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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2333

05/14/2015 Authored by Selcer; Murphy, M.; Mariani; Marquart; Yarusso and others
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education; providing for funding and policy in early childhood,
1.3 kindergarten through grade 12, and adult education, including general education,
1.4 education excellence, special education, facilities and technology, nutrition and
1.5 accounting, libraries, early childhood education, prevention, self-sufficiency and
1.6 lifelong learning, and state agencies; requiring rulemaking; appropriating money;
1.7 amending Minnesota Statutes 2014, sections 5A.03; 119B.011, subdivision
1.8 15; 120A.41; 122A.18, subdivision 8; 122A.415, subdivision 1; 122A.63,
1.9 subdivisions 4, 5, 6; 123A.482; 123B.57; 124D.11, subdivision 1; 124D.1158,
1.10 subdivision 3; 124D.162; 124D.165, subdivision 2; 124D.42, subdivision
1.11 8; 124D.59, subdivision 2; 124D.81; 124D.83, subdivision 2; 125A.0942,
1.12 subdivision 3; 125A.76, subdivisions 1, 2a; 125A.79, subdivisions 1, 5; 126C.01,
1.13 subdivision 2; 126C.05, subdivision 1; 126C.10, subdivisions 1, 2, 2a, 2d, 2e,
1.14 13a, 18; 127A.33; 127A.41, subdivisions 8, 9; 134.355, subdivisions 5, 8, 9, 10;
1.15 136A.162; 256J.21, subdivision 2; 290.01, subdivision 19b; proposing coding for
1.16 new law in Minnesota Statutes, chapters 122A; 123B; 124D; repealing Minnesota
1.17 Statutes 2014, sections 122A.63, subdivisions 3, 7, 8; 123B.59; 123B.591.

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

1.19 ARTICLE 1

1.20 GENERAL EDUCATION

1.21 Section 1. Minnesota Statutes 2014, section 120A.41, is amended to read:

1.22 120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

1.23 A school board's annual school calendar must include at least 425 hours of instruction
1.24 for a kindergarten student without a disability, 935 hours of instruction for a student in
1.25 grades 1 though 6, and 1,020 hours of instruction for a student in grades 7 though 12, not
1.26 including summer school. The school calendar for all-day kindergarten must include at
1.27 least 850 hours of instruction for the school year. The school calendar for prekindergarten,
1.28 if offered by the district, must include at least 850 hours of instruction for the school year

2.1 and at least 200 hours of instruction for the summer. A school board's annual calendar
2.2 must include at least 165 days of instruction for a student in grades 1 through 11 unless a
2.3 four-day week schedule has been approved by the commissioner under section 124D.126.

2.4 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
2.5 later.

2.6 Sec. 2. Minnesota Statutes 2014, section 122A.415, subdivision 1, is amended to read:

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

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

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

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

2.20 Alternative teacher compensation revenue for a qualifying school district or site in
2.21 which the school board and the exclusive representative of the teachers agree to place
2.22 teachers in the district or at the site on the alternative teacher professional pay system
2.23 equals ~~\$260~~ the alternative teacher compensation allowance times the number of pupils
2.24 enrolled at the district or site on October 1 of the previous fiscal year. The alternative
2.25 teacher compensation allowance equals \$260 for fiscal years 2015 through 2017, \$246 for
2.26 fiscal year 2018, and \$244 for fiscal year 2019 and later. Alternative teacher compensation
2.27 revenue for a qualifying intermediate school district must be calculated under subdivision
2.28 4, paragraph (a).

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

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

3.4 Sec. 3. Minnesota Statutes 2014, section 124D.11, subdivision 1, is amended to read:

3.5 Subdivision 1. **General education revenue.** (a) General education revenue must
 3.6 be paid to a charter school as though it were a district. The general education revenue
 3.7 for each adjusted pupil unit is the state average general education revenue per pupil unit,
 3.8 plus the referendum equalization aid allowance in the pupil's district of residence, minus
 3.9 an amount equal to the product of the formula allowance according to section 126C.10,
 3.10 subdivision 2, times .0466, calculated without declining enrollment revenue, local optional
 3.11 revenue, basic skills revenue, extended ~~time~~ support revenue, pension adjustment revenue,
 3.12 transition revenue, and transportation sparsity revenue, plus declining enrollment revenue,
 3.13 basic skills revenue, extended ~~time~~ support revenue, pension adjustment revenue, and
 3.14 transition revenue as though the school were a school district.

3.15 (b) For a charter school operating an extended day, extended week, or summer
 3.16 program, the general education revenue for each ~~extended time pupil unit~~ equals \$4,794
 3.17 in paragraph (a) is increased by an amount equal to 25 percent of the statewide average
 3.18 extended support revenue per pupil unit.

3.19 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

3.20 Sec. 4. **[124D.171] PREKINDERGARTEN PROGRAM.**

3.21 Subdivision 1. **Programs authorized.** A school district may offer a voluntary
 3.22 prekindergarten program for all four-year-old children.

3.23 Subd. 2. **Program characteristics.** (a) High-quality, state-funded prekindergarten
 3.24 must prepare children for kindergarten and meet the state prekindergarten program criteria
 3.25 which include the following:

3.26 (1) compensatory instruction that accelerates children's language and literacy skills,
 3.27 mathematical thinking, and social skills;

3.28 (2) instructional content and activities that are of sufficient length and intensity to
 3.29 address learning needs;

3.30 (3) measurement of each child's cognitive and social skills using a formative
 3.31 measure when the child enters and again before the child leaves the program, screening
 3.32 measures such as literacy, and others from the state-approved menu of kindergarten
 3.33 entrance measures;

3.34 (4) class size of 20 or fewer children and child-staff ratios of ten-to-one or less;

- 4.1 (5) an individualized learning plan for each child created by the family and teacher,
4.2 which includes a transition plan to kindergarten;
- 4.3 (6) a lead classroom teacher that is an appropriately licensed teacher trained in
4.4 child development, language and literacy development, early education instruction, and
4.5 native and English language development;
- 4.6 (7) prekindergarten instructional staff salaries comparable to the salaries of local
4.7 kindergarten through grade 12 instructional staff;
- 4.8 (8) community collaboration and planning, including community health and social
4.9 service agencies to ensure children have access to comprehensive services;
- 4.10 (9) coordination with all relevant school district programs and services, for example,
4.11 special education, homeless, and English learners;
- 4.12 (10) parent engagement strategies that include culturally and linguistically
4.13 responsive activities in prekindergarten through third grade;
- 4.14 (11) development and implementation of curriculum, assessment, and instructional
4.15 strategies aligned with the state's early learning guidelines and academic standards,
4.16 prekindergarten through third grade;
- 4.17 (12) inclusion of children with disabilities in the prekindergarten program;
- 4.18 (13) coordinated professional development and training for both school district and
4.19 community-based early learning providers that is informed by a measure of adult-child
4.20 interactions; and
- 4.21 (14) a plan for mixed delivery that may include partnerships with child care centers,
4.22 family child care programs licensed under section 245A.03 and Head Start programs that
4.23 comply with the state prekindergarten program requirements. Plan components include
4.24 strategies for recruitment, contracting, and monitoring of fiscal compliance and program
4.25 quality.
- 4.26 (b) Districts must include their strategy for implementing and measuring the impact
4.27 of their state-funded prekindergarten program in their World's Best Workforce Plan.
- 4.28 (c) Notwithstanding paragraph (a), clause (6), for fiscal year 2017, every district
4.29 receiving prekindergarten funding under Minnesota Statutes, section 126C.05, subdivision
4.30 1, must ensure at least 25 percent of classroom teachers have the required license or
4.31 special permission, 50 percent for fiscal year 2018, 75 percent for fiscal year 2019, and
4.32 100 percent for each classroom by fiscal year 2020 and thereafter.
- 4.33 Subd. 3. **Child eligibility.** A child may participate in a prekindergarten program if
4.34 the child:
- 4.35 (1) is not yet in kindergarten and is four years old on September 1 of that school year;

5.1 (2) has completed the early childhood health and development screening under
 5.2 sections 121A.16 to 121A.19 within 45 days of enrollment; and

5.3 (3) provides documentation of required immunizations under section 121A.15.

5.4 Subd. 4. **Hours of instruction.** A school board's annual school calendar for
 5.5 prekindergarten must meet the minimum hours requirement in section 120A.41.

5.6 Subd. 5. **Phase-in.** For fiscal years 2017 and 2018, if more students apply for
 5.7 admission to a prekindergarten program operated under this section than for whom funding
 5.8 is available, a school district must grant priority to students from low income families.

5.9 **EFFECTIVE DATE.** This section is effective July 1, 2016.

5.10 Sec. 5. Minnesota Statutes 2014, section 124D.59, subdivision 2, is amended to read:

5.11 Subd. 2. **English learner.** (a) "English learner" means a pupil in ~~kindergarten~~
 5.12 prekindergarten through grade 12 who meets the requirements under subdivision 2a or the
 5.13 following requirements:

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

5.17 (2) the pupil is determined by a valid assessment measuring the pupil's English
 5.18 language proficiency and by developmentally appropriate measures, which might include
 5.19 observations, teacher judgment, parent recommendations, or developmentally appropriate
 5.20 assessment instruments, to lack the necessary English skills to participate fully in
 5.21 academic classes taught in English.

5.22 (b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in
 5.23 the previous school year took a commissioner-provided assessment measuring the pupil's
 5.24 emerging academic English, shall be counted as an English learner in calculating English
 5.25 learner pupil units under section 126C.05, subdivision 17, and shall generate state English
 5.26 learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff
 5.27 score or is otherwise counted as a nonproficient participant on the assessment measuring
 5.28 the pupil's emerging academic English, or, in the judgment of the pupil's classroom
 5.29 teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate
 5.30 academic language proficiency in English, including oral academic language, sufficient to
 5.31 successfully and fully participate in the general core curriculum in the regular classroom.

5.32 (c) Notwithstanding paragraphs (a) and (b), a pupil in ~~kindergarten~~ prekindergarten
 5.33 through grade 12 shall not be counted as an English learner in calculating English learner
 5.34 pupil units under section 126C.05, subdivision 17, and shall not generate state English
 5.35 learner aid under section 124D.65, subdivision 5, if:

6.1 (1) the pupil is not enrolled during the current fiscal year in an educational program
6.2 for English learners under sections 124D.58 to 124D.64; or

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

6.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
6.6 and later, except that the amendment to paragraph (c), clause (2), is effective for fiscal
6.7 year 2016 and later.

6.8 Sec. 6. Minnesota Statutes 2014, section 126C.05, subdivision 1, is amended to read:

6.9 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the
6.10 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c),
6.11 in average daily membership enrolled in the district of residence, in another district under
6.12 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
6.13 section 124D.10; or for whom the resident district pays tuition under section 123A.18,
6.14 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,
6.15 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this
6.16 subdivision.

6.17 (a) A prekindergarten pupil with a disability who is enrolled in a program approved
6.18 by the commissioner and has an individualized education program is counted as the ratio
6.19 of the number of hours of assessment and education service to 825 times 1.0 with a
6.20 minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

6.21 (b) A prekindergarten pupil who is assessed but determined not to be disabled is
6.22 counted as the ratio of the number of hours of assessment service to 825 times 1.0.

6.23 (c) A kindergarten pupil with a disability who is enrolled in a program approved
6.24 by the commissioner is counted as the ratio of the number of hours of assessment and
6.25 education services required in the fiscal year by the pupil's individualized education
6.26 program to 875, but not more than one.

6.27 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) is counted as
6.28 1.0 pupil unit if the pupil is enrolled in a free all-day, every day prekindergarten program
6.29 available to all prekindergarten pupils at the pupil's school that meets the minimum hours
6.30 requirement in section 120A.41 and meets the requirements in section 124D.171. For
6.31 fiscal year 2017 only, a district's prekindergarten pupil count under this paragraph must
6.32 not exceed the lesser of the number of students served, or a number equal to 25 percent of
6.33 the kindergarten pupils served during the previous fiscal year. For fiscal year 2018 only,
6.34 a district's prekindergarten pupil count under this paragraph must not exceed the lesser

7.1 of the number of students served, or a number equal to 60 percent of the kindergarten
 7.2 pupils served during the previous fiscal year.

7.3 ~~(d)~~ (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0
 7.4 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available
 7.5 to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
 7.6 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
 7.7 every day kindergarten program available to all kindergarten pupils at the pupil's school.

7.8 ~~(e)~~ (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

7.9 ~~(f)~~ (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

7.10 ~~(g)~~ (h) A pupil who is in the postsecondary enrollment options program is counted
 7.11 as 1.2 pupil units.

7.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
 7.13 and later.

7.14 Sec. 7. Minnesota Statutes 2014, section 126C.10, subdivision 1, is amended to read:

7.15 Subdivision 1. **General education revenue.** ~~(a) For fiscal years 2013 and 2014, the~~
 7.16 ~~general education revenue for each district equals the sum of the district's basic revenue,~~
 7.17 ~~extended time revenue, gifted and talented revenue, small schools revenue, basic skills~~
 7.18 ~~revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity~~
 7.19 ~~revenue, total operating capital revenue, equity revenue, alternative teacher compensation~~
 7.20 ~~revenue, and transition revenue.~~

7.21 ~~(b)~~ For fiscal year 2015 and later, the general education revenue for each district
 7.22 equals the sum of the district's basic revenue, extended time support revenue, gifted and
 7.23 talented revenue, declining enrollment revenue, local optional revenue, small schools
 7.24 revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue,
 7.25 transportation sparsity revenue, total operating capital revenue, equity revenue, pension
 7.26 adjustment revenue, and transition revenue.

7.27 Sec. 8. Minnesota Statutes 2014, section 126C.10, subdivision 2, is amended to read:

7.28 Subd. 2. **Basic revenue.** ~~For fiscal year 2014, the basic revenue for each district~~
 7.29 ~~equals the formula allowance times the adjusted marginal cost pupil units for the school~~
 7.30 ~~year. For fiscal year 2015 and later, the basic revenue for each district equals the formula~~
 7.31 ~~allowance times the adjusted pupil units for the school year. The formula allowance for~~
 7.32 ~~fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The~~
 7.33 ~~formula allowance for fiscal year 2015 and later is \$5,831. The formula allowance for~~
 7.34 ~~fiscal year 2016 is \$5,948. The formula allowance for fiscal year 2017 and later is \$6,065.~~

8.1 Sec. 9. Minnesota Statutes 2014, section 126C.10, subdivision 2a, is amended to read:

8.2 Subd. 2a. **Extended time support revenue.** (a) ~~A school district's extended time~~
 8.3 ~~revenue for fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted~~
 8.4 ~~marginal cost pupil units of the district for each pupil in average daily membership in~~
 8.5 ~~excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8. A school~~
 8.6 ~~district's extended time support revenue for fiscal year 2015 and later is equal to the~~
 8.7 ~~product of \$5,017~~ \$5,117 and the sum of the adjusted pupil units of the district for each
 8.8 pupil in average daily membership in excess of 1.0 and less than 1.2 according to section
 8.9 126C.05, subdivision 8.

8.10 (b) A school district's extended time support revenue may be used for extended day
 8.11 programs, extended week programs, summer school, vacation break academies such as
 8.12 spring break academies and summer term academies, and other programming authorized
 8.13 under the learning year program. Extended support revenue may also be used by alternative
 8.14 learning centers serving high school students for academic purposes during the school day.

8.15 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

8.16 Sec. 10. Minnesota Statutes 2014, section 126C.10, subdivision 2d, is amended to read:

8.17 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining
 8.18 enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the
 8.19 formula allowance for that year and (2) the difference between the adjusted pupil units for
 8.20 the preceding year and the adjusted pupil units for the current year.

8.21 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil
 8.22 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the
 8.23 district or charter school in which the pupil was last counted in average daily membership.

8.24 (c) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only,
 8.25 prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be
 8.26 excluded from the calculation of declining enrollment revenue.

8.27 Sec. 11. Minnesota Statutes 2014, section 126C.10, subdivision 2e, is amended to read:

8.28 Subd. 2e. **Local optional revenue.** (a) Local optional revenue for a school district
 8.29 equals \$424 times the adjusted pupil units of the district for that school year.

8.30 (b) A district's local optional levy equals its local optional revenue times the lesser
 8.31 of one or the ratio of its referendum market value per resident pupil unit to ~~\$510,000~~
 8.32 the local optional equalizing factor. The local optional revenue levy must be spread on
 8.33 referendum market value. A district may levy less than the permitted amount.

9.1 (c) A district's local optional aid equals its local optional revenue less its local
9.2 optional levy, times the ratio of the actual amount levied to the permitted levy.

9.3 (d) A district's local optional equalizing factor equals \$510,000 times the greater of
9.4 one or the ratio of the district's seasonal recreational factor to 0.30.

9.5 (e) A district's seasonal recreational factor equals the ratio of the market value of
9.6 property in the district classified as 4(c)12 under section 273.13 to the district's total
9.7 taxable market value under section 273.13.

9.8 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and later.

9.9 Sec. 12. Minnesota Statutes 2014, section 126C.10, subdivision 13a, is amended to read:

9.10 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal
9.11 year 2015 and later, a district may levy an amount not more than the product of its operating
9.12 capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax
9.13 capacity per adjusted marginal cost pupil unit to the operating capital equalizing factor. The
9.14 operating capital equalizing factor equals \$14,500 for fiscal years 2015 and 2016, \$38,650
9.15 for fiscal year 2017, \$47,700 for fiscal year 2018, and \$50,550 for fiscal year 2019 and later.

9.16 Sec. 13. Minnesota Statutes 2014, section 126C.10, subdivision 18, is amended to read:

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

9.20 (i) Multiply the formula allowance according to subdivision 2, by .141.

9.21 (ii) Multiply the result in clause (i) by the district's sparsity index raised to the
9.22 $26/100$ power.

9.23 (iii) Multiply the result in clause (ii) by the district's density index raised to the
9.24 $13/100$ power.

9.25 (iv) Multiply the formula allowance according to subdivision 2, by .0466.

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

9.27 (vi) Multiply the result in clause (v) by the greater of (1) one or (2) the ratio of the
9.28 square mile area of the district to 3,000.

9.29 (vii) For a district that does not qualify for secondary sparsity revenue under
9.30 subdivision 7 or elementary sparsity revenue under subdivision 8, multiply the result in
9.31 clause (vi) by the greater of (1) one or (2) the ratio of the square mile area of the district to
9.32 525.

9.33 (b) Transportation sparsity revenue is equal to the transportation sparsity allowance
9.34 times the adjusted pupil units.

10.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2016 and
10.2 later.

10.3 Sec. 14. **RECIPROCITY AGREEMENT EXEMPTION; HENDRICKS.**

10.4 Notwithstanding Minnesota Statutes, sections 124D.04, subdivision 6, paragraph
10.5 (b); 124D.041, subdivision 3, paragraph (b); and 124D.05, subdivision 2a, the provisions
10.6 of Minnesota Statutes, section 124D.041 and the agreement shall not apply to Independent
10.7 School District No. 402, Hendricks.

10.8 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and
10.9 later.

10.10 Sec. 15. **APPROPRIATIONS.**

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

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

10.16	\$	<u>6,624,575,000</u>	.....	<u>2016</u>
10.17	\$	<u>6,871,717,000</u>	.....	<u>2017</u>

10.18 The 2016 appropriation includes \$622,907,000 for 2015 and \$6,001,523,000 for
10.19 2016.

10.20 The 2017 appropriation includes \$638,816,000 for 2016 and \$6,232,902,000 for
10.21 2017.

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

10.25	\$	<u>39,000</u>	.....	<u>2016</u>
10.26	\$	<u>42,000</u>	.....	<u>2017</u>

10.27 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
10.28 127A.49:

10.29	\$	<u>2,740,000</u>	.....	<u>2016</u>
10.30	\$	<u>2,932,000</u>	.....	<u>2017</u>

10.31 The 2016 appropriation includes \$278,000 for 2015 and \$2,462,000 for 2016.

10.32 The 2017 appropriation includes \$273,000 for 2016 and \$2,659,000 for 2017.

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

11.3 \$ 292,000 2016

11.4 \$ 165,000 2017

11.5 The 2016 appropriation includes \$22,000 for 2015 and \$270,000 for 2016.

11.6 The 2017 appropriation includes \$30,000 for 2016 and \$135,000 for 2017.

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

11.9 \$ 16,756,000 2016

11.10 \$ 17,527,000 2017

11.11 The 2016 appropriation includes \$1,575,000 for 2015 and \$15,181,000 for 2016.

11.12 The 2017 appropriation includes \$1,686,000 for 2016 and \$15,841,000 for 2017.

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

11.15 \$ 17,322,000 2016

11.16 \$ 17,444,000 2017

11.17 The 2016 appropriation includes \$1,816,000 for 2015 and \$15,506,000 for 2016.

11.18 The 2017 appropriation includes \$1,722,000 for 2016 and \$15,722,000 for 2017.

11.19 Subd. 8. One-room schoolhouse. For a grant to Independent School District No.
 11.20 690, Warroad, to operate the Angle Inlet School:

11.21 \$ 65,000 2016

11.22 \$ 65,000 2017

11.23 Subd. 9. Compensatory revenue pilot project. For grants for participation in the
 11.24 compensatory revenue pilot program under Laws 2005, First Special Session chapter 5,
 11.25 article 1, section 50:

11.26 \$ 7,325,000 2016

11.27 \$ 7,325,000 2017

11.28 Of this amount, \$4,730,000 in each year is for a grant to Independent School District
 11.29 No. 11, Anoka-Hennepin; \$240,000 in each year is for a grant to Independent School
 11.30 District No. 286, Brooklyn Center; \$660,000 in each year is for a grant to Independent
 11.31 School District No. 279, Osseo; \$500,000 in each year is for a grant to Independent
 11.32 School District No. 281, Robbinsdale; \$520,000 in each year is for a grant to Independent
 11.33 School District No. 535, Rochester; \$205,000 in each year is for a grant to Independent

12.1 School District No. 833, South Washington; and \$470,000 in each year is for a grant to
12.2 Independent School District No. 241, Albert Lea.

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

12.5 Subd. 10. Career and technical aid. For career and technical aid under Minnesota
12.6 Statutes, section 124D.4531, subdivision 1b:

12.7 \$ 5,420,000 2016

12.8 \$ 4,405,000 2017

12.9 The 2016 appropriation includes \$574,000 for 2015 and \$4,846,000 for 2016.

12.10 The 2017 appropriation includes \$538,000 for 2016 and \$3,867,000 for 2017.

12.11 **ARTICLE 2**

12.12 **EDUCATION EXCELLENCE**

12.13 Section 1. Minnesota Statutes 2014, section 5A.03, is amended to read:

12.14 **5A.03 ORGANIZATION APPLICATION FOR REGISTRATION.**

12.15 Subdivision 1. Placing high school students in Minnesota. (a) An application for
12.16 registration as an international student exchange visitor placement organization must be
12.17 submitted in the form prescribed by the secretary of state. The application must include:

12.18 (1) evidence that the organization meets the standards established by the secretary of
12.19 state by rule;

12.20 (2) the name, address, and telephone number of the organization, its chief executive
12.21 officer, and the person within the organization who has primary responsibility for
12.22 supervising placements within the state;

12.23 (3) the organization's unified business identification number, if any;

12.24 (4) the organization's Office of Exchange Coordination and Designation, United
12.25 States Department of State number, if any;

12.26 (5) evidence of Council on Standards for International Educational Travel listing, if
12.27 any;

12.28 (6) whether the organization is exempt from federal income tax; and

12.29 (7) a list of the organization's placements in Minnesota for the previous academic
12.30 year including the number of students placed, their home countries, the school districts in
12.31 which they were placed, and the length of their placements.

12.32 (b) The application must be signed by the chief executive officer of the organization
12.33 and the person within the organization who has primary responsibility for supervising

13.1 placements within Minnesota. If the secretary of state determines that the application is
13.2 complete, the secretary of state shall file the application and the applicant is registered.

13.3 (c) Organizations that have registered shall inform the secretary of state of any
13.4 changes in the information required under paragraph (a), clause (1), within 30 days of the
13.5 change. There is no fee to amend a registration.

13.6 (d) Registration under this chapter is valid for one year. The registration may be
13.7 renewed annually. The fee to renew a registration is \$50 per year.

13.8 (e) Organizations registering for the first time in Minnesota must pay an initial
13.9 registration fee of \$150.

13.10 (f) Fees collected by the secretary of state under this section must be deposited in the
13.11 state treasury and credited to the general fund.

13.12 **Subd. 2. Placing Minnesota students in travel abroad programs.** (a) A school
13.13 district or charter school with enrolled students who participate in a foreign exchange or
13.14 study or other travel abroad program under a written agreement between the district or
13.15 charter school and the program provider must use a form developed by the Department
13.16 of Education to annually report to the department by November 1 the following data
13.17 from the previous school year:

13.18 (1) the number of Minnesota student deaths that occurred while Minnesota students
13.19 were participating in the foreign exchange or study or other travel abroad program and
13.20 that resulted from Minnesota students participating in the program;

13.21 (2) the number of Minnesota students hospitalized due to accidents and the illnesses
13.22 that occurred while Minnesota students were participating in the foreign exchange or study
13.23 or other travel abroad program and that resulted from Minnesota students participating
13.24 in the program; and

13.25 (3) the name and type of the foreign exchange or study or other travel abroad
13.26 program and the city or region where the reported death, hospitalization due to accident,
13.27 or the illness occurred.

13.28 (b) School districts and charter schools must ask but must not require enrolled
13.29 eligible students and the parents or guardians of other enrolled students who complete
13.30 a foreign exchange or study or other travel abroad program to disclose the information
13.31 under paragraph (a).

13.32 (c) When reporting the data under paragraph (a), a school district or charter school
13.33 may supplement the data with a brief explanatory statement. The Department of Education
13.34 annually must aggregate and publish the reported data on the department Web site in
13.35 a format that facilitates public access to the aggregated data and include links to both
13.36 the United States Department of State's Consular Information Program that informs the

14.1 public of conditions abroad that may affect students' safety and security and the publicly
14.2 available reports on sexual assaults and other criminal acts affecting students participating
14.3 in a foreign exchange or study or other travel abroad program.

14.4 (d) School districts and charter schools with enrolled students who participate in
14.5 foreign exchange or study or other travel abroad programs under a written agreement
14.6 between the district or charter school and the program provider are encouraged to adopt
14.7 policies supporting the programs and to include program standards in their policies to
14.8 ensure students' health and safety.

14.9 (e) To be eligible under this subdivision to provide a foreign exchange or study or
14.10 other travel abroad program to Minnesota students enrolled in a school district or charter
14.11 school, a program provider annually must register with the secretary of state and provide
14.12 the following information on a form developed by the secretary of state: the name,
14.13 address, and telephone number of the program provider, its chief executive officer, and
14.14 the person within the provider's organization who is primarily responsible for supervising
14.15 programs within the state; the program provider's unified business identification number,
14.16 if any; evidence of Council on Standards for International Educational Travel listing,
14.17 if any; whether the program provider is exempt from federal income tax; a list of the
14.18 program provider's placements in foreign countries for the previous school year including
14.19 the number of Minnesota students placed, where Minnesota students were placed, and
14.20 the length of their placement; the terms and limits of the medical and accident insurance
14.21 available to cover participating students and the process for filing a claim; and the
14.22 signatures of the program provider's chief executive officer and the person primarily
14.23 responsible for supervising Minnesota students' placements in foreign countries. If the
14.24 secretary of state determines the registration is complete, the secretary of state shall file the
14.25 registration and the program provider is registered. Registration with the secretary of state
14.26 must not be considered or represented as an endorsement of the program provider by the
14.27 secretary of state. The secretary of state annually must publish on its Web site aggregated
14.28 data under paragraph (c) received from the Department of Education.

14.29 (f) Program providers, annually by August 1, must provide the data required under
14.30 paragraph (a), clauses (1) to (3), to the districts and charter schools with enrolled students
14.31 participating in the provider's program.

14.32 (g) The school district, the charter school, the Department of Education, and their
14.33 respective employees, when acting in their official capacity, are immune from civil and
14.34 criminal liability with respect to all activities related to implementing this subdivision.

14.35 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and
14.36 later.

15.1 Sec. 2. Minnesota Statutes 2014, section 119B.011, subdivision 15, is amended to read:

15.2 Subd. 15. **Income.** "Income" means earned or unearned income received by all
15.3 family members, including public assistance cash benefits and at-home infant child
15.4 care subsidy payments, unless specifically excluded and child support and maintenance
15.5 distributed to the family under section 256.741, subdivision 15. The following are excluded
15.6 from income: funds used to pay for health insurance premiums for family members,
15.7 Supplemental Security Income, scholarships, work-study income, ~~and grants, and other~~
15.8 financial assistance, including loan forgiveness, that cover costs or reimbursement for
15.9 tuition, fees, books, and educational supplies; student loans for tuition, fees, books,
15.10 supplies, and living expenses; state and federal earned income tax credits; assistance
15.11 specifically excluded as income by law; in-kind income such as food support, energy
15.12 assistance, foster care assistance, medical assistance, child care assistance, and housing
15.13 subsidies; earned income of full-time or part-time students up to the age of 19, who have not
15.14 earned a high school diploma or GED high school equivalency diploma including earnings
15.15 from summer employment; grant awards under the family subsidy program; nonrecurring
15.16 lump-sum income only to the extent that it is earmarked and used for the purpose for which
15.17 it is paid; and any income assigned to the public authority according to section 256.741.

15.18 Sec. 3. Minnesota Statutes 2014, section 122A.63, subdivision 4, is amended to read:

15.19 Subd. 4. **Grant amount.** The commissioner may award a joint grant in the amount
15.20 it determines to be appropriate. The grant shall include money for the postsecondary
15.21 institution, school district, and student scholarships,~~and student loans.~~ The commissioner
15.22 may reallocate any unspent funds to one or more of the four joint grant recipients
15.23 identified in subdivision 1.

15.24 Sec. 4. Minnesota Statutes 2014, section 122A.63, subdivision 5, is amended to read:

15.25 Subd. 5. **Information to student applicants.** At the time a student applies for
15.26 a scholarship ~~and loan,~~ the student shall be provided information about the fields of
15.27 licensure needed by school districts in the part of the state within which the district
15.28 receiving the joint grant is located. The information shall be acquired and periodically
15.29 updated by the recipients of the joint grant. Information provided to students shall clearly
15.30 state that scholarship ~~and loan~~ decisions are not based upon the field of licensure selected
15.31 by the student.

15.32 Sec. 5. Minnesota Statutes 2014, section 122A.63, subdivision 6, is amended to read:

16.1 Subd. 6. **Eligibility for scholarships and loans.** The following American Indian
 16.2 people are eligible for scholarships:

16.3 (1) a student, including a teacher aide employed by a district receiving a joint grant,
 16.4 who intends to become a teacher and who is enrolled in a postsecondary institution
 16.5 receiving a joint grant;

16.6 (2) a licensed employee of a district receiving a joint grant, who is enrolled in a
 16.7 master of education program; and

16.8 (3) a student who, after applying for federal and state financial aid and ~~an~~ the
 16.9 Minnesota Indian scholarship according to section 136A.126, has financial needs that
 16.10 remain unmet. financial need shall be determined according to the congressional
 16.11 methodology for needs determination or as otherwise set in federal law as defined by
 16.12 section 136A.101.

16.13 ~~A person who has actual living expenses in addition to those addressed by the~~
 16.14 ~~congressional methodology for needs determination, or as otherwise set in federal law,~~
 16.15 ~~may receive a loan according to criteria established by the commissioner. A contract shall~~
 16.16 ~~be executed between the state and the student for the amount and terms of the loan.~~

16.17 Sec. 6. **[122A.80] TEACHMN.**

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

16.20 (b) "High needs area" means a high needs area as defined in the Department of
 16.21 Education biannual teacher supply and demand report under section 127A.05, subdivision
 16.22 6, or other surveys conducted by the Department of Education that provide indicators for
 16.23 teacher supply and demand needs not captured by the teacher supply and demand report.

16.24 (c) "High needs school" means a school that:

16.25 (1) is a focus or priority school under the multiple measurement rating;

16.26 (2) has a concentration of students above the state average for free and reduced-price
 16.27 lunch; or

16.28 (3) is geographically isolated and experiencing a teacher shortage.

16.29 (d) "Qualified candidate" means a teacher candidate enrolled in a Minnesota teacher
 16.30 licensure program who meets the program eligibility requirements in subdivision 3 and in
 16.31 rules or procedures adopted under subdivision 7.

16.32 Subd. 2. **Account.** An account is created within the Office of Higher Education
 16.33 to disburse fixed-rate forgivable loans to qualified candidates under this section. Unused
 16.34 funds appropriated to the Department of Education and transferred to the Office of Higher
 16.35 Education in a given fiscal year will be carried over for loans and program administrative

17.1 costs in future years. Principal and interest payments on unforgiven loans shall be credited
17.2 to the account and shall be carried over and do not cancel and may be used for administrative
17.3 program costs not covered by the appropriated amount and for issuing new loans.

17.4 Subd. 3. **Eligibility.** A candidate may apply to the commissioner of the Office of
17.5 Higher Education to receive a forgivable loan under this section. The commissioner must
17.6 award loans to candidates enrolling in programs in high needs areas and to candidates
17.7 expressing interest in teaching in high needs schools based on shortages and geographical
17.8 distribution, and must take into consideration diversifying the teacher workforce. The
17.9 application must include a letter of support or character reference from a professional
17.10 supervisor or colleague or academic professor who is not related to the applicant.

17.11 Subd. 4. **Loan requirements.** Interest accrues both during and after a borrower's
17.12 postsecondary enrollment and is capitalized at the time of repayment. At the time of
17.13 receiving the loan, a candidate must commit to seeking a qualified position in a Minnesota
17.14 school district for four years upon completion of teacher preparation as a full-time teacher
17.15 as verified through the Staff Automated Reporting (STAR) system. Candidates who do not
17.16 complete the four-year service commitment may be required to repay the loan.

17.17 Subd. 5. **Usage.** The loan may only be used for tuition and related living and
17.18 miscellaneous expenses required to complete teacher preparation and attain licensure.

17.19 Subd. 6. **Forgiveness and repayment.** (a) If a borrower's eligibility for the loan
17.20 is based on the candidate's enrollment in a program in a high needs area, the borrower's
17.21 student loan payment shall be deferred if the candidate completed the program and obtains
17.22 a full-time position in that discipline. Upon completing four years of teaching in that
17.23 discipline, the loan obligation shall be forgiven in the full amount of principal plus accrued
17.24 interest. Except as allowed under paragraph (c), a student borrower has up to five years
17.25 from graduation or school termination to fulfill the teaching obligation.

17.26 (b) If a borrower's eligibility for the loan is based on the candidate's employment in
17.27 a high needs school, the borrower's student loan payment shall be deferred if the candidate
17.28 obtains a full-time position in a high needs school at the time of hire. Upon completing
17.29 four years of teaching at that school or another high needs school at the time of hire, the
17.30 loan obligation shall be forgiven in the full amount of principal plus accrued interest.
17.31 Except as allowed under paragraph (c), a student borrower has up to five years from
17.32 graduation or school termination to fulfill the teaching obligation.

17.33 (c) An appeals process shall be established for special circumstances, such as a
17.34 temporary medical leave of absence or layoff, which may allow the qualifying term to be
17.35 extended.

18.1 (d) For loans not in deferral under paragraph (a) or (b), loan payments are deferred
 18.2 for up to 12 months or until the borrower obtains employment in a nonqualified position,
 18.3 whichever is first. At that time, monthly loan payments will be required from the borrower
 18.4 until the loan is paid in full or the loan is deferred under paragraph (a) or (b).

18.5 Subd. 7. **Rulemaking.** The commissioner of education shall adopt rules or
 18.6 procedures, in consultation with the Office of Higher Education, to implement this section,
 18.7 including:

- 18.8 (1) additional eligibility and renewal criteria;
- 18.9 (2) annual and lifetime maximum awards per student;
- 18.10 (3) how the loan funds will be disbursed;
- 18.11 (4) the interest rate for the loans;
- 18.12 (5) service fulfillment and repayment criteria; and
- 18.13 (6) an appeals process consistent with subdivision 6.

18.14 Sec. 7. **[122A.81] STEPPING UP FOR KIDS; FINANCIAL ASSISTANCE.**

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

18.17 (b) "High needs area" means a high needs area as defined in the Department of
 18.18 Education biannual teacher supply and demand report under section 127A.05, subdivision
 18.19 6, or other surveys conducted by the Department of Education that provide indicators for
 18.20 teacher supply and demand needs not captured by the teacher supply and demand report.

18.21 (c) "High needs school" means a school that:

- 18.22 (1) is a focus or priority school under the multiple measurement rating;
- 18.23 (2) has a concentration of students above the state average for free and reduced-price
 18.24 lunch; or

18.25 (3) is geographically isolated and experiencing a teacher shortage.

18.26 (d) "Qualified candidate" means a paraprofessional currently employed in a
 18.27 Minnesota school who has been admitted to a Minnesota teacher licensure program and
 18.28 meets the program eligibility requirements in subdivision 3 and in rules adopted under
 18.29 subdivision 5.

18.30 Subd. 2. **Account.** An account is created within the Office of Higher Education
 18.31 to disburse financial assistance for paraprofessionals when enrolled in a program in
 18.32 Minnesota leading to teacher licensure. Unused funds appropriated to the Department of
 18.33 Education in a given fiscal year shall be transferred to the Office of Higher Education and
 18.34 carried over for stepping up for kids financial assistance and program and administrative
 18.35 costs in future years.

19.1 Subd. 3. **Eligibility.** (a) A qualified candidate may apply to the commissioner of
 19.2 the Office of Higher Education to receive financial assistance under this section. The
 19.3 commissioner of the Office of Higher Education shall award financial assistance in high
 19.4 needs areas and high needs schools based on shortages, geographical distribution, or other
 19.5 surveys conducted by the Department of Education and must take into consideration
 19.6 diversifying the teacher workforce. The application must include a letter of support from
 19.7 the school district administrator where the paraprofessional is employed.

19.8 (b) Candidates must commit to remain employed in a Minnesota school district for
 19.9 four years upon completion of teacher preparation as verified through the Staff Automated
 19.10 Reporting (STAR) system. Candidates who do not complete the four-year service
 19.11 commitment may be required to repay the financial assistance.

19.12 Subd. 4. **Usage.** The financial assistance may only be used for tuition and related
 19.13 living and miscellaneous expenses required to complete teacher preparation and attain
 19.14 licensure.

19.15 Subd. 5. **Rulemaking.** The commissioner of education shall adopt rules or
 19.16 procedures, in consultation with the Office of Higher Education, to implement this section,
 19.17 including:

- 19.18 (1) additional eligibility and renewal criteria;
 19.19 (2) annual and lifetime maximum awards per student; and
 19.20 (3) service fulfillment and repayment criteria.

19.21 **Sec. 8. [124D.231] FULL-SERVICE COMMUNITY SCHOOLS.**

19.22 Subdivision 1. **Definitions.** For the purposes of this section, the following terms
 19.23 have the meanings given them.

19.24 (a) "Community organization" means a nonprofit organization that has been in
 19.25 existence for three years or more and serves persons within the community surrounding
 19.26 the covered school site on education and other issues.

19.27 (b) "Community school consortium" means a group of schools and community
 19.28 organizations that propose to work together to plan and implement community school
 19.29 programming.

19.30 (c) "Community school programming" means services, activities, and opportunities
 19.31 described under subdivision 2, paragraph (g).

19.32 (d) "High-quality child care or early childhood education programming" means
 19.33 educational programming for preschool-aged children that is grounded in research,
 19.34 consistent with best practices in the field, and provided by licensed teachers.

20.1 (e) "School site" means a school site at which an applicant has proposed or has been
20.2 funded to provide community school programming.

20.3 (f) "Site coordinator" is an individual who is responsible for aligning programming
20.4 with the needs of the school community identified in the baseline analysis.

20.5 Subd. 2. **Full-service community school program.** (a) The commissioner shall
20.6 provide funding to eligible school sites to plan, implement, and improve full-service
20.7 community schools. Eligible school sites must meet one of the following criteria:

20.8 (1) the school is on a development plan for continuous improvement under section
20.9 120B.35, subdivision 2; or

20.10 (2) the school is in a district that has an achievement and integration plan approved
20.11 by the commissioner of education under sections 124D.861 and 124D.862.

20.12 (b) An eligible school site may receive up to \$100,000 annually. School sites
20.13 receiving funding under this section shall hire or contract with a partner agency to hire a
20.14 site coordinator to coordinate services at each covered school site.

20.15 (c) Implementation funding of up to \$20,000 must be available for up to one year for
20.16 planning for school sites. At the end of this period, the school must submit a full-service
20.17 community school plan, pursuant to paragraph (g).

20.18 (d) The commissioner shall dispense the funds to schools with significant populations
20.19 of students receiving free or reduced-price lunches. Schools with significant homeless and
20.20 highly mobile students shall also be a priority. The commissioner must also dispense the
20.21 funds in a manner to ensure equity among urban, suburban, and greater Minnesota schools.

20.22 (e) A school site must establish a school leadership team responsible for developing
20.23 school-specific programming goals, assessing program needs, and overseeing the process
20.24 of implementing expanded programming at each covered site. The school leadership team
20.25 shall have between 12 to 15 members and shall meet the following requirements:

20.26 (1) at least 30 percent of the members are parents and 30 percent of the members
20.27 are teachers at the school site and must include the school principal and representatives
20.28 from partner agencies; and

20.29 (2) the school leadership team must be responsible for overseeing the baseline
20.30 analyses under paragraph (f). A school leadership team must have ongoing responsibility
20.31 for monitoring the development and implementation of full service community school
20.32 operations and programming at the school site and shall issue recommendations to schools
20.33 on a regular basis and summarized in an annual report. These reports shall also be made
20.34 available to the public at the school site and on school and district Web sites.

20.35 (f) School sites must complete a baseline analysis prior to beginning programming
20.36 as a full-service community school. The analysis shall include:

21.1 (1) a baseline analysis of needs at the school site, led by the school leadership team,
21.2 which shall include the following elements:

21.3 (i) identification of challenges facing the school;
21.4 (ii) analysis of the student body, including:
21.5 (A) number and percentage of students with disabilities and needs of these students;
21.6 (B) number and percentage of students who are English learners and the needs of
21.7 these students;
21.8 (C) number of students who are homeless or highly mobile; and
21.9 (D) number and percentage of students receiving free or reduced-price lunch and
21.10 the needs of these students; and
21.11 (iii) analysis of enrollment and retention rates for students with disabilities,
21.12 English learners, homeless and highly mobile students, and students receiving free or
21.13 reduced-price lunch;
21.14 (iv) analysis of suspension and expulsion data, including the justification for such
21.15 disciplinary actions and the degree to which particular populations, including, but not
21.16 limited to, students of color, students with disabilities, students who are English learners,
21.17 and students receiving free or reduced-price lunch are represented among students subject
21.18 to such actions;
21.19 (v) analysis of school achievement data disaggregated by major demographic
21.20 categories, including, but not limited to, race, ethnicity, English learner status, disability
21.21 status, and free or reduced-price lunch status;
21.22 (vi) analysis of current parent engagement strategies and their success; and
21.23 (vii) evaluation of the need for and availability of wraparound services, including,
21.24 but not limited to:
21.25 (A) mechanisms for meeting students' social, emotional, and physical health needs,
21.26 which may include coordination of existing services as well as the development of new
21.27 services based on student needs; and
21.28 (B) strategies to create a safe and secure school environment and improve school
21.29 climate and discipline, such as implementing a system of positive behavioral supports, and
21.30 taking additional steps to eliminate bullying;
21.31 (2) a baseline analysis of community assets and a strategic plan for utilizing
21.32 and aligning identified assets. This analysis should include, but is not limited to, a
21.33 documentation of individuals in the community, faith-based organizations, community and
21.34 neighborhood associations, colleges, hospitals, libraries, businesses, and social service
21.35 agencies who may be able to provide support and resources; and

- 22.1 (3) a baseline analysis of needs in the community surrounding the school, led by
 22.2 the school leadership team, including, but not limited to:
- 22.3 (i) the need for high-quality, full-day child care and early childhood education
 22.4 programs;
- 22.5 (ii) the need for physical and mental health care services for children and adults; and
 22.6 (iii) the need for job training and other adult education programming.
- 22.7 (g) Each school site receiving funding under this section must establish at least two
 22.8 of the following types of programming:
- 22.9 (1) early childhood:
- 22.10 (i) early childhood education; and
 22.11 (ii) child care services;
- 22.12 (2) academic:
- 22.13 (i) academic support and enrichment activities, including expanded learning time;
 22.14 (ii) summer or after-school enrichment and learning experiences;
 22.15 (iii) job training, internship opportunities, and career counseling services;
 22.16 (iv) programs that provide assistance to students who have been truant, suspended,
 22.17 or expelled; and
- 22.18 (v) specialized instructional support services;
- 22.19 (3) parental involvement:
- 22.20 (i) programs that promote parental involvement and family literacy, including the
 22.21 Reading First and Early Reading First programs authorized under part B of title I of the
 22.22 Elementary and Secondary Education Act of 1965, United States Code, title 20, section
 22.23 6361, et seq.;
- 22.24 (ii) parent leadership development activities; and
 22.25 (iii) parenting education activities;
- 22.26 (4) mental and physical health:
- 22.27 (i) mentoring and other youth development programs, including peer mentoring and
 22.28 conflict mediation;
- 22.29 (ii) juvenile crime prevention and rehabilitation programs;
 22.30 (iii) home visitation services by teachers and other professionals;
 22.31 (iv) developmentally appropriate physical education;
 22.32 (v) nutrition services;
 22.33 (vi) primary health and dental care; and
 22.34 (vii) mental health counseling services;
- 22.35 (5) community involvement:
- 22.36 (i) service and service-learning opportunities;

23.1 (ii) adult education, including instruction in English as a second language; and
 23.2 (iii) homeless prevention services;
 23.3 (6) positive discipline practices; and
 23.4 (7) other programming designed to meet school and community needs identified in
 23.5 the baseline analysis and reflected in the full-service community school plan.

23.6 (h) The school leadership team at each school site must develop a full-service
 23.7 community school plan detailing the steps the school leadership team will take, including:

23.8 (1) timely establishment and consistent operation of the school leadership team;

23.9 (2) maintenance of attendance records in all programming components;

23.10 (3) maintenance of measurable data showing annual participation and the impact
 23.11 of programming on the participating children and adults;

23.12 (4) documentation of meaningful and sustained collaboration between the school
 23.13 and community stakeholders, including local governmental units, civic engagement
 23.14 organizations, businesses, and social service providers;

23.15 (5) establishment and maintenance of partnerships with institutions, such as
 23.16 universities, hospitals, museums, or not-for-profit community organizations to further the
 23.17 development and implementation of community school programming;

23.18 (6) ensuring compliance with the district nondiscrimination policy; and

23.19 (7) plan for school leadership team development.

23.20 **Subd. 3. Full-service community school review.** (a) Every three years, a
 23.21 full-service community school site must submit to the commissioner, and make available
 23.22 at the school site and online, a report describing efforts to integrate community school
 23.23 programming at each covered school site and the effect of the transition to a full-service
 23.24 community school on participating children and adults. This report shall include, but
 23.25 is not limited to, the following:

23.26 (1) an assessment of the effectiveness of the school site in development or
 23.27 implementing the community school plan;

23.28 (2) problems encountered in the design and execution of the community school
 23.29 plan, including identification of any federal, state, or local statute or regulation impeding
 23.30 program implementation;

23.31 (3) the operation of the school leadership team and its contribution to successful
 23.32 execution of the community school plan;

23.33 (4) recommendations for improving delivery of community school programming
 23.34 to students and families;

23.35 (5) the number and percentage of students receiving community school programming
 23.36 who had not previously been served;

- 24.1 (6) the number and percentage of nonstudent community members receiving
 24.2 community school programming who had not previously been served;
- 24.3 (7) improvement in retention among students who receive community school
 24.4 programming;
- 24.5 (8) improvement in academic achievement among students who receive community
 24.6 school programming;
- 24.7 (9) changes in student's readiness to enter school, active involvement in learning and
 24.8 in their community, physical, social and emotional health, and student's relationship with
 24.9 the school and community environment;
- 24.10 (10) an accounting of anticipated local budget savings, if any, resulting from the
 24.11 implementation of the program;
- 24.12 (11) improvements to the frequency or depth of families' involvement with their
 24.13 children's education;
- 24.14 (12) assessment of community stakeholder satisfaction;
- 24.15 (13) assessment of institutional partner satisfaction;
- 24.16 (14) the ability, or anticipated ability, of the school site and partners to continue to
 24.17 provide services in the absence of future funding under this section;
- 24.18 (15) increases in access to services for students and their families; and
- 24.19 (16) the degree of increased collaboration among participating agencies and private
 24.20 partners.
- 24.21 (b) Reports submitted under this section shall be evaluated by the commissioner with
 24.22 respect to the following criteria:
- 24.23 (1) the effectiveness of the school or the community school consortium in
 24.24 implementing the full-service community school plan, including the degree to which
 24.25 the school site navigated difficulties encountered in the design and operation of the
 24.26 full-service community school plan, including identification of any federal, state, or local
 24.27 statute or regulation impeding program implementation;
- 24.28 (2) the extent to which the project has produced lessons about ways to improve
 24.29 delivery of community school programming to students;
- 24.30 (3) the degree to which there has been an increase in the number or percentage of
 24.31 students and nonstudents receiving community school programming;
- 24.32 (4) the degree to which there has been an improvement in retention of students and
 24.33 improvement in academic achievement among students receiving community school
 24.34 programming;
- 24.35 (5) local budget savings, if any, resulting from the implementation of the program;
- 24.36 (6) the degree of community stakeholder and institutional partner engagement;

- 25.1 (7) the ability, or anticipated ability, of the school site and partners to continue to
 25.2 provide services in the absence of future funding under this section;
 25.3 (8) increases in access to services for students and their families; and
 25.4 (9) the degree of increased collaboration among participating agencies and private
 25.5 partners.

25.6 Sec. 9. Minnesota Statutes 2014, section 124D.42, subdivision 8, is amended to read:

25.7 Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps
 25.8 program is established to provide ServeMinnesota AmeriCorps members with a
 25.9 data-based problem-solving model of literacy instruction to use in helping to train local
 25.10 Head Start program providers, other prekindergarten program providers, and staff in
 25.11 schools with students in kindergarten through grade 3 to evaluate and teach early literacy
 25.12 skills, including comprehensive, scientifically based reading instruction under section
 25.13 122A.06, subdivision 4, to children age 3 to grade 3. Priority shall be given to placing
 25.14 AmeriCorps members in prekindergarten, kindergarten, and first grade programs in any of
 25.15 the following: (1) "Focus" or "Priority" schools under the multiple measurements rating;
 25.16 or (2) federal School Improvement Grant recipients.

25.17 (b) Literacy programs under this subdivision must comply with the provisions
 25.18 governing literacy program goals and data use under section 119A.50, subdivision 3,
 25.19 paragraph (b).

25.20 (c) The commission must submit a biennial report to the committees of the
 25.21 legislature with jurisdiction over kindergarten through grade 12 education that records and
 25.22 evaluates program data to determine the efficacy of the programs under this subdivision.

25.23 Sec. 10. Minnesota Statutes 2014, section 124D.81, is amended to read:

25.24 **124D.81 CONTINUATION OF AMERICAN INDIAN EDUCATION GRANTS**
 25.25 **AID.**

25.26 Subdivision 1. **Grants; Procedures.** ~~Each fiscal year the commissioner of education~~
 25.27 ~~must make grants to no fewer than six American Indian education programs. At least~~
 25.28 ~~three programs must be in urban areas and at least three must be on or near reservations.~~
 25.29 ~~The board of a local district, a participating school or a group of boards may develop a~~
 25.30 ~~proposal for grants in support of American Indian education programs. Proposals (a) A~~
 25.31 ~~school district, charter school, or American Indian-controlled tribal contract or grant~~
 25.32 ~~school enrolling at least 20 American Indian students on October 1 of the previous school~~
 25.33 ~~year and operating an American Indian education program according to section 124D.74 is~~
 25.34 ~~eligible for Indian education aid if it meets the requirements of this section. Programs may~~

26.1 provide for contracts for the provision of program components by nonsectarian nonpublic,
 26.2 community, tribal, charter, or alternative schools. The commissioner shall prescribe the
 26.3 form and manner of application for grants aids, and no grant aid shall be made for a
 26.4 proposal program not complying with the requirements of sections 124D.71 to 124D.82.

26.5 Subd. 2. **Plans.** ~~Each~~ To qualify for aid, an eligible district, charter school, or
 26.6 participating tribal contract school submitting a proposal under subdivision 1 must
 26.7 develop and submit ~~with the proposal~~ a plan for approval by the Indian education director
 26.8 ~~which~~ that shall:

26.9 (a) Identify the measures to be used to meet the requirements of sections 124D.71 to
 26.10 124D.82;

26.11 (b) Identify the activities, methods and programs to meet the identified educational
 26.12 needs of the children to be enrolled in the program;

26.13 (c) Describe how district goals and objectives as well as the objectives of sections
 26.14 124D.71 to 124D.82 are to be achieved;

26.15 (d) Demonstrate that required and elective courses as structured do not have a
 26.16 discriminatory effect within the meaning of section 124D.74, subdivision 5;

26.17 (e) Describe how each school program will be organized, staffed, coordinated,
 26.18 and monitored; and

26.19 (f) Project expenditures for programs under sections 124D.71 to 124D.82.

26.20 Subd. 2a. **American Indian education aid.** (a) The American Indian education aid
 26.21 for an eligible district or tribal contract school equals the greater of (1) the sum of \$20,000
 26.22 plus the product of \$405 times the difference between the number of American Indian
 26.23 students enrolled on October 1 of the previous school year and 20; or (2) if the district or
 26.24 school received a grant under this section for fiscal year 2015, the amount of the grant
 26.25 for fiscal year 2015.

26.26 (b) Notwithstanding paragraph (a), the American Indian education aid must not
 26.27 exceed the district or tribal contract school's actual expenditure according to the approved
 26.28 plan under subdivision 2.

26.29 Subd. 3. **Additional requirements.** Each district receiving a grant aid under this
 26.30 section must each year conduct a count of American Indian children in the schools
 26.31 of the district; test for achievement; identify the extent of other educational needs of
 26.32 the children to be enrolled in the American Indian education program; and classify the
 26.33 American Indian children by grade, level of educational attainment, age and achievement.
 26.34 Participating schools must maintain records concerning the needs and achievements of
 26.35 American Indian children served.

27.1 Subd. 4. **Nondiscrimination; testing.** In accordance with recognized professional
27.2 standards, all testing and evaluation materials and procedures utilized for the identification,
27.3 testing, assessment, and classification of American Indian children must be selected and
27.4 administered so as not to be racially or culturally discriminatory and must be valid for the
27.5 purpose of identifying, testing, assessing, and classifying American Indian children.

27.6 Subd. 5. **Records.** Participating schools and districts must keep records and afford
27.7 access to them as the commissioner finds necessary to ensure that American Indian
27.8 education programs are implemented in conformity with sections 124D.71 to 124D.82.
27.9 Each school district or participating school must keep accurate, detailed, and separate
27.10 revenue and expenditure accounts for pilot American Indian education programs funded
27.11 under this section.

27.12 Subd. 6. **Money from other sources.** A district or participating school providing
27.13 American Indian education programs shall be eligible to receive moneys for these programs
27.14 from other government agencies and from private sources when the moneys are available.

27.15 Subd. 7. **Exceptions.** Nothing in sections 124D.71 to 124D.82 shall be construed as
27.16 prohibiting a district or school from implementing an American Indian education program
27.17 which is not in compliance with sections 124D.71 to 124D.82 if the proposal and plan for
27.18 that program is not funded pursuant to this section.

27.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
27.20 and later.

27.21 Sec. 11. Minnesota Statutes 2014, section 124D.83, subdivision 2, is amended to read:

27.22 Subd. 2. **Revenue amount.** An American Indian-controlled tribal contract or
27.23 grant school that is located on a reservation within the state and that complies with the
27.24 requirements in subdivision 1 is eligible to receive tribal contract or grant school aid.

27.25 The amount of aid is derived by:

27.26 (1) multiplying the formula allowance under section 126C.10, subdivision 2, less
27.27 \$170, times the difference between (i) the resident pupil units as defined in section
27.28 126C.05, subdivision 6, in average daily membership, excluding section 126C.05,
27.29 subdivision 13, and (ii) the number of pupils for the current school year, weighted
27.30 according to section 126C.05, subdivision 1, receiving benefits under section 123B.42 or
27.31 123B.44 or for which the school is receiving reimbursement under section 124D.69;

27.32 (2) adding to the result in clause (1) an amount equal to the product of the formula
27.33 allowance under section 126C.10, subdivision 2, less \$300 times the tribal contract
27.34 compensation revenue pupil units;

28.1 (3) subtracting from the result in clause (2) the amount of money allotted to the
 28.2 school by the federal government through Indian School Equalization Program of the
 28.3 Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39,
 28.4 subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for
 28.5 the base rate as applied to kindergarten through twelfth grade, excluding small school
 28.6 adjustments and additional weighting, but not money allotted through subparts F to L for
 28.7 contingency funds, school board training, student training, interim maintenance and minor
 28.8 repair, interim administration cost, prekindergarten, and operation and maintenance, and
 28.9 the amount of money that is received according to section 124D.69;

28.10 (4) dividing the result in clause (3) by the sum of the resident pupil units in average
 28.11 daily membership, excluding section 126C.05, subdivision 13, plus the tribal contract
 28.12 compensation revenue pupil units; and

28.13 (5) multiplying the sum of the resident pupil units, including section 126C.05,
 28.14 subdivision 13, in average daily membership plus the tribal contract compensation revenue
 28.15 pupil units by the lesser of \$1,500 or the result in clause (4).

28.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2016 and
 28.17 later.

28.18 Sec. 12. Minnesota Statutes 2014, section 136A.162, is amended to read:

28.19 **136A.162 CLASSIFICATION OF DATA.**

28.20 (a) Except as provided in paragraphs (b) and (c), data on applicants for financial
 28.21 assistance collected and used by the office for student financial aid programs administered
 28.22 by that office, including the programs under sections 122A.80 and 122A.81, are private
 28.23 data on individuals as defined in section 13.02, subdivision 12.

28.24 (b) Data on applicants may be disclosed to the commissioner of human services to the
 28.25 extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).

28.26 (c) The following data collected in the Minnesota supplemental loan program under
 28.27 section 136A.1701 may be disclosed to a consumer credit reporting agency only if the
 28.28 borrower and the cosigner give informed consent, according to section 13.05, subdivision
 28.29 4, at the time of application for a loan:

28.30 (1) the lender-assigned borrower identification number;

28.31 (2) the name and address of borrower;

28.32 (3) the name and address of cosigner;

28.33 (4) the date the account is opened;

28.34 (5) the outstanding account balance;

- 29.1 (6) the dollar amount past due;
- 29.2 (7) the number of payments past due;
- 29.3 (8) the number of late payments in previous 12 months;
- 29.4 (9) the type of account;
- 29.5 (10) the responsibility for the account; and
- 29.6 (11) the status or remarks code.

29.7 Sec. 13. Minnesota Statutes 2014, section 256J.21, subdivision 2, is amended to read:

29.8 Subd. 2. **Income exclusions.** The following must be excluded in determining a
29.9 family's available income:

29.10 (1) payments for basic care, difficulty of care, and clothing allowances received for
29.11 providing family foster care to children or adults under Minnesota Rules, parts 9555.5050
29.12 to 9555.6265, 9560.0521, and 9560.0650 to 9560.0655, payments for family foster care
29.13 for children under section 260C.4411 or chapter 256N, and payments received and used
29.14 for care and maintenance of a third-party beneficiary who is not a household member;

29.15 (2) reimbursements for employment training received through the Workforce
29.16 Investment Act of 1998, United States Code, title 20, chapter 73, section 9201;

29.17 (3) reimbursement for out-of-pocket expenses incurred while performing volunteer
29.18 services, jury duty, employment, or informal carpooling arrangements directly related to
29.19 employment;

29.20 (4) all educational assistance, including loan forgiveness, except the county agency
29.21 must count graduate student teaching assistantships, fellowships, and other similar paid
29.22 work as earned income and, after allowing deductions for any unmet and necessary
29.23 educational expenses, shall count scholarships or grants awarded to graduate students that
29.24 do not require teaching or research as unearned income;

29.25 (5) loans, regardless of purpose, from public or private lending institutions,
29.26 governmental lending institutions, or governmental agencies;

29.27 (6) loans from private individuals, regardless of purpose, provided an applicant or
29.28 participant documents that the lender expects repayment;

29.29 (7)(i) state income tax refunds; and

29.30 (ii) federal income tax refunds;

29.31 (8)(i) federal earned income credits;

29.32 (ii) Minnesota working family credits;

29.33 (iii) state homeowners and renters credits under chapter 290A; and

29.34 (iv) federal or state tax rebates;

- 30.1 (9) funds received for reimbursement, replacement, or rebate of personal or real
30.2 property when these payments are made by public agencies, awarded by a court, solicited
30.3 through public appeal, or made as a grant by a federal agency, state or local government,
30.4 or disaster assistance organizations, subsequent to a presidential declaration of disaster;
- 30.5 (10) the portion of an insurance settlement that is used to pay medical, funeral, and
30.6 burial expenses, or to repair or replace insured property;
- 30.7 (11) reimbursements for medical expenses that cannot be paid by medical assistance;
- 30.8 (12) payments by a vocational rehabilitation program administered by the state
30.9 under chapter 268A, except those payments that are for current living expenses;
- 30.10 (13) in-kind income, including any payments directly made by a third party to a
30.11 provider of goods and services;
- 30.12 (14) assistance payments to correct underpayments, but only for the month in which
30.13 the payment is received;
- 30.14 (15) payments for short-term emergency needs under section 256J.626, subdivision 2;
- 30.15 (16) funeral and cemetery payments as provided by section 256.935;
- 30.16 (17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in
30.17 a calendar month;
- 30.18 (18) any form of energy assistance payment made through Public Law 97-35,
30.19 Low-Income Home Energy Assistance Act of 1981, payments made directly to energy
30.20 providers by other public and private agencies, and any form of credit or rebate payment
30.21 issued by energy providers;
- 30.22 (19) Supplemental Security Income (SSI), including retroactive SSI payments and
30.23 other income of an SSI recipient, except as described in section 256J.37, subdivision 3b;
- 30.24 (20) Minnesota supplemental aid, including retroactive payments;
- 30.25 (21) proceeds from the sale of real or personal property;
- 30.26 (22) adoption or kinship assistance payments under chapter 256N or 259A;
- 30.27 (23) state-funded family subsidy program payments made under section 252.32 to
30.28 help families care for children with developmental disabilities, consumer support grant
30.29 funds under section 256.476, and resources and services for a disabled household member
30.30 under one of the home and community-based waiver services programs under chapter 256B;
- 30.31 (24) interest payments and dividends from property that is not excluded from and
30.32 that does not exceed the asset limit;
- 30.33 (25) rent rebates;
- 30.34 (26) income earned by a minor caregiver, minor child through age 6, or a minor
30.35 child who is at least a half-time student in an approved elementary or secondary education
30.36 program;

- 31.1 (27) income earned by a caregiver under age 20 who is at least a half-time student in
31.2 an approved elementary or secondary education program;
- 31.3 (28) MFIP child care payments under section 119B.05;
- 31.4 (29) all other payments made through MFIP to support a caregiver's pursuit of
31.5 greater economic stability;
- 31.6 (30) income a participant receives related to shared living expenses;
- 31.7 (31) reverse mortgages;
- 31.8 (32) benefits provided by the Child Nutrition Act of 1966, United States Code, title
31.9 42, chapter 13A, sections 1771 to 1790;
- 31.10 (33) benefits provided by the women, infants, and children (WIC) nutrition program,
31.11 United States Code, title 42, chapter 13A, section 1786;
- 31.12 (34) benefits from the National School Lunch Act, United States Code, title 42,
31.13 chapter 13, sections 1751 to 1769e;
- 31.14 (35) relocation assistance for displaced persons under the Uniform Relocation
31.15 Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title
31.16 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States
31.17 Code, title 12, chapter 13, sections 1701 to 1750jj;
- 31.18 (36) benefits from the Trade Act of 1974, United States Code, title 19, chapter
31.19 12, part 2, sections 2271 to 2322;
- 31.20 (37) war reparations payments to Japanese Americans and Aleuts under United
31.21 States Code, title 50, sections 1989 to 1989d;
- 31.22 (38) payments to veterans or their dependents as a result of legal settlements
31.23 regarding Agent Orange or other chemical exposure under Public Law 101-239, section
31.24 10405, paragraph (a)(2)(E);
- 31.25 (39) income that is otherwise specifically excluded from MFIP consideration in
31.26 federal law, state law, or federal regulation;
- 31.27 (40) security and utility deposit refunds;
- 31.28 (41) American Indian tribal land settlements excluded under Public Laws 98-123,
31.29 98-124, and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech
31.30 Lake, and Mille Lacs reservations and payments to members of the White Earth Band,
31.31 under United States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;
- 31.32 (42) all income of the minor parent's parents and stepparents when determining the
31.33 grant for the minor parent in households that include a minor parent living with parents or
31.34 stepparents on MFIP with other children;
- 31.35 (43) income of the minor parent's parents and stepparents equal to 200 percent of the
31.36 federal poverty guideline for a family size not including the minor parent and the minor

32.1 parent's child in households that include a minor parent living with parents or stepparents
 32.2 not on MFIP when determining the grant for the minor parent. The remainder of income is
 32.3 deemed as specified in section 256J.37, subdivision 1b;

32.4 (44) payments made to children eligible for relative custody assistance under section
 32.5 257.85;

32.6 (45) vendor payments for goods and services made on behalf of a client unless the
 32.7 client has the option of receiving the payment in cash;

32.8 (46) the principal portion of a contract for deed payment;

32.9 (47) cash payments to individuals enrolled for full-time service as a volunteer under
 32.10 AmeriCorps programs including AmeriCorps VISTA, AmeriCorps State, AmeriCorps
 32.11 National, and AmeriCorps NCCC; and

32.12 (48) housing assistance grants under section 256J.35, paragraph (a).

32.13 Sec. 14. Minnesota Statutes 2014, section 290.01, subdivision 19b, is amended to read:

32.14 Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates,
 32.15 and trusts, there shall be subtracted from federal taxable income:

32.16 (1) net interest income on obligations of any authority, commission, or
 32.17 instrumentality of the United States to the extent includable in taxable income for federal
 32.18 income tax purposes but exempt from state income tax under the laws of the United States;

32.19 (2) if included in federal taxable income, the amount of any overpayment of income
 32.20 tax to Minnesota or to any other state, for any previous taxable year, whether the amount
 32.21 is received as a refund or as a credit to another taxable year's income tax liability;

32.22 (3) the amount paid to others, less the amount used to claim the credit allowed under
 32.23 section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten
 32.24 to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and
 32.25 transportation of each qualifying child in attending an elementary or secondary school
 32.26 situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a
 32.27 resident of this state may legally fulfill the state's compulsory attendance laws, which
 32.28 is not operated for profit, and which adheres to the provisions of the Civil Rights Act
 32.29 of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or
 32.30 tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause,
 32.31 "textbooks" includes books and other instructional materials and equipment purchased
 32.32 or leased for use in elementary and secondary schools in teaching only those subjects
 32.33 legally and commonly taught in public elementary and secondary schools in this state.
 32.34 Equipment expenses qualifying for deduction includes expenses as defined and limited in
 32.35 section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional

33.1 books and materials used in the teaching of religious tenets, doctrines, or worship, the
33.2 purpose of which is to instill such tenets, doctrines, or worship, nor does it include books
33.3 or materials for, or transportation to, extracurricular activities including sporting events,
33.4 musical or dramatic events, speech activities, driver's education, or similar programs. No
33.5 deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or
33.6 the qualifying child's vehicle to provide such transportation for a qualifying child. For
33.7 purposes of the subtraction provided by this clause, "qualifying child" has the meaning
33.8 given in section 32(c)(3) of the Internal Revenue Code;

33.9 (4) income as provided under section 290.0802;

33.10 (5) to the extent included in federal adjusted gross income, income realized on
33.11 disposition of property exempt from tax under section 290.491;

33.12 (6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E)
33.13 of the Internal Revenue Code in determining federal taxable income by an individual
33.14 who does not itemize deductions for federal income tax purposes for the taxable year, an
33.15 amount equal to 50 percent of the excess of charitable contributions over \$500 allowable
33.16 as a deduction for the taxable year under section 170(a) of the Internal Revenue Code,
33.17 under the provisions of Public Law 109-1 and Public Law 111-126;

33.18 (7) for individuals who are allowed a federal foreign tax credit for taxes that do not
33.19 qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover
33.20 of subnational foreign taxes for the taxable year, but not to exceed the total subnational
33.21 foreign taxes reported in claiming the foreign tax credit. For purposes of this clause,
33.22 "federal foreign tax credit" means the credit allowed under section 27 of the Internal
33.23 Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed
33.24 under section 904(c) of the Internal Revenue Code minus national level foreign taxes to
33.25 the extent they exceed the federal foreign tax credit;

33.26 (8) in each of the five tax years immediately following the tax year in which an
33.27 addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a
33.28 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the
33.29 delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount
33.30 of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c,
33.31 clause (12), in the case of a shareholder of an S corporation, minus the positive value of
33.32 any net operating loss under section 172 of the Internal Revenue Code generated for the
33.33 tax year of the addition. The resulting delayed depreciation cannot be less than zero;

33.34 (9) job opportunity building zone income as provided under section 469.316;

33.35 (10) to the extent included in federal taxable income, the amount of compensation
33.36 paid to members of the Minnesota National Guard or other reserve components of the

34.1 United States military for active service, including compensation for services performed
34.2 under the Active Guard Reserve (AGR) program. For purposes of this clause, "active
34.3 service" means (i) state active service as defined in section 190.05, subdivision 5a, clause
34.4 (1); or (ii) federally funded state active service as defined in section 190.05, subdivision
34.5 5b, and "active service" includes service performed in accordance with section 190.08,
34.6 subdivision 3;

34.7 (11) to the extent included in federal taxable income, the amount of compensation
34.8 paid to Minnesota residents who are members of the armed forces of the United States
34.9 or United Nations for active duty performed under United States Code, title 10; or the
34.10 authority of the United Nations;

34.11 (12) an amount, not to exceed \$10,000, equal to qualified expenses related to a
34.12 qualified donor's donation, while living, of one or more of the qualified donor's organs
34.13 to another person for human organ transplantation. For purposes of this clause, "organ"
34.14 means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow;
34.15 "human organ transplantation" means the medical procedure by which transfer of a human
34.16 organ is made from the body of one person to the body of another person; "qualified
34.17 expenses" means unreimbursed expenses for both the individual and the qualified donor
34.18 for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses
34.19 may be subtracted under this clause only once; and "qualified donor" means the individual
34.20 or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An
34.21 individual may claim the subtraction in this clause for each instance of organ donation for
34.22 transplantation during the taxable year in which the qualified expenses occur;

34.23 (13) in each of the five tax years immediately following the tax year in which an
34.24 addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a
34.25 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the
34.26 addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the
34.27 case of a shareholder of a corporation that is an S corporation, minus the positive value of
34.28 any net operating loss under section 172 of the Internal Revenue Code generated for the
34.29 tax year of the addition. If the net operating loss exceeds the addition for the tax year, a
34.30 subtraction is not allowed under this clause;

34.31 (14) to the extent included in the federal taxable income of a nonresident of
34.32 Minnesota, compensation paid to a service member as defined in United States Code, title
34.33 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief
34.34 Act, Public Law 108-189, section 101(2);

34.35 (15) to the extent included in federal taxable income, the amount of national service
34.36 educational awards received from the National Service Trust under United States Code,

35.1 title 42, sections 12601 to 12604, for service in an approved Americorps National Service
35.2 program;

35.3 (16) to the extent included in federal taxable income, discharge of indebtedness
35.4 income resulting from reacquisition of business indebtedness included in federal taxable
35.5 income under section 108(i) of the Internal Revenue Code. This subtraction applies only
35.6 to the extent that the income was included in net income in a prior year as a result of the
35.7 addition under subdivision 19a, clause (13);

35.8 (17) the amount of the net operating loss allowed under section 290.095, subdivision
35.9 11, paragraph (c);

35.10 (18) the amount of expenses not allowed for federal income tax purposes due
35.11 to claiming the railroad track maintenance credit under section 45G(a) of the Internal
35.12 Revenue Code;

35.13 (19) the amount of the limitation on itemized deductions under section 68(b) of the
35.14 Internal Revenue Code;

35.15 (20) the amount of the phaseout of personal exemptions under section 151(d) of
35.16 the Internal Revenue Code; and

35.17 (21) to the extent included in federal taxable income, the amount of qualified
35.18 transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal
35.19 Revenue Code. The subtraction is limited to the lesser of the amount of qualified
35.20 transportation fringe benefits received in excess of the limitations under section
35.21 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the
35.22 maximum qualified parking benefits excludable under section 132(f)(2)(B) of the Internal
35.23 Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A)
35.24 of the Internal Revenue Code;

35.25 (22) to the extent included in federal taxable income, the amount of any loan
35.26 forgiveness under section 122A.80 for the TeachMN program; and

35.27 (23) to the extent included in federal taxable income, the amount of any financial
35.28 assistance paid under section 122A.81 for the stepping up for kids program.

35.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
35.30 December 31, 2014.

35.31 Sec. 15. **APPROPRIATIONS.**

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

36.1 Subd. 2. Charter school building lease aid. For building lease aid under Minnesota
 36.2 Statutes, section 124D.11, subdivision 4:

36.3 \$ 66,787,000 2016

36.4 \$ 77,148,000 2017

36.5 The 2016 appropriation includes \$6,032,000 for 2015 and \$60,755,000 for 2016.

36.6 The 2017 appropriation includes \$6,750,000 for 2016 and \$70,398,000 for 2017.

36.7 Subd. 3. Achievement and integration aid. For integration aid under Minnesota
 36.8 Statutes, section 124D.862:

36.9 \$ 65,539,000 2016

36.10 \$ 71,464,000 2017

36.11 The 2016 appropriation includes \$6,382,000 for 2015 and \$59,157,000 for 2016.

36.12 The 2017 appropriation includes \$6,573,000 for 2016 and \$64,891,000 for 2017.

36.13 Subd. 4. Literacy incentive aid. For literacy incentive aid under Minnesota
 36.14 Statutes, section 124D.98:

36.15 \$ 44,552,000 2016

36.16 \$ 45,508,000 2017

36.17 The 2016 appropriation includes \$4,683,000 for 2015 and \$39,869,000 for 2016.

36.18 The 2017 appropriation includes \$4,429,000 for 2016 and \$41,079,000 for 2017.

36.19 Subd. 5. Interdistrict desegregation or integration transportation grants. For
 36.20 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 36.21 section 124D.87:

36.22 \$ 15,023,000 2016

36.23 \$ 15,825,000 2017

36.24 Subd. 6. Success for the future. For American Indian success for the future grants
 36.25 under Minnesota Statutes, section 124D.81:

36.26 \$ 213,000 2016

36.27 The 2016 appropriation includes \$213,000 for 2015 and \$0 for 2016.

36.28 Subd. 7. American Indian education aid. For American Indian education aid
 36.29 under Minnesota Statutes, section 124D.81, subdivision 2a:

36.30 \$ 9,281,000 2016

36.31 \$ 9,665,000 2017

37.1 Subd. 8. **American Indian teacher preparation grants.** For joint grants to assist
 37.2 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

37.3 \$ 280,000 2016

37.4 \$ 280,000 2017

37.5 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
 37.6 Statutes, section 124D.83:

37.7 \$ 4,457,000 2016

37.8 \$ 5,201,000 2017

37.9 The 2016 appropriation includes \$204,000 for 2015 and \$4,253,000 for 2016.

37.10 The 2017 appropriation includes \$688,000 for 2016 and \$4,513,000 for 2017.

37.11 Subd. 10. **Early childhood programs at tribal schools.** For early childhood
 37.12 family education programs at tribal contract schools under Minnesota Statutes, section
 37.13 124D.83, subdivision 4:

37.14 \$ 68,000 2016

37.15 \$ 68,000 2017

37.16 Subd. 11. **Statewide testing and reporting system.** For the statewide testing and
 37.17 reporting system under Minnesota Statutes, section 120B.30:

37.18 \$ 21,001,000 2016

37.19 \$ 21,001,000 2017

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

37.21 Subd. 12. **Examination fees; teacher training and support programs.** (a) For
 37.22 students' advanced placement and international baccalaureate examination fees under
 37.23 Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs
 37.24 for teachers and other interested educators under Minnesota Statutes, section 120B.13,
 37.25 subdivision 1:

37.26 \$ 4,500,000 2016

37.27 \$ 4,500,000 2017

37.28 (b) The advanced placement program shall receive 75 percent of the appropriation
 37.29 each year and the international baccalaureate program shall receive 25 percent of the
 37.30 appropriation each year. The department, in consultation with representatives of the
 37.31 advanced placement and international baccalaureate programs selected by the Advanced
 37.32 Placement Advisory Council and IBMN, respectively, shall determine the amounts of

38.1 the expenditures each year for examination fees and training and support programs for
38.2 each program.

38.3 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least
38.4 \$500,000 each year is for teachers to attend subject matter summer training programs
38.5 and follow-up support workshops approved by the advanced placement or international
38.6 baccalaureate programs. The amount of the subsidy for each teacher attending an
38.7 advanced placement or international baccalaureate summer training program or workshop
38.8 shall be the same. The commissioner shall determine the payment process and the amount
38.9 of the subsidy.

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

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

38.15 Subd. 13. **Concurrent enrollment programs.** For concurrent enrollment programs
38.16 under Minnesota Statutes, section 124D.091:

38.17 \$ 5,000,000 2016

38.18 \$ 8,000,000 2017

38.19 If the appropriation is insufficient, the commissioner must proportionately reduce
38.20 the aid payment to each district.

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

38.22 Subd. 14. **Collaborative urban educator.** For the collaborative urban educator
38.23 grant program:

38.24 \$ 780,000 2016

38.25 \$ 780,000 2017

38.26 \$195,000 each year is for the Southeast Asian teacher program at Concordia
38.27 University, St. Paul; \$175,000 each year is for the collaborative urban educator program
38.28 at the University of St. Thomas; \$195,000 each year is for the Center for Excellence in
38.29 Urban Teaching at Hamline University; and \$195,000 each year is for the East Africa
38.30 Student to Teacher program at Augsburg College.

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

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

39.1 Subd. 15. **ServeMinnesota program.** For funding ServeMinnesota programs under
 39.2 Minnesota Statutes, sections 124D.37 to 124D.45:

39.3 \$ 900,000 2016

39.4 \$ 900,000 2017

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

39.8 Subd. 16. **Student organizations.** For student organizations:

39.9 \$ 725,000 2016

39.10 \$ 725,000 2017

39.11 \$96,000 each year is for student organizations serving health occupations.

39.12 \$43,000 each year is for student organizations serving service occupations.

39.13 \$100,000 each year is for student organizations serving trade and industry

39.14 occupations.

39.15 \$95,000 each year is for student organizations serving business occupations.

39.16 \$150,000 each year is for student organizations serving agriculture occupations.

39.17 \$142,000 each year is for student organizations serving family and consumer science

39.18 occupations.

39.19 \$109,000 each year is for student organizations serving marketing occupations.

39.20 \$40,000 each year is for the Minnesota Foundation for Student Organizations.

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

39.22 Subd. 17. **Early childhood literacy programs.** For early childhood literacy
 39.23 programs under Minnesota Statutes, section 119A.50, subdivision 3:

39.24 \$ 9,375,000 2016

39.25 \$ 9,375,000 2017

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

39.27 Subd. 18. **Minnesota math corps program.** For the Minnesota math corps program
 39.28 under Minnesota Statutes, section 124D.42, subdivision 9:

39.29 \$ 250,000 2016

39.30 \$ 250,000 2017

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

39.33 Subd. 19. **Alternative compensation.** For alternative teacher compensation aid
 39.34 under Minnesota Statutes, section 122A.415, subdivision 4:

40.1 \$ 78,331,000 2016

40.2 \$ 77,647,000 2017

40.3 The 2016 appropriation includes \$7,766,000 for 2015 and \$70,565,000 for 2016.

40.4 The 2017 appropriation includes \$7,840,000 for 2016 and \$69,807,000 for 2017.

40.5 Subd. 20. **Starbase MN.** For a grant to Starbase MN for rigorous science,
 40.6 technology, engineering, and math (STEM) program providing students in grades 4 to
 40.7 6 with a multisensory learning experience and a hands-on curriculum in an aerospace
 40.8 environment using state-of-the-art technology:

40.9 \$ 500,000 2016

40.10 \$ 500,000 2017

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

40.12 Subd. 21. **Civic education grants.** For grants to the Minnesota Civic Education
 40.13 Coalition: Kids Voting St. Paul, Learning Law and Democracy Foundation, and YMCA
 40.14 Youth in Government to provide civic education programs for Minnesota youth age 18
 40.15 and younger. Civic education is the study of constitutional principles and the democratic
 40.16 foundation of our national, state, and local institutions and the study of political processes
 40.17 and structures of government, grounded in the understanding of constitutional government
 40.18 under the rule of law:

40.19 \$ 125,000 2016

40.20 \$ 125,000 2017

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

40.22 Subd. 22. **Teacher development and evaluation.** For teacher development and
 40.23 evaluation revenue under Laws 2014, chapter 312, article 16, section 16, subdivision 7:

40.24 \$ 10,000,000 2016

40.25 \$ 10,000,000 2017

40.26 The 2016 appropriation includes \$1,000,000 for 2015 and \$9,000,000 for 2016.

40.27 The 2017 appropriation includes \$1,000,000 for 2016 and \$9,000,000 for 2017.

40.28 Subd. 23. **Recovery program grants.** For recovery program grants under
 40.29 Minnesota Statutes, section 124D.695:

40.30 \$ 500,000 2016

40.31 \$ 500,000 2017

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

41.1 Subd. 24. **TeachMN.** For the TeachMN account under Minnesota Statutes, section
 41.2 122A.80, subdivision 2:

41.3 \$ 10,000,000 2016

41.4 \$ 10,000,000 2017

41.5 Up to six percent of the amount each year may be used for administrative costs of
 41.6 the Department of Education and the Office of Higher Education for administering the
 41.7 TeachMN loan program.

41.8 \$9,827,000 in fiscal year 2016 and \$9,867,000 in fiscal year 2017 are for a transfer
 41.9 to the Office of Higher Education for loan disbursement and administrative costs.

41.10 Unused funds appropriated to the Department of Education and transferred to the
 41.11 Office of Higher Education in a given fiscal year are carried over for the TeachMN loan
 41.12 program and program and administrative costs in future years.

41.13 Subd. 25. **Stepping up for kids.** For a transfer to the Office of Higher Education for
 41.14 the stepping up for kids financial assistance account under Minnesota Statutes, section
 41.15 122A.81, subdivision 2:

41.16 \$ 2,000,000 2016

41.17 \$ 2,000,000 2017

41.18 Up to six percent of the amount each year may be used for administrative costs of
 41.19 the Office of Higher Education to administer the stepping up for kids financial assistance
 41.20 program.

41.21 Unused funds appropriated to the Department of Education and transferred to the
 41.22 Office of Higher Education in a given fiscal year are carried over for stepping up for kids
 41.23 financial assistance and program and administrative costs in future years.

41.24 Subd. 26. **STEM grants.** For school districts to provide STEM-based courses:

41.25 \$ 1,000,000 2016

41.26 \$ 1,000,000 2017

41.27 The commissioner must determine the form and manner of application and award
 41.28 criteria. Grant awards are limited to \$50,000 per course. Any balance in the first year does
 41.29 not cancel but is available in the second year of the biennium.

41.30 This is a onetime appropriation.

41.31 Subd. 27. **Teacher-powered school grants.** For grants to teacher-powered schools
 41.32 under Minnesota Statutes, section 123B.045, subdivision 7:

41.33 \$ 1,000,000 2016

41.34 \$ 1,000,000 2017

42.1 The base appropriation in fiscal year 2018 is \$0. Any balance in the first year does
42.2 not cancel but is available in the second year.

42.3 Subd. 28. Full-service community schools. For full-service community schools
42.4 under Minnesota Statutes, section 124D.231:

42.5 \$ 2,000,000 2016

42.6 \$ 2,000,000 2017

42.7 This is a onetime appropriation. Any balance in the first year does not cancel but
42.8 is available in the second year.

42.9 Subd. 29. Northwestern Online College in the High School program. For the
42.10 Northwestern Online College in the High School program:

42.11 \$ 50,000 2016

42.12 \$ 50,000 2017

42.13 This is a onetime appropriation. Any balance from the first year may carry forward
42.14 into the second year.

42.15 Subd. 30. School counselors. For school counseling aid:

42.16 \$ 8,000,000 2017

42.17 Beginning fiscal year 2017, a school district is eligible for school counseling aid
42.18 equal to \$8,000,000 times the ratio of its number of full-time equivalent licensed school
42.19 counselors employed or under contract to the school district to the number of full-time
42.20 equivalent licensed school counselors employed or under contract by school districts in
42.21 the state.

42.22 **Sec. 16. REPEALER.**

42.23 Minnesota Statutes 2014, section 122A.63, subdivisions 3, 7, and 8, are repealed for
42.24 fiscal year 2016 and later.

42.25 **ARTICLE 3**

42.26 **SPECIAL EDUCATION**

42.27 Section 1. Minnesota Statutes 2014, section 125A.0942, subdivision 3, is amended to
42.28 read:

42.29 Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be
42.30 used only in an emergency. A school that uses physical holding or seclusion shall meet the
42.31 following requirements:

- 43.1 (1) physical holding or seclusion is the least intrusive intervention that effectively
43.2 responds to the emergency;
- 43.3 (2) physical holding or seclusion is not used to discipline a noncompliant child;
- 43.4 (3) physical holding or seclusion ends when the threat of harm ends and the staff
43.5 determines the child can safely return to the classroom or activity;
- 43.6 (4) staff directly observes the child while physical holding or seclusion is being used;
- 43.7 (5) each time physical holding or seclusion is used, the staff person who implements
43.8 or oversees the physical holding or seclusion documents, as soon as possible after the
43.9 incident concludes, the following information:
- 43.10 (i) a description of the incident that led to the physical holding or seclusion;
- 43.11 (ii) why a less restrictive measure failed or was determined by staff to be
43.12 inappropriate or impractical;
- 43.13 (iii) the time the physical holding or seclusion began and the time the child was
43.14 released; and
- 43.15 (iv) a brief record of the child's behavioral and physical status;
- 43.16 (6) the room used for seclusion must:
- 43.17 (i) be at least six feet by five feet;
- 43.18 (ii) be well lit, well ventilated, adequately heated, and clean;
- 43.19 (iii) have a window that allows staff to directly observe a child in seclusion;
- 43.20 (iv) have tamperproof fixtures, electrical switches located immediately outside the
43.21 door, and secure ceilings;
- 43.22 (v) have doors that open out and are unlocked, locked with keyless locks that
43.23 have immediate release mechanisms, or locked with locks that have immediate release
43.24 mechanisms connected with a fire and emergency system; and
- 43.25 (vi) not contain objects that a child may use to injure the child or others;
- 43.26 (7) before using a room for seclusion, a school must:
- 43.27 (i) receive written notice from local authorities that the room and the locking
43.28 mechanisms comply with applicable building, fire, and safety codes; and
- 43.29 (ii) register the room with the commissioner, who may view that room; and
- 43.30 (8) until August 1, 2015, a school district may use prone restraints with children
43.31 age five or older if:
- 43.32 (i) the district has provided to the department a list of staff who have had specific
43.33 training on the use of prone restraints;
- 43.34 (ii) the district provides information on the type of training that was provided and
43.35 by whom;
- 43.36 (iii) only staff who received specific training use prone restraints;

44.1 (iv) each incident of the use of prone restraints is reported to the department within
 44.2 five working days on a form provided by the department; and

44.3 (v) the district, before using prone restraints, must review any known medical or
 44.4 psychological limitations that contraindicate the use of prone restraints.

44.5 The department must collect data on districts' use of prone restraints and publish the data
 44.6 in a readily accessible format on the department's Web site on a quarterly basis.

44.7 (b) By February 1, 2015, and annually thereafter, stakeholders ~~must~~ may, as
 44.8 necessary, recommend to the commissioner specific and measurable implementation and
 44.9 outcome goals for reducing the use of restrictive procedures and the commissioner must
 44.10 submit to the legislature a report on districts' progress in reducing the use of restrictive
 44.11 procedures that recommends how to further reduce these procedures and eliminate
 44.12 the use of prone restraints. The statewide plan includes the following components:
 44.13 measurable goals; the resources, training, technical assistance, mental health services, and
 44.14 collaborative efforts needed to significantly reduce districts' use of prone restraints; and
 44.15 recommendations to clarify and improve the law governing districts' use of restrictive
 44.16 procedures. The commissioner must consult with interested stakeholders when preparing
 44.17 the report, including representatives of advocacy organizations, special education directors,
 44.18 teachers, paraprofessionals, intermediate school districts, school boards, day treatment
 44.19 providers, county social services, state human services department staff, mental health
 44.20 professionals, and autism experts. By June 30 each year, districts must report summary
 44.21 data on their use of restrictive procedures to the department, in a form and manner
 44.22 determined by the commissioner. The summary data must include information about the
 44.23 use of restrictive procedures, including use of reasonable force under section 121A.582.

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

44.25 Sec. 2. Minnesota Statutes 2014, section 125A.76, subdivision 1, is amended to read:

44.26 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,
 44.27 the definitions in this subdivision apply.

44.28 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.
 44.29 For the purposes of computing basic revenue pursuant to this section, each child with a
 44.30 disability shall be counted as prescribed in section 126C.05, subdivision 1.

44.31 (c) "Essential personnel" means teachers, cultural liaisons, related services, and
 44.32 support services staff providing services to students. Essential personnel may also include
 44.33 special education paraprofessionals or clericals providing support to teachers and students
 44.34 by preparing paperwork and making arrangements related to special education compliance

45.1 requirements, including parent meetings and individualized education programs. Essential
45.2 personnel does not include administrators and supervisors.

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

45.4 (e) "Program growth factor" means 1.046 for fiscal years 2012 through 2015, 1.0
45.5 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the program
45.6 growth factor for the previous year for fiscal year 2018 and later.

45.7 (f) "Nonfederal special education expenditure" means all direct expenditures that
45.8 are necessary and essential to meet the district's obligation to provide special instruction
45.9 and services to children with a disability according to sections 124D.454, 125A.03 to
45.10 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by
45.11 the department under section 125A.75, subdivision 4, excluding expenditures:

45.12 (1) reimbursed with federal funds;

45.13 (2) reimbursed with other state aids under this chapter;

45.14 (3) for general education costs of serving students with a disability;

45.15 (4) for facilities;

45.16 (5) for pupil transportation; and

45.17 (6) for postemployment benefits.

45.18 (g) "Old formula special education expenditures" means expenditures eligible for
45.19 revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

45.20 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy
45.21 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and
45.22 fringe benefits of one-to-one instructional and behavior management aides and one-to-one
45.23 licensed, certified professionals assigned to a child attending the academy, if the aides or
45.24 professionals are required by the child's individualized education program.

45.25 (i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014
45.26 and 2.27 percent for fiscal year 2015.

45.27 (j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48
45.28 for fiscal year 2015.

45.29 (k) "Special education aid increase limit" means \$80 for fiscal year 2016, ~~\$100~~ \$160
45.30 for fiscal year 2017, \$204 for fiscal year 2018 and, for fiscal year ~~2018~~ 2019 and later, the
45.31 sum of the special education aid increase limit for the previous fiscal year and ~~\$40~~ \$44.

45.32 Sec. 3. Minnesota Statutes 2014, section 125A.76, subdivision 2a, is amended to read:

45.33 Subd. 2a. **Special education initial aid.** ~~For fiscal year 2016 and later,~~ A district's
45.34 special education initial aid equals the sum of:

46.1 (1) the least of 62 percent for fiscal year 2016 or 70 percent for fiscal year 2017 and
 46.2 later of the district's old formula special education expenditures for the prior fiscal year,
 46.3 excluding pupil transportation expenditures, 50 percent for fiscal year 2016 or 54 percent
 46.4 for fiscal year 2017 and later of the district's nonfederal special education expenditures for
 46.5 the prior year, excluding pupil transportation expenditures, or 56 percent for fiscal year
 46.6 2016 or 60 percent for fiscal year 2017 and later of the product of the sum of the following
 46.7 amounts, computed using prior fiscal year data, and the program growth factor:

46.8 (i) the product of the district's average daily membership served and the sum of:

46.9 (A) \$450; plus

46.10 (B) \$400 times the ratio of the sum of the number of pupils enrolled on October 1
 46.11 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1
 46.12 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

46.13 (C) .008 times the district's average daily membership served; plus

46.14 (ii) \$10,400 times the December 1 child count for the primary disability areas of
 46.15 autism spectrum disorders, developmental delay, and severely multiply impaired; plus

46.16 (iii) \$18,000 times the December 1 child count for the primary disability areas of
 46.17 deaf and hard-of-hearing and emotional or behavioral disorders; plus

46.18 (iv) \$27,000 times the December 1 child count for the primary disability areas of
 46.19 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,
 46.20 physically impaired, visually impaired, and deafblind; plus

46.21 (2) the cost of providing transportation services for children with disabilities under
 46.22 section 123B.92, subdivision 1, paragraph (b), clause (4).

46.23 Sec. 4. Minnesota Statutes 2014, section 125A.79, subdivision 1, is amended to read:

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

46.26 (a) "Unreimbursed old formula special education expenditures" means:

46.27 (1) old formula special education expenditures for the prior fiscal year; minus

46.28 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
 46.29 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
 46.30 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
 46.31 initial aid under section 125A.76, subdivision 2a; minus

46.32 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding
 46.33 local optional revenue, plus local optional aid and referendum equalization aid for the
 46.34 prior fiscal year attributable to pupils receiving special instruction and services outside the
 46.35 regular classroom for more than 60 percent of the school day for the portion of time the

47.1 pupils receive special instruction and services outside the regular classroom, excluding
 47.2 portions attributable to district and school administration, district support services,
 47.3 operations and maintenance, capital expenditures, and pupil transportation.

47.4 (b) "Unreimbursed nonfederal special education expenditures" means:

47.5 (1) nonfederal special education expenditures for the prior fiscal year; minus

47.6 (2) special education initial aid under section 125A.76, subdivision 2a; minus

47.7 (3) the amount of general education revenue and referendum equalization aid for the
 47.8 prior fiscal year attributable to pupils receiving special instruction and services outside the
 47.9 regular classroom for more than 60 percent of the school day for the portion of time the
 47.10 pupils receive special instruction and services outside of the regular classroom, excluding
 47.11 portions attributable to district and school administration, district support services,
 47.12 operations and maintenance, capital expenditures, and pupil transportation.

47.13 (c) "General revenue" for a school district means the sum of the general education
 47.14 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
 47.15 revenue, local optional revenue, and total operating capital revenue. "General revenue"
 47.16 for a charter school means the sum of the general education revenue according to section
 47.17 124D.11, subdivision 1, and transportation revenue according to section 124D.11,
 47.18 subdivision 2, excluding referendum equalization aid, transportation sparsity revenue, and
 47.19 operating capital revenue.

47.20 Sec. 5. Minnesota Statutes 2014, section 125A.79, subdivision 5, is amended to read:

47.21 Subd. 5. **Excess cost aid.** (a) For fiscal year 2016 ~~and later~~, a district's excess cost
 47.22 aid equals the greater of:

47.23 (1) 56 percent of the difference between (i) the district's unreimbursed nonfederal
 47.24 special education expenditures and (ii) 7.0 percent of the district's general revenue;

47.25 (2) 62 percent of the difference between (i) the district's unreimbursed old formula
 47.26 special education expenditures and (ii) 2.5 percent of the district's general revenue; or

47.27 (3) zero.

47.28 (b) For fiscal year 2017 and later, a district's excess cost aid equals the greater of:

47.29 (1) 60 percent of the difference between (i) the district's unreimbursed nonfederal
 47.30 special education expenditures and (ii) 7.0 percent of the district's general revenue for
 47.31 fiscal year 2017 or 6.8 percent for fiscal year 2018 and later;

47.32 (2) 70 percent for fiscal year 2017, 71 percent for fiscal year 2018, and 72 percent
 47.33 for fiscal year 2019 and later of the difference between (i) the district's unreimbursed old
 47.34 formula special education expenditures and (ii) 2.23 percent for fiscal year 2017 and two
 47.35 percent for fiscal year 2018 and later of the district's general revenue; or

48.1 (3) zero.

48.2 Sec. 6. **APPROPRIATIONS.**

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

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

48.8 \$ 1,170,508,000 2016

48.9 \$ 1,269,172,000 2017

48.10 The 2016 appropriation includes \$137,932,000 for 2015 and \$1,032,576,000 for
 48.11 2016.

48.12 The 2017 appropriation includes \$145,356,000 for 2016 and \$1,123,816,000 for
 48.13 2017.

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

48.17 \$ 1,406,000 2016

48.18 \$ 1,629,000 2017

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

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

48.23 \$ 361,000 2016

48.24 \$ 371,000 2017

48.25 The 2016 appropriation includes \$35,000 for 2015 and \$326,000 for 2016.

48.26 The 2017 appropriation includes \$36,000 for 2016 and \$335,000 for 2017.

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

48.30 \$ 56,000 2016

48.31 \$ 57,000 2017

49.1 Subd. 6. **Special education out-of-state tuition.** For special education out-of-state
 49.2 tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

49.3 \$ 250,000 2016

49.4 \$ 250,000 2017

49.5 Subd. 7. **Positive Behavioral Interventions and Supports (PBIS).** For
 49.6 implementation of schoolwide Positive Behavioral Interventions and Supports (PBIS) in
 49.7 schools and districts throughout Minnesota:

49.8 \$ 2,300,000 2016

49.9 \$ 2,300,000 2017

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

49.11 Subd. 8. **Training and technical assistance to reduce district use of seclusion**
 49.12 **and restraint.** (a) For providing school districts with training and technical assistance to
 49.13 reduce district use of seclusion and restraint on students with complex needs:

49.14 \$ 750,000 2016

49.15 (b) Of this appropriation, \$500,000 is available to the commissioner to reimburse
 49.16 school districts for the cost of hiring experts to provide staff training in reducing district
 49.17 use of seclusion and restraint on students with complex needs.

49.18 (c) Of this appropriation, \$250,000 is available to the commissioner for the costs
 49.19 of providing specialized training and assistance to school districts with a high use of
 49.20 seclusion and restraint on students with complex needs.

49.21 (d) The commissioner may contract with experts from intermediate school district
 49.22 teams or level four programs to provide the specialized training and technical assistance.

49.23 (e) Any funds unexpended in fiscal year 2016 do not cancel but carry forward into
 49.24 the next fiscal year.

49.25 **ARTICLE 4**

49.26 **FACILITIES AND TECHNOLOGY**

49.27 Section 1. Minnesota Statutes 2014, section 123A.482, is amended to read:

49.28 **123A.482 JOINT POWERS ~~COOPERATIVE~~ FACILITY PROGRAM.**

49.29 Subdivision 1. **Schools may be jointly operated.** Two or more member school
 49.30 districts of Education Innovation Partners Cooperative Center No. 6091 may agree
 49.31 to jointly operate a secondary facility, or otherwise agree to a qualifying cooperative
 49.32 program under subdivision 1a. The districts may choose to operate the facility according
 49.33 to a joint powers agreement under section 123A.78 or 471.59.

50.1 Subd. 1a. **Qualifying cooperative program.** A "qualifying cooperative program"
 50.2 means a program operated through a joint powers agreement that utilizes technology and
 50.3 other options to increase the availability and number of curriculum offerings for students.

50.4 Subd. 2. **Expanded program offerings.** A qualifying cooperative program under
 50.5 subdivision 1a, or a jointly operated secondary program seeking funding under section
 50.6 123A.485 must demonstrate to the commissioner's satisfaction that the jointly operated
 50.7 program provides enhanced learning opportunities and broader curriculum offerings
 50.8 to the students attending that program. The commissioner must approve or disapprove
 50.9 a cooperative secondary program or qualifying cooperative program within 60 days of
 50.10 receipt of an application.

50.11 Subd. 3. **Transfer of employees.** If an employee is transferred between two
 50.12 employer members of the joint powers agreement under this section, the employee's
 50.13 length of service under section 122A.40, subdivision 5, remains uninterrupted. The
 50.14 employee shall receive credit on the receiving district's salary schedule for the employee's
 50.15 educational attainment and years of continuous service in the sending district, or shall
 50.16 receive a comparable salary, whichever is greater. The employee shall receive credit for
 50.17 accrued sick leave and rights to severance benefits as if the employee had been employed
 50.18 by the receiving district during the employee's years of employment in the sending district.

50.19 ~~Subd. 4. **Revenue.** An approved program that is jointly operated under this section~~
 50.20 ~~is eligible for aid under section 123A.485 and qualifies for a facilities grant under sections~~
 50.21 ~~123A.44 to 123A.446.~~

50.22 Subd. 5. **Duty to maintain elementary and secondary schools met.** A school
 50.23 district operating a qualifying cooperative program or a joint facility under this section
 50.24 meets the requirements of section 123A.64.

50.25 Subd. 6. **Estimated market value limit exclusion.** Bonds for a cooperative facility
 50.26 operated under this section or a qualifying cooperative program approved under this
 50.27 section issued by a member school district are not subject to the net debt limit under
 50.28 section 475.53, subdivision 4.

50.29 Subd. 7. **Allocation of levy authority for joint facility.** For purposes of
 50.30 determining each member district's school levy, a qualifying cooperative program or a
 50.31 jointly operated secondary program may allocate program costs to each member district
 50.32 according to the joint powers agreement and each member district may include those costs
 50.33 in its tax levy. The joint powers agreement may choose to allocate costs on any basis
 50.34 adopted as part of the joint powers agreement.

51.1 Subd. 8. **Effect of consolidation.** The joint powers agreement may allow member
51.2 school districts that choose to consolidate to continue to certify levies separately based on
51.3 each component district's characteristics.

51.4 Subd. 9. **Bonds.** A joint powers district formed under this section may issue bonds
51.5 according to section 123A.78 or its member districts may issue bonds individually after
51.6 complying with this subdivision. The joint powers board must submit the project for
51.7 review and comment under section 123B.71. The joint powers board must hold a hearing
51.8 on the proposal. If the bonds are not issued under section 123A.78, each member district
51.9 of the joint powers district must submit the question of authorizing borrowing of funds for
51.10 the project to the voters of the district at a special election. The question submitted shall
51.11 state the total amount of funding needed from that district. The member district may issue
51.12 the bonds according to chapter 475 and certify the levy required by section 475.61 only if
51.13 a majority of those voting on the question in that district vote in the affirmative and only
51.14 after the board has adopted a resolution pledging the full faith and credit of that unit. The
51.15 resolution must irrevocably commit that unit to pay an agreed-upon share of any debt levy
51.16 shortages that, together with other funds available, would allow the member school board
51.17 to pay the principal and interest on the obligations. The clerk of the joint powers board
51.18 must certify the vote of any bond elections to the commissioner. Bonds issued under this
51.19 section first qualify for debt service equalization aid in fiscal year ~~2018~~ 2020.

51.20 Subd. 10. **Election.** A district entering into a joint powers agreement under this
51.21 section may conduct a referendum seeking approval for a new facility. This election may
51.22 be held separately or at the same time as a bond election under subdivision 9. If the
51.23 election is held at the same time, the questions may be asked separately or as a conjunctive
51.24 question. The question must be approved by a majority of those voting on the question.
51.25 If asked separately and the question fails, a district may not proceed with the sale of
51.26 bonds according to subdivision 9.

51.27 **EFFECTIVE DATE.** This section is effective July 1, 2015.

51.28 Sec. 2. Minnesota Statutes 2014, section 123B.57, is amended to read:

51.29 **123B.57 CAPITAL EXPENDITURE; HEALTH AND SAFETY.**

51.30 ~~Subdivision 1. **Health and safety revenue application.** (a) To receive health~~
51.31 ~~and safety revenue for any fiscal year a district must submit to the commissioner a~~
51.32 ~~capital expenditure health and safety revenue application by the date determined by the~~
51.33 ~~commissioner. The application must include a health and safety budget adopted and~~
51.34 ~~confirmed by the school district board as being consistent with the district's health and~~

52.1 ~~safety policy under subdivision 2. The budget must include the estimated cost of the~~
 52.2 ~~program per Uniform Financial Accounting and Reporting Standards (UFARS) finance~~
 52.3 ~~code, by fiscal year. Upon approval through the adoption of a resolution by each of an~~
 52.4 ~~intermediate district's member school district boards and the approval of the Department~~
 52.5 ~~of Education, a school district may include its proportionate share of the costs of health~~
 52.6 ~~and safety projects for an intermediate district in its application.~~

52.7 ~~(b) Health and safety projects with an estimated cost of \$500,000 or more per~~
 52.8 ~~site are not eligible for health and safety revenue. Health and safety projects with an~~
 52.9 ~~estimated cost of \$500,000 or more per site that meet all other requirements for health and~~
 52.10 ~~safety funding, are eligible for alternative facilities bonding and levy revenue according~~
 52.11 ~~to section 123B.59. A school board shall not separate portions of a single project into~~
 52.12 ~~components to qualify for health and safety revenue, and shall not combine unrelated~~
 52.13 ~~projects into a single project to qualify for alternative facilities bonding and levy revenue.~~

52.14 ~~(c) The commissioner of education shall not make eligibility for health and safety~~
 52.15 ~~revenue contingent on a district's compliance status, level of program development, or~~
 52.16 ~~training. The commissioner shall not mandate additional performance criteria such as~~
 52.17 ~~training, certifications, or compliance evaluations as a prerequisite for levy approval.~~

52.18 ~~Subd. 2. **Health and safety policy.** To qualify for health and safety revenue, a~~
 52.19 ~~school board must adopt a health and safety policy. The policy must include provisions~~
 52.20 ~~for implementing a health and safety program that complies with health, safety, and~~
 52.21 ~~environmental regulations and best practices including indoor air quality management.~~

52.22 ~~Subd. 3. **Health and safety revenue.** A district's health and safety revenue~~
 52.23 ~~for a fiscal year equals the district's alternative facilities levy under section 123B.59,~~
 52.24 ~~subdivision 5, paragraph (b), plus the greater of zero or:~~

52.25 ~~(1) the sum of (a) the total approved cost of the district's hazardous substance~~
 52.26 ~~plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's~~
 52.27 ~~health and safety program for fiscal year 1990 through the fiscal year to which the levy~~
 52.28 ~~is attributable, excluding expenditures funded with bonds issued under section 123B.59~~
 52.29 ~~or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section~~
 52.30 ~~123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or~~
 52.31 ~~6; and other federal, state, or local revenues, minus~~

52.32 ~~(2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years~~
 52.33 ~~1985 through 1989 under sections 124.245 and 275.125, subdivision 11c, plus (b) the~~
 52.34 ~~district's health and safety revenue under this subdivision, for years before the fiscal year~~
 52.35 ~~to which the levy is attributable.~~

53.1 ~~Subd. 4. **Health and safety levy.** To receive health and safety revenue, a district~~
 53.2 ~~may levy an amount equal to the district's health and safety revenue as defined in~~
 53.3 ~~subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by~~
 53.4 ~~dividing the adjusted net tax capacity of the district for the year preceding the year the~~
 53.5 ~~levy is certified by the adjusted pupil units in the district for the school year to which~~
 53.6 ~~the levy is attributable, to \$3,165.~~

53.7 ~~Subd. 5. **Health and safety aid.** A district's health and safety aid is the difference~~
 53.8 ~~between its health and safety revenue and its health and safety levy. If a district does not~~
 53.9 ~~levy the entire amount permitted, health and safety aid must be reduced in proportion to~~
 53.10 ~~the actual amount levied. Health and safety aid may not be reduced as a result of reducing~~
 53.11 ~~a district's health and safety levy according to section 123B.79.~~

53.12 ~~Subd. 6. **Uses of Health and safety revenue capital projects.** (a) Health and~~
 53.13 ~~safety revenue may be used only for approved capital projects may include expenditures~~
 53.14 ~~necessary for the correction of fire and life safety hazards; design, purchase, installation,~~
 53.15 ~~maintenance, and inspection of fire protection and alarm equipment; purchase or~~
 53.16 ~~construction of appropriate facilities for the storage of combustible and flammable~~
 53.17 ~~materials; inventories and facility modifications not related to a remodeling project~~
 53.18 ~~to comply with lab safety requirements under section 121A.31; inspection, testing,~~
 53.19 ~~repair, removal or encapsulation, and disposal of asbestos-containing building materials;~~
 53.20 ~~cleanup and disposal of polychlorinated biphenyls; cleanup and disposal of hazardous and~~
 53.21 ~~infectious wastes; cleanup, removal, disposal, and repairs related to storing heating fuel or~~
 53.22 ~~transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section~~
 53.23 ~~296A.01; correction of occupational safety and health administration regulated hazards;~~
 53.24 ~~indoor air quality inspections, investigations, and testing; mold abatement; upgrades or~~
 53.25 ~~replacement of mechanical ventilation systems to meet American Society of Heating,~~
 53.26 ~~Refrigerating and Air Conditioning Engineers standards and State Mechanical Code;~~
 53.27 ~~design, materials, and installation of local exhaust ventilation systems, including required~~
 53.28 ~~make-up air for controlling regulated hazardous substances; correction of Department of~~
 53.29 ~~Health Food Code violations; correction of swimming pool hazards excluding depth~~
 53.30 ~~correction; playground safety inspections, repair of unsafe outdoor playground equipment,~~
 53.31 ~~and the installation of impact surfacing materials; bleacher repair or rebuilding to comply~~
 53.32 ~~with the order of a building code inspector under section 326B.112; testing and mitigation~~
 53.33 ~~of elevated radon hazards; lead testing; copper in water testing; cleanup after major~~
 53.34 ~~weather-related disasters or flooding; reduction of excessive organic and inorganic levels~~
 53.35 ~~in wells and capping of abandoned wells; installation and testing of boiler backflow valves~~
 53.36 ~~to prevent contamination of potable water; vaccinations, titers, and preventative supplies~~

54.1 for bloodborne pathogen compliance; costs to comply with the Janet B. Johnson Parents'
 54.2 Right to Know Act; automated external defibrillators and other emergency plan equipment
 54.3 and supplies specific to the district's emergency action plan; compliance with the National
 54.4 Emission Standards for Hazardous Air Pollutants for school generators established by the
 54.5 United States Environmental Protection Agency; and health, safety, and environmental
 54.6 management costs associated with implementing the district's health and safety program
 54.7 including costs to establish and operate safety committees, in school buildings or property
 54.8 owned or being acquired by the district. Testing and calibration activities are permitted for
 54.9 existing mechanical ventilation systems at intervals no less than every five years.

54.10 (b) For fiscal years 2014 through 2017, a school district must not include expenses
 54.11 related to emission compliance projects for school generators in its health and safety
 54.12 revenue capital projects unless it reduces its approved spending on other qualified health
 54.13 and safety projects by the same amount.

54.14 ~~Subd. 6a. **Restrictions on health and safety revenue.** Notwithstanding subdivision~~
 54.15 ~~6, health and safety revenue must not be used:~~

54.16 ~~(1) to finance a lease purchase agreement, installment purchase agreement, or other~~
 54.17 ~~deferred payments agreement;~~

54.18 ~~(2) for the construction of new facilities, remodeling of existing facilities, or the~~
 54.19 ~~purchase of portable classrooms;~~

54.20 ~~(3) for interest or other financing expenses;~~

54.21 ~~(4) for energy-efficiency projects under section 123B.65, for a building or property~~
 54.22 ~~or part of a building or property used for postsecondary instruction or administration or for~~
 54.23 ~~a purpose unrelated to elementary and secondary education;~~

54.24 ~~(5) for replacement of building materials or facilities including roof, walls, windows,~~
 54.25 ~~internal fixtures and flooring, nonhealth and safety costs associated with demolition of~~
 54.26 ~~facilities, structural repair or replacement of facilities due to unsafe conditions, violence~~
 54.27 ~~prevention and facility security, ergonomics, or public announcement systems and~~
 54.28 ~~emergency communication devices; or~~

54.29 ~~(6) for building and heating, ventilating and air conditioning supplies, maintenance,~~
 54.30 ~~and cleaning activities. All assessments, investigations, inventories, and support~~
 54.31 ~~equipment not leading to the engineering or construction of a project shall be included in~~
 54.32 ~~the health, safety, and environmental management costs in subdivision 8, paragraph (a).~~

54.33 ~~Subd. 6b. **Health and safety projects.** (a) Health and safety revenue applications~~
 54.34 ~~defined in subdivision 1 must be accompanied by a description of each project for which~~
 54.35 ~~funding is being requested. Project descriptions must provide enough detail for an auditor~~
 54.36 ~~to determine if the work qualifies for revenue. For projects other than fire and life~~

55.1 ~~safety projects, playground projects, and health, safety, and environmental management~~
 55.2 ~~activities, a project description does not need to include itemized details such as material~~
 55.3 ~~types, room locations, square feet, names, or license numbers. The commissioner~~
 55.4 ~~may request supporting information and shall approve only projects that comply with~~
 55.5 ~~subdivisions 6 and 8, as defined by the Department of Education.~~

55.6 ~~(b) Districts may request funding for allowable projects based on self-assessments,~~
 55.7 ~~safety committee recommendations, insurance inspections, management assistance~~
 55.8 ~~reports, fire marshal orders, or other mandates. Notwithstanding subdivision 1, paragraph~~
 55.9 ~~(b), and subdivision 8, paragraph (b), for projects under \$500,000, individual project~~
 55.10 ~~size for projects authorized by this subdivision is not limited and may include related~~
 55.11 ~~work in multiple facilities. Health and safety management costs from subdivision 8 may~~
 55.12 ~~be reported as a single project.~~

55.13 ~~(c) All costs directly related to a project shall be reported in the appropriate Uniform~~
 55.14 ~~Financial Accounting and Reporting Standards (UFARS) finance code.~~

55.15 ~~(d) For fire and life safety egress and all other projects exceeding \$20,000, cited~~
 55.16 ~~under the Minnesota Fire Code, a fire marshal plan review is required.~~

55.17 ~~(e) Districts shall update project estimates with actual expenditures for each~~
 55.18 ~~fiscal year. If a project's final cost is significantly higher than originally approved, the~~
 55.19 ~~commissioner may request additional supporting information.~~

55.20 ~~Subd. 6c. **Appeals process.** In the event a district is denied funding approval for~~
 55.21 ~~a project the district believes complies with subdivisions 6 and 8, and is not otherwise~~
 55.22 ~~excluded, a district may appeal the decision. All such requests must be in writing. The~~
 55.23 ~~commissioner shall respond in writing. A written request must contain the following:~~
 55.24 ~~project number; description and amount; reason for denial; unresolved questions for~~
 55.25 ~~consideration; reasons for reconsideration; and a specific statement of what action the~~
 55.26 ~~district is requesting.~~

55.27 ~~Subd. 7. **Proration.** In the event that the health and safety aid available for any year~~
 55.28 ~~is prorated, a district having its aid prorated may levy an additional amount equal to the~~
 55.29 ~~amount not paid by the state due to proration.~~

55.30 ~~Subd. 8. **Health, safety, and environmental management cost.** (a) "Health, safety,~~
 55.31 ~~and environmental management" is defined in section 123B.56.~~

55.32 ~~(b) A district's cost for health, safety, and environmental management is limited to~~
 55.33 ~~the lesser of:~~

55.34 ~~(1) actual cost to implement their plan; or~~

55.35 ~~(2) an amount determined by the commissioner, based on enrollment, building~~
 55.36 ~~age, and size.~~

56.1 (e) The department may contract with regional service organizations, private
 56.2 contractors, Minnesota Safety Council, or state agencies to provide management
 56.3 assistance to school districts for health and safety capital projects. Management assistance
 56.4 is the development of written programs for the identification, recognition and control of
 56.5 hazards, and prioritization and scheduling of district health and safety capital projects. The
 56.6 commissioner shall not mandate management assistance or exclude private contractors
 56.7 from the opportunity to provide any health and safety services to school districts.

56.8 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 56.9 later.

56.10 Sec. 3. **[123B.595] LONG-TERM FACILITIES MAINTENANCE REVENUE.**

56.11 Subdivision 1. **Long-term facilities maintenance revenue.** For fiscal year 2017
 56.12 and later, long-term facilities maintenance revenue equals the greater of (1) \$200 times
 56.13 the district's adjusted pupil units times the lesser of one or the ratio of the district's
 56.14 average building age to 35 years, plus the cost approved by the commissioner for indoor
 56.15 air quality, fire alarm and suppression, and asbestos abatement projects under section
 56.16 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site or (2) the
 56.17 sum of the amount the district would have qualified for under Minnesota Statutes 2014,
 56.18 section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes
 56.19 2014, section 123B.591.

56.20 Subd. 2. **Long-term facilities maintenance revenue for a charter school.** For
 56.21 fiscal year 2017 and later, long-term facilities maintenance revenue for a charter school
 56.22 equals \$38 times the adjusted pupil units.

56.23 Subd. 3. **Intermediate districts and other cooperative units.** Upon approval
 56.24 through the adoption of a resolution by each member district school board of an
 56.25 intermediate district or other cooperative units under section 123A.24, subdivision 2,
 56.26 and the approval of the commissioner of education, a school district may include in its
 56.27 authority under this section a proportionate share of the long-term maintenance costs
 56.28 of the intermediate district or cooperative unit. The cooperative unit may issue bonds
 56.29 to finance the project costs or levy for the costs, using long-term maintenance revenue
 56.30 transferred from member districts to make debt service payments or pay project costs.
 56.31 Authority under this subdivision is in addition to the authority for individual district
 56.32 projects under subdivision 1.

56.33 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school
 56.34 district or intermediate district, not including a charter school, must have a ten-year facility
 56.35 plan adopted by the school board and approved by the commissioner. The plan must include

57.1 provisions for implementing a health and safety program that complies with health, safety,
 57.2 and environmental regulations and best practices, including indoor air quality management.

57.3 (b) The district must annually update the plan, biennially submit a facility
 57.4 maintenance plan to the commissioner, and indicate whether the district will issue bonds
 57.5 to finance the plan or levy for the costs.

57.6 Subd. 5. **Bond authorization.** (a) A school district may issue general obligation
 57.7 bonds under this section to finance facilities plans approved by its board and the
 57.8 commissioner. Chapter 475, except sections 475.58 and 475.59, must be complied with.
 57.9 The authority to issue bonds under this section is in addition to any bonding authority
 57.10 authorized by this chapter or other law. The amount of bonding authority authorized
 57.11 under this section must be disregarded in calculating the bonding or net debt limits of this
 57.12 chapter, or any other law other than section 475.53, subdivision 4.

57.13 (b) At least 20 days before the earliest of solicitation of bids, the issuance of bonds,
 57.14 or the final certification of levies under subdivision 6, the district must publish notice
 57.15 of the intended projects, the amount of the bond issue, and the total amount of district
 57.16 indebtedness.

57.17 (c) The portion of revenue under this section for bonded debt must be recognized
 57.18 in the debt service fund.

57.19 Subd. 6. **Levy authorization.** A district may levy for costs related to an approved
 57.20 plan under subdivision 4 as follows:

57.21 (1) if the district has indicated to the commissioner that bonds will be issued, the
 57.22 district may levy for the principal and interest payments on outstanding bonds issued
 57.23 under subdivision 5 after reduction for any aid receivable under subdivision 9; or

57.24 (2) if the district has indicated to the commissioner that the plan will be funded
 57.25 through levy, the district may levy according to the schedule approved in the plan after
 57.26 reduction for any aid receivable under subdivision 9.

57.27 Subd. 7. **Long-term facilities maintenance equalization revenue.** For fiscal year
 57.28 2017 and later, a district's long-term facilities maintenance equalization revenue equals
 57.29 the lesser of (1) \$200 times the adjusted pupil units or (2) the district's revenue under
 57.30 subdivision 1.

57.31 Subd. 8. **Long-term facilities maintenance equalization levy.** For fiscal year 2017
 57.32 and later, a district's long-term facilities maintenance equalization levy equals the lesser of
 57.33 (1) its long-term facilities maintenance equalization revenue times the lesser of one or
 57.34 the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the
 57.35 year the levy is certified to 125 percent of the state average adjusted net tax capacity per
 57.36 adjusted pupil unit in the year preceding the year the levy is certified or (2) the greater

58.1 of zero or the district's long-term facilities maintenance equalization revenue minus the
 58.2 amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014,
 58.3 section 123B.59, subdivision 6.

58.4 Subd. 9. **Long-term facilities maintenance equalization aid.** A district's long-term
 58.5 facilities maintenance equalization aid equals the difference between its long-term
 58.6 facilities maintenance equalization revenue and its long-term facilities maintenance
 58.7 equalization levy.

58.8 Subd. 10. **Long-term facilities maintenance unequalized levy.** Each year, a
 58.9 district may levy an amount equal to the difference between its total long-term facilities
 58.10 maintenance revenue under subdivision 1 and its long-term facilities maintenance
 58.11 equalization revenue.

58.12 Subd. 11. **Allowed uses for long-term facilities maintenance revenue.** (a) A
 58.13 district may use revenue under this section for any of the following:

58.14 (1) deferred capital expenditures and maintenance projects necessary to prevent
 58.15 further erosion of facilities;

58.16 (2) increasing accessibility of school facilities; or

58.17 (3) health and safety capital projects under section 123B.57.

58.18 (b) A charter school may use revenue under this section for any purpose related
 58.19 to the school.

58.20 Subd. 12. **Restrictions on long-term facilities maintenance revenue.**
 58.21 Notwithstanding subdivision 11, long-term facilities maintenance revenue may not be used:

58.22 (1) for the construction of new facilities, remodeling of existing facilities, or the
 58.23 purchase of portable classrooms;

58.24 (2) to finance a lease purchase agreement, installment purchase agreement, or other
 58.25 deferred payments agreement;

58.26 (3) for energy-efficiency projects under section 123B.65, for a building or property
 58.27 or part of a building or property used for postsecondary instruction or administration or for
 58.28 a purpose unrelated to elementary and secondary education; or

58.29 (4) for violence prevention and facility security, ergonomics, or public announcement
 58.30 systems and emergency communication devices.

58.31 Subd. 13. **Reserve account.** The portion of long-term facilities maintenance
 58.32 revenue not recognized under subdivision 5, paragraph (c), must be maintained in a
 58.33 reserve account within the general fund.

58.34 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 58.35 later.

59.1 Sec. 4. Minnesota Statutes 2014, section 126C.01, subdivision 2, is amended to read:

59.2 Subd. 2. **Adjusted net tax capacity.** (a) Except as provided in paragraph (b),
59.3 "adjusted net tax capacity" means the net tax capacity of the taxable property of the
59.4 district as adjusted by the commissioner of revenue under sections 127A.48 and 273.1325.
59.5 The adjusted net tax capacity for any given calendar year must be used to compute levy
59.6 limitations for levies certified in the succeeding calendar year and aid for the school year
59.7 beginning in the second succeeding calendar year.

59.8 (b) For purposes of the long-term maintenance facilities equalization levy under
59.9 section 123B.595, subdivision 8, "adjusted net tax capacity" means the value described in
59.10 paragraph (a) reduced by 50 percent of the value of class 2a agricultural land determined
59.11 under that paragraph before the application of the growth limit under section 127A.48,
59.12 subdivision 7.

59.13 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and later.

59.14 Sec. 5. Minnesota Statutes 2014, section 127A.33, is amended to read:

59.15 **127A.33 SCHOOL ENDOWMENT FUND; APPORTIONMENT.**

59.16 (a) The commissioner shall apportion the school endowment fund semiannually on
59.17 the first Monday in March and September in each year, to districts whose schools have
59.18 been in session at least nine months. The apportionment shall be in proportion to each
59.19 district's adjusted average daily membership during the preceding year. The apportionment
59.20 shall not be paid to a district for pupils for whom tuition is received by the district.

59.21 (b) For fiscal year 2016 and later, a district must reserve for school technology
59.22 and telecommunications infrastructure, programs, and training an amount equal to the
59.23 greater of (1) zero or (2) the total fiscal year apportionment per prior year pupil in adjusted
59.24 average daily membership minus \$31.62.

59.25 **EFFECTIVE DATE.** This section is effective July 1, 2015.

59.26 Sec. 6. **COMMISSIONER OF EDUCATION; 1:1 DEVICE PROGRAM**
59.27 **GUIDELINES.**

59.28 The commissioner of education must research existing 1:1 device programs in
59.29 Minnesota and across the country to determine best practices for Minnesota schools
59.30 implementing 1:1 device programs. By February 15, 2016, the commissioner must
59.31 develop and publish guidelines to ensure maximum effectiveness of 1:1 device programs
59.32 and make a report on the research findings to the committees of the legislature with
59.33 jurisdiction over kindergarten through grade 12 education.

60.1 **Sec. 7. FAIR SCHOOL CRYSTAL TRANSITION.**

60.2 **Subdivision 1. Student enrollment.** A student enrolled in the FAIR School
60.3 Crystal during the 2014-2015 school year and a student accepted for enrollment during
60.4 the 2015-2016 school year may continue to enroll in the FAIR School Crystal in any
60.5 year through the 2019-2020 school year. For the 2015-2016 school year and later, other
60.6 students may apply for enrollment under Minnesota Statutes, section 124D.03.

60.7 **Subd. 2. Compensatory revenue; literacy aid; alternative compensation**
60.8 **revenue.** For the 2015-2016 school year only, the Department of Education must calculate
60.9 compensatory revenue, literacy aid, and alternative compensation revenue for the FAIR
60.10 School Crystal based on the October 1, 2014, enrollment counts.

60.11 **Subd. 3. Pupil transportation.** The district may transport a pupil enrolled in
60.12 the 2014-2015 school year and a pupil accepted for enrollment during the 2015-2016
60.13 school year to and from the FAIR School Crystal in succeeding school years regardless
60.14 of the pupil's district of residence. Pupil transportation expenses under this section are
60.15 reimbursable under Minnesota Statutes, section 124D.87.

60.16 **EFFECTIVE DATE.** This section is effective the day following the date on which
60.17 the real and personal property of the FAIR School Crystal in Crystal is conveyed to
60.18 Independent School District No. 281, Robbinsdale.

60.19 **Sec. 8. FAIR SCHOOL DOWNTOWN TRANSITION.**

60.20 **Subdivision 1. Student enrollment.** A student enrolled in the FAIR School
60.21 downtown during the 2014-2015 school year and a student accepted for enrollment during
60.22 the 2015-2016 school year may continue to enroll in the FAIR School downtown in any
60.23 year through the 2018-2019 school year. For the 2015-2016 school year and later, other
60.24 students may apply for enrollment under Minnesota Statutes, section 124D.03.

60.25 **Subd. 2. Compensatory revenue; literacy aid; alternative compensation**
60.26 **revenue.** For the 2015-2016 school year only, the Department of Education must calculate
60.27 compensatory revenue, literacy aid, and alternative compensation revenue for the FAIR
60.28 School downtown based on the October 1, 2014, enrollment counts.

60.29 **Subd. 3. Pupil transportation.** The district may transport a pupil enrolled in the
60.30 2014-2015 school year and a pupil accepted for enrollment during the 2015-2016 school
60.31 year to and from the FAIR School downtown in succeeding school years regardless of
60.32 the pupil's district of residence. Pupil transportation expenses under this section are
60.33 reimbursable under Minnesota Statutes, section 124D.87.

61.1 **EFFECTIVE DATE.** This section is effective the day following the date on which
 61.2 the real and personal property of the FAIR School downtown in Minneapolis is conveyed
 61.3 to Special School District No. 1, Minneapolis.

61.4 Sec. 9. **INFORMATION TECHNOLOGY CERTIFICATION PARTNERSHIP.**

61.5 Subdivision 1. **Request for proposals.** The commissioner of education shall issue
 61.6 a request for proposals no later than July 1, 2015, and award a contract no later than
 61.7 September 1, 2015, to a provider for the program under subdivision 3.

61.8 Subd. 2. **Eligible schools.** A school district, intermediate district, or charter school
 61.9 is eligible to participate in the program under this section, as long as funds are available.

61.10 Subd. 3. **Program description; provider duties.** (a) The provider must partner
 61.11 with eligible schools to make available a program to teach information technology skills
 61.12 and competencies that are essential for career and college readiness. By December 1,
 61.13 2015, the provider must contact each eligible school and indicate how the school can
 61.14 access program services under this section.

61.15 (b) The provider shall recruit up to 200 schools to participate in the program as long
 61.16 as funds are available. The provider must engage schools on a first-come, first-served
 61.17 basis, except that no more than half of the total funds available may be used to deliver the
 61.18 program to schools located in the seven-county metropolitan area.

61.19 (c) The provider shall deliver to each participating school:

61.20 (1) a research-based information technology curriculum;

61.21 (2) online access to the curriculum;

61.22 (3) instructional software for classroom and student use;

61.23 (4) training for teachers who will be using the curriculum or instructional software;

61.24 (5) industry-recognized certification of skills and competencies in a broad array of
 61.25 information technology-related skill areas; and

61.26 (6) project management, deployment, and program support, including, but not
 61.27 limited to, integration with academic standards under Minnesota Statutes, section
 61.28 120B.021 or 120B.022.

61.29 Subd. 4. **Department support.** The Department of Education must make support
 61.30 available to the provider, including acting as the primary liaison between schools and the
 61.31 provider and providing direction and oversight, consistent with the purposes of this section.

61.32 Subd. 5. **Report required.** By February 1, 2018, the provider and commissioner
 61.33 must jointly develop and deliver to the committees of the legislature with jurisdiction over
 61.34 kindergarten through grade 12 education, a summary report on program activities and

62.1 outcomes, including a description of the number and location of participating schools and
62.2 students, and the number and type of certifications earned by students.

62.3 **Sec. 10. CANCELLATION OF PREVIOUS BIENNIUM APPROPRIATION.**

62.4 The appropriation made by Laws 2014, chapter 312, article 16, section 16,
62.5 subdivision 5, is canceled.

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

62.7 **Sec. 11. APPROPRIATIONS.**

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

62.11 Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance
62.12 equalization aid under Minnesota Statutes, section 123B.595:

62.13	\$	<u>0</u>	.....	<u>2016</u>
62.14	\$	<u>63,440,000</u>	.....	<u>2017</u>

62.15 The 2017 appropriation includes \$0 for 2016 and \$63,440,000 for 2017.

62.16 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
62.17 Statutes, section 123B.53, subdivision 6:

62.18	\$	<u>20,349,000</u>	.....	<u>2016</u>
62.19	\$	<u>22,171,000</u>	.....	<u>2017</u>

62.20 The 2016 appropriation includes \$2,295,000 for 2015 and \$18,054,000 for 2016.

62.21 The 2017 appropriation includes \$2,005,000 for 2016 and \$20,166,000 for 2017.

62.22 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,
62.23 according to Minnesota Statutes, section 123B.59, subdivision 1:

62.24	\$	<u>19,287,000</u>	.....	<u>2016</u>
62.25	\$	<u>1,928,000</u>	.....	<u>2017</u>

62.26 The 2016 appropriation includes \$1,928,000 for 2015 and \$17,359,000 for 2016.

62.27 The 2017 appropriation includes \$1,928,000 for 2016 and \$0 for 2017.

62.28 Subd. 5. **Equity in telecommunications access.** For equity in telecommunications
62.29 access:

62.30	\$	<u>5,250,000</u>	.....	<u>2016</u>
62.31	\$	<u>5,250,000</u>	.....	<u>2017</u>

63.1 If the appropriation amount is insufficient, the commissioner shall reduce the
 63.2 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the
 63.3 revenue for fiscal years 2016 and 2017 shall be prorated.

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

63.5 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
 63.6 Minnesota Statutes, section 123B.591, subdivision 4:

63.7 \$ 3,520,000 2016

63.8 \$ 345,000 2017

63.9 The 2016 appropriation includes \$409,000 for 2015 and \$3,111,000 for 2016.

63.10 The 2017 appropriation includes \$345,000 for 2016 and \$0 for 2017.

63.11 Subd. 7. **Health and safety revenue.** For health and safety aid according to
 63.12 Minnesota Statutes, section 123B.57, subdivision 5:

63.13 \$ 501,000 2016

63.14 \$ 48,000 2017

63.15 The 2016 appropriation includes \$66,000 for 2015 and \$435,000 for 2016.

63.16 The 2017 appropriation includes \$48,000 for 2016 and \$0 for 2017.

63.17 Subd. 8. **Information technology certification partnership.** For an information
 63.18 technology certification partnership:

63.19 \$ 500,000 2016

63.20 \$ 0 2017

63.21 This is a onetime appropriation. Any balance in the first year does not cancel but is
 63.22 available in the second year. Of this appropriation, five percent is for departmental costs
 63.23 related to providing support for the information technology certification partnership.

63.24 Subd. 9. **Northwest mobile manufacturing lab.** For a grant to the Pine to Prairie
 63.25 Cooperative Center:

63.26 \$ 100,000 2016

63.27 \$ 100,000 2017

63.28 The grant must be used to establish a northwest mobile manufacturing lab program,
 63.29 containing two manufacturing labs and two welding labs, operated by Pine to Prairie
 63.30 Cooperative Center in collaboration with Northland Community and Technical College.

63.31 Any balance in the first year does not cancel but is available in the second year. The
 63.32 base for this program in fiscal year 2018 is \$0.

64.1 Subd. 10. **Anoka-Hennepin School District fabrication lab.** For a grant
 64.2 to Independent School District No. 11, Anoka-Hennepin, to purchase equipment
 64.3 and software for a fabrication lab at its Secondary Technical Education Program in
 64.4 collaboration with Anoka Technical College and private program partners.

64.5 \$ 100,000 2016

64.6 This is a onetime appropriation.

64.7 Subd. 11. **Cancellation; IT certificates.** All unspent funds, estimated at \$299,000
 64.8 for the information technology certificate partnership appropriation under Laws 2014,
 64.9 chapter 312, article 16, section 16, subdivision 5, are canceled to the general fund on
 64.10 June 30, 2015.

64.11 Sec. 12. **REPEALER.**

64.12 Minnesota Statutes 2014, sections 123B.59; and 123B.591, are repealed.

64.13 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 64.14 later.

64.15 **ARTICLE 5**

64.16 **NUTRITION AND ACCOUNTING**

64.17 Section 1. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to
 64.18 read:

64.19 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse
 64.20 each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully
 64.21 paid breakfast served to students in grades ~~1 to~~ 4 through 12, and \$1.30 for each fully paid
 64.22 breakfast served to ~~a kindergarten student~~ students in prekindergarten through grade 3. A
 64.23 final claim for reimbursement shall be submitted to the commissioner not later than 60
 64.24 days following the last day of the full month covered by the claim. Claims not submitted
 64.25 within 60 days following the last day of the full month covered by the claim shall not be
 64.26 eligible for reimbursement, unless otherwise authorized by the commissioner.

64.27 Sec. 2. Minnesota Statutes 2014, section 127A.41, subdivision 8, is amended to read:

64.28 Subd. 8. **Appropriation transfers.** (a) If a direct appropriation from the general
 64.29 fund to the department for any education aid or grant authorized in this chapter and
 64.30 chapters 122A, 123A, 123B, 124D, 125A, 126C, and 134, excluding appropriations under
 64.31 sections 124D.135, ~~124D.16~~, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and

65.1 124D.56, exceeds the amount required, the commissioner may transfer the excess to any
 65.2 education aid or grant appropriation that is insufficient. However, section 126C.20 applies
 65.3 to a deficiency in the direct appropriation for general education aid. Excess appropriations
 65.4 must be allocated proportionately among aids or grants that have insufficient
 65.5 appropriations. The commissioner of management and budget shall make the necessary
 65.6 transfers among appropriations according to the determinations of the commissioner. If
 65.7 the amount of the direct appropriation for the aid or grant plus the amount transferred
 65.8 according to this subdivision is insufficient, the commissioner shall prorate the available
 65.9 amount among eligible districts. The state is not obligated for any additional amounts.

65.10 (b) Transfers for aids paid under section 127A.45, subdivisions 12, paragraph (a),
 65.11 12a, paragraph (a), and 13, shall be made during the fiscal year after the fiscal year of the
 65.12 entitlement. Transfers for aids paid under section 127A.45, subdivisions 11, 12, paragraph
 65.13 (b), and 12a, paragraph (b), shall be made during the fiscal year of the appropriation.

65.14 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

65.15 Sec. 3. Minnesota Statutes 2014, section 127A.41, subdivision 9, is amended to read:

65.16 Subd. 9. **Appropriation transfers for community education programs.** If a direct
 65.17 appropriation from the general fund to the Department of Education for an education aid
 65.18 or grant authorized under section 124D.135, ~~124D.16~~, 124D.20, 124D.22, 124D.52,
 65.19 124D.531, 124D.55, or 124D.56 exceeds the amount required, the commissioner of
 65.20 education may transfer the excess to any education aid or grant appropriation that is
 65.21 insufficiently funded under these sections. Excess appropriations shall be allocated
 65.22 proportionately among aids or grants that have insufficient appropriations. The
 65.23 commissioner of management and budget shall make the necessary transfers among
 65.24 appropriations according to the determinations of the commissioner of education. If
 65.25 the amount of the direct appropriation for the aid or grant plus the amount transferred
 65.26 according to this subdivision is insufficient, the commissioner shall prorate the available
 65.27 amount among eligible districts. The state is not obligated for any additional amounts.

65.28 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

65.29 Sec. 4. **APPROPRIATIONS.**

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

66.1 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,
 66.2 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

66.3 \$ 15,661,000 2016

66.4 \$ 16,791,000 2017

66.5 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota
 66.6 Statutes, section 124D.1158:

66.7 \$ 22,646,000 2016

66.8 \$ 26,340,000 2017

66.9 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
 66.10 section 124D.118:

66.11 \$ 942,000 2016

66.12 \$ 942,000 2017

66.13 Subd. 5. **Summer school service replacement aid.** For summer food service
 66.14 replacement aid under Minnesota Statutes, section 124D.119:

66.15 \$ 150,000 2016

66.16 \$ 150,000 2017

66.17 **ARTICLE 6**

66.18 **LIBRARIES**

66.19 Section 1. Minnesota Statutes 2014, section 134.355, subdivision 5, is amended to read:

66.20 Subd. 5. **Base aid distribution.** Five Thirteen percent of the available aid funds
 66.21 shall be paid to each system as base aid for basic system services.

66.22 **EFFECTIVE DATE.** This section is effective July 1, 2015.

66.23 Sec. 2. Minnesota Statutes 2014, section 134.355, subdivision 8, is amended to read:

66.24 Subd. 8. **Eligibility.** A regional public library system may apply for regional
 66.25 library telecommunications aid on behalf of itself and member public libraries. The
 66.26 aid must be used for ~~data and video access maintenance, equipment, or installation of~~
 66.27 ~~telecommunication lines.~~ connections and other eligible nonvoice related e-rate program
 66.28 category 1 services. Aid may be used for e-rate program category 2 services, if sufficient
 66.29 funds remain once category 1 needs are met in each funding year. To be eligible, a
 66.30 regional public library system must be officially designated by the commissioner of
 66.31 education as a regional public library system as defined in section 134.34, subdivision 3,

67.1 and each of its participating cities and counties must meet local support levels defined in
 67.2 section 134.34, subdivision 1. A public library building that receives aid under this section
 67.3 must be open a minimum of 20 hours per week. Exceptions to the minimum open hours
 67.4 requirement may be granted by the Department of Education on request of the regional
 67.5 public library system for the following circumstances: short-term closing for emergency
 67.6 maintenance and repairs following a natural disaster; in response to exceptional economic
 67.7 circumstances; building repair or maintenance that requires public services areas to be
 67.8 closed; or to adjust hours of public service to respond to documented seasonal use patterns.

67.9 Sec. 3. Minnesota Statutes 2014, section 134.355, subdivision 9, is amended to read:

67.10 Subd. 9. **Telecommunications aid.** An application for regional library
 67.11 telecommunications aid must, at a minimum, contain information to document the
 67.12 following:

67.13 (1) the connections are adequate and employ an open network architecture that
 67.14 will ensure interconnectivity and interoperability with school districts, postsecondary
 67.15 education, or other governmental agencies;

67.16 (2) that the connection is established through the most cost-effective means and that
 67.17 the regional library has explored and coordinated connections through school districts,
 67.18 postsecondary education, or other governmental agencies;

67.19 (3) that the regional library system ~~has~~ and all member libraries included in the
 67.20 application have filed an e-rate application; and

67.21 (4) other information, as determined by the commissioner of education, to ensure
 67.22 that connections are coordinated, efficient, and cost-effective, take advantage of discounts,
 67.23 and meet applicable state standards.

67.24 The library system may include costs associated with cooperative arrangements with
 67.25 postsecondary institutions, school districts, and other governmental agencies.

67.26 Sec. 4. Minnesota Statutes 2014, section 134.355, subdivision 10, is amended to read:

67.27 Subd. 10. **Award of funds.** The commissioner of education shall develop an
 67.28 application and a reporting form and procedures for regional library telecommunications
 67.29 aid. Aid shall be based on actual costs ~~of including,~~ but not limited to, connections as
 67.30 documented in e-rate funding commitment decision letters and funds available for this
 67.31 purpose. The commissioner shall make payments directly to the regional public library
 67.32 system.

67.33 Sec. 5. **DEPARTMENT OF EDUCATION; LIBRARY APPROPRIATIONS.**

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

68.4 Subd. 2. **Regional library basic system support.** For regional library basic system
 68.5 support aid under Minnesota Statutes, section 134.355:

68.6 \$ 14,920,000 2016

68.7 \$ 15,070,000 2017

68.8 The 2016 appropriation includes \$1,357,000 for 2015 and \$13,563,000 for 2016.

68.9 The 2017 appropriation includes \$1,507,000 for 2016 and \$13,563,000 for 2017.

68.10 Subd. 3. **Multicounty, multitype library systems.** For aid under Minnesota
 68.11 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

68.12 \$ 1,300,000 2016

68.13 \$ 1,300,000 2017

68.14 The 2016 appropriation includes \$130,000 for 2015 and \$1,170,000 for 2016.

68.15 The 2017 appropriation includes \$130,000 for 2016 and \$1,170,000 for 2017.

68.16 Subd. 4. **Electronic library for Minnesota.** For statewide licenses to online
 68.17 databases selected in cooperation with the Minnesota Office of Higher Education for
 68.18 school media centers, public libraries, state government agency libraries, and public
 68.19 or private college or university libraries:

68.20 \$ 900,000 2016

68.21 \$ 900,000 2017

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

68.23 Subd. 5. **Regional library telecommunications aid.** For regional library
 68.24 telecommunications aid under Minnesota Statutes, section 134.355:

68.25 \$ 2,300,000 2016

68.26 \$ 2,300,000 2017

68.27 The 2016 appropriation includes \$230,000 for 2015 and \$2,070,000 for 2016.

68.28 The 2017 appropriation includes \$230,000 for 2016 and \$2,070,000 for 2017.

68.29 **ARTICLE 7**

68.30 **EARLY CHILDHOOD EDUCATION**

68.31 Section 1. Minnesota Statutes 2014, section 124D.162, is amended to read:

68.32 **124D.162 KINDERGARTEN READINESS ASSESSMENT.**

69.1 ~~The commissioner of education may implement a kindergarten readiness assessment~~
 69.2 ~~representative of incoming kindergartners. The assessment must be based on the~~
 69.3 ~~Department of Education Kindergarten Readiness Assessment at kindergarten entrance~~
 69.4 ~~study. The commissioner of education must provide a process for measuring the~~
 69.5 kindergarten readiness of incoming kindergartners. Districts must choose from a menu of
 69.6 valid and reliable measurement instruments provided by the Department of Education that
 69.7 are aligned to the state early childhood indicators of progress and kindergarten standards
 69.8 that are based on the Department of Education Kindergarten Readiness Study and meet
 69.9 the World's Best Workforce goal of measuring school readiness.

69.10 Sec. 2. Minnesota Statutes 2014, section 124D.165, subdivision 2, is amended to read:

69.11 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
 69.12 parents or guardians must meet the following eligibility requirements:

69.13 (1) have a child ~~three or four~~ under the age of five years of age old on September 1 of
 69.14 the current school year, who has not yet started kindergarten and is not currently enrolled
 69.15 in a prekindergarten program under section 124D.171; and

69.16 (2) have income equal to or less than 185 percent of federal poverty level income
 69.17 in the current calendar year, or be able to document their child's current participation in
 69.18 the free and reduced-price lunch program or child and adult care food program, National
 69.19 School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food
 69.20 Distribution Program on Indian Reservations, Food and Nutrition Act, United States
 69.21 Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for
 69.22 School Readiness Act of 2007; Minnesota family investment program under chapter 256J;
 69.23 child care assistance programs under chapter 119B; the supplemental nutrition assistance
 69.24 program; or placement in foster care under section 260C.212.

69.25 (b) Notwithstanding the other provisions of this section, a parent under age 21 who
 69.26 is pursuing a high school or general education equivalency diploma is eligible for an early
 69.27 learning scholarship if the parent has a child age zero to five years old and meets the
 69.28 income eligibility guidelines in this subdivision.

69.29 (c) Any siblings between the ages zero to five years old of a child who has been
 69.30 awarded a scholarship under this section must be awarded a scholarship upon request,
 69.31 provided the sibling attends the same program as long as funds are available.

69.32 (d) A child who has received a scholarship under this section must continue to
 69.33 receive a scholarship each year until that child is eligible for kindergarten under section
 69.34 120A.20 and as long as funds are available.

70.1 (e) Early learning scholarships may not be counted as earned income for the
 70.2 purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L,
 70.3 Minnesota family investment program under chapter 256J, child care assistance programs
 70.4 under chapter 119B, or Head Start under the federal Improving Head Start for School
 70.5 Readiness Act of 2007.

70.6 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

70.7 Sec. 3. **[124D.173] HELP ME GROW.**

70.8 **Subdivision 1. Purpose.** The purpose of this section is to develop and implement a
 70.9 comprehensive, collaborative resource and referral system for children, prenatal through
 70.10 age eight, and their families.

70.11 **Subd. 2. Establishment and administration.** The commissioner of education shall
 70.12 provide funding and shall work collaboratively through interagency agreement with the
 70.13 commissioners of human services and health to implement this section and maintain
 70.14 annual affiliate status with the Help Me Grow National Center.

70.15 **Subd. 3. Duties.** (a) The Help Me Grow program shall facilitate collaboration across
 70.16 sectors, including child health, early learning and education, and family supports by:

70.17 (1) providing child health care provider outreach to support early detection,
 70.18 intervention, and knowledge about local resources;

70.19 (2) identifying and providing access to detection tools used to identify young
 70.20 children at risk for developmental and behavioral problems; and

70.21 (3) linking children and families to appropriate community-based services.

70.22 (b) The Help Me Grow program shall provide community outreach that includes
 70.23 support for, and participation in, the Help Me Grow system, including disseminating
 70.24 information on the system and compiling and maintaining a resource directory that
 70.25 includes, but is not limited to:

70.26 (1) primary and specialty medical care providers;

70.27 (2) early childhood education and child care programs;

70.28 (3) developmental disabilities assessment and intervention programs;

70.29 (4) mental health services;

70.30 (5) family and social support programs;

70.31 (6) child advocacy and legal services;

70.32 (7) public health services and resources; and

70.33 (8) other appropriate early childhood information.

70.34 (c) The Help Me Grow program shall develop a centralized access point for parents
 70.35 and professionals to obtain information, resources, and other support services.

71.1 (d) The Help Me Grow program shall collect data to increase understanding of all
 71.2 aspects of the current and ongoing system under this section, including identification of
 71.3 gaps in service, barriers to finding and receiving appropriate service, and lack of resources.

71.4 Subd. 4. **Review.** The Department of Education shall annually review the following:

- 71.5 (1) outcomes achieved by this system;
- 71.6 (2) alignment with overall early childhood goals and objectives; and
- 71.7 (3) impacts on young children.

71.8 Sec. 4. **APPROPRIATIONS.**

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

71.12 Subd. 2. **School readiness.** For revenue for school readiness programs under
 71.13 Minnesota Statutes, sections 124D.15 and 124D.16:

71.14	<u>\$</u>	<u>12,170,000</u>	<u>.....</u>	<u>2016</u>
71.15	<u>\$</u>	<u>12,170,000</u>	<u>.....</u>	<u>2017</u>

71.16 The 2016 appropriation includes \$1,217,000 for 2015 and \$10,953,000 for 2016.
 71.17 The 2017 appropriation includes \$1,217,000 for 2016 and \$10,953,000 for 2017.

71.18 Subd. 3. **Early childhood family education aid.** For early childhood family
 71.19 education aid under Minnesota Statutes, section 124D.135:

71.20	<u>\$</u>	<u>28,046,000</u>	<u>.....</u>	<u>2016</u>
71.21	<u>\$</u>	<u>29,095,000</u>	<u>.....</u>	<u>2017</u>

71.22 The 2016 appropriation includes \$2,713,000 for 2015 and \$25,333,000 for 2016.
 71.23 The 2017 appropriation includes \$2,814,000 for 2016 and \$26,281,000 for 2017.

71.24 Subd. 4. **Developmental screening aid.** For developmental screening aid under
 71.25 Minnesota Statutes, sections 121A.17 and 121A.19:

71.26	<u>\$</u>	<u>3,363,000</u>	<u>.....</u>	<u>2016</u>
71.27	<u>\$</u>	<u>3,369,000</u>	<u>.....</u>	<u>2017</u>

71.28 The 2016 appropriation includes \$337,000 for 2015 and \$3,021,000 for 2016.
 71.29 The 2017 appropriation includes \$335,000 for 2016 and \$3,017,000 for 2017.

71.30 Subd. 5. **Head Start program.** For Head Start programs under Minnesota Statutes,
 71.31 section 119A.52:

72.1 \$ 20,100,000 2016
 72.2 \$ 39,542,000 2017

72.3 Subd. 6. **Educate parents partnership.** For the educate parents partnership under
 72.4 Minnesota Statutes, section 124D.129:

72.5 \$ 49,000 2016
 72.6 \$ 49,000 2017

72.7 Subd. 7. **Kindergarten entrance assessment initiative and intervention**
 72.8 **program.** For the kindergarten entrance assessment initiative and intervention program
 72.9 under Minnesota Statutes, section 124D.162:

72.10 \$ 1,881,000 2016
 72.11 \$ 1,881,000 2017

72.12 Subd. 8. **Early learning scholarships.** For the early learning scholarship program
 72.13 under Minnesota Statutes, section 124D.165:

72.14 \$ 40,384,000 2016
 72.15 \$ 50,384,000 2017

72.16 Up to \$950,000 each year is for administration of this program.

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

72.18 Subd. 9. **Parent-child home program.** For a grant to the parent-child home
 72.19 program:

72.20 \$ 350,000 2016
 72.21 \$ 350,000 2017

72.22 The grant must be used for an evidence-based and research-validated early childhood
 72.23 literacy and school readiness program for children ages 16 months to four years at its
 72.24 existing suburban program location.

72.25 Subd. 10. **Northside Achievement Zone.** For a grant to the Northside Achievement
 72.26 Zone.

72.27 \$ 1,200,000 2016
 72.28 \$ 1,200,000 2017

72.29 Funds appropriated in this section are to reduce multigenerational poverty and the
 72.30 educational achievement gap through increased enrollment of families within the zone,
 72.31 and may be used for Northside Achievement Zone programming and services consistent
 72.32 with federal Promise Neighborhood program agreements and requirements.

73.1 Subd. 11. **St. Paul Promise Neighborhood.** For a grant to the St. Paul Promise
73.2 Neighborhood.

73.3 \$ 1,200,000 2016

73.4 \$ 1,200,000 2017

73.5 Funds appropriated in this section are to reduce multigenerational poverty and the
73.6 educational achievement gap through increased enrollment of families within the zone,
73.7 and may be used for St. Paul Promise Neighborhood programming and services consistent
73.8 with federal Promise Neighborhood program agreements and requirements.

73.9 **ARTICLE 8**

73.10 **PREVENTION**

73.11 Section 1. **APPROPRIATION.**

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

73.15 Subd. 2. **Community education aid.** For community education aid under
73.16 Minnesota Statutes, section 124D.20:

73.17 \$ 788,000 2016

73.18 \$ 554,000 2017

73.19 The 2016 appropriation includes \$107,000 for 2015 and \$681,000 for 2016.

73.20 The 2017 appropriation includes \$75,000 for 2016 and \$479,000 for 2017.

73.21 Subd. 3. **Adults with disabilities program aid.** For adults with disabilities
73.22 programs under Minnesota Statutes, section 124D.56:

73.23 \$ 710,000 2016

73.24 \$ 710,000 2017

73.25 The 2016 appropriation includes \$71,000 for 2015 and \$639,000 for 2016.

73.26 The 2017 appropriation includes \$71,000 for 2016 and \$639,000 for 2017.

73.27 Subd. 4. **Hearing-impaired adults.** For programs for hearing-impaired adults
73.28 under Minnesota Statutes, section 124D.57:

73.29 \$ 70,000 2016

73.30 \$ 70,000 2017

73.31 Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes,
73.32 section 124D.22:

75.1 Proceeds from this fee are annually appropriated to the commissioner for costs associated
 75.2 with processing licensure applications.

75.3 (b) The superintendent of the Bureau of Criminal Apprehension shall perform the
 75.4 background check required under paragraph (a) by retrieving criminal history data as
 75.5 defined in section 13.87 and shall also conduct a search of the national criminal records
 75.6 repository. The superintendent is authorized to exchange fingerprints with the Federal
 75.7 Bureau of Investigation for purposes of the criminal history check. The superintendent
 75.8 shall recover the cost to the bureau of a background check through the fee charged to
 75.9 the applicant under paragraph (a).

75.10 (c) The Board of Teaching or the commissioner of education may issue a license
 75.11 pending completion of a background check under this subdivision, but must notify
 75.12 the individual that the individual's license may be revoked based on the result of the
 75.13 background check.

75.14 **Sec. 2. RULEMAKING AUTHORITY.**

75.15 (a) The Board of Teaching shall adopt rules for a process for approving certificates
 75.16 of advanced professional study. A certificate of advanced professional study is a credential
 75.17 available only to a teacher with a full license in at least one discipline that allows for
 75.18 teaching without further waiver or variance when a licensure program in the discipline
 75.19 does not exist or when a teacher with a full license in the discipline cannot be found. The
 75.20 certificate of advanced professional study must:

75.21 (1) have fewer requirements than the full license in the discipline;

75.22 (2) set the specific qualifications required to attain it; and

75.23 (3) maintain professional standards for teaching in that discipline.

75.24 (b) The rules adopted under paragraph (a) must limit certificates of advanced
 75.25 professional study to:

75.26 (1) disciplines in which at least one geographic area of the state has a demonstrated
 75.27 shortage of fully licensed teachers; and

75.28 (2) emerging disciplines where full licenses or licensure programs do not exist.

75.29 **Sec. 3. APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

75.30 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
 75.31 indicated in this section are appropriated from the general fund to the Department of
 75.32 Education for the fiscal years designated.

75.33 Subd. 2. **Department.** (a) For the Department of Education:

76.1 \$ 31,294,000 2016
 76.2 \$ 31,121,000 2017

76.3 Of these amounts:

76.4 (1) \$260,000 each year is for the Minnesota Children's Museum;

76.5 (2) \$41,000 each year is for the Minnesota Academy of Science;

76.6 (3) \$50,000 each year is for the Duluth Children's Museum;

76.7 (4) \$1,020,000 in fiscal year 2016 and \$718,000 in fiscal year 2017 are for the

76.8 Board of Teaching;

76.9 (5) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board

76.10 of School Administrators;

76.11 (6) \$25,000 each year is for administration of the Innovative Education Pilot under

76.12 Laws 2012, chapter 263, section 1;

76.13 (7) \$7,000,000 each year is for Regional Centers of Excellence under Minnesota

76.14 Statutes, section 120B.115;

76.15 (8) \$500,000 each year is for the School Safety Technical Assistance Center under

76.16 Minnesota Statutes, section 127A.052;

76.17 (9) \$1,000,000 each year is for activities related to the statewide Help Me Grow

76.18 program under Minnesota Statutes, section 124D.173;

76.19 (10) \$250,000 each year is for the School Finance Division to enhance financial

76.20 data analysis; and

76.21 (11) \$23,000 each year is for collecting data on the number of deaths and

76.22 hospitalizations for students who participate in travel abroad programs.

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

76.24 (c) None of the amounts appropriated under this subdivision may be used for

76.25 Minnesota's Washington, D.C. office.

76.26 (d) The expenditures of federal grants and aids as shown in the biennial budget

76.27 document and its supplements are approved and appropriated and shall be spent as

76.28 indicated.

76.29 (e) This appropriation includes funds for information technology project services and

76.30 support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing

76.31 information technology costs will be incorporated into the service level agreement and

76.32 will be paid to the Office of MN.IT Services by the Department of Education under the

76.33 rates and mechanism specified in that agreement.

76.34 Sec. 4. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

77.1 The sums indicated in this section are appropriated from the general fund to the
 77.2 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

77.3 \$ 12,853,000 2016

77.4 \$ 12,819,000 2017

77.5 Of the amount appropriated, \$708,000 in fiscal year 2016 and \$490,000 in fiscal
 77.6 year 2017 are for technology enhancements and may be used for: (1) computer hardware;
 77.7 (2) computer software; (3) connectivity, communications, and infrastructure; (4) assistive
 77.8 technology; (5) access to electronic books and other online materials, licenses, and
 77.9 subscriptions; and (6) technology staff and training costs.

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

77.11 The base appropriation for the Minnesota State Academies for the Deaf and Blind in
 77.12 fiscal year 2018 and later is \$12,804,000.

77.13 **Sec. 5. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

77.14 The sums in this section are appropriated from the general fund to the Perpich
 77.15 Center for Arts Education for the fiscal years designated:

77.16 \$ 7,422,000 2016

77.17 \$ 7,523,000 2017

77.18 Of the amount appropriated, \$500,000 in fiscal year 2016 and \$500,000 in fiscal year
 77.19 2017 are for upgrading classrooms, public spaces, and performance areas within the high
 77.20 school and the professional development center on the Golden Valley campus.

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

77.22 The base appropriation for the Perpich Center for Arts Education in fiscal year 2018
 77.23 and later is \$7,123,000.

APPENDIX
Article locations in 15-4402

ARTICLE 1	GENERAL EDUCATION	Page.Ln 1.19
ARTICLE 2	EDUCATION EXCELLENCE	Page.Ln 12.11
ARTICLE 3	SPECIAL EDUCATION	Page.Ln 42.25
ARTICLE 4	FACILITIES AND TECHNOLOGY	Page.Ln 49.25
ARTICLE 5	NUTRITION AND ACCOUNTING	Page.Ln 64.15
ARTICLE 6	LIBRARIES	Page.Ln 66.17
ARTICLE 7	EARLY CHILDHOOD EDUCATION	Page.Ln 68.29
ARTICLE 8	PREVENTION	Page.Ln 73.9
ARTICLE 9	SELF-SUFFICIENCY AND LIFELONG LEARNING	Page.Ln 74.5
ARTICLE 10	STATE AGENCIES	Page.Ln 74.21

122A.63 GRANTS TO PREPARE INDIAN TEACHERS.

Subd. 3. **Review and comment.** The commissioner must submit the joint application to the American Indian Education Committee for review and comment.

Subd. 7. **Loan forgiveness.** The loan may be forgiven if the recipient is employed as a teacher, as defined in section 122A.40 or 122A.41, in an eligible school or program in Minnesota. One-fourth of the principal of the outstanding loan amount shall be forgiven for each year of eligible employment, or a pro rata amount for eligible employment during part of a school year, part-time employment as a substitute teacher, or other eligible part-time teaching. Loans for \$2,500 or less may be forgiven at the rate of up to \$1,250 per year. The following schools and programs are eligible for the purposes of loan forgiveness:

- (1) a school or program operated by a school district;
- (2) a tribal contract school eligible to receive aid according to section 124D.83;
- (3) a Head Start program;
- (4) an early childhood family education program;
- (5) a program providing educational services to children who have not entered kindergarten; or
- (6) a program providing educational enrichment services to American Indian students in grades kindergarten through 12.

If a person has an outstanding loan obtained through this program, the duty to make payments of principal and interest may be deferred during any time period the person is enrolled at least one-half time in an advanced degree program in a field that leads to employment by a school district. To defer loan obligations, the person shall provide written notification to the commissioner of education and the recipients of the joint grant that originally authorized the loan. Upon approval by the commissioner and the joint grant recipients, payments shall be deferred.

The Minnesota Office of Higher Education shall approve the loan forgiveness program, loan deferral, and procedures to administer the program.

Subd. 8. **Revolving fund.** The Indian teacher preparation loan repayment revolving account is established in the state treasury. Any amounts repaid or contributed by a teacher who received a scholarship or loan under this program shall be deposited in the account. All money in the account is annually appropriated to the commissioner of education and shall be used to enable Indian students to participate in the program.

123B.59 ALTERNATIVE FACILITIES BONDING AND LEVY PROGRAM.

Subdivision 1. **To qualify.** (a) An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

- (1) more than 66 students per grade;
- (2) over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older;
- (3) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and
- (4) a ten-year facility plan approved by the commissioner according to subdivision 2.

(b) An independent or special school district not eligible to participate in the alternative facilities bonding and levy program under paragraph (a) qualifies for limited participation in the program if the district has:

- (1) one or more health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b); and
- (2) insufficient funds from capital facilities revenue to fund those projects.

(c) Notwithstanding the square footage limitation in paragraph (a), clause (2), a school district that qualified for eligibility under paragraph (a) as of July 1, 2007, remains eligible for funding under this section as long as the district continues to meet the requirements of paragraph (a), clauses (1), (3), and (4).

Subd. 2. **Facility plan.** (a) A district qualifying under subdivision 1, paragraph (a), must have a ten-year facility plan approved by the commissioner that includes an inventory of projects and costs that would be eligible for:

- (1) health and safety revenue, without restriction as to project size;
- (2) disabled access levy; and

APPENDIX

Repealed Minnesota Statutes: 15-4402

(3) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities.

(b) A district qualifying under subdivision 1, paragraph (b), must have a five-year plan that includes an inventory of projects and costs for health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b).

(c) The school district must:

(1) annually update the plans;

(2) biennially submit a facility maintenance plan; and

(3) indicate whether the district will issue bonds to finance the plan or levy for the costs.

Subd. 3. **Bond authorization.** (a) A school district may issue general obligation bonds under this section to finance facilities plans approved by its board and the commissioner. Chapter 475, except sections 475.58 and 475.59, must be complied with. The district may levy under subdivision 5 for the debt service revenue. The authority to issue bonds under this section is in addition to any bonding authority authorized by this chapter, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of this chapter, or any other law other than section 475.53, subdivision 4.

(b) At least 20 days before the earliest of solicitation of bids, the issuance of bonds, or the final certification of levies under subdivision 5, the district must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

Subd. 3a. **Levy authorization.** (a) A school district may levy under this section to finance the portion of facilities plans approved by its board and the commissioner that are not financed through bond issues according to subdivision 3.

(b) At least 20 days before a final district certification of levies under subdivision 5, the district must publish notice of the intended projects, including the total estimated project cost.

Subd. 4. **Levy prohibited for capital projects.** A district that participates in the alternative facilities bonding and levy program is not eligible to levy and cannot receive aid under sections 123B.57 and 123B.58 for any capital projects funded under this section. A district may levy and receive aid for health and safety environmental management costs and health and safety regulatory, hazard assessment, record keeping, and maintenance programs as defined in section 123A.443, subdivision 2, and approved by the commissioner.

Subd. 5. **Levy authorized.** A district may levy for costs related to an approved facility plan as follows:

(a) if the district has indicated to the commissioner that bonds will be issued, the district may levy for the principal and interest payments on outstanding bonds issued according to subdivision 3 after reduction for any alternative facilities aid receivable under subdivision 6; or

(b) if the district has indicated to the commissioner that the plan will be funded through levy, the district may levy according to the schedule approved in the plan after reduction for any alternative facilities aid receivable under subdivision 6.

Subd. 6. **Alternative facilities aid.** A district's alternative facilities aid is the amount equal to the district's annual debt service costs, provided that the amount does not exceed the amount certified to be levied for those purposes for taxes payable in 1997, or for a district that made a levy under subdivision 5, paragraph (b), the lesser of the district's annual levy amount, or one-sixth of the amount of levy that it certified for that purpose for taxes payable in 1998.

Subd. 7. **Alternative facilities appropriation.** (a) An amount not to exceed \$19,700,000 for fiscal year 2000 and \$20,000,000 for fiscal year 2001 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of alternative facilities aid under subdivision 6.

(b) The appropriation in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Subd. 8. **Separate account.** A district must establish a separate account under the uniform financial accounting and reporting standards (UFARS) for this program. If the district's levy exceeds the necessary interest and principal payments and noncapital health and safety costs, the district must reserve the revenue to replace future bonding authority, prepay bonds authorized under this program, or make payments on principal and interest.

123B.591 DEFERRED MAINTENANCE REVENUE.

Subdivision 1. **Eligibility.** An independent or special school district that does not qualify to participate in the alternative facilities bonding and levy under section 123B.59, subdivision 1, paragraph (a), is eligible to receive deferred maintenance revenue.

APPENDIX

Repealed Minnesota Statutes: 15-4402

Subd. 2. **Deferred maintenance revenue.** The deferred maintenance revenue for an eligible school district equals the product of \$64 times the adjusted pupil units for the school year times the lesser of one or the ratio of the district's average age of building space to 35 years.

Subd. 3. **Deferred maintenance levy.** To obtain deferred maintenance revenue, a district may levy an amount not more than the product of its deferred maintenance revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to \$5,965.

Subd. 4. **Deferred maintenance aid.** For fiscal year 2008 and later, a district's deferred maintenance aid equals its deferred maintenance revenue minus its deferred maintenance levy times the ratio of the actual amount levied to the permitted levy.

Subd. 5. **Reserve account.** Deferred maintenance revenue must be maintained in a reserve account within the general fund. Deferred maintenance revenue may be used only for expenditures that would be eligible for alternative facilities bonding and levy revenue under section 123B.59, subdivision 2, paragraph (a), if the district qualified for that revenue under section 123B.59, subdivision 1, paragraph (a).