each of the following:

15 (1) two members from the Department of Education, one
16 representing special education programs and policy and one
17 representing district finances;

18 (2) two special education teachers with one member from a
19 public school and one member from a nonpublic school;

20 (3) two special education administrators with one member
21 from a public school and one member from a nonpublic school;

22 (4) two members with one from each of two special education
23 advocacy organizations;

24 (5) two parents of children receiving special education
25 services with one member from a public school and one member
26 from a nonpublic school;

27 (6) two elementary school principals with one member from a
28 public school and one member from a nonpublic school;

29 (7) two superintendents with one member from a public
30 school district and one member from a nonpublic school district;

31 (8) two school business officials with one from a public
32 school and one from a nonpublic school; and

33 (9) two school board officials with one from a public
34 school and one from a nonpublic school.

35 The task force may select additional members to work on the
36 task force. The commissioner of education shall provide

1 necessary materials and assistance.

2 Subd. 3. [REPORT.] The task force shall submit a report by
3 January 15, 2006, to the house of representatives and senate
4 committees having jurisdiction over education on the delivery of
5 special education services to nonpublic school students by
6 public school districts, to compare and evaluate how the
7 individual needs of each child are being met in the least
8 restrictive environment, and whether best practices and program
9 efficiencies are being used.

10 Subd. 4. [EXPIRATION.] This section expires January 31,
11 2006.

12 [EFFECTIVE DATE.] This section is effective the day
13 following final enactment.

14 Sec. 29. [APPROPRIATIONS.]

15 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
16 indicated in this section are appropriated from the general fund
17 to the Department of Education for the fiscal years designated.

18 Subd. 2. [NONPUBLIC STUDENT SPECIAL EDUCATION TASK FORCE.]
19 For funding of a task force on delivery of special education to
20 nonpublic school students by public school districts:

21 \$..... .. 2006

22 Sec. 30. [REPEALER.]

23 Minnesota Statutes 2004, section 125A.75, subdivision 8, is
24 repealed.

1 ARTICLE 4

2 TECHNOLOGY, FACILITIES, AND ACCOUNTING

3 Section 1. Minnesota Statutes 2004, section 123B.492, is
4 amended to read:

5 123B.492 [SUPERVISED COMPETITIVE HIGH SCHOOL DIVING.]

6 Notwithstanding Minnesota Rules, part 4717.3750, any pool
7 built before January 1, 1987, that was used for a one-meter
8 board high school diving program during the 2000-2001 school
9 year may be used for supervised competitive one-meter board high
10 school diving. Schools and school districts are strongly
11 encouraged to use a pool for supervised competitive high school
12 diving that meets the requirements of Minnesota Rules, part
13 4717.3750. A school or district using a pool for
14 supervised ~~training-practice-for~~ competitive high school
15 diving for either training practice or competition that does not
16 meet the requirements of Minnesota Rules, part 4717.3750, must
17 provide appropriate notice to parents and participants as to the
18 type of variance from Minnesota Rules and risk it may present.

19 Sec. 2. Minnesota Statutes 2004, section 123B.53, is
20 amended by adding a subdivision to read:

21 Subd. 1a. [DEBT SERVICE LEVIES; CHOICE OF TAX BASE.] A
22 school board may by resolution elect to levy the debt service
23 for a bond issued after July 1, 2005, against the referendum
24 market value of the district, as defined under section 126C.01,

1 subdivision 3, rather than the net tax capacity of the district,
2 except that for purposes of this subdivision, noncommercial 4c(1)
3 property under section 273.13 is valued at its market value. A
4 resolution to levy against referendum market value must be
5 passed at an open meeting of the board, at least 60 days prior
6 to the referendum election.

7 [EFFECTIVE DATE.] This section is effective the day
8 following final enactment.

9 Sec. 3. Minnesota Statutes 2004, section 123B.53,
10 subdivision 4, is amended to read:

11 Subd. 4. [DEBT SERVICE EQUALIZATION REVENUE.] (a) The debt
12 service equalization revenue of a district equals the sum of the
13 first tier debt service equalization revenue and the second tier
14 debt service equalization revenue.

15 (b) The first tier debt service equalization revenue of a
16 district equals the greater of zero or the eligible debt service
17 revenue minus the amount raised by a levy of 15 percent times
18 the adjusted net tax capacity of the district minus the second
19 tier debt service equalization revenue of the district.

20 (c) The second tier debt service equalization revenue of a
21 district equals the greater of zero or the eligible debt service
22 revenue, excluding alternative facilities levies under section
23 123B.59, subdivision 5, minus the amount raised by a levy of 25
24 percent times the adjusted net tax capacity of the district.

25 (d) Debt service equalization revenue is determined as
26 provided under this subdivision regardless of whether the debt
27 service is being levied against net tax capacity or referendum
28 market value.

29 [EFFECTIVE DATE.] This section is effective July 1, 2005.

30 Sec. 4. Minnesota Statutes 2004, section 123B.54, is
31 amended to read:

32 123B.54 [DEBT SERVICE APPROPRIATION.]

33 (a) ~~\$28,367,000~~ \$..... in fiscal year ~~2006~~ 2008 and
34 ~~\$25,560,000~~ \$..... in fiscal year ~~2007~~ 2009 and later are
35 appropriated from the general fund to the commissioner of
36 education for payment of debt service equalization aid under

1 section 123B.53.

2 (b) The appropriations in paragraph (a) must be reduced by
3 the amount of any money specifically appropriated for the same
4 purpose in any year from any state fund.

5 Sec. 5. Minnesota Statutes 2004, section 123B.55, is
6 amended to read:

7 123B.55 [DEBT SERVICE LEVY.]

8 Subdivision 1. [LEVY AMOUNT.] A district may levy the
9 amounts necessary to make payments for bonds issued and for
10 interest on them, including the bonds and interest on them,
11 issued as authorized by Minnesota Statutes 1974, section
12 275.125, subdivision 3, clause (7)(C); and the amounts necessary
13 for repayment of debt service loans and capital loans, minus the
14 amount of debt service equalization revenue of the district.

15 Subd. 2. [AID APPORTIONMENT.] A district's debt service
16 equalization aid shall be apportioned between the net tax
17 capacity debt service levy and the referendum market value debt
18 service levy in the same proportions as eligible debt service
19 revenues resulting from bonds issued against net tax capacity
20 are to eligible debt service revenues resulting from bonds
21 issued against referendum market value. For the purposes of
22 assessments between counties under section 475.61, subdivision
23 2, if a school district that chooses to spread its levy on
24 referendum market value is located in more than one county, the
25 county auditor shall spread the portion of the levy which bears
26 the same ratio to the whole amount of levy as the referendum
27 market value in that part of the school district located in the
28 auditor's county bears to the referendum market value of all
29 referendum market value taxable property in the district.

30 Subd. 3. [NET TAX CAPACITY DEBT SERVICE LEVY.] The levy
31 amount determined under subdivision 1, plus the eligible debt
32 service revenues resulting from bonds issued against net tax
33 capacity, minus the debt service equalization aid apportioned to
34 the net tax capacity debt service levy, must be levied against
35 the net tax capacity of the district as determined under section
36 273.13 and must be included with the other net tax capacity

1 levies certified to the county auditor under section 275.07.

2 Subd. 4. [REFERENDUM MARKET VALUE DEBT SERVICE LEVY.] The
3 eligible debt service revenues resulting from bonds issued
4 against referendum market value, minus the debt service
5 equalization aid apportioned to the referendum market value debt
6 service levy, must be levied against the referendum market value
7 of the district as defined in section 126C.01, subdivision 3,
8 and must be separately certified to the county auditor under
9 section 275.07.

10 [EFFECTIVE DATE.] This section is effective for taxes
11 payable in 2006 and later.

12 Sec. 6. Minnesota Statutes 2004, section 123B.71,
13 subdivision 9, is amended to read:

14 Subd. 9. [INFORMATION REQUIRED.] A school board proposing
15 to construct a facility described in subdivision 8 shall submit
16 to the commissioner a proposal containing information including
17 at least the following:

18 (1) the geographic area and population to be served,
19 preschool through grade 12 student enrollments for the past five
20 years, and student enrollment projections for the next five
21 years;

22 (2) a list of existing facilities by year constructed,
23 their uses, and an assessment of the extent to which alternate
24 facilities are available within the school district boundaries
25 and in adjacent school districts;

26 (3) a list of the specific deficiencies of the facility
27 that demonstrate the need for a new or renovated facility to be
28 provided, and a list of the specific benefits that the new or
29 renovated facility will provide to the students, teachers, and
30 community users served by the facility;

31 (4) the relationship of the project to any priorities
32 established by the school district, educational cooperatives
33 that provide support services, or other public bodies in the
34 service area;

35 (5) a specification of how the project will increase
36 community use of the facility and whether and how the project

1 will increase collaboration with other governmental or nonprofit
2 entities;

3 (6) a description of the project, including the
4 specification of site and outdoor space acreage and square
5 footage allocations for classrooms, laboratories, and support
6 spaces; estimated expenditures for the major portions of the
7 project; and the dates the project will begin and be completed;

8 (7) an analysis and certification that the square footage
9 costs for the new facility will not exceed two percent of the
10 statewide average cost per square foot for a school facility
11 defined under section 120A.05, including elementary school,
12 middle school, secondary school, or pre-kindergarten through
13 grade 12 facility;

14 (8) a specification of the source of financing the project;
15 the scheduled date for a bond issue or school board action; a
16 schedule of payments, including debt service equalization aid;
17 and the effect of a bond issue on local property taxes by the
18 property class and valuation;

19 ~~(8)~~ (9) an analysis of how the proposed new or remodeled
20 facility will affect school district operational or
21 administrative staffing costs, and how the district's operating
22 budget will cover any increased operational or administrative
23 staffing costs;

24 ~~(9)~~ (10) a description of the consultation with local or
25 state road and transportation officials on school site access
26 and safety issues, and the ways that the project will address
27 those issues;

28 ~~(10)~~ (11) a description of how indoor air quality issues
29 have been considered and a certification that the architects and
30 engineers designing the facility will have professional
31 liability insurance;

32 ~~(11)~~ (12) as required under section 123B.72, for buildings
33 coming into service after July 1, 2002, a certification that the
34 plans and designs for the extensively renovated or new
35 facility's heating, ventilation, and air conditioning systems
36 will meet or exceed code standards; will provide for the

1 monitoring of outdoor airflow and total airflow of ventilation
2 systems; and will provide an indoor air quality filtration
3 system that meets ASHRAE standard 52.1;

4 ~~(12)~~ (13) a specification of any desegregation requirements
5 that cannot be met by any other reasonable means; and

6 ~~(13)~~ (14) a specification, if applicable, of how the
7 facility will utilize environmentally sustainable school
8 facility design concepts.

9 Sec. 7. Minnesota Statutes 2004, section 123B.71,
10 subdivision 11, is amended to read:

11 Subd. 11. [REVIEW OF PROPOSALS.] In reviewing each
12 proposal, the commissioner shall submit to the school board,
13 within 60 days of receiving the proposal, the review and comment
14 about the educational and economic advisability of the project.
15 The review and comment shall be based on information submitted
16 with the proposal and other information the commissioner
17 determines is necessary. Having a square footage cost exceeding
18 two percent of the statewide average cost per square foot for a
19 school facility under subdivision 9, clause (7), is grounds for
20 a negative review and comment by the commissioner. If the
21 commissioner submits a negative review and comment for a portion
22 of a proposal, the review and comment shall clearly specify
23 which portion of the proposal received a negative review and
24 comment and which portion of the proposal received a positive
25 review and comment.

26 Sec. 8. Minnesota Statutes 2004, section 124D.095,
27 subdivision 2, is amended to read:

28 Subd. 2. [DEFINITIONS.] For purposes of this section, the
29 following terms have the meanings given them.

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

36 (b) "Online learning provider" is a school district, an

1 intermediate school district, an organization of two or more
2 school districts operating under a joint powers agreement, or a
3 charter school located in Minnesota that provides online
4 learning to students.

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

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

11 (e) "Enrolling district" means the school district or
12 charter school in which a student is enrolled under section
13 120A.22, subdivision 4, for purposes of compulsory attendance.

14 Sec. 9. Minnesota Statutes 2004, section 124D.095,
15 subdivision 4, is amended to read:

16 Subd. 4. [ONLINE LEARNING PARAMETERS.] (a) An online
17 learning student must receive academic credit for completing the
18 requirements of an online learning course or program. Secondary
19 credits granted to an online learning student must be counted
20 toward the graduation and credit requirements of the enrolling
21 district. The enrolling district must apply the same graduation
22 requirements to all students, including online learning
23 students, and must continue to provide nonacademic services to
24 online learning students. If a student completes an online
25 learning course or program that meets or exceeds a graduation
26 standard or grade progression requirement at the enrolling
27 district, that standard or requirement is met. The enrolling
28 district must use the same criteria for accepting online
29 learning credits or courses as it does for accepting credits or
30 courses for transfer students under section 124D.03, subdivision
31 9. The enrolling district may reduce the teacher contact time
32 of an online learning student in proportion to the number of
33 online learning courses the student takes from an online
34 learning provider that is not the enrolling district.

35 (b) An online learning student may:

36 (1) enroll during a single school year in a maximum of 12

1 semester-long courses or their equivalent delivered by an online
2 learning provider or the enrolling district;

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

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

8 (c) A student with a disability may enroll in an online
9 learning course or program if the student's IEP team determines
10 that online learning is appropriate education for the student.

11 (d) An online learning student has the same access to the
12 computer hardware and education software available in a school
13 as all other students in the enrolling district. An online
14 learning provider must assist an online learning student whose
15 family qualifies for the education tax credit under section
16 290.0674 to acquire computer hardware and educational software
17 for online learning purposes.

18 (e) An enrolling district may offer online learning to its
19 enrolled students. Such online learning does not generate
20 online learning funds under this section. An enrolling district
21 that offers online learning only to its enrolled students is not
22 subject to the reporting requirements or review criteria under
23 subdivision 7. A teacher with a Minnesota license must assemble
24 and deliver instruction to enrolled students receiving online
25 learning from an enrolling district. The delivery of
26 instruction occurs when the student interacts with the computer
27 or the teacher. The instruction may include curriculum
28 developed by persons other than a teacher with a Minnesota
29 license.

30 (f) An online learning provider that is not the enrolling
31 district is subject to the reporting requirements and review
32 criteria under subdivision 7. A teacher with a Minnesota
33 license must assemble and deliver instruction to online learning
34 students. The delivery of instruction occurs when the student
35 interacts with the computer or the teacher. The instruction may
36 include curriculum developed by persons other than a teacher

1 with a Minnesota license. Unless the commissioner grants a
2 waiver, a teacher providing online learning instruction must not
3 instruct more than 40 students in any one online learning course
4 or program.

5 Sec. 10. Minnesota Statutes 2004, section 124D.095,
6 subdivision 8, is amended to read:

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

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

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

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

36 (e) Online learning average daily membership under this

1 subdivision for students not included in paragraph (c) or (d)
2 shall be used only for computing average daily membership
3 according to section 126C.05, subdivision 19, paragraph (a),
4 clause ~~(ii)~~ (2), and for computing payments under paragraphs (f)
5 and (g).

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

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

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

18 Sec. 11. Minnesota Statutes 2004, section 124D.095, is
19 amended by adding a subdivision to read:

20 Subd. 10. [ONLINE LEARNING ADVISORY COUNCIL.] (a) An
21 online learning advisory council is established under section
22 15.059, except that the term for each council member shall be
23 three years. The advisory council is composed of 12 members
24 from throughout the state who have demonstrated experience with
25 or interest in online learning. The members of the council
26 shall be appointed by the commissioner. The advisory council
27 shall bring to the attention of the commissioner any matters
28 related to online learning and provide input to the department
29 in matters related, but not restricted, to:

- 30 (1) quality assurance;
- 31 (2) teacher qualifications;
- 32 (3) program approval;
- 33 (4) special education;
- 34 (5) attendance;
- 35 (6) program design and requirements; and
- 36 (7) fair and equal access to programs.

1 (b) The online learning advisory council under this
2 subdivision expires June 30, 2008.

3 Sec. 12. [125B.26] [TELECOMMUNICATIONS/INTERNET ACCESS
4 EQUITY AID.]

5 Subdivision 1. [COSTS TO BE SUBMITTED.] (a) A district or
6 charter school shall submit its actual
7 telecommunications/Internet access costs for the previous fiscal
8 year, adjusted for any e-rate revenue received, to the
9 department by August 15 of each year as prescribed by the
10 commissioner. Costs eligible for reimbursement under this
11 program are limited to the following:

12 (1) ongoing or recurring telecommunications/Internet access
13 costs associated with Internet access, data lines, and video
14 links providing:

15 (i) the equivalent of one data line, video link, or
16 integrated data/video link that relies on a transport medium
17 that operates at a minimum speed of 1.544 megabytes per second
18 (T1) for each elementary school, middle school, or high school
19 under section 120A.05, subdivisions 9, 11, and 13, including the
20 recurring telecommunications line lease costs and ongoing
21 Internet access service fees; or

22 (ii) the equivalent of one data line or video circuit, or
23 integrated data/video link that relies on a transport medium
24 that operates at a minimum speed of 1.544 megabytes per second
25 (T1) for each district, including recurring telecommunications
26 line lease costs and ongoing Internet access service fees;

27 (2) recurring costs of contractual or vendor-provided
28 maintenance on the school district's wide area network to the
29 point of presence at the school building up to the router,
30 codec, or other service delivery equipment located at the point
31 of presence termination at the school or school district;

32 (3) recurring costs of cooperative, shared arrangements for
33 regional delivery of telecommunications/Internet access between
34 school districts, postsecondary institutions, and public
35 libraries including network gateways, peering points, regional
36 network infrastructure, Internet2 access, and network support,

1 maintenance, and coordination; and

2 (4) service provider installation fees for installation of
3 new telecommunications lines or increased bandwidth.

4 (b) Costs not eligible for reimbursement under this program
5 include:

6 (1) recurring costs of school district staff providing
7 network infrastructure support;

8 (2) recurring costs associated with voice and standard
9 telephone service;

10 (3) costs associated with purchase of network hardware,
11 telephones, computers, or other peripheral equipment needed to
12 deliver telecommunications access to the school or school
13 district;

14 (4) costs associated with laying fiber for
15 telecommunications access;

16 (5) costs associated with wiring school or school district
17 buildings;

18 (6) costs associated with purchase, installation, or
19 purchase and installation of Internet filtering; and

20 (7) costs associated with digital content, including online
21 learning or distance learning programming, and information
22 databases.

23 Subd. 2. [E-RATES.] To be eligible for aid under this
24 section, a district or charter school is required to file an
25 e-rate application either separately or through its
26 telecommunications access cluster and have a current technology
27 plan on file with the department. Discounts received on
28 telecommunications expenditures shall be reflected in the costs
29 submitted to the department for aid under this section.

30 Subd. 3. [REIMBURSEMENT CRITERIA.] The commissioner shall
31 develop criteria for approving costs submitted by school
32 districts and charter schools under subdivision 1.

33 Subd. 4. [DISTRICT AID.] For fiscal year 2006, a district
34 or charter school's Internet access equity aid equals 90 percent
35 of the district or charter school's approved cost for the
36 previous fiscal year according to subdivision 1 exceeding \$15

1 times the district's adjusted marginal cost pupil units for the
2 previous fiscal year. For fiscal year 2007 and later, a
3 district or charter school's Internet access equity aid equals
4 90 percent of the district or charter school's approved cost for
5 the previous fiscal year according to subdivision 1 exceeding
6 \$18 times the district's adjusted pupil units for the previous
7 fiscal year, as adjusted under section 126C.05, subdivision 14.

8 Subd. 5. [TELECOMMUNICATIONS/INTERNET ACCESS SERVICES FOR
9 NONPUBLIC SCHOOLS.] (a) Districts shall provide each year upon
10 formal request by or on behalf of a nonpublic school, not
11 including home schools, located in that district or area,
12 ongoing or recurring telecommunications access services to the
13 nonpublic school either through existing district providers or
14 through separate providers.

15 (b) The amount of district aid for telecommunications
16 access services for each nonpublic school under this subdivision
17 equals the lesser of:

18 (1) 90 percent of the nonpublic school's approved cost for
19 the previous fiscal year according to subdivision 1 exceeding
20 \$10 for fiscal year 2006 and \$13 for fiscal year 2007 and later
21 times the number of weighted pupils enrolled at the nonpublic
22 school as of October 1 of the previous school year; or

23 (2) the product of the district's aid per pupil unit
24 according to subdivision 4 times the number of weighted pupils
25 enrolled at the nonpublic school as of October 1 of the previous
26 school year.

27 (c) For purposes of this subdivision, nonpublic school
28 pupils shall be weighted by grade level using the weighting
29 factors defined in section 126C.05, subdivision 1.

30 (d) Each year, a district providing services under
31 paragraph (a) may claim up to five percent of the aid determined
32 in paragraph (b) for costs of administering this subdivision.
33 No district may expend an amount for these telecommunications
34 access services which exceeds the amount allocated under this
35 subdivision. The nonpublic school is responsible for the
36 Internet access costs not covered by this section.

1 (e) At the request of a nonpublic school, districts may
2 allocate the amount determined in paragraph (b) directly to the
3 nonpublic school to pay for or offset the nonpublic school's
4 costs for telecommunications access services; however, the
5 amount allocated directly to the nonpublic school may not exceed
6 the actual amount of the school's ongoing or recurring
7 telecommunications access costs.

8 Subd. 6. [SEVERABILITY.] If any portion of this section is
9 found by a court to be unconstitutional, the remaining portions
10 of the section shall remain in effect.

11 [EFFECTIVE DATE.] This section is effective for revenue for
12 fiscal year 2006.

13 Sec. 13. Minnesota Statutes 2004, section 126C.17,
14 subdivision 11, is amended to read:

15 Subd. 11. [REFERENDUM DATE.] (a) Except for a referendum
16 held under paragraph (b) or (d), any referendum under this
17 section held on a day other than the first Tuesday after the
18 first Monday in November must be conducted by mail in accordance
19 with section 204B.46. Notwithstanding subdivision 9, paragraph
20 (b), to the contrary, in the case of a referendum conducted by
21 mail under this paragraph, the notice required by subdivision 9,
22 paragraph (b), must be prepared and delivered by first-class
23 mail at least 20 days before the referendum.

24 (b) In addition to the referenda allowed in subdivision 9,
25 clause (a), the commissioner may grant authority to a district
26 to hold a referendum on a different day if the district is in
27 statutory operating debt and has an approved plan or has
28 received an extension from the department to file a plan to
29 eliminate the statutory operating debt.

30 (c) The commissioner must approve, deny, or modify each
31 district's request for a referendum levy on a different day
32 within 60 days of receiving the request from a district.

33 (d) In addition to the referenda allowed in subdivision 9,
34 paragraph (a), a district may hold a referendum on the same day
35 as a district election for a facility under chapter 475 if the
36 referendum is directly related to the operating costs of the

1 proposed facility except for licensed personnel costs.

2 [EFFECTIVE DATE.] This section is effective for referenda
3 held on or after July 1, 2005.

4 Sec. 14. Minnesota Statutes 2004, section 126C.63,
5 subdivision 5, is amended to read:

6 Subd. 5. [LEVY.] "Levy" means a district's net debt
7 service levy after the reduction of debt service equalization
8 aid under section 123B.53, subdivision 6. For taxes payable in
9 2003 and later, each district's maximum effort debt service levy
10 for purposes of subdivision 8, must be reduced by an equal
11 number of percentage points if the commissioner of finance
12 determines that the levy reduction will not result in a payment
13 from the general fund in the state treasury according to section
14 16A.641, as would be required under section 126C.72, subdivision
15 3. A district's levy that is adjusted under this section must
16 not be reduced below ~~30~~ 25 percent of the district's adjusted
17 net tax capacity.

18 Sec. 15. Minnesota Statutes 2004, section 126C.63,
19 subdivision 8, is amended to read:

20 Subd. 8. [MAXIMUM EFFORT DEBT SERVICE LEVY.] (a) "Maximum
21 effort debt service levy" means the lesser of:

22 (1) a levy in whichever of the following amounts is
23 applicable:

24 (i) in any district receiving a debt service loan for a
25 debt service levy payable in 2002 and thereafter, or granted a
26 capital loan after January 1, 2002, a levy in total dollar
27 amount computed at a rate of ~~40~~ 32 percent of adjusted net tax
28 capacity for taxes payable in 2002 and thereafter;

29 (ii) in any district receiving a debt service loan for a
30 debt service levy payable in 2001 or earlier, or granted a
31 capital loan before January 2, ~~2001~~ 2002, a levy in a total
32 dollar amount computed at a rate of ~~32~~ 28 percent of adjusted
33 net tax capacity for taxes payable in 2002 and thereafter; or

34 (2) a levy in any district for which a capital loan was
35 approved prior to August 1, 1981, a levy in a total dollar
36 amount equal to the sum of the amount of the required debt

1 service levy and an amount which when levied annually will in
2 the opinion of the commissioner be sufficient to retire the
3 remaining interest and principal on any outstanding loans from
4 the state within 30 years of the original date when the capital
5 loan was granted.

6 (b) The board in any district affected by the provisions of
7 paragraph (a), clause (2), may elect instead to determine the
8 amount of its levy according to the provisions of paragraph (a),
9 clause (1). If a district's capital loan is not paid within 30
10 years because it elects to determine the amount of its levy
11 according to the provisions of paragraph (a), clause (2), the
12 liability of the district for the amount of the difference
13 between the amount it levied under paragraph (a), clause (2),
14 and the amount it would have levied under paragraph (a), clause
15 (1), and for interest on the amount of that difference, must not
16 be satisfied and discharged pursuant to Minnesota Statutes 1988,
17 or an earlier edition of Minnesota Statutes if applicable,
18 section 124.43, subdivision 4.

19 Sec. 16. Minnesota Statutes 2004, section 128C.12,
20 subdivision 1, is amended to read:

21 Subdivision 1. [DUES AND EVENTS REVENUE.] (a) The state
22 auditor annually must examine the accounts of, and audit all
23 money paid to, the State High School League by its members. The
24 audit must include financial and compliance issues. The state
25 auditor audit must also audit include all money derived from any
26 event sponsored by the league. ~~League-audits-must-include~~
27 ~~audits-of-administrative-regions-of-the-league.--The-league-and~~
28 ~~its-administrative-regions-may-not-contract-with-private~~
29 ~~auditors.--The-scope-of-the-state-auditor's-examinations-of-the~~
30 ~~league-must-be-agreed-upon-by-the-board-and-the-state-auditor,~~
31 ~~provided-that-all-requirements-of-this-section-must-be-met.~~

32 (b) The administrative regions of the league may contract
33 with the state auditor or with a private certified public
34 accountant for the audit required by this section. If the audit
35 is performed by a private certified public accountant, the state
36 auditor may require additional information from the private

1 certified public accountant as the state auditor deems in the
2 public interest. The state auditor may accept the audit or make
3 additional examinations as the state auditor deems to be in the
4 public interest.

5 Sec. 17. Minnesota Statutes 2004, section 128C.12,
6 subdivision 3, is amended to read:

7 Subd. 3. [COPIES.] The ~~state-auditor~~ board must file
8 copies of the ~~financial-and-compliance~~ audit report with the
9 commissioner of education and the director of the Legislative
10 Reference Library.

11 Sec. 18. Minnesota Statutes 2004, section 128D.11,
12 subdivision 9, is amended to read:

13 Subd. 9. [NET DEBT DEFINED.] The net debt of the school
14 district for the purposes of this limitation is the amount of
15 bonds less the amount of all money and the face value of all
16 securities then held as a sinking fund for the payment of such
17 bonds, and shall not include school aid and tax anticipation
18 certificates of indebtedness not in default or bonds issued to
19 pay pension fund liabilities under section 475.52, subdivision 6.

20 Sec. 19. Minnesota Statutes 2004, section 475.61,
21 subdivision 4, is amended to read:

22 Subd. 4. [SURPLUS FUNDS.] (a) All such taxes shall be
23 collected and remitted to the municipality by the county
24 treasurer as other taxes are collected and remitted, and shall
25 be used only for payment of the obligations on account of which
26 levied or to repay advances from other funds used for such
27 payments, except that any surplus remaining in the debt service
28 fund when the obligations and interest thereon are paid may be
29 appropriated to any other general purpose by the municipality.
30 However, for obligations authorized before July 1, 2005, the
31 amount of any surplus remaining in the debt service fund of a
32 school district when the obligations and interest thereon are
33 paid shall be used to reduce the general fund ~~levy~~ levies
34 authorized pursuant to chapters 122A, 123A, 123B, 124D, and 126C
35 and the state aids authorized pursuant to chapters 122A, 123A,
36 123B, 124D, 125A, 126C, and 127A. For obligations authorized on

1 July 1, 2005, or thereafter, the amount of any surplus remaining
2 in the debt service fund of a school district when the
3 obligations and interest thereon are paid in full may be
4 appropriated to any other general purpose by the school district
5 without any reduction in state aid or levies or may be used to
6 reduce the general fund levies authorized under chapters 122A,
7 123A, 123B, 124D, and 126C, and the state aids authorized under
8 chapters 122A, 123A, 123B, 124D, 125A, 126C, and 127A.

9 (b) If the district qualified for second tier debt service
10 equalization aid in the last year that it qualified for debt
11 service equalization aid, the reduction to state aids equals the
12 lesser of (1) the amount of the surplus times the ratio of the
13 district's second tier debt service equalization aid to the
14 district's second tier debt service equalization revenue for the
15 last year that the district qualified for debt service
16 equalization aid; or (2) the district's cumulative amount of
17 debt service equalization aid.

18 (c) If the district did not qualify for second tier debt
19 service equalization aid in the last year that it qualified for
20 debt service equalization aid, the reduction to state aids
21 equals the lesser of (1) the amount of the surplus times the
22 ratio of the district's debt service equalization aid to the
23 district's debt service equalization revenue for the last year
24 that the district qualified for debt service equalization aid;
25 or (2) the district's cumulative amount of debt service
26 equalization aid.

27 (d) The reduction to the general fund ~~levy~~ levies equals
28 the total amount of the surplus minus the reduction to state
29 aids.

30 Sec. 20. Laws 1996, chapter 412, article 5, section 24, is
31 amended to read:

32 Sec. 24. [BONDS PAID FROM TACONITE PRODUCTION TAX
33 REVENUES.]

34 Subdivision 1. [REFUNDING BONDS.] The appropriation of
35 funds from the distribution of taconite production tax revenues
36 to the taconite environmental protection tax fund and the

1 northeast Minnesota economic protection fund made by Laws 1988,
2 chapter 718, article 7, sections 62 and 63, Laws 1989, chapter
3 329, article 5, section 20, Laws 1990, chapter 604, article 8,
4 section 13, Laws 1992, chapter 499, article 5, section 29, and
5 ~~by-sections-18-to-20~~ Laws 1996, chapter 412, article 5, sections
6 20 to 22, and Laws 2000, chapter 489, article 5, sections 24 to
7 26, shall continue to apply to bonds issued under Minnesota
8 Statutes, chapter 475, to refund bonds originally issued
9 pursuant to those chapters.

10 Subd. 2. [LOCAL PAYMENTS.] School districts that are
11 required in Laws 1988, chapter 718, article 7, sections 62 and
12 63, Laws 1989, chapter 329, article 5, section 20, Laws 1990,
13 chapter 604, article 8, section 13, Laws 1992, chapter 499,
14 article 5, section 29, ~~and-by-sections-18-to-20~~ Laws 1996,
15 chapter 412, article 5, sections 20 to 22, and Laws 2000,
16 chapter 489, article 5, sections 24 to 26, to impose levies to
17 pay debt service on the bonds issued under those provisions to
18 the extent the principal and interest on the bonds is not paid
19 by distributions from the taconite environmental protection fund
20 and the northeast Minnesota economic protection trust, may pay
21 their portion of the principal and interest from any funds
22 available to them. To the extent a school district uses funds
23 other than the proceeds of a property tax levy to pay its share
24 of the principal and interest on the bonds, the requirement to
25 impose a property tax to pay the local share does not apply to
26 the school district.

27 [EFFECTIVE DATE.] This section is effective the day
28 following final enactment.

29 Sec. 21. Laws 2003, First Special Session chapter 9,
30 article 4, section 29, as amended by Laws 2003, First Special
31 Session chapter 23, section 18, is amended to read:

32 Sec. 29. [GARAGE LEASE LEVY; SARTELL.]

33 For taxes payable in 2004, 2005, and 2006, and 2007,
34 independent school district No. ~~740~~ 748, Sartell, may levy up to
35 \$107,000 each year and for taxes payable in 2008 may levy up to
36 \$67,000 for the purpose of leasing a school bus storage

1 facility. The department of education shall include this levy
2 in the calculation of eligible building lease levy under
3 Minnesota Statutes, section 126C.40, subdivision 1. This levy
4 shall not allow the district to exceed the \$90 per resident
5 pupil unit cap in that section. The district is eligible to
6 make this levy only if it sells its current school bus storage
7 site to the city of Sartell and the district may not use this
8 levy as part of a lease purchase agreement to replace its
9 current school bus storage facility.

10 Sec. 22. [SAFETY AND HEALTH REVENUE; NEW ULM.]

11 Notwithstanding Minnesota Statutes, section 123B.57,
12 subdivision 6, Independent School District No. 88, New Ulm, may
13 use health and safety revenue to construct appurtenances used
14 exclusively to house and maintain mechanical air handling
15 systems that maintain the air quality necessary for a healthy
16 environment.

17 [EFFECTIVE DATE.] This section is effective retroactively
18 from January 1, 2004.

19 Sec. 23. [DISABLED ACCESS LEVY AUTHORITY; EAST GRAND
20 FORKS.]

21 Notwithstanding the time limits established in Minnesota
22 Statutes, section 123B.58, subdivision 3, Independent School
23 District No. 595, East Grand Forks, may levy its remaining
24 disabled access levy authority over five or fewer years.

25 [EFFECTIVE DATE.] This section is effective the day
26 following final enactment.

27 Sec. 24. [MAXIMUM EFFORT CAPITAL LOAN FORGIVEN; EAST
28 CENTRAL.]

29 Subdivision 1. [SALE REQUIREMENTS.] Independent School
30 District No. 2580, East Central, may sell its middle school
31 building in accordance with Minnesota Statutes, section
32 16A.695. The net proceeds from the sale of the property must be
33 paid to the commissioner of finance and deposited in the state
34 bond fund.

35 Subd. 2. [OUTSTANDING LOAN BALANCE FORGIVEN.] Any
36 remaining outstanding balance on the maximum effort capital loan

1 issued in January 1982 to former Independent School District No.
2 566, Askov, after the application of the sale proceeds according
3 to subdivision 1, is forgiven.

4 [EFFECTIVE DATE.] This section is effective the day
5 following final enactment.

6 Sec. 25. [TAX BASE ADJUSTMENTS, FERTILE-BELTRAMI.]

7 (a) Notwithstanding Minnesota Statutes, section 123B.61,
8 the commissioner of education, when making offsetting levy
9 adjustments between levy categories to ensure that each levy
10 category is positive for Independent School District No. 599,
11 Fertile-Beltrami, shall make such adjustments first between levy
12 categories that are imposed on identical tax bases before making
13 such adjustments between levy categories that are imposed on
14 different tax bases. The commissioner may make offsetting levy
15 adjustments between the general fund and the debt service fund,
16 if necessary.

17 (b) The commissioner of education must make the offsetting
18 levy adjustments according to the process in paragraph (a) until
19 Independent School District No. 599, Fertile-Beltrami's current
20 referendum authority, under Minnesota Statutes, section 126C.17,
21 expires.

22 Sec. 26. [FUND TRANSFERS.]

23 Subdivision 1. [BUTTERFIELD.] Notwithstanding Minnesota
24 Statutes, section 123B.79 or 123B.80, for calendar years 2005
25 through 2007, on June 30 of each year, Independent School
26 District No. 836, Butterfield, may permanently transfer up to
27 \$50,000 from its reserved operating capital account in its
28 general fund to its undesignated general fund balance and
29 \$60,000 from its reserved bus purchase account in its general
30 fund to its undesignated general fund balance. The total amount
31 transferred for the three-year period must not total more than
32 \$50,000 from the reserved operating capital account and \$60,000
33 from the reserved bus purchase account.

34 Subd. 2. [CHOKIO-ALBERTA.] Notwithstanding Minnesota
35 Statutes, section 123B.79 or 123B.80, on June 30, 2005,
36 Independent School District No. 771, Chokio-Alberta, may

1 permanently transfer up to \$150,000 from its reserved operating
2 capital account and up to \$50,000 from its reserved account for
3 disabled accessibility to the undesignated general fund balance.

4 Subd. 3. [CLINTON-GRACEVILLE-BEARDSLEY.] Notwithstanding
5 Minnesota Statutes, sections 123B.79, 123B.80, and 475.64,
6 subdivision 4, on June 30, 2005, Independent School District No.
7 2888, Clinton-Graceville-Beardsley may permanently transfer up
8 to \$244,000 from its reserved for disabled accessibility account
9 to its unrestricted general fund account without making a levy
10 reduction.

11 Subd. 4. [HASTINGS.] Notwithstanding Minnesota Statutes,
12 section 123A.27, on June 30, 2005, Independent School District
13 No. 200, Hastings, may permanently transfer up to \$300,000 from
14 its reserved account for instructional services from entities
15 formed for cooperative services for special education and
16 secondary vocational programs in its general fund to its
17 unrestricted general fund account.

18 Subd. 5. [LAKE CRYSTAL-WELLCOME MEMORIAL.] Notwithstanding
19 Minnesota Statutes, section 123B.79 or 123B.80, on June 30,
20 2005, upon approval of the commissioner of education,
21 Independent School District No. 2071, Lake Crystal-Wellcome
22 Memorial, may permanently transfer up to \$133,000 from its
23 reserved account for handicapped access to its undesignated
24 general fund balance.

25 Subd. 6. [M.A.C.C.R.A.Y.] Notwithstanding Minnesota
26 Statutes, section 123B.79 or 123B.80, upon approval of the
27 commissioner of education, on June 30, 2005, Independent School
28 District No. 2180, M.A.C.C.R.A.Y., may permanently transfer up
29 to \$230,000 from its reserved account for handicapped access to
30 its undesignated general fund balance.

31 Subd. 7. [MCLEOD WEST.] Notwithstanding Minnesota
32 Statutes, section 123B.79 or 123B.80, on or before June 30,
33 2007, Independent School District No. 2887, McLeod West, may
34 permanently transfer up to \$200,000 from its reserved operating
35 capital account in its general fund to the undesignated fund
36 balance.

1 Subd. 8. [RUSSELL.] Notwithstanding Minnesota Statutes,
 2 section 123B.79 or 123B.80, on June 30, 2005, Independent School
 3 District No. 418, Russell, may transfer up to \$50,000 from its
 4 reserved capital accounts in its general fund to its
 5 undesignated fund balance.

6 Subd. 9. [RUTHTON.] Notwithstanding Minnesota Statutes,
 7 section 123B.79 or 123B.80, on June 30, 2005, Independent School
 8 District No. 584, Ruthton, may permanently transfer up to
 9 \$140,000 from its reserved for operating capital account to the
 10 undesignated general fund balance.

11 Subd. 10. [WINDOM.] Notwithstanding Minnesota Statutes,
 12 sections 123B.79 and 123B.80, on June 30, 2005, Independent
 13 School District No. 177, Windom, may permanently transfer up to
 14 \$270,000 from its reserved for operating capital account to the
 15 undesignated balance in its general fund.

16 Subd. 11. [WIN-E-MAC.] Notwithstanding Minnesota Statutes,
 17 section 123B.79 or 123B.80, on June 30, 2005, Independent School
 18 District No. 2609, Win-E-Mac, may permanently transfer up to
 19 \$87,000 from its reserved account for disabled accessibility to
 20 its reserved operating capital account in its general fund.

21 [EFFECTIVE DATE.] This section is effective the day
 22 following final enactment.

23 Sec. 27. [APPROPRIATIONS.]

24 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
 25 indicated in this section are appropriated from the general fund
 26 to the Department of Education for the fiscal years designated.

27 Subd. 2. [EQUITY IN TELECOMMUNICATIONS ACCESS.] For equity
 28 in telecommunications access:

29	<u>\$.....</u>	<u>.....</u>	<u>2006</u>
30	<u>\$.....</u>	<u>.....</u>	<u>2007</u>

31 If the appropriation amount is insufficient, the
 32 commissioner shall reduce the reimbursement rate in Minnesota
 33 Statutes, section 125B.26, subdivisions 4 and 5, and the revenue
 34 for the fiscal years 2006 and 2007 shall be prorated. The base
 35 for this program in fiscal year 2008 and later is \$10,000,000.

36 Subd. 3. [EMERGENCY AID, RED LAKE.] For Independent School

1 District No. 38, Red Lake, for onetime emergency aid to repair
2 infrastructure damage to the Red Lake High School as a result of
3 the March 21, 2005, school shooting:

4 \$..... .. 2006

5 The school district must submit proposed expenditures for
6 these funds for review and comment approval under Minnesota
7 Statutes, section 123B.71, before the commissioner releases the
8 funds to the district.

9 Sec. 28. [REPEALER.]

10 Minnesota Statutes 2004, sections 123B.749 and 128C.12,
11 subdivision 4, are repealed.

12 [EFFECTIVE DATE.] This section is effective for revenue for
13 fiscal year 2006.

ARTICLE 5

LIBRARIES AND NUTRITION

Section 1. Minnesota Statutes 2004, section 124D.111, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL LUNCH AID COMPUTATION.] Each school year, the state must pay districts participating in the national school lunch program the amount of eight cents for each full paid, reduced, and free student lunch served to students in the district.

Sec. 2. Minnesota Statutes 2004, section 124D.118, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENT.] In accordance with program guidelines, the commissioner shall reimburse each participating public or nonpublic school nine cents for each half-pint of milk that is served to kindergarten students and is not part of a school lunch or breakfast reimbursed under section 124D.111 or 124D.1158.

Sec. 3. [MILK CONSUMPTION PILOT PROGRAM.]

Independent School District No. 11, Anoka-Hennepin, and Independent School District No. 709, Duluth, are each eligible to receive \$..... in fiscal year 2006 to establish a pilot program to enhance milk consumption in the schools. The funds must be used by the districts to enhance the attractiveness of consuming milk to students in both the school lunch and a la

1 carte programs, including, at a minimum, improving
 2 refrigeration, purchasing products or packaging not previously
 3 available, and upgrading quality of products previously
 4 supplied. The pilot program must be implemented during the
 5 2005-2006 school year. Each district must develop a plan to
 6 implement the pilot program. The plan must be developed by
 7 district food service personnel, the dairy which is contracted
 8 to provide milk to the districts' schools, and representatives
 9 of the Midwest Dairy Association and the Midwest Dairy Council.
 10 The plan must be submitted to the Department of Education by
 11 August 15, 2005. Additional funds for the program may be sought
 12 from interested individuals and organizations. Each eligible
 13 school district must report to the house of representatives and
 14 senate committees having jurisdiction over kindergarten through
 15 grade 12 education funding and agriculture funding by October
 16 15, 2006. The report should include statistics on the prior
 17 year's consumption in the district, the various methods chosen
 18 to enhance consumption, and the results of those methods.

19 Sec. 4. [APPROPRIATIONS.]

20 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
 21 indicated in this section are appropriated from the general fund
 22 to the Department of Education for the fiscal years designated.

3 Subd. 2. [MILK CONSUMPTION PILOT PROGRAM.] For milk
 24 consumption pilot program grants:

25 \$ 2006

ARTICLE 5

LIBRARIES AND NUTRITION

Section 1. Minnesota Statutes 2004, section 124D.111, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL LUNCH AID COMPUTATION.] Each school year, the state must pay districts participating in the national school lunch program the amount of eight cents for each full paid, reduced, and free student lunch served to students in the district.

Sec. 2. Minnesota Statutes 2004, section 124D.118, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENT.] In accordance with program guidelines, the commissioner shall reimburse each participating public or nonpublic school nine cents for each half-pint of milk that is served to kindergarten students and is not part of a school lunch or breakfast reimbursed under section 124D.111 or 124D.1158.

Sec. 3. [MILK CONSUMPTION PILOT PROGRAM.]

Independent School District No. 11, Anoka-Hennepin, and Independent School District No. 709, Duluth, are each eligible to receive \$..... in fiscal year 2006 to establish a pilot program to enhance milk consumption in the schools. The funds must be used by the districts to enhance the attractiveness of consuming milk to students in both the school lunch and a la

1 carte programs, including, at a minimum, improving
 2 refrigeration, purchasing products or packaging not previously
 3 available, and upgrading quality of products previously
 4 supplied. The pilot program must be implemented during the
 5 2005-2006 school year. Each district must develop a plan to
 6 implement the pilot program. The plan must be developed by
 7 district food service personnel, the dairy which is contracted
 8 to provide milk to the districts' schools, and representatives
 9 of the Midwest Dairy Association and the Midwest Dairy Council.
 10 The plan must be submitted to the Department of Education by
 11 August 15, 2005. Additional funds for the program may be sought
 12 from interested individuals and organizations. Each eligible
 13 school district must report to the house of representatives and
 14 senate committees having jurisdiction over kindergarten through
 15 grade 12 education funding and agriculture funding by October
 16 15, 2006. The report should include statistics on the prior
 17 year's consumption in the district, the various methods chosen
 18 to enhance consumption, and the results of those methods.

19 Sec. 4. [APPROPRIATIONS.]

20 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
 21 indicated in this section are appropriated from the general fund
 22 to the Department of Education for the fiscal years designated.

23 Subd. 2. [MILK CONSUMPTION PILOT PROGRAM.] For milk
 24 consumption pilot program grants:

25 \$ 2006

1 ARTICLE 6

2 STATE AGENCIES

3 Section 1. [USE OF FEDERAL FUNDS.]

4 Subdivision 1. [FEDERAL GRANTS AND AIDS.] The expenditures
5 of federal grants and aids as shown in the biennial budget
6 document and its supplements are approved and appropriated and
7 shall be spent as indicated.

8 Subd. 2. [EXCEPTIONS.] (a) Notwithstanding subdivision 1,
9 the following grants and aids are appropriated as indicated in
10 this section.

11 (b) Ninety-five percent of the improving teacher quality
12 state grant is appropriated for professional compensation for
13 teachers aid, under Minnesota Statutes, section 122A.4142.

14 (c) \$200,000 of the twenty-first century community learning
15 centers funds is appropriated to the summit academy for the
16 quantum opportunities program.

ARTICLE 7

APPROPRIATIONS

Section 1. Senate File No. 1879, article 3, section 3, if enacted in the 2005 legislative session, is amended to read:

Sec. 3. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

A. GENERAL EDUCATION

Subd. 2. [GENERAL EDUCATION AID.] For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$5,012,148,000	2006
\$5,007,512,000	2007

The 2006 appropriation includes \$784,978,000 for 2005 and \$4,227,170,000 for 2006.

The 2007 appropriation includes \$782,399,000 for 2006 and \$4,225,113,000 for 2007.

Subd. 3. [REFERENDUM TAX BASE REPLACEMENT AID.] For referendum tax base replacement aid under Minnesota Statutes, section 126C.17, subdivision 7a:

\$8,704,000	2006
\$8,704,000	2007

The 2006 appropriation includes \$1,366,000 for 2005 and \$7,338,000 for 2006.

1 The 2007 appropriation includes \$1,366,000 for 2006 and
2 \$7,338,000 for 2007.

3 B. OTHER GENERAL PROGRAMS

4 Subd. 4. [ENROLLMENT OPTIONS TRANSPORTATION.] For
5 transportation of pupils attending postsecondary institutions
6 under Minnesota Statutes, section 124D.09, or for transportation
7 of pupils attending nonresident districts under Minnesota
8 Statutes, section 124D.03:

9 \$55,000 2006

10 \$55,000 2007

11 Subd. 5. [ABATEMENT REVENUE.] For abatement aid under
12 Minnesota Statutes, section 127A.49:

13 \$903,000 2006

14 \$955,000 2007

15 The 2006 appropriation includes \$187,000 for 2005 and
16 \$716,000 for 2006.

17 The 2007 appropriation includes \$133,000 for 2006 and
18 \$822,000 for 2007.

19 Subd. 6. [CONSOLIDATION TRANSITION.] For districts
20 consolidating under Minnesota Statutes, section 123A.485:

21 \$253,000 2007

22 The 2007 appropriation includes \$-0- for 2006 and \$253,000
23 for 2007.

24 Subd. 7. [NONPUBLIC PUPIL EDUCATION AID.] For nonpublic
25 pupil education aid under Minnesota Statutes, sections 123B.40
26 to 123B.43 and 123B.87:

27 \$15,174,000 2006

28 \$15,976,000 2007

29 The 2006 appropriation includes \$2,305,000 for 2005 and
30 \$12,869,000 for 2006.

31 The 2007 appropriation includes \$2,396,000 for 2006 and
32 \$13,580,000 for 2007.

33 Subd. 8. [NONPUBLIC PUPIL TRANSPORTATION AID.] For
34 nonpublic pupil transportation aid under Minnesota Statutes,
35 section 123B.92, subdivision 9:

36 \$20,758,000 2006

1 \$21,446,000 2007

2 The 2006 appropriation includes \$3,274,000 for 2005 and
3 \$17,484,000 for 2006.

4 The 2007 appropriation includes \$3,256,000 for 2006 and
5 \$18,190,000 for 2007.

6 Subd. 9. [ONE ROOM SCHOOLHOUSE.] For a grant to
7 Independent School District No. 690, Warroad, to operate the
8 Angle Inlet School:

9 \$50,000 2006

10 \$50,000 2007

11 Subd. 10. [DECLINING PUPIL AID; ALBERT LEA.] For declining
12 pupil aid to Independent School District No. 241, Albert Lea:

13 \$75,000 2006

14 Subd. 11. [DECLINING PUPIL AID; MESABI EAST.] For
15 declining pupil aid to Independent School District No. 2711,
16 Mesabi East:

17 \$50,000 2006

18 Subd. 12. [DECLINING PUPIL AID; ROSEAU.] For declining
19 pupil aid to Independent School District No. 682, Roseau:

20 \$10,000 2006

21 C. EDUCATION EXCELLENCE

22 Subd. 13. [CHARTER SCHOOL BUILDING LEASE AID.] For charter
23 school building lease aid under Minnesota Statutes, section
24 124D.11, subdivision 4:

25 \$25,465,000 2006

26 \$30,929,000 2007

27 The 2006 appropriation includes \$3,324,000 for 2005 and
28 \$22,141,000 for 2006.

29 The 2007 appropriation includes \$4,123,000 for 2006 and
30 \$26,806,000 for 2007.

31 Subd. 14. [CHARTER SCHOOL START-UP AID.] For charter
32 school start-up cost aid under Minnesota Statutes, section
33 124D.11:

34 \$1,393,000 2006

35 \$3,185,000 2007

36 The 2006 appropriation includes \$-0- for 2005 and

1 \$1,393,000 for 2006.

2 The 2007 appropriation includes \$259,000 for 2006 and
3 \$2,926,000 for 2007.

4 Subd. 15. [INTEGRATION AID.] For integration aid under
5 Minnesota Statutes, section 124D.86, subdivision 5:

6 \$57,801,000 2006
7 \$57,536,000 2007

8 The 2006 appropriation includes \$8,545,000 for 2005 and
9 \$49,256,000 for 2006.

10 The 2007 appropriation includes \$9,173,000 for 2006 and
11 \$48,363,000 for 2007.

12 Subd. 16. [MAGNET SCHOOL GRANTS.] For magnet school and
13 program grants:

14 \$ 750,000 2006
15 \$ 750,000 2007

16 These amounts may be used for magnet school programs under
17 Minnesota Statutes, section 124D.88.

18 Subd. 17. [INTERDISTRICT DESEGREGATION OR INTEGRATION
19 TRANSPORTATION GRANTS.] For interdistrict desegregation or
20 integration transportation grants under Minnesota Statutes,
21 section 124D.87:

22 \$7,768,000 2006
23 \$9,908,000 2007

24 Subd. 18. [SUCCESS FOR THE FUTURE.] For American Indian
25 success for the future grants under Minnesota Statutes, section
26 124D.81:

27 \$2,137,000 2006
28 \$2,137,000 2007

29 The 2006 appropriation includes \$335,000 for 2005 and
30 \$1,802,000 for 2006.

31 The 2007 appropriation includes \$335,000 for 2006 and
32 \$1,802,000 for 2007.

33 Subd. 19. [AMERICAN INDIAN SCHOLARSHIPS.] For American
34 Indian scholarships under Minnesota Statutes, section 124D.84:

35 \$1,875,000 2006
36 \$1,875,000 2007

1 Subd. 20. [AMERICAN INDIAN TEACHER PREPARATION GRANTS.]
2 For joint grants to assist American Indian people to become
3 teachers under Minnesota Statutes, section 122A.63:

4 \$ 190,000 2006
5 \$ 190,000 2007

6 Subd. 21. [TRIBAL CONTRACT SCHOOLS.] For tribal contract
7 school aid under Minnesota Statutes, section 124D.83:

8 \$2,315,000 2006
9 \$2,415,000 2007

10 The 2006 appropriation includes \$348,000 for 2005 and
11 \$1,967,000 for 2006.

12 The 2007 appropriation includes \$366,000 for 2006 and
13 \$2,049,000 for 2007.

14 Subd. 22. [EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.]
15 For early childhood family education programs at tribal contract
16 schools under Minnesota Statutes, section 124D.83, subdivision 4:

17 \$ 68,000 2006
18 \$ 68,000 2007

19 Subd. 23. [STATEWIDE TESTING SUPPORT.] For statewide
20 testing support under Minnesota Statutes, section 120B.30:

21 \$9,000,000 2006
22 \$9,000,000 2007

23 Subd. 24. [BEST PRACTICES SEMINARS.] For best practices
24 seminars and other professional development capacity building
25 activities that assure proficiency in teaching and
26 implementation of graduation rule standards:

27 \$1,000,000 2006
28 \$1,000,000 2007

29 \$..... each year is for a grant to the Minnesota
30 Humanities Commission.

31 \$..... each year is for a grant to the Minnesota
32 Historical Society.

33 \$..... each year is for a grant to Special School
34 District No. 6, South St. Paul, for the IB program expansion to
35 the elementary and middle school years.

36 \$..... each year is for a grant to A Chance to Grow/New

1 Visions for the Minnesota Learning Resource Center's
2 comprehensive training program for education professionals
3 charged with helping children acquire basic reading and
4 mathematic skills.

5 Subd. 25. [~~ALTERNATIVE-TEACHER~~ PROFESSIONAL COMPENSATION
6 FOR TEACHERS.] For ~~alternative-teacher~~ professional compensation
7 for teachers aid established under Minnesota Statutes, sections
8 ~~122A.413 to 122A.415~~ section 122A.4142:

9 \$3,700,000 2006

10 \$3,700,000 2007

11 If the appropriations under this subdivision are
12 insufficient to fund all program participants, a participant may
13 receive less than the maximum per pupil amount available under
14 Minnesota Statutes, section ~~122A.415~~ 122A.4142, subdivision ~~3~~
15 4. A qualifying district or site receiving ~~alternative-teacher~~
16 professional compensation for teacher funding under this
17 subdivision may use the funding it receives to leverage
18 additional funds from a national program for enhancing teacher
19 professionalism.

20 Subd. 26. [YOUTHWORKS PROGRAM.] For funding youthworks
21 programs under Minnesota Statutes, sections 124D.37 to 124D.45:

22 \$ 900,000 2006

23 \$ 900,000 2007

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

28 Subd. 27. [STUDENT ORGANIZATIONS.] For student
29 organizations:

30 \$ 625,000 2006

31 \$ 625,000 2007

32 Subd. 28. [ONLINE LEARNING AID.] For online learning aid
33 under Minnesota Statutes, section 124D.096:

34 \$1,250,000 2006

35 \$1,250,000 2007

36 Subd. 29. [COLLABORATIVE URBAN EDUCATOR.] For the

1 collaborative urban educator program:

2 \$ 528,000 2006

3 \$ 528,000 2007

4 Subd. 30. [EXAMINATION FEES; TEACHER TRAINING AND SUPPORT
5 PROGRAMS.] (a) For students' advanced placement and
6 international baccalaureate examination fees under Minnesota
7 Statutes, section 120B.13, subdivision 3, and the training and
8 related costs for teachers and other interested educators under
9 Minnesota Statutes, section 120B.13, subdivision 1:

10 \$ 778,000 2006

11 \$ 778,000 2007

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

21 (c) Notwithstanding Minnesota Statutes, section 120B.13,
22 subdivision 1, \$375,000 each year is for teachers to attend
23 subject matter summer training programs and follow-up support
24 workshops approved by the advanced placement or international
25 baccalaureate programs. The amount of the subsidy for each
26 teacher attending an advanced placement or international
27 baccalaureate summer training program or workshop shall be the
28 same. The commissioner shall determine the payment process and
29 the amount of the subsidy.

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

36 Any balance in the first year does not cancel but is

1 available in the second year.

2 Subd. 31. [~~FIRST-GRADE-PREPAREDNESS~~ ALL-DAY KINDERGARTEN.]

3 For ~~first-grade-preparedness-grants~~ all-day kindergarten under
4 Minnesota Statutes, section 124D.081:

5 \$7,250,000 2006

6 \$7,250,000 2007

7 D. SPECIAL PROGRAMS

8 Subd. 32. [SPECIAL EDUCATION; REGULAR.] For special
9 education aid under Minnesota Statutes, section 125A.75:

10 \$528,846,000 2006

11 \$527,446,000 2007

12 The 2006 appropriation includes \$83,078,000 for 2005 and
13 \$445,768,000 for 2006.

14 The 2007 appropriation includes \$83,019,000 for 2006 and
15 \$444,427,000 for 2007.

16 Subd. 33. [AID FOR CHILDREN WITH DISABILITIES.] For aid
17 under Minnesota Statutes, section 125A.75, subdivision 3, for
18 children with disabilities placed in residential facilities
19 within the district boundaries for whom no district of residence
20 can be determined:

21 \$2,212,000 2006

22 \$2,615,000 2007

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

25 Subd. 34. [TRAVEL FOR HOME-BASED SERVICES.] For aid for
26 teacher travel for home-based services under Minnesota Statutes,
27 section 125A.75, subdivision 1:

28 \$ 187,000 2006

29 \$ 195,000 2007

30 The 2006 appropriation includes \$28,000 for 2005 and
31 \$159,000 for 2006.

32 The 2007 appropriation includes \$29,000 for 2006 and
33 \$166,000 for 2007.

34 Subd. 35. [SPECIAL EDUCATION; EXCESS COSTS.] For excess
35 cost aid under Minnesota Statutes, section 125A.79, subdivision
36 7:

1 \$91,784,000 2006

2 \$91,595,000 2007

3 The 2006 appropriation includes \$37,455,000 for 2005 and
4 \$54,329,000 for 2006.

5 The 2007 appropriation includes \$37,417,000 for 2006 and
6 \$54,178,000 for 2007.

7 Subd. 36. [LITIGATION COSTS FOR SPECIAL EDUCATION.] For
8 paying the costs a district incurs under Minnesota Statutes,
9 section 125A.75, subdivision 8:

10 \$ 17,000 2006

11 \$ 17,000 2007

12 Subd. 37. [TRANSITION FOR DISABLED STUDENTS.] For aid for
13 transition programs for children with disabilities under
14 Minnesota Statutes, section 124D.454:

15 \$8,788,000 2006

16 \$8,765,000 2007

17 The 2006 appropriation includes \$1,380,000 for 2005 and
18 \$7,408,000 for 2006.

19 The 2007 appropriation includes \$1,379,000 for 2006 and
20 \$7,386,000 for 2007.

21 Subd. 38. [COURT-PLACED SPECIAL EDUCATION REVENUE.] For
22 reimbursing serving school districts for unreimbursed eligible
23 expenditures attributable to children placed in the serving
24 school district by court action under Minnesota Statutes,
25 section 125A.79, subdivision 4:

26 \$ 65,000 2006

27 \$ 70,000 2007

28 Subd. 39. [OUT-OF-STATE TUITION SPECIAL EDUCATION.] For
29 special education out-of-state tuition according to Minnesota
30 Statutes, section 125A.79, subdivision 8:

31 \$ 250,000 2006

32 \$ 250,000 2007

33 E. FACILITIES AND TECHNOLOGY

34 Subd. 40. [HEALTH AND SAFETY REVENUE.] For health and
35 safety aid according to Minnesota Statutes, section 123B.57,
36 subdivision 5:

1 \$ 802,000 2006

2 \$ 578,000 2007

3 The 2006 appropriation includes \$211,000 for 2005 and
4 \$591,000 for 2006.

5 The 2007 appropriation includes \$109,000 for 2006 and
6 \$469,000 for 2007.

7 Subd. 41. [DEBT SERVICE EQUALIZATION.] For debt service
8 aid according to Minnesota Statutes, section 123B.53,
9 subdivision 6:

10 \$25,654,000 2006

11 \$24,611,000 2007

12 The 2006 appropriation includes \$4,654,000 for 2005 and
13 \$21,000,000 for 2006.

14 The 2007 appropriation includes \$3,911,000 for 2006 and
15 \$20,700,000 for 2007.

16 Subd. 42. [ALTERNATIVE FACILITIES BONDING AID.] For
17 alternative facilities bonding aid, according to Minnesota
18 Statutes, section 123B.59, subdivision 1:

19 \$19,287,000 2006

20 \$19,287,000 2007

21 The 2006 appropriation includes \$3,028,000 for 2005 and
22 \$16,259,000 for 2006.

23 The 2007 appropriation includes \$3,028,000 for 2006 and
24 \$16,259,000 for 2007.

25 F. NUTRITION

26 Subd. 43. [SCHOOL LUNCH.] For school lunch aid according
27 to Minnesota Statutes, section 124D.111, and Code of Federal
28 Regulations, title 7, section 210.17:

29 \$7,748,000 2006

30 \$7,826,000 2007

31 Subd. 44. [TRADITIONAL SCHOOL BREAKFAST; MILK FOR
32 KINDERGARTNERS.] For traditional school breakfast aid under
33 Minnesota Statutes, section 124D.1158 and milk for
34 kindergartners under Minnesota Statutes, section 124D.118:

35 \$4,634,000 2006

36 \$4,723,000 2007

1 Subd. 45. [SUMMER FOOD SERVICE REPLACEMENT AID.] For
 2 summer food service replacement aid under Minnesota Statutes,
 3 section 124D.119:

4 \$ 150,000 2006

5 \$ 150,000 2007

6 G. LIBRARIES

7 Subd. 46. [BASIC SUPPORT.] For basic support grants
 8 according to Minnesota Statutes, sections 134.32 to 134.342:

9 \$8,570,000 2006

10 \$8,570,000 2007

11 The 2006 appropriation includes \$1,345,000 for 2005 and
 12 \$7,225,000 for 2006.

13 The 2007 appropriation includes \$1,345,000 for 2006 and
 14 \$7,225,000 for 2007.

15 Subd. 47. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For
 16 grants according to Minnesota Statutes, sections 134.353 and
 17 134.354, to multicounty, multitype library systems:

18 \$ 903,000 2006

19 \$ 903,000 2007

20 The 2006 appropriation includes \$141,000 for 2005 and
 21 \$762,000 for 2006.

22 The 2007 appropriation includes \$141,000 for 2006 and
 23 \$762,000 for 2007.

24 Subd. 48. [ELECTRONIC LIBRARY FOR MINNESOTA.] For
 25 statewide licenses to online databases selected in cooperation
 26 with the Higher Education Services Office for school media
 27 centers, public libraries, and state government agency
 28 libraries, and public, private, or university libraries:

29 \$ 400,000 2006

30 \$ 400,000 2007

31 Subd. 49. [REGIONAL LIBRARY TELECOMMUNICATIONS AID.] For
 32 regional library telecommunications aid under Minnesota
 33 Statutes, section 134.355:

34 \$1,200,000 2006

35 \$1,200,000 2007

36 Of the 2006 appropriation, \$188,000 is for 2005 and

1 \$1,012,000 is for 2006.

2 Of the 2007 appropriation, \$188,000 is for 2006 and
3 \$1,012,000 is for 2007.

4 H. STATE AGENCIES

5 Subd. 50. [DEPARTMENT.] (a) For the Department of
6 Education:

7 \$21,772,000 2006

8 \$21,772,000 2007

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

11 (b) \$260,000 each year is for the Minnesota Children's
12 Museum.

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

15 (d) \$621,000 each year is for the Board of Teaching.

16 (e) \$165,000 each year is for the Board of School
17 Administrators.

18 (f) \$29,000 each year is for Minnesota's Washington, D.C.,
19 office.

20 (g) None of the amounts appropriated under this subdivision
21 or any federal funds may be used for the communications function
22 within the Office of Finance and Administration. The Department
23 of Education shall not relocate or rename this function to avoid
24 making this reduction.

25 (h) \$128,000 each year is for the funding of a world
26 languages coordinator in the Department of Education.

27 (i) \$50,000 in fiscal year 2006 and \$75,000 in fiscal year
28 2007 is for the development and distribution to school districts
29 of materials addressing the dangers of methamphetamine.

30 Sec. 2. S.F. No. 1879, article 3, section 4, if enacted in
31 the 2005 legislative session, is amended to read:

32 Sec. 4. [APPROPRIATIONS; MINNESOTA STATE ACADEMIES.]

33 The sums indicated in this section are appropriated from
34 the general fund to the Minnesota State Academies for the Deaf
35 and the Blind for the fiscal years designated:

36 \$10,466,000 2006

1 \$10,466,000 2007

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

4 Sec. 3. S.F. No. 1879, article 3, section 5, if enacted in
5 the 2005 legislative session, is amended to read:

6 Sec. 5. [APPROPRIATIONS; PERPICH CENTER FOR ARTS
7 EDUCATION.]

8 The sums indicated in this section are appropriated from
9 the general fund to the Perpich Center for Arts Education for
10 the fiscal years designated:

11 \$6,423,000 2006

12 \$6,423,000 2007

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

1 ARTICLE 8

2 TECHNICAL AND CONFORMING AMENDMENTS

3 Section 1. Minnesota Statutes 2004, section 120B.30,
4 subdivision 1a, is amended to read:

5 Subd. 1a. [STATEWIDE AND LOCAL ASSESSMENTS; RESULTS.] (a)
6 The commissioner must develop language arts, mathematics, and
7 science assessments aligned with state academic standards that
8 districts and sites must use to monitor student growth toward
9 achieving those standards. The commissioner must not develop
10 statewide assessments for academic standards in social studies,
11 health and physical education, and the arts. The commissioner
12 must require:

13 (1) annual language arts and mathematics assessments in
14 grades 3 through 8 and at the high school level for the
15 2005-2006 school year and later; and

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

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

24 (c) Reporting of assessment results must:

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

4 (2) include, by the 2006-2007 school year, a value-added
5 component to measure student achievement growth over time; and

6 (3) determine whether students have met the state's basic
7 skills requirements.

8 (d) Consistent with applicable federal law and subdivision
9 1, paragraph (d), clause (1), the commissioner must include
10 alternative assessments for the very few students with
11 disabilities for whom statewide assessments are inappropriate
12 and for students with limited English proficiency.

13 (e) A school, school district, and charter school must
14 administer statewide assessments under this section, as the
15 assessments become available, to evaluate student progress in
16 achieving the academic standards. If a state assessment is not
17 available, a school, school district, and charter school must
18 determine locally if a student has met the required academic
19 standards. A school, school district, or charter school may use
20 a student's performance on a statewide assessment as one of
21 multiple criteria to determine grade promotion or retention. A
22 school, school district, or charter school may use a high school
23 student's performance on a statewide assessment as a percentage
24 of the student's final grade in a course, or place a student's
25 assessment score on the student's transcript.

26 Sec. 2. Minnesota Statutes 2004, section 121A.41,
27 subdivision 10, is amended to read:

28 Subd. 10. [SUSPENSION.] "Suspension" means an action by
29 the school administration, under rules promulgated by the school
30 board, prohibiting a pupil from attending school for a period of
31 no more than ten school days. If a suspension is longer than
32 five days, the suspending administrator must provide the
33 superintendent with a reason for the longer suspension. This
34 definition does not apply to dismissal from school for one
35 school day or less, except as provided in federal law for a
36 student with a disability. Each suspension action may include a

1 readmission plan. The readmission plan shall include, where
2 appropriate, a provision for implementing alternative
3 educational services upon readmission and may not be used to
4 extend the current suspension. Consistent with section
5 ~~125A.09~~ 125A.091, subdivision 3 5, the readmission plan must not
6 obligate a parent to provide a sympathomimetic medication for
7 the parent's child as a condition of readmission. The school
8 administration may not impose consecutive suspensions against
9 the same pupil for the same course of conduct, or incident of
10 misconduct, except where the pupil will create an immediate and
11 substantial danger to self or to surrounding persons or
12 property, or where the district is in the process of initiating
13 an expulsion, in which case the school administration may extend
14 the suspension to a total of 15 days. In the case of a student
15 with a disability, the student's individual education plan team
16 must meet immediately but not more than ten school days after
17 the date on which the decision to remove the student from the
18 student's current education placement is made. The individual
19 education plan team and other qualified personnel shall at that
20 meeting: conduct a review of the relationship between the
21 child's disability and the behavior subject to disciplinary
22 action; and determine the appropriateness of the child's
23 education plan.

24 The requirements of the individual education plan team
25 meeting apply when:

26 (1) the parent requests a meeting;

27 (2) the student is removed from the student's current
28 placement for five or more consecutive days; or

29 (3) the student's total days of removal from the student's
30 placement during the school year exceed ten cumulative days in a
31 school year. The school administration shall implement
32 alternative educational services when the suspension exceeds
33 five days. A separate administrative conference is required for
4 each period of suspension.

35 Sec. 3. Minnesota Statutes 2004, section 120B.31,
36 subdivision 4, is amended to read:

1 Subd. 4. [STATISTICAL ADJUSTMENTS.] In developing policies
2 and assessment processes to hold schools and districts
3 accountable for high levels of academic standards, ~~including the~~
4 ~~profile of learning~~ under section 120B.021, the commissioner
5 shall aggregate student data over time to report student
6 performance levels measured at the school district, regional, or
7 statewide level. When collecting and reporting the data, the
8 commissioner shall: (1) acknowledge the impact of significant
9 demographic factors such as residential instability, the number
10 of single parent families, parents' level of education, and
11 parents' income level on school outcomes; and (2) organize and
12 report the data so that state and local policy makers can
13 understand the educational implications of changes in districts'
14 demographic profiles over time. Any report the commissioner
15 disseminates containing summary data on student performance must
16 integrate student performance and the demographic factors that
17 strongly correlate with that performance.

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

20 Subd. 8. [FINANCIAL ARRANGEMENTS.] (a) For a student
21 enrolled in an online learning course, the department must
22 calculate average daily membership and make payments according
23 to this subdivision.

24 (b) The initial online learning average daily membership
25 equals 1/12 for each semester course or a proportionate amount
26 for courses of different lengths. The adjusted online learning
27 average daily membership equals the initial online learning
28 average daily membership times .88.

29 (c) No online learning average daily membership shall be
30 generated if: (1) the student does not complete the online
31 learning course, or (2) the student is enrolled in online
32 learning provided by the enrolling district and the student was
33 enrolled in a Minnesota public school for the school year before
34 the school year in which the student first enrolled in online
35 learning.

36 (d) Online learning average daily membership under this

1 subdivision for a student currently enrolled in a Minnesota
2 public school and who was enrolled in a Minnesota public school
3 for the school year before the school year in which the student
4 first enrolled in online learning shall be used only for
5 computing average daily membership according to section 126C.05,
6 subdivision 19, paragraph (a), clause (ii), and for computing
7 online learning aid according to section ~~126C.24~~ 124D.096.

8 (e) Online learning average daily membership under this
9 subdivision for students not included in paragraph (c) or (d)
10 shall be used only for computing average daily membership
11 according to section 126C.05, subdivision 19, paragraph (a),
12 clause (ii), and for computing payments under paragraphs (f) and
13 (g).

14 (f) Subject to the limitations in this subdivision, the
15 department must pay an online learning provider an amount equal
16 to the product of the adjusted online learning average daily
17 membership for students under paragraph (e) times the student
18 grade level weighting under section 126C.05, subdivision 1,
19 times the formula allowance.

20 (g) The department must pay each online learning provider
21 100 percent of the amount in paragraph (f) within 45 days of
22 receiving final enrollment and course completion information
23 each quarter or semester.

24 Sec. 5. Minnesota Statutes 2004, section 124D.10,
25 subdivision 8, is amended to read:

26 Subd. 8. [STATE AND LOCAL REQUIREMENTS.] (a) A charter
27 school shall meet all applicable state and local health and
28 safety requirements.

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

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

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

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

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

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

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

15 (i) A charter school is subject to the same financial
16 audits, audit procedures, and audit requirements as a district.
17 Audits must be conducted in compliance with generally accepted
18 governmental auditing standards, the Federal Single Audit Act,
19 if applicable, and section 6.65. A charter school is subject to
20 and must comply with sections 15.054; 118A.01; 118A.02; 118A.03;
21 118A.04; 118A.05; 118A.06; 123B.52, subdivision 5; 471.38;
22 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3,
23 4, 5, 6, 12, 13, and 15; 471.881; and 471.89. The audit must
24 comply with the requirements of sections 123B.75 to 123B.83,
25 except to the extent deviations are necessary because of the
26 program at the school. Deviations must be approved by the
27 commissioner. The Department of Education, state auditor, or
28 legislative auditor may conduct financial, program, or
29 compliance audits. A charter school determined to be in
30 statutory operating debt under sections 123B.81 to 123B.83 must
31 submit a plan under section 123B.81, subdivision 4.

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

34 (k) A charter school must comply with sections 13.32;
35 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3
36 and 5.

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

3 (m) Charter school board of director open meeting
4 requirements are governed according to subdivision 4.

5 Sec. 6. Minnesota Statutes 2004, section 124D.40, is
6 amended to read:

7 124D.40 [YOUTH WORKS GRANTS.]

8 Subdivision 1. [APPLICATION.] An eligible organization
9 interested in receiving a grant under sections 124D.39 to
10 124D.44 may prepare and submit an application to the commission
11 ~~an-application-that-complies-with-section-124D-41.~~

12 Subd. 2. [GRANT AUTHORITY.] The commission must use any
13 state appropriation and any available federal funds, including
14 any grant received under federal law, to award grants to
15 establish programs for youth works ~~meeting-the-requirements-of~~
16 ~~section-124D-41.~~ At least one grant each must be available for
17 a metropolitan proposal, a rural proposal, and a statewide
18 proposal. If a portion of the suburban metropolitan area is not
19 included in the metropolitan grant proposal, the statewide grant
20 proposal must incorporate at least one suburban metropolitan
21 area. In awarding grants, the commission may select at least
22 one residential proposal and one nonresidential proposal,
23 ~~provided-the-proposals-meet-or-exceed-the-criteria-in-section~~
24 ~~124D-41.~~

25 Sec. 7. Minnesota Statutes 2004, section 126C.13,
26 subdivision 4, is amended to read:

27 Subd. 4. [GENERAL EDUCATION AID.] (a) For fiscal year
28 2004, a district's general education aid is the sum of the
29 following amounts:

30 (1) general education revenue;

31 (2) shared time aid according to section 126C.01,
32 subdivision 7;

33 (3) referendum aid according to section 126C.17; and

34 (4) online learning aid according to section ~~126C-24~~
35 124D.096.

36 (b) For fiscal year 2005 and later, a district's general

1 education aid is the sum of the following amounts:

2 (1) general education revenue, excluding equity revenue,
3 total operating capital, and transition revenue;

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

6 (3) equity aid according to section 126C.10, subdivision
7 30;

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

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

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

13 (7) online learning aid according to section ~~126C.24~~
14 124D.096.

15 Sec. 8. Minnesota Statutes 2004, section 127A.41,
16 subdivision 8, is amended to read:

17 Subd. 8. [APPROPRIATION TRANSFERS.] (a) If a direct
18 appropriation from the general fund to the department for any
19 education aid or grant authorized in this chapter and chapters
20 122A, 123A, 123B, 124D, 125A, 126C, and 134, excluding
21 appropriations under sections 124D.135, 124D.16, 124D.20,
22 ~~124D.21~~, 124D.22, 124D.52, 124D.531, ~~124D.54~~, 124D.55, and
23 124D.56, exceeds the amount required, the commissioner may
24 transfer the excess to any education aid or grant appropriation
25 that is insufficient. However, section 126C.20 applies to a
26 deficiency in the direct appropriation for general education
27 aid. Excess appropriations must be allocated proportionately
28 among aids or grants that have insufficient appropriations. The
29 commissioner of finance shall make the necessary transfers among
30 appropriations according to the determinations of the
31 commissioner. If the amount of the direct appropriation for the
32 aid or grant plus the amount transferred according to this
33 subdivision is insufficient, the commissioner shall prorate the
34 available amount among eligible districts. The state is not
35 obligated for any additional amounts.

36 (b) Transfers for aids paid under section 127A.45,

1 subdivisions 12, paragraph (a), 12a, paragraph (a), and 13,
2 shall be made during the fiscal year after the fiscal year of
3 the entitlement. Transfers for aids paid under section 127A.45,
4 subdivisions 11, 12, paragraph (b), and 12a, paragraph (b),
5 shall be made during the fiscal year of the appropriation.

6 Sec. 9. Minnesota Statutes 2004, section 127A.45,
7 subdivision 12, is amended to read:

8 Subd. 12. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] (a) One
9 hundred percent of the aid for the current fiscal year must be
10 paid for the following aids: reimbursement for enrollment
11 options transportation, according to sections 124D.03,
12 subdivision 8, 124D.09, subdivision 22, and 124D.10; school
13 lunch aid, according to section 124D.111; hearing impaired
14 support services aid, according to section 124D.57; and Indian
15 postsecondary preparation grants according to section
16 ~~124D.80~~ 124D.81.

17 (b) One hundred percent of the aid for the current fiscal
18 year, based on enrollment in the previous year, must be paid for
19 the first grade preparedness program according to section
20 124D.081.