

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 822**

(SENATE AUTHORS: STUMPF)

DATE	D-PG	OFFICIAL STATUS
02/12/2015	280	Introduction and first reading Referred to Finance

A bill for an act

1.1 relating to education; establishing alternative compensation preparation revenue;  
 1.2 increasing funding for certain districts and charter schools engaged in teacher  
 1.3 development, evaluation, and peer coaching; appropriating money; amending  
 1.4 Minnesota Statutes 2014, sections 122A.413, subdivisions 1, 2; 122A.414,  
 1.5 subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapter  
 1.6 122A.  
 1.7

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

1.9 Section 1. Minnesota Statutes 2014, section 122A.413, subdivision 1, is amended to  
 1.10 read:

1.11 Subdivision 1. **Qualifying plan.** A district or intermediate school district may  
 1.12 develop an educational improvement plan for the purpose of qualifying for the alternative  
 1.13 teacher professional pay system under section 122A.414, or alternative compensation  
 1.14 preparation revenue under section 122A.417. The plan must include measures for  
 1.15 improving school district, intermediate school district, school site, teacher, and individual  
 1.16 student performance.

1.17 **EFFECTIVE DATE.** This section is effective for revenue beginning in fiscal year  
 1.18 2016.

1.19 Sec. 2. Minnesota Statutes 2014, section 122A.413, subdivision 2, is amended to read:

1.20 Subd. 2. **Plan components.** The educational improvement plan must be approved  
 1.21 by the school board and have at least these elements:

1.22 (1) assessment and evaluation tools to measure student performance and progress,  
 1.23 including the academic literacy, oral academic language, and achievement of English  
 1.24 learners, among other measures;

- 2.1 (2) performance goals and benchmarks for improvement;
- 2.2 (3) measures of student attendance and completion rates;
- 2.3 (4) a rigorous research and practice-based professional development system, based
- 2.4 on national and state standards of effective teaching practice applicable to all students
- 2.5 including English learners with varied needs under section 124D.59, subdivisions 2 and
- 2.6 2a, and consistent with ~~section~~ sections 122A.40, subdivision 8, 122A.41, subdivision
- 2.7 5, and 122A.60, that is aligned with educational improvement and designed to achieve
- 2.8 ongoing and schoolwide progress and growth in teaching practice;
- 2.9 (5) measures of student, family, and community involvement and satisfaction;
- 2.10 (6) a data system about students and their academic progress that provides parents
- 2.11 and the public with understandable information;
- 2.12 (7) a teacher induction and mentoring program for probationary teachers that
- 2.13 provides continuous learning and sustained teacher support; and
- 2.14 (8) substantial participation by the exclusive representative of the teachers in
- 2.15 developing the plan.

2.16 Sec. 3. Minnesota Statutes 2014, section 122A.414, subdivision 2, is amended to read:

2.17 Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this

2.18 program, a school district, intermediate school district, school site, or charter school must

2.19 have an educational improvement plan under section 122A.413 and an alternative teacher

2.20 professional pay system agreement under paragraph (b). A charter school participant also

2.21 must comply with subdivision 2a.

2.22 (b) The alternative teacher professional pay system agreement must:

2.23 (1) describe how teachers can achieve career advancement and additional

2.24 compensation;

2.25 (2) describe how the school district, intermediate school district, school site, or

2.26 charter school will provide teachers with career advancement options that allow teachers

2.27 to retain primary roles in student instruction and facilitate site-focused professional

2.28 development that helps other teachers improve their skills;

2.29 (3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation

2.30 paid before implementing the pay system from being reduced as a result of participating in

2.31 this system, base at least 60 percent of any compensation increase on teacher performance

2.32 using:

2.33 (i) schoolwide student achievement gains under section 120B.35 or locally selected

2.34 standardized assessment outcomes, or both;

3.1 (ii) measures of student growth and literacy that may include value-added models  
 3.2 or student learning goals, consistent with section 122A.40, subdivision 8, clause (9), or  
 3.3 122A.41, subdivision 5, clause (9), and other measures that include the academic literacy,  
 3.4 oral academic language, and achievement of English learners under section 122A.40,  
 3.5 subdivision 8, clause (10), or 122A.41, subdivision 5, clause (10); and

3.6 (iii) an objective evaluation program under section 122A.40, subdivision 8,  
 3.7 paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

3.8 (4) provide for participation in job-embedded learning opportunities such as  
 3.9 professional learning communities to improve instructional skills and learning that are  
 3.10 aligned with student needs under section 122A.413, consistent with the staff development  
 3.11 plan under section 122A.60 and led during the school day by trained teacher leaders  
 3.12 such as master or mentor teachers;

3.13 (5) allow any teacher in a participating school district, intermediate school district,  
 3.14 school site, or charter school that implements an alternative pay system to participate in  
 3.15 that system without any quota or other limit; ~~and~~

3.16 (6) encourage collaboration rather than competition among teachers; and

3.17 (7) align with the development, evaluation, and peer-coaching requirements under  
 3.18 section 122A.40, subdivision 8, or 122A.41, subdivision 5.

3.19 **EFFECTIVE DATE.** This section is effective for revenue beginning in fiscal year  
 3.20 2016.

3.21 Sec. 4. Minnesota Statutes 2014, section 122A.414, subdivision 3, is amended to read:

3.22 Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate  
 3.23 school districts, school sites, and charter schools must report on the implementation and  
 3.24 effectiveness of the alternative teacher professional pay system, particularly addressing  
 3.25 each requirement under subdivision 2, describe how the system meets the development,  
 3.26 evaluation, and peer-coaching process requirements under section 122A.40, subdivision 8,  
 3.27 or 122A.41, subdivision 5, and make annual recommendations by June 15 to their school  
 3.28 boards. The school board or board of directors shall transmit a copy of the report with a  
 3.29 summary of the findings and recommendations of the district, intermediate school district,  
 3.30 school site, or charter school to the commissioner.

3.31 (b) If the commissioner determines that a school district, intermediate school district,  
 3.32 school site, or charter school that receives alternative teacher compensation revenue is not  
 3.33 complying with the requirements of this section, the commissioner may withhold funding  
 3.34 from that participant. Before making the determination, the commissioner must notify the  
 3.35 participant of any deficiencies and provide the participant an opportunity to comply.

4.1 **EFFECTIVE DATE.** This section is effective for revenue beginning in fiscal year  
4.2 2016.

4.3 Sec. 5. **[122A.417] ALTERNATIVE COMPENSATION PREPARATION**  
4.4 **REVENUE.**

4.5 Subdivision 1. **Eligible school districts and charter schools.** For fiscal years 2016,  
4.6 2017, and 2018 only, a school district or charter school that has not met the conditions  
4.7 of section 122A.414 is eligible for alternative compensation preparation revenue under  
4.8 this section.

4.9 Subd. 2. **Plan required.** (a) To participate in the alternative compensation  
4.10 preparation revenue program, a school district or charter school must have an educational  
4.11 improvement plan under section 122A.413.

4.12 (b) The commissioner shall annually establish a deadline by which eligible schools  
4.13 must submit an educational improvement plan to the commissioner in order to receive  
4.14 revenue under this section.

4.15 Subd. 3. **Alternative compensation preparation revenue.** (a) A school district or  
4.16 charter school that meets the conditions of subdivisions 1 and 2 is eligible for alternative  
4.17 compensation preparation revenue.

4.18 (b) Alternative compensation preparation revenue equals \$260 times the number of  
4.19 pupils enrolled on October 1 of the previous fiscal year.

4.20 Subd. 4. **Basic alternative compensation preparation aid.** For a school district,  
4.21 basic alternative compensation preparation aid equals 65 percent of the alternative  
4.22 compensation preparation revenue under subdivision 3. For a charter school, basic  
4.23 alternative compensation preparation aid equals alternative compensation preparation  
4.24 revenue.

4.25 Subd. 5. **Alternative compensation preparation levy.** The alternative  
4.26 compensation preparation levy for a district receiving basic alternative compensation  
4.27 preparation aid under subdivision 4 equals the product of (1) the difference between  
4.28 the alternative compensation preparation revenue and the district's basic alternative  
4.29 compensation preparation aid times (2) the lesser of one or the ratio of the district's  
4.30 adjusted net tax capacity per adjusted pupil unit to \$6,100.

4.31 Subd. 6. **Alternative compensation preparation aid.** (a) A district's alternative  
4.32 compensation preparation equalization aid equals the district's alternative compensation  
4.33 preparation revenue minus the district's basic alternative compensation preparation aid  
4.34 minus the district's alternative compensation preparation levy. If a district does not levy

5.1 the entire amount permitted, the alternative compensation preparation equalization aid  
5.2 must be reduced in proportion to the actual amount levied.

5.3 (b) A district's alternative compensation preparation aid equals the sum of the  
5.4 district's basic alternative compensation preparation aid and the district's alternative  
5.5 compensation preparation equalization aid.

5.6 Subd. 7. **Allowed revenue uses.** Revenue under this section must be used for  
5.7 activities consistent with the education improvement plan components under section  
5.8 122A.413, subdivision 2.

5.9 **EFFECTIVE DATE.** This section is effective for revenue beginning in fiscal year  
5.10 2015.

5.11 Sec. 6. **APPROPRIATIONS.**

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

5.14 Subd. 2. **Alternative compensation preparation aid.** For alternative compensation  
5.15 preparation aid under Minnesota Statutes, section 122A.417:

5.16 \$            .....    .....    2016  
5.17 \$            .....    .....    2017

5.18 The 2016 appropriation includes \$..... for 2016.

5.19 The 2017 appropriation includes \$..... for 2016 and \$..... for 2017.