

1.1 A bill for an act
 1.2 relating to education; providing for financing of prekindergarten through
 1.3 grade 12 education; raising academic achievement; establishing an alternative
 1.4 teacher training program for qualified professionals; expanding alternative
 1.5 teacher compensation program; expanding early childhood Part C services;
 1.6 providing intensive English instruction for adult refugees; providing for Chinese
 1.7 language programs; providing for a district and high school redesign pilot
 1.8 project; authorizing Waseca to levy for health and safety revenue; appropriating
 1.9 money; amending Minnesota Statutes 2004, sections 120A.20, subdivision 1;
 1.10 123A.06, subdivision 2; 123B.10, subdivision 1; 124D.02, subdivisions 2, 4;
 1.11 124D.11, subdivision 9; 124D.68, subdivision 3; 125A.27, subdivisions 3, 7, 8,
 1.12 15, 18; 125A.69, subdivision 3; 126C.05, subdivision 1; 126C.10, subdivision 6;
 1.13 126C.44; 127A.41, subdivision 2; Minnesota Statutes 2005 Supplement, sections
 1.14 121A.19; 122A.415, subdivisions 1, 3; 123B.76, subdivision 3; 124D.68,
 1.15 subdivision 2; 125A.11, subdivision 1; 125A.79, subdivision 1; 126C.10,
 1.16 subdivisions 31, 34; 126C.43, subdivision 2; 127A.45, subdivision 10; Laws
 1.17 2005, First Special Session chapter 5, article 1, section 47; repealing Minnesota
 1.18 Statutes 2004, section 120A.20, subdivision 3.

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

1.20 **ARTICLE 1**
 1.21 **GENERAL EDUCATION REVENUE**

1.22 Section 1. Minnesota Statutes 2004, section 120A.20, subdivision 1, is amended to
 1.23 read:

1.24 **Subdivision 1. Age limitations; pupils.** (a) All schools supported in whole or
 1.25 in part by state funds are public schools. Admission to a public school is free to any
 1.26 person who: (1) resides within the district that operates the school; ~~who~~; (2) is under 21
 1.27 years of age; or who meet the requirements of paragraph (c); and ~~who~~ (3) satisfies the
 1.28 minimum age requirements imposed by this section. Notwithstanding the provisions of
 1.29 any law to the contrary, the conduct of all ~~students under 21 years of age~~ pupils attending a

2.1 public secondary school is governed by a single set of reasonable rules and regulations
2.2 promulgated by the school board.

2.3 ~~No~~ (b) A person shall not be admitted to any a public school (1) as a kindergarten
2.4 pupil, unless the pupil is at least five years of age on September 1 of the calendar year in
2.5 which the school year for which the pupil seeks admission commences; or (2) as a 1st
2.6 grade student, unless the pupil is at least six years of age on September 1 of the calendar
2.7 year in which the school year for which the pupil seeks admission commences or has
2.8 completed kindergarten; except that any school board may establish a policy for admission
2.9 of selected pupils at an earlier age.

2.10 (c) A pupil who becomes age 21 after enrollment is eligible for continued free public
2.11 school enrollment until at least one of the following occurs: (1) the first September 1 after
2.12 the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3)
2.13 the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4)
2.14 the end of the school year.

2.15 Sec. 2. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 1, is
2.16 amended to read:

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

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

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

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

2.30 Alternative teacher compensation revenue for a qualifying school district or site in
2.31 which the school board and the exclusive representative of the teachers agree to place
2.32 teachers in the district or at the site on the alternative teacher professional pay system
2.33 equals \$260 times the number of pupils enrolled at the district or site on October 1 of
2.34 the previous fiscal year. Alternative teacher compensation revenue for a qualifying

3.1 intermediate school district must be calculated under section 126C.10, subdivision 34,
3.2 paragraphs (a) and (b).

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

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

3.12 (e) The revenue must be maintained in a reserve account within the general fund.

3 Sec. 3. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 3, is
3.14 amended to read:

3.15 **Subd. 3. Revenue timing.** (a) Districts, intermediate school districts, school sites,
3.16 or charter schools with approved applications must receive alternative compensation
3.17 revenue for each school year that the district, intermediate school district, school site,
3.18 or charter school implements an alternative teacher professional pay system under this
3.19 subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district,
3.20 intermediate school district, school site, or charter school that received alternative teacher
3.21 compensation aid for the previous fiscal year must receive at least an amount of alternative
3.22 teacher compensation revenue equal to the lesser of the amount it received for the previous
3.23 fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if
3.24 the district, intermediate school district, school site, or charter school submits a timely
3.25 application and the commissioner determines that the district, intermediate school district,
3.26 school site, or charter school continues to implement an alternative teacher professional
3.27 pay system, consistent with its application under this section.

3.28 (b) The commissioner shall approve applications that comply with subdivision 1,
3.29 and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter
3.30 school, in the order in which they are received, select applicants that qualify for this
3.31 program, notify school districts, intermediate school districts, school sites, and charter
3.32 schools about the program, develop and disseminate application materials, and carry out
3.33 other activities needed to implement this section.

3. (c) For applications approved under this section before August 1 of the fiscal year for
3.35 which the aid is paid, the portion of the state total basic alternative teacher compensation

4.1 aid entitlement allocated to charter schools must not exceed \$522,000 for fiscal year 2006
4.2 and \$3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of the state
4.3 total basic alternative teacher compensation aid entitlement allocated to charter schools
4.4 must not exceed the product of \$3,374,000 times the ratio of the state total charter school
4.5 enrollment for the previous fiscal year to the state total charter school enrollment for ~~the~~
4.6 ~~second previous year~~ fiscal year 2006. Additional basic alternative teacher compensation
4.7 aid may be approved for charter schools after August 1, not to exceed the charter school
4.8 limit for the following fiscal year, if the basic alternative teacher compensation aid
4.9 entitlement for school districts and intermediate school districts based on applications
4.10 approved by August 1 does not expend the remaining amount under the limit.

4.11 Sec. 4. Minnesota Statutes 2004, section 123A.06, subdivision 2, is amended to read:

4.12 Subd. 2. **People to be served.** A center shall provide programs for secondary
4.13 pupils and adults. A center may also provide programs and services for elementary and
4.14 secondary pupils who are not attending the center to assist them in being successful in
4.15 school. A center shall use research-based best practices for serving limited English
4.16 proficient students and their parents. An individual education plan team may identify a
4.17 center as an appropriate placement to the extent a center can provide the student with the
4.18 appropriate special education services described in the student's plan. Pupils eligible to
4.19 be served are those ~~age five to adults 22 and older~~ who qualify under the graduation
4.20 incentives program in section 124D.68, subdivision 2, those enrolled under section
4.21 124D.02, subdivision 2, or those pupils who are eligible to receive special education
4.22 services under sections 125A.03 to 125A.24, and 125A.65.

4.23 Sec. 5. Minnesota Statutes 2005 Supplement, section 123B.76, subdivision 3, is
4.24 amended to read:

4.25 Subd. 3. **Expenditures by building.** (a) For the purposes of this section, "building"
4.26 means education site as defined in section 123B.04, subdivision 1.

4.27 (b) Each district shall maintain separate accounts to identify general fund
4.28 expenditures for each building. All expenditures for regular instruction, secondary
4.29 vocational instruction, and school administration must be reported to the department
4.30 separately for each building. All expenditures for special education instruction,
4.31 instructional support services, and pupil support services provided within a specific
4.32 building must be reported to the department separately for each building. Salary
4.33 expenditures reported by building must reflect actual salaries for staff at the building and

5.1 must not be based on districtwide averages. All other general fund expenditures may be
5.2 reported by building or on a districtwide basis.

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

5.7 (1) expenditures not reported by building shall be allocated among buildings on a
5.8 uniform per pupil basis;

5.9 (2) basic skills revenue shall be allocated according to section 126C.10, subdivision
5.10 4;

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

5.13 (4) alternative teacher compensation revenue shall be allocated according to section
5.14 122A.415, subdivision 1;

5.15 (5) other general education revenue shall be allocated on a uniform per pupil unit
5.16 basis;

5.17 ~~(5)~~ (6) first grade preparedness aid shall be allocated according to section 124D.081;

5.18 ~~(6)~~ (7) state and federal special education aid and Title I aid shall be allocated in
5.19 proportion to district expenditures for these programs by building; and

5.20 ~~(7)~~ (8) other general fund revenues shall be allocated on a uniform per pupil basis,
5.21 except that the department may allocate other revenues attributable to specific buildings
5.22 directly to those buildings.

5.23 Sec. 6. Minnesota Statutes 2004, section 124D.02, subdivision 2, is amended to read:

5.24 Subd. 2. **Secondary school programs.** The board may permit a person who is over
5.25 the age of 21 or who has graduated from high school to enroll ~~as a part-time student~~ in a
5.26 class or program at a secondary school if there is space available. In determining if there is
5.27 space available, ~~full-time~~ public school students; eligible for free enrollment under section
5.28 120A.20, subdivision 1, and shared-time students shall be given priority over students
5.29 seeking enrollment pursuant to this subdivision, and students returning to complete a
5.30 regular course of study shall be given priority over ~~part-time~~ other students seeking
5.31 enrollment pursuant to this subdivision. The following are not prerequisites for enrollment:

5.32 (1) residency in the school district;

5.33 (2) United States citizenship; or

6.1 (3) for a person over the age of 21, a high school diploma or equivalency certificate.
 6.2 A person may enroll in a class or program even if that person attends evening school, an
 6.3 adult or continuing education, or a postsecondary educational program or institution.

6.4 Sec. 7. Minnesota Statutes 2004, section 124D.02, subdivision 4, is amended to read:

6.5 Subd. 4. **Part-time student fee.** Notwithstanding the provisions of sections
 6.6 120A.20 and 123B.37, a board may charge a ~~part-time~~ student enrolled pursuant to
 6.7 subdivision 2 a reasonable fee for a class or program.

6.8 Sec. 8. Minnesota Statutes 2005 Supplement, section 124D.68, subdivision 2, is
 6.9 amended to read:

6.10 Subd. 2. **Eligible pupils.** ~~The following pupils are~~ A pupil under the age of 21 or
 6.11 who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to
 6.12 participate in the graduation incentives program:

6.13 ~~(a) any pupil under the age of 21 who, if the pupil:~~

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

6.16 (2) is at least one year behind in satisfactorily completing coursework or obtaining
 6.17 credits for graduation;

6.18 (3) is pregnant or is a parent;

6.19 (4) has been assessed as chemically dependent;

6.20 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;

6.21 (6) has been referred by a school district for enrollment in an eligible program or
 6.22 a program pursuant to section 124D.69;

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

6.24 (8) has experienced mental health problems;

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

6.27 (10) speaks English as a second language or has limited English proficiency; or

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

6.29 ~~(b) any person who is at least 21 years of age and who:~~

6.30 ~~(1) has received fewer than 14 years of public or nonpublic education, beginning~~
 6.31 ~~at age 5;~~

6.32 ~~(2) has not completed the requirements for a high school diploma; and~~

6.33 ~~(3) at the time of application, (i) is eligible for unemployment benefits or has~~
 6.34 ~~exhausted the benefits, (ii) is eligible for, or is receiving income maintenance and support~~

7.1 ~~services, as defined in section 116L.19, subdivision 5, or (iii) is eligible for services under~~
7.2 ~~the displaced homemaker program or any programs under the federal Jobs Training~~
7.3 ~~Partnership Act or its successor.~~

7.4 Sec. 9. Minnesota Statutes 2004, section 124D.68, subdivision 3, is amended to read:

7.5 Subd. 3. **Eligible programs.** (a) A pupil who is eligible according to subdivision 2
7.6 may enroll in area learning centers under sections 123A.05 to 123A.08.

7.7 (b) A pupil who is eligible according to subdivision 2 and who is between the ages
7.8 of 16 and 21 may enroll in postsecondary courses under section 124D.09.

7.9 (c) A pupil who is eligible under subdivision 2, may enroll in any public elementary
7.10 or secondary education program. ~~However, a person who is eligible according to~~
7.11 ~~subdivision 2, clause (b), may enroll only if the school board has adopted a resolution~~
7.12 ~~approving the enrollment.~~

7.13 (d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic,
7.14 nonsectarian school that has contracted with the serving school district to provide
7.15 educational services.

7.16 (e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic
7.17 education programs approved under section 124D.52 and operated under the community
7.18 education program contained in section 124D.19.

7.19 Sec. 10. Minnesota Statutes 2004, section 126C.05, subdivision 1, is amended to read:

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

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

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

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

8.5 (d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a
8.6 pupil unit for fiscal year 2000 and thereafter.

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

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

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

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

8.14 Sec. 11. Minnesota Statutes 2004, section 126C.10, subdivision 6, is amended to read:

8.15 Subd. 6. **Definitions.** The definitions in this subdivision apply only to subdivisions
8.16 7 and 8.

8.17 (a) "High school" means a public secondary school, except a charter school under
8.18 section 124D.10, that has pupils enrolled in at least the 10th, 11th, and 12th grades. If
8.19 there is no secondary high school in the district ~~that has pupils enrolled in at least the~~
8.20 ~~10th, 11th, and 12th grades~~, and the school is at least 19 miles from the next nearest
8.21 school, the commissioner must designate one school in the district as a high school for the
8.22 purposes of this section.

8.23 (b) "Secondary average daily membership" means, for a district that has only one
8.24 high school, the average daily membership of pupils served in grades 7 through 12. For a
8.25 district that has more than one high school, "secondary average daily membership" for
8.26 each high school means the product of the average daily membership of pupils served in
8.27 grades 7 through 12 in the high school, times the ratio of six to the number of grades
8.28 in the high school.

8.29 (c) "Attendance area" means the total surface area of the district, in square miles,
8.30 divided by the number of high schools in the district. For a district that does not operate
8.31 a high school and is less than 19 miles from the nearest operating high school, the
8.32 attendance area equals zero.

8.33 (d) "Isolation index" for a high school means the square root of 55 percent of the
8.34 attendance area plus the distance in miles, according to the usually traveled routes,

9.1 between the high school and the nearest high school. For a district in which there is located
 9.2 land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

9.3 (1) the square root of one-half of the attendance area; and

9.4 (2) the distance from the border of the district to the nearest high school.

9.5 (e) "Qualifying high school" means a high school that has an isolation index greater
 9.6 than 23 and that has secondary average daily membership of less than 400.

9.7 (f) "Qualifying elementary school" means ~~an~~ a public elementary school, except a
 9.8 charter school under section 124D.10, that is located 19 miles or more from the nearest
 9.9 elementary school or from the nearest elementary school within the district and, in either
 9.10 case, has an elementary average daily membership of an average of 20 or fewer per grade.

9.11 (g) "Elementary average daily membership" means, for a district that has only
 9.12 one elementary school, the average daily membership of pupils served in kindergarten
 9.13 through grade 6. For a district that has more than one elementary school, "average daily
 9.14 membership" for each school means the average daily membership of pupils served in
 9.15 kindergarten through grade 6 multiplied by the ratio of seven to the number of grades
 9.16 in the elementary school.

9.17 Sec. 12. Minnesota Statutes 2005 Supplement, section 126C.43, subdivision 2, is
 9.18 amended to read:

9.19 Subd. 2. **Payment to unemployment insurance program trust fund by state**
 9.20 **and political subdivisions.** (a) A district may levy the amount necessary ~~(i)~~ (1) to pay
 9.21 the district's obligations under section 268.052, subdivision 1, and ~~(ii)~~ (2) to pay for job
 9.22 placement services offered to employees who may become eligible for benefits pursuant
 9.23 to section 268.085 for the fiscal year the levy is certified.

9.24 (b) Districts with a balance remaining in their reserve for reemployment as of June
 9.25 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each
 9.26 year a levy reduction must be made to return these funds to taxpayers. The amount of
 9.27 the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for
 9.28 reemployment, or (2) the amount of the district's current levy under paragraph (a).

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

9.30 Sec. 13. Minnesota Statutes 2004, section 126C.44, is amended to read:

9.31 **126C.44 SAFE SCHOOLS LEVY.**

9.32 Each district may make a levy on all taxable property located within the district for
 9.33 the purposes specified in this section. The maximum amount which may be levied for all

10.1 costs under this section shall be equal to \$27 multiplied by the district's adjusted marginal
 10.2 cost pupil units for the school year. The proceeds of the levy must be reserved and used
 10.3 for directly funding the following purposes or for reimbursing the cities and counties who
 10.4 contract with the district for the following purposes: (1) to pay the costs incurred for the
 10.5 salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in
 10.6 services in the district's schools; (2) to pay the costs for a drug abuse prevention program
 10.7 as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3)
 10.8 to pay the costs for a gang resistance education training curriculum in the district's schools;
 10.9 (4) to pay the costs for security in the district's schools and on school property; or (5) to
 10.10 pay the costs for other crime prevention, drug abuse, student and staff safety, and violence
 10.11 prevention measures taken by the school district. For expenditures under clause (1), the
 10.12 district must initially attempt to contract for services to be provided by peace officers or
 10.13 sheriffs with the police department of each city or the sheriff's department of the county
 10.14 within the district containing the school receiving the services. If a local police department
 10.15 or a county sheriff's department does not wish to provide the necessary services, the
 10.16 district may contract for these services with any other police or sheriff's department
 10.17 located entirely or partially within the school district's boundaries. ~~The levy authorized~~
 10.18 ~~under this section is not included in determining the school district's levy limitations.~~

10.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2006.

10.20 Sec. 14. Minnesota Statutes 2005 Supplement, section 127A.45, subdivision 10,
 10.21 is amended to read:

10.22 Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general
 10.23 fund payments for a district nonoperating fund must be made at the current year aid
 10.24 payment percentage of the estimated entitlement during the fiscal year of the entitlement.
 10.25 This amount shall be paid in 12 equal monthly installments. The amount of the actual
 10.26 entitlement, after adjustment for actual data, minus the payments made during the fiscal
 10.27 year of the entitlement must be paid prior to October 31 of the following school year. The
 10.28 commissioner may make advance payments of debt service equalization aid and state-paid
 10.29 tax credits for a district's debt service fund earlier than would occur under the preceding
 10.30 schedule if the district submits evidence showing a serious cash flow problem in the fund.
 10.31 The commissioner may make earlier payments during the year and, if necessary, increase
 10.32 the percent of the entitlement paid to reduce the cash flow problem.

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

11.1 Sec. 15. **REPEALER.**

11.2 Minnesota Statutes 2004, section 120A.20, subdivision 3, is repealed.

ARTICLE 2

11.4 **NUTRITION AND ACCOUNTING**

11.5 Section 1. Minnesota Statutes 2004, section 123B.10, subdivision 1, is amended to read:

11.6 Subdivision 1. **Budgets.** By ~~October 1~~ November 30, every board must
 11.7 publish revenue and expenditure budgets for the current year and the actual revenues,
 11.8 expenditures, fund balances for the prior year and projected fund balances for the current
 11.9 year in a form prescribed by the commissioner. The forms prescribed must be designed so
 11.10 that year to year comparisons of revenue, expenditures and fund balances can be made.
 11.11 These budgets, reports of revenue, expenditures and fund balances must be published in
 11.12 a qualified newspaper of general circulation in the district or on the district's official
 11.13 Web site. If published on the district's official Web site, the district must also publish an
 11.14 announcement in a qualified newspaper of general circulation in the district that includes
 11.15 the Internet address where the information has been posted.

ARTICLE 3

11.16 **STATE AGENCIES**

11.17
 11.18 Section 1. Minnesota Statutes 2004, section 125A.69, subdivision 3, is amended to
 11.19 read:

11.20 Subd. 3. **Out-of-state admissions.** An applicant from another state who can benefit
 11.21 from attending either academy may be admitted to the academy if the admission does not
 11.22 prevent an eligible Minnesota resident from being admitted. The board of the Minnesota
 11.23 State Academies must obtain reimbursement from the other state for the costs of the
 11.24 out-of-state admission. The state board may enter into an agreement with the appropriate
 11.25 authority in the other state for the reimbursement. Money received from another state
 11.26 must be deposited in the ~~general~~ special revenue fund and credited to the general operating
 11.27 account of the academies. The money is appropriated to the academies.

11.28 **EFFECTIVE DATE.** This section is effective retroactively from fiscal year 2001.

ARTICLE 4
EDUCATION FUNDING

Section 1. Minnesota Statutes 2005 Supplement, section 121A.19, is amended to read:

121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district ~~\$50~~ for each ~~three-year-old child~~ ~~screened; \$40 for each four-year-old child screened; and \$30 for each five-year-old child~~ or student screened by the district ~~prior to kindergarten~~ according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) \$50 for a child screened at age three; (2) \$40 for a child screened at age four; (3) \$30 for a child screened at age five or six prior to kindergarten; and (4) \$30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

Sec. 2. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 1, is amended to read:

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

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

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

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

13.4 Alternative teacher compensation revenue for a qualifying school district or site in
13.5 which the school board and the exclusive representative of the teachers agree to place
13.6 teachers in the district or at the site on the alternative teacher professional pay system
13.7 equals \$260 times the ratio of the formula allowance for the current fiscal year to the
13.8 formula allowance for fiscal year 2007 times the number of pupils enrolled at the district
13.9 or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue
13.10 for a qualifying intermediate school district must be calculated under section 126C.10,
13.11 subdivision 34, paragraphs (a) and (b).

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

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

13.21 Sec. 3. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 3, is
13.22 amended to read:

13.23 Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites,
13.24 or charter schools with approved applications must receive alternative compensation
13.25 revenue for each school year that the district, intermediate school district, school site,
13.26 or charter school implements an alternative teacher professional pay system under this
13.27 subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district,
13.28 intermediate school district, school site, or charter school that received alternative teacher
13.29 compensation aid for the previous fiscal year must receive at least an amount of alternative
13.30 teacher compensation revenue equal to the lesser of the amount it received for the previous
13.31 fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if
13.32 the district, intermediate school district, school site, or charter school submits a timely
13.33 application and the commissioner determines that the district, intermediate school district,
13.34 school site, or charter school continues to implement an alternative teacher professional
13.35 pay system, consistent with its application under this section.

14.1 (b) The commissioner shall approve applications that comply with subdivision 1,
14.2 and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter
14.3 school, in the order in which they are received, select applicants that qualify for this
14.4 program, notify school districts, intermediate school districts, school sites, and charter
14.5 schools about the program, develop and disseminate application materials, and carry out
14.6 other activities needed to implement this section.

14.7 (c) For applications approved under this section before August 1 of the fiscal year for
14.8 which the aid is paid, the portion of the state total basic alternative teacher compensation
14.9 aid entitlement allocated to charter schools must not exceed \$522,000 for fiscal year
14.10 2006 and \$3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of
14.11 the state total basic alternative teacher compensation aid entitlement allocated to charter
14.12 schools must not exceed the product of \$3,374,000 times the ratio of the state total charter
14.13 school enrollment for the previous fiscal year to the state total charter school enrollment
14.14 for the second previous year fiscal year 2006 times the ratio of the formula allowance for
14.15 the current fiscal year to the formula allowance for fiscal year 2007. Additional basic
14.16 alternative teacher compensation aid may be approved for charter schools after August 1,
14.17 not to exceed the charter school limit for the following fiscal year, if the basic alternative
14.18 teacher compensation aid entitlement for school districts based on applications approved
14.19 by August 1 does not expend the remaining amount under the limit.

14.20 Sec. 4. Minnesota Statutes 2004, section 124D.11, subdivision 9, is amended to read:

14.21 Subd. 9. **Payment of aids to charter schools.** (a) Notwithstanding section 127A.45,
14.22 subdivision 3, aid payments for the current fiscal year to a charter school not in its first
14.23 year of operation shall be of an equal amount on each of the 23 payment dates. A charter
14.24 school in its first year of operation shall receive, on its first payment date, ten percent of its
14.25 cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter
14.26 the sum of which shall be 90 percent of equal the current year aid payment percentage
14.27 multiplied by the cumulative amount guaranteed.

14.28 (b) Notwithstanding paragraph (a), for a charter school ceasing operation prior to the
14.29 end of a school year, 80 percent of the current year aid payment percentage multiplied by
14.30 the amount due for the school year may be paid to the school after audit of prior fiscal year
14.31 and current fiscal year pupil counts. For a charter school ceasing operations prior to, or
14.32 at the end of a school year, notwithstanding section 127A.45, subdivision 3, preliminary
14.33 final payments may be made after audit of pupil counts, monitoring of special education
14.34 expenditures, and documentation of lease expenditures for the final year of operation.

15.1 Final payment may be made upon receipt of audited financial statements under section
15.2 123B.77, subdivision 3.

15.3 (c) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent
15.4 of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day
15.5 of student attendance for that school year.

15.6 (d) In order to receive state aid payments under this subdivision, a charter school in
15.7 its first three years of operation must submit a school calendar in the form and manner
15.8 requested by the department and a quarterly report to the Department of Education. The
15.9 report must list each student by grade, show the student's start and end dates, if any,
15.10 with the charter school, and for any student participating in a learning year program,
15.11 the report must list the hours and times of learning year activities. The report must be
15.12 submitted not more than two weeks after the end of the calendar quarter to the department.
15.13 The department must develop a Web-based reporting form for charter schools to use
15.14 when submitting enrollment reports. A charter school in its fourth and subsequent year of
15.15 operation must submit a school calendar and enrollment information to the department in
15.16 the form and manner requested by the department.

15.17 (e) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter
15.18 school and satisfaction of creditors, cash and investment balances remaining shall be
15.19 returned to the state.

15.20 Sec. 5. Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1, is
15.21 amended to read:

15.22 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006,
15.23 when a school district provides instruction and services outside the district of residence,
15.24 board and lodging, and any tuition to be paid, shall be paid by the district of residence. The
15.25 tuition rate to be charged for any child with a disability, excluding a pupil for whom tuition
15.26 is calculated according to section 127A.47, subdivision 7, paragraph (d), must be the sum
15.27 of (1) the actual cost of providing special instruction and services to the child including
15.28 a proportionate amount for special transportation and unreimbursed building lease and
15.29 debt service costs for facilities used primarily for special education, plus (2) the amount
15.30 of general education revenue and referendum aid attributable to the pupil, minus (3) the
15.31 amount of special education aid for children with a disability received on behalf of that
15.32 child, minus (4) if the pupil receives special instruction and services outside the regular
15.33 classroom for more than 60 percent of the school day, the amount of general education
15.34 revenue and referendum aid, excluding portions attributable to district and school
15.35 administration, district support services, operations and maintenance, capital expenditures,

16.1 and pupil transportation, attributable to that pupil for the portion of time the pupil receives
16.2 special instruction in and services outside of the regular classroom. If the boards involved
16.3 do not agree upon the tuition rate, either board may apply to the commissioner to fix the
16.4 rate. Notwithstanding chapter 14, the commissioner must then set a date for a hearing or
16.5 request a written statement from each board, giving each board at least ten days' notice,
16.6 and after the hearing or review of the written statements the commissioner must make an
16.7 order fixing the tuition rate, which is binding on both school districts. General education
16.8 revenue and referendum aid attributable to a pupil must be calculated using the resident
16.9 district's average general education and referendum revenue per adjusted pupil unit.

16.10 (b) For fiscal year 2007 and later, when a school district provides special instruction
16.11 and services for a pupil with a disability as defined in section 125A.02 outside the district
16.12 of residence, excluding a pupil for whom an adjustment to special education aid is
16.13 calculated according to section 127A.47, subdivision 7, paragraph (e), special education
16.14 aid paid to the resident district must be reduced by an amount equal to (1) the actual
16.15 cost of providing special instruction and services to the pupil, including a proportionate
16.16 amount for special transportation and unreimbursed building lease and debt service costs
16.17 for facilities used primarily for special education, plus (2) the amount of general education
16.18 revenue and referendum aid attributable to that pupil, minus (3) the amount of special
16.19 education aid for children with a disability received on behalf of that child, minus (4) if the
16.20 pupil receives special instruction and services outside the regular classroom for more than
16.21 60 percent of the school day, the amount of general education revenue and referendum
16.22 aid, excluding portions attributable to district and school administration, district support
16.23 services, operations and maintenance, capital expenditures, and pupil transportation,
16.24 attributable to that pupil for the portion of time the pupil receives special instruction in
16.25 and services outside of the regular classroom. General education revenue and referendum
16.26 aid attributable to a pupil must be calculated using the resident district's average general
16.27 education revenue and referendum aid per adjusted pupil unit. Special education aid
16.28 paid to the district or cooperative providing special instruction and services for the pupil
16.29 must be increased by the amount of the reduction in the aid paid to the resident district.
16.30 Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision
16.31 7, shall be recognized and reported as revenues and expenditures on the resident school
16.32 district's books of account under sections 123B.75 and 123B.76. If the resident district's
16.33 special education aid is insufficient to make the full adjustment, the remaining adjustment
16.34 shall be made to other state aid due to the district.

16.35 (c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7,
16.36 paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students

17.1 receive special education and related services, an intermediate district, or a special
 17.2 education cooperative may apply to the commissioner for authority to charge the resident
 17.3 district an additional amount to recover any remaining unreimbursed costs of serving
 17.4 pupils with a disability. The application must include a description of the costs and the
 17.5 calculations used to determine the unreimbursed portion to be charged to the resident
 17.6 district. Amounts approved by the commissioner under this paragraph must be included
 17.7 in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47,
 17.8 subdivision 7, paragraph (d) or (e), as applicable.

17.9 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs
 17.10 (d) and (e), "general education revenue and referendum aid" means the sum of the general
 17.11 education revenue according to section 126C.10, subdivision 1, excluding alternative
 17.12 teacher compensation revenue, plus the referendum aid according to section 126C.17,
 17.13 subdivision 7, as adjusted according to section 127A.47, subdivision 7, paragraphs (a),
 17.14 (b), and (c).

17.15 **EFFECTIVE DATE.** This section is effective for fiscal year 2006.

17.16 Sec. 6. Minnesota Statutes 2004, section 125A.27, subdivision 3, is amended to read:

17.17 Subd. 3. **Core early intervention services.** "Core early intervention services"
 17.18 means services that are available at no cost to children and families. These services
 17.19 include:

17.20 (1) identification and referral;

17.21 (2) screening;

17.22 (3) evaluation;

17.23 (4) assessment;

17.24 (5) service coordination;

17.25 (6) special education and related services ~~provided under section 125A.08, and~~
 17.26 ~~United States Code, title 20, section 1401~~ for children who qualify for these services
 17.27 under Minnesota Rules; and

17.28 (7) protection of parent and child rights by means of procedural safeguards.

17.29 Sec. 7. Minnesota Statutes 2004, section 125A.27, subdivision 7, is amended to read:

17.30 Subd. 7. **Early intervention system.** "Early intervention system" means the total
 17.31 effort in the state to meet the needs of eligible children and their families, ~~including,~~
 17.32 ~~but not limited to:~~

18.1 ~~(1) any public agency in the state that receives funds under the Individuals with~~
 18.2 ~~Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part~~
 18.3 ~~C, Public Law 102-119);~~

18.4 ~~(2) other state and local agencies administering programs involved in the provision~~
 18.5 ~~of early intervention services, including, but not limited to:~~

18.6 ~~(i) the Maternal and Child Health program under title V of the Social Security Act,~~
 18.7 ~~United States Code, title 42, sections 701 to 709;~~

18.8 ~~(ii) the Individuals with Disabilities Education Act, United States Code, title 20,~~
 18.9 ~~sections 1411 to 1420 (Part B);~~

18.10 ~~(iii) medical assistance under the Social Security Act, United States Code, title~~
 18.11 ~~42, section 1396 et seq.;~~

18.12 ~~(iv) the Developmental Disabilities Assistance and Bill of Rights Act, United States~~
 18.13 ~~Code, title 42, sections 6021 to 6030 (Part B); and~~

18.14 ~~(v) the Head Start Act, United States Code, title 42, sections 9831 to 9852; and~~

18.15 ~~(3) services provided by private groups or third-party payers in conformity with an~~
 18.16 ~~individualized family service plan.~~

18.17 Sec. 8. Minnesota Statutes 2004, section 125A.27, subdivision 8, is amended to read:

18.18 Subd. 8. **Eligibility for Part C.** "Eligibility for Part C" means eligibility for early
 18.19 childhood special education under section 125A.02 and Minnesota Rules, ~~part 3525.2335,~~
 18.20 ~~subpart 1, items A and B.~~

18.21 Sec. 9. Minnesota Statutes 2004, section 125A.27, subdivision 15, is amended to read:

18.22 Subd. 15. **Part C state plan.** "Part C state plan" means the annual state plan
 18.23 application approved by the federal government ~~under the Individuals with Disabilities~~
 18.24 ~~Education Act, United States Code, title 20, section 1471 et seq. (Part C, Public Law~~
 18.25 ~~105-117).~~

18.26 Sec. 10. Minnesota Statutes 2004, section 125A.27, subdivision 18, is amended to read:

18.27 Subd. 18. **State lead agency.** "State lead agency" means the state agency receiving
 18.28 federal funds ~~under the Individuals with Disabilities Education Act, United States Code,~~
 18.29 ~~title 20, section 1471 et seq. (Part H, Public Law 102-119) for the purposes of providing~~
 18.30 early intervention services.

18.31 Sec. 11. Minnesota Statutes 2005 Supplement, section 125A.79, subdivision 1, is
 18.32 amended to read:

19.1 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this
 19.2 subdivision apply.

19.3 (a) "Unreimbursed special education cost" means the sum of the following:

19.4 (1) expenditures for teachers' salaries, contracted services, supplies, equipment, and
 19.5 transportation services eligible for revenue under section 125A.76; plus

19.6 (2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and
 19.7 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

19.8 (3) revenue for teachers' salaries, contracted services, supplies, and equipment under
 19.9 section 125A.76; minus

19.10 (4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services
 19.11 eligible for revenue under section 125A.76, subdivision 2.

19.12 (b) "General revenue" means the sum of the general education revenue according to
 19.13 section 126C.10, subdivision 1, ~~as adjusted according to section 127A.47, subdivisions~~
 19.14 ~~7 and 8~~ excluding alternative teacher compensation revenue, plus the total qualifying
 19.15 referendum revenue specified in paragraph (e) minus transportation sparsity revenue
 19.16 minus total operating capital revenue.

19.17 (c) "Average daily membership" has the meaning given it in section 126C.05.

19.18 (d) "Program growth factor" means 1.02 for fiscal year 2003, and 1.0 for fiscal
 19.19 year 2004 and later.

19.20 (e) "Total qualifying referendum revenue" means two-thirds of the district's total
 19.21 referendum revenue as adjusted according to section 127A.47, subdivision 7, paragraphs
 19.22 (a), (b), and (c), for fiscal year 2006, one-third of the district's total referendum revenue
 19.23 for fiscal year 2007, and none of the district's total referendum revenue for fiscal year
 19.24 2008 and later.

19.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2006.

19.26 Sec. 12. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 31,
 19.27 is amended to read:

19.28 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the
 19.29 greater of zero or the product of the ratio of the number of adjusted marginal cost pupil
 19.30 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002
 19.31 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference
 19.32 between: (1) the lesser of the district's general education revenue per adjusted marginal
 19.33 cost pupil unit for fiscal year 2003 or the amount of general education revenue the district
 19.34 would have received per adjusted marginal cost pupil unit for fiscal year 2004 according
 19.35 to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year

20.1 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil
 20.2 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

20.3 (b) A district's transition revenue for fiscal year 2006 and later equals the sum of (1)
 20.4 the product of the district's transition allowance times the district's adjusted marginal cost
 20.5 pupil units plus (2) the amount of referendum revenue under section 126C.17 and general
 20.6 education revenue, excluding transition revenue, for fiscal year 2004 attributable to pupils
 20.7 four or five years of age on September 1, 2003, enrolled in a prekindergarten program
 20.8 implemented by the district before July 1, 2003, and reported as kindergarten pupils under
 20.9 section 126C.05, subdivision 1, for fiscal year 2004, plus (3) the amount of compensatory
 20.10 education revenue under subdivision 3 for fiscal year 2005 attributable to pupils four years
 20.11 of age on September 1, 2003, enrolled in a prekindergarten program implemented by the
 20.12 district before July 1, 2003, and reported as kindergarten pupils under section 126C.05,
 20.13 subdivision 1, for fiscal year 2004 ~~multiplied by .04.~~

20.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2006.

20.15 Sec. 13. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 34,
 20.16 is amended to read:

20.17 Subd. 34. **Basic alternative teacher compensation aid.** (a) For fiscal year 2006,
 20.18 the basic alternative teacher compensation aid for a school district or an intermediate
 20.19 school district with a plan approved under section 122A.414, subdivision 2b, equals the
 20.20 alternative teacher compensation revenue under section 122A.415, subdivision 1. The
 20.21 basic alternative teacher compensation aid for a charter school with an approved plan
 20.22 under section 122A.414, subdivision 2b, equals \$260 times the number of pupils enrolled
 20.23 in the school on October 1 of the previous school year, or on October 1 of the current
 20.24 fiscal year for a charter school in the first year of operation.

20.25 (b) For fiscal year 2007 ~~and later~~, the basic alternative teacher compensation aid
 20.26 for a school district with a plan approved under section 122A.414, subdivision 2b, equals
 20.27 73.1 percent of the alternative teacher compensation revenue under section 122A.415,
 20.28 subdivision 1. The basic alternative teacher compensation aid for an intermediate school
 20.29 district or charter school with a plan approved under section 122A.414, subdivisions 2a
 20.30 and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled
 20.31 in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal
 20.32 year for a charter school in the first year of operation, times the ratio of the sum of the
 20.33 alternative teacher compensation aid and alternative teacher compensation levy for all
 20.34 participating school districts to the maximum alternative teacher compensation revenue
 20.35 for those districts under section 122A.415, subdivision 1.

21.1 (c) For fiscal year 2008 and later, the basic alternative teacher compensation aid for
 21.2 a school district with a plan approved under section 122A.414, subdivision 2b, equals the
 21.3 alternative teacher compensation revenue under section 122A.415, subdivision 1, minus
 21.4 \$69.94 times the number of pupils enrolled at participating sites on October 1 of the
 21.5 previous fiscal year. The basic alternative teacher compensation aid for an intermediate
 21.6 school district or charter school with a plan approved under section 122A.414, subdivisions
 21.7 2a and 2b, if the recipient is a charter school, equals \$260 times the ratio of the formula
 21.8 allowance for the current fiscal year to the formula allowance for fiscal year 2007 times
 21.9 the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on
 21.10 October 1 of the current fiscal year for a charter school in the first year of operation, times
 21.11 the ratio of the sum of the alternative teacher compensation aid and alternative teacher
 21.12 compensation levy for all participating school districts to the maximum alternative teacher
 21.13 compensation revenue for those districts under section 122A.415, subdivision 1.

21.14 (d) Notwithstanding paragraphs (a) and, (b), and (c) and section 122A.415,
 21.15 subdivision 1, the state total basic alternative teacher compensation aid entitlement must
 21.16 not exceed \$19,329,000 for fiscal year 2006 and, \$75,636,000 for fiscal year 2007, and,
 21.17 for fiscal year 2008 and later, \$75,636,000 times the ratio of the formula allowance
 21.18 for the current fiscal year to the formula allowance for fiscal year 2007 and later. The
 21.19 commissioner must limit the amount of alternative teacher compensation aid approved
 21.20 under ~~section~~ sections 122A.415 and 122A.416 so as not to exceed these limits.

21.21 Sec. 14. Minnesota Statutes 2004, section 127A.41, subdivision 2, is amended to read:

21.22 **Subd. 2. Errors in distribution.** On determining that the amount of state aid
 21.23 distributed to a school district is in error, the commissioner is authorized to adjust the
 21.24 amount of aid consistent with this subdivision. On determining that the amount of aid is
 21.25 in excess of the school district's entitlement, the commissioner is authorized to recover
 21.26 the amount of the excess by any appropriate means. Notwithstanding the fiscal years
 21.27 designated by the appropriation, the excess may be recovered by reducing future aid
 21.28 payments to the district. Notwithstanding any law to the contrary, if the aid reduced is not
 21.29 of the same type as that overpaid, the district must adjust all necessary financial accounts
 21.30 to properly reflect all revenues earned in accordance with the uniform financial accounting
 21.31 and reporting standards pursuant to sections 123B.75 to 123B.83. Notwithstanding the
 21.32 fiscal years designated by the appropriation, on determining that the amount of an aid paid
 21.33 is less than the school district's entitlement, the commissioner is authorized to increase
 21.34 such aid from the current appropriation. If the aid program has been discontinued and has
 21.35 no appropriation, the appropriation for general education shall be used for recovery or

22.1 payment of the aid decrease or increase. Any excess of aid recovery over aid payment
22.2 shall be cancelled to the state general fund.

22.3 Sec. 15. Laws 2005, First Special Session chapter 5, article 1, section 47, is amended
22.4 to read:

22.5 Sec. 47. **ALTERNATIVE TEACHER COMPENSATION REVENUE**
22.6 **GUARANTEE.**

22.7 Notwithstanding Minnesota Statutes, sections 122A.415, subdivision 1, and
22.8 126C.10, subdivision 34, paragraphs (a) and (b), a school district that received alternative
22.9 teacher compensation aid for fiscal year 2005, but does not qualify for alternative
22.10 teacher compensation revenue for all sites in the district for fiscal year 2006 ~~or~~, 2007,
22.11 2008, or 2009, shall receive additional basic alternative teacher compensation aid for
22.12 that fiscal year equal to the lesser of the amount of alternative teacher compensation
22.13 aid it received for fiscal year 2005 or the amount it would have received for that fiscal
22.14 year under Minnesota Statutes 2004, section 122A.415, subdivision 1, for teachers at
22.15 sites not qualifying for alternative teacher compensation revenue for that fiscal year, if
22.16 the district submits a timely application and the commissioner determines that the district
22.17 continues to implement an alternative teacher compensation system, consistent with its
22.18 application under Minnesota Statutes 2004, section 122A.415, for fiscal year 2005. The
22.19 additional basic alternative teacher compensation aid under this section must not be used
22.20 in calculating the alternative teacher compensation levy under Minnesota Statutes, section
22.21 126C.10, subdivision 35. This section applies only to fiscal years 2006 ~~and 2007~~ through
22.22 2009 and does not apply to later fiscal years.

22.23 Sec. 16. **WASECA LEVY; APPROPRIATION.**

22.24 Independent School District No. 829, Waseca, may levy up to \$343,550 beginning
22.25 in 2006 over five years for health and safety revenue lost due to miscalculation. \$316,000
22.26 is appropriated in fiscal year 2007 to the commissioner of education for payment of the aid
22.27 portion of lost revenue. If the district does not levy the full amount authorized within the
22.28 five year period, other state aid due to the district shall be reduced proportionately. This is
22.29 a onetime appropriation for fiscal year 2007.

22.30 Sec. 17. **APPROPRIATIONS.**

22.31 Subdivision 1. Department of Education. The sums indicated in this section are
22.32 appropriated from the general fund to the Department of Education for the fiscal years
22.33 designated.

23.1 Subd. 2. Early childhood Part C. For the expansion of early childhood Part C
 23.2 services:

\$ 1,049,000 2007

23.4 Subd. 3. Early childhood screening. For aid to districts screening kindergarten
 23.5 children:

23.6 \$ 89,000 2006

23.7 \$ 54,000 2007

23.8 The fiscal year 2006 appropriation includes \$0 for fiscal year 2005 and \$89,000
 23.9 for fiscal year 2006.

23.10 The fiscal year 2007 appropriation includes \$10,000 for fiscal year 2006 and \$44,000
 23.11 for fiscal year 2007.

23.12 These appropriations are in addition to other appropriations provided for the
 23.13 program.

23.14 This appropriation is to provide aid to school districts for children screened after
 23.15 entering kindergarten under Minnesota Statutes, section 121A.17, subdivision 2.

23.16 Subd. 4. Prekindergarten program transition revenue. For transition revenue for
 23.17 modifications to prekindergarten programs:

23.18 \$ 968,000 2006

23.19 \$ 851,000 2007

23.20 The fiscal year 2006 appropriation includes \$0 for fiscal year 2005 and \$968,000
 23.21 for fiscal year 2006.

23.22 The fiscal year 2007 appropriation includes \$108,000 for fiscal year 2006 and
 23.23 \$743,000 for fiscal year 2007.

23.24 These appropriations are added to the appropriation for general education.

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

- 1.1 Senator moves to amend the committee engrossment SS3274CE to
- 1.2 S.F. No. 3274 as follows:
- 1.3 Page 1, line 29, reinstate the stricken language and delete the new language

1.1 Senator moves to amend the committee engrossment SS3274CE to

1.2 S.F. No. 3274 as follows:

Page 11, line 6, strike "By" and delete "November 30" and strike the comma

1.4 Page 11, line 9, after "commissioner" insert "within one week of the acceptance of
1.5 the final audit by the board or November 30, whichever is earlier"

1 A bill for an act

2 relating to education; providing for an elementary and
3 middle school years international baccalaureate pilot
4 program; appropriating money.

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

6 Section 1. [ELEMENTARY AND MIDDLE SCHOOL YEARS EDUCATION
7 INTERNATIONAL BACCALAUREATE (IB) PILOT PROGRAM.]

8 Subdivision 1. [DEFINITIONS.] The definitions in this
9 subdivision apply to this section.

10 (a) "International baccalaureate" or "IB" means an academic
11 curriculum for elementary and middle school years approved by
12 the International Baccalaureate Organization.

13 (b) "School district" means Special School District No. 6,
14 South St. Paul.

15 (c) "Pilot program" means a research and evaluation project
16 introducing the elementary and middle school years IB program
17 and measuring the effect of this integrated curriculum on
18 student learning.

19 (d) "Commissioner" means the commissioner of the Department
20 of Education.

21 (e) "Instructional year" is one year of full-time
22 instruction under the IB program for a given grade level.

23 Subd. 2. [LEGISLATIVE FINDING.] (a) The IB program is an
24 internationally recognized program of academic studies
25 emphasizing a rigorous curriculum, advanced student performance,

1 and development of critical thinking and application skills.

2 (b) Minnesota has nine IB programs at the secondary level,
3 but as yet no district has adopted this program as the basis for
4 its elementary course of studies for all students.

5 (c) School districts have had an established and successful
6 secondary IB diploma program for over ten years and are
7 interested in becoming a pilot site for implementation of the
8 elementary and middle school years IB programs as a means of
9 advancing student performance.

10 Subd. 3. [PURPOSE.] The purpose of this section is to
11 provide funding for a five-year pilot program in Special School
12 District No. 6, South St. Paul, Independent School District No.
13 283, St. Louis Park, and a third district to be selected by the
14 commissioner of education. The districts must have an
15 established IB program to assess the benefits of implementing IB
16 primary-level and intermediate-level programs across an entire
17 district and to measure its effectiveness in improving student
18 performance and academic achievement.

19 Subd. 4. [PILOT PROJECT PLAN.] (a) The school district
20 must file a plan with the commissioner for introducing the
21 elementary and middle school years IB programs into general use
22 in the district, including a detailed cost analysis, schedule of
23 preparatory activities, in-service for teachers, and curriculum
24 and instructional materials. The plan must include the costs
25 for startup and annual operation, instructional goals,
26 implementation plan, learning outcomes, and timelines for
27 achieving this implementation.

28 (b) Upon approval of the implementation and evaluation plan
29 and budget by the school board and the commissioner, the
30 commissioner shall authorize payment of funds to the district in
31 an amount up to the annual limit of the appropriation.

32 (c) Funds received under this section from any source may
33 not be used for unrelated curriculum, instruction or operating
34 expense purposes, or capital improvements.

35 (d) The pilot program must begin no later than the
36 beginning of the 2006-2007 school year and be completed by the

1 end of the 2010-2011 school year.

2 Subd. 5. [REPORTING REQUIREMENTS.] (a) By September 1 of
 3 each instructional year following introduction of the curriculum
 4 and for the duration of the pilot program, the school district
 5 must report to the commissioner and the public on the funds
 6 expended, performance level achieved by students in the program,
 7 and overall progress made toward accomplishing the goals of the
 8 program.

9 (b) At the completion of the final year of the pilot
 10 program, a comprehensive assessment of the success of the
 11 project will be prepared with the assistance of the Department
 12 of Education and provided to the house of representatives and
 13 senate committees having jurisdiction over kindergarten through
 14 grade 12 education.

15 Sec. 2. [APPROPRIATION.]

16 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
 17 indicated in this section are appropriated to the Department of
 18 Education in the fiscal years indicated.

19 Subd. 2. [ELEMENTARY AND MIDDLE SCHOOL YEARS INTERNATIONAL
 20 BACCALAUREATE (IB) PILOT PROGRAM.] For the elementary and middle
 21 school years IB pilot program:

22 \$..... 2006

23 \$..... 2007

24 Of this amount, up to \$..... may be used for
 25 preinstructional startup costs, including staff, training,
 26 curriculum materials, and preparation costs.

27 Up to \$..... may be used for operating costs for school
 28 instructional years one through five.

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

31 Costs for testing, other assessment, and preparation of the
 32 annual report must be paid from school district funds.

33 At the conclusion of the pilot program, the school district
 34 must decide whether to continue the IB program and to pay all
 35 costs for continuing the curriculum.

1 A bill for an act

2 relating to education; providing for an elementary and
3 middle school years international baccalaureate pilot
4 program; appropriating money.

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

6 Section 1. [ELEMENTARY AND MIDDLE SCHOOL YEARS EDUCATION
7 INTERNATIONAL BACCALAUREATE (IB) PILOT PROGRAM.]

8 Subdivision 1. [DEFINITIONS.] The definitions in this
9 subdivision apply to this section.

10 (a) "International baccalaureate" or "IB" means an academic
11 curriculum for elementary and middle school years approved by
12 the International Baccalaureate Organization.

13 (b) "School district" means Special School District No. 6,
14 South St. Paul.

15 (c) "Pilot program" means a research and evaluation project
16 introducing the elementary and middle school years IB program
17 and measuring the effect of this integrated curriculum on
18 student learning.

19 (d) "Commissioner" means the commissioner of the Department
20 of Education.

21 (e) "Instructional year" is one year of full-time
22 instruction under the IB program for a given grade level.

23 Subd. 2. [LEGISLATIVE FINDING.] (a) The IB program is an
24 internationally recognized program of academic studies
25 emphasizing a rigorous curriculum, advanced student performance,

1 and development of critical thinking and application skills.

2 (b) Minnesota has nine IB programs at the secondary level,
3 but as yet no district has adopted this program as the basis for
4 its elementary course of studies for all students.

5 (c) School districts have had an established and successful
6 secondary IB diploma program for over ten years and are
7 interested in becoming a pilot site for implementation of the
8 elementary and middle school years IB programs as a means of
9 advancing student performance.

10 Subd. 3. [PURPOSE.] The purpose of this section is to
11 provide funding for a five-year pilot program in Special School
12 District No. 6, South St. Paul, Independent School District No.
13 283, St. Louis Park, and a third district to be selected by the
14 commissioner of education. The districts must have an
15 established IB program to assess the benefits of implementing IB
16 primary-level and intermediate-level programs across an entire
17 district and to measure its effectiveness in improving student
18 performance and academic achievement.

19 Subd. 4. [PILOT PROJECT PLAN.] (a) The school district
20 must file a plan with the commissioner for introducing the
21 elementary and middle school years IB programs into general use
22 in the district, including a detailed cost analysis, schedule of
23 preparatory activities, in-service for teachers, and curriculum
24 and instructional materials. The plan must include the costs
25 for startup and annual operation, instructional goals,
26 implementation plan, learning outcomes, and timelines for
27 achieving this implementation.

28 (b) Upon approval of the implementation and evaluation plan
29 and budget by the school board and the commissioner, the
30 commissioner shall authorize payment of funds to the district in
31 an amount up to the annual limit of the appropriation.

32 (c) Funds received under this section from any source may
33 not be used for unrelated curriculum, instruction or operating
34 expense purposes, or capital improvements.

35 (d) The pilot program must begin no later than the
36 beginning of the 2006-2007 school year and be completed by the

1 end of the 2010-2011 school year.

2 Subd. 5. [REPORTING REQUIREMENTS.] (a) By September 1 of
 3 each instructional year following introduction of the curriculum
 4 and for the duration of the pilot program, the school district
 5 must report to the commissioner and the public on the funds
 6 expended, performance level achieved by students in the program,
 7 and overall progress made toward accomplishing the goals of the
 8 program.

9 (b) At the completion of the final year of the pilot
 10 program, a comprehensive assessment of the success of the
 11 project will be prepared with the assistance of the Department
 12 of Education and provided to the house of representatives and
 13 senate committees having jurisdiction over kindergarten through
 14 grade 12 education.

15 Sec. 2. [APPROPRIATION.]

16 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
 17 indicated in this section are appropriated to the Department of
 18 Education in the fiscal years indicated.

19 Subd. 2. [ELEMENTARY AND MIDDLE SCHOOL YEARS INTERNATIONAL
 20 BACCALAUREATE (IB) PILOT PROGRAM.] For the elementary and middle
 21 school years IB pilot program:

22 \$..... 2006

23 \$..... 2007

24 Of this amount, up to \$..... may be used for
 25 preinstructional startup costs, including staff, training,
 26 curriculum materials, and preparation costs.

27 Up to \$..... may be used for operating costs for school
 28 instructional years one through five.

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

31 Costs for testing, other assessment, and preparation of the
 32 annual report must be paid from school district funds.

33 At the conclusion of the pilot program, the school district
 34 must decide whether to continue the IB program and to pay all
 35 costs for continuing the curriculum.

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Senate

State of Minnesota

S.F. No. 1052 - Elementary and middle school international baccalaureate pilot program (1st Engrossment)

Author: Senator Sharon Marko

Prepared by: Shelby Winiecki, Senate Research (651/296-5259)

Date: March 27, 2006

Section 1. [Elementary and middle school years education international baccalaureate (IB) pilot program.]

Subdivison 1 [Definitions.] defines "international baccalaureate" to mean an academic curriculum for the elementary and middle school students approved by the International Baccalaureate Organization, "school district" to mean Special School District No. 6, South St. Paul, "pilot program" to be a research and evaluation project implementing the IB curriculum and measuring its effect, and "instructional year" to be one year of full-time instruction for a given grade level.

Subdivision 2 [Legislative finding.] describes an IB program as an internationally recognized, academically rigorous curriculum. The school district currently operates an IB diploma program at the secondary level.

Subdivision 3 [Purpose.] provides funding to implement a five-year IB pilot program in the elementary and secondary schools and to measure its effectiveness.

Subdivision 4 [Pilot project plan.] requires the district to file a plan with the commissioner. Following approval of the plan, the commissioner will pay the district up to the amount appropriated. The pilot program will be implemented in the 2006-2007 school year through the end of the 2010-2011 school year.

Subdivision 5 [Reporting requirements.] requires the district to report on the program to the commissioner and the public by September 1 of each instructional year. A final comprehensive

assessment will be prepared with the assistance of the Department for review by the legislative education committees.

Section 2. [Appropriation.]

Subdivision 1. [Department of Education.] appropriates money to the Department of Education.

Subdivision 2. [Elementary and middle school years International Baccalaureate (IB) pilot program.] indicates that the appropriated money be used for the elementary and middle school years IB pilot program for the fiscal years 2006 and 2007. Any balance remaining in the first year is available in the second year. Testing, assessment, and preparation of the annual report will be paid from school district funds. If the district chooses to continue an IB program following the conclusion of the pilot program, it must incur all costs.

SEW:mvm

Fiscal Note – 2005-06 Session

Bill #: S1052-0 **Complete Date:** 03/16/05

Chief Author: MARKO, SHARON

Title: INTERNL BACCALAUREATE PILOT PRGM

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		750	400	400	400
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		750	400	400	400
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		750	400	400	400
Total Cost <Savings> to the State		750	400	400	400

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

The Bill creates an elementary and middle school International Baccalaureate 5-year pilot program for the South St. Paul School District.

The South St. Paul School District is required to annually report, by September 1, to the commissioner of Education and provide expenditure data, student performance levels and over all progress made toward accomplishing the goals of the program.

At the end of the five-year pilot program, (FY 2011) the district must submit a comprehensive report of the pilot program to the House and Senate education committees. MDE is required to provide assistance to the district in developing this report.

Assumptions

The bill allows the district until FY 2011 to complete the five-year pilot program. It appears that the funding for FY 2006 is for start-up costs with the program implementation at the school sites in FY 2007 with the conclusion in FY 2011.

The bill requires MDE assistance in the creation of a comprehensive report for the legislature after the pilot program has been completed (FY 2011). This will require MDE staff time. It is unclear what the staff time requirement for MDE would be. It could be assumed that the district be responsible for the vast majority of the report with MDE only providing minimal oversight.

Expenditure and/or Revenue Formula

The Bill provides \$750,000 in FY 2006 and \$400,000 in FY 2007 for the district. The appropriation has carryover authority.

Long-Term Fiscal Considerations

It is assumed that this program would continue in future years at a base budget of \$400,000 per year.

Local Government Costs

This proposal is limited to the South St. Paul School District.

References/Sources

Agency Contact Name: Bulger, John 651-582-8781
FN Coord Signature: AUDREY BOMSTAD
Date: 03/16/05 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES
Date: 03/16/05 Phone: 296-8674