

This Document can be made available in alternative formats upon request

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2387

02/27/2014 Authored by Benson, J., and Norton  
The bill was read for the first time and referred to the Committee on Education Policy

1.1 A bill for an act  
1.2 relating to education finance; eliminating the staff development mandate;  
1.3 modifying the allocation of compensatory revenue; authorizing a school district  
1.4 to publish its minutes and budget information on its Web site; removing a  
1.5 requirement that certain notices be sent by first class mail; amending Minnesota  
1.6 Statutes 2012, sections 123B.09, subdivision 10; 123B.10, subdivisions 1, 3;  
1.7 Minnesota Statutes 2013 Supplement, sections 122A.61, subdivision 1; 126C.15,  
1.8 subdivision 2; 126C.17, subdivision 9; repealing Minnesota Statutes 2012,  
1.9 section 120A.40.

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

1.11 Section 1. Minnesota Statutes 2013 Supplement, section 122A.61, subdivision 1,  
1.12 is amended to read:

1.13 Subdivision 1. **Staff development revenue.** A district is ~~required to~~, at the  
1.14 discretion of its board, ~~may~~ reserve an amount equal to ~~at least two percent~~ of the basic  
1.15 revenue under section 126C.10, subdivision 2, for in-service education for programs  
1.16 under section 120B.22, subdivision 2, for staff development plans, including plans for  
1.17 challenging instructional activities and experiences under section 122A.60, and for  
1.18 curriculum development and programs, other in-service education, teachers' evaluation,  
1.19 teachers' workshops, teacher conferences, the cost of substitute teachers staff development  
1.20 purposes, preservice and in-service education for special education professionals and  
1.21 paraprofessionals, and other related costs for staff development efforts. ~~A district may~~  
1.22 ~~annually waive the requirement to reserve their basic revenue under this section if a~~  
1.23 ~~majority vote of the licensed teachers in the district and a majority vote of the school board~~  
1.24 ~~agree to a resolution to waive the requirement. A district in statutory operating debt is~~  
1.25 ~~exempt from reserving basic revenue according to this section. Districts may expend an~~  
1.26 ~~additional amount of unreserved revenue for staff development based on their needs.~~

2.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2015  
2.2 and later.

2.3 Sec. 2. Minnesota Statutes 2012, section 123B.09, subdivision 10, is amended to read:

2.4 Subd. 10. **Publishing proceedings.** The board must ~~cause~~ publish its official  
2.5 proceedings ~~to be published~~ on its Web site or once in the official newspaper of the  
2.6 district. Such publication shall be made within 30 days of the meeting at which such  
2.7 proceedings occurred. For a board that chooses to publish its proceedings in the official  
2.8 newspaper of the district, if the board determines that publication of a summary of the  
2.9 proceedings would adequately inform the public of the substance of the proceedings, the  
2.10 board may direct that only a summary be published, conforming to the requirements of  
2.11 section 331A.01, subdivision 10.

2.12 **EFFECTIVE DATE.** This section is effective July 1, 2014.

2.13 Sec. 3. Minnesota Statutes 2012, section 123B.10, subdivision 1, is amended to read:

2.14 Subdivision 1. **Budgets; form of notification.** (a) For purposes of this section,  
2.15 "publish" means to post information on the district's Web site or publish information in the  
2.16 official newspaper of the district.

2.17 (b) Every board must publish revenue and expenditure budgets for the current year  
2.18 and the actual revenues, expenditures, fund balances for the prior year and projected fund  
2.19 balances for the current year in a form prescribed by the commissioner within one week  
2.20 of the acceptance of the final audit by the board, or November 30, whichever is earlier.  
2.21 The forms prescribed must be designed so that year to year comparisons of revenue,  
2.22 expenditures and fund balances can be made.

2.23 ~~(b)~~ (c) A school board annually must notify the public of its revenue, expenditures,  
2.24 fund balances, and other relevant budget information. The board must post the materials  
2.25 in a conspicuous place on the district's official Web site, including a link to the district's  
2.26 school report card on the Department of Education's Web site, ~~and~~.

2.27 (d) The board must publish in the official newspaper of the district a summary of  
2.28 the information and notice listing the address of the district's official Web site ~~where the~~  
2.29 ~~information can be found in a qualified newspaper of general circulation in the district and~~  
2.30 stating that the district's budget information, including revenue, expenditures, and fund  
2.31 balance, is available on the district's Web site.

2.32 **EFFECTIVE DATE.** This section is effective July 1, 2014.

3.1 Sec. 4. Minnesota Statutes 2012, section 123B.10, subdivision 3, is amended to read:

3.2 Subd. 3. **Budget inspection.** A statement must be included on the Web site or in the  
 3.3 publication official newspaper of the district that the complete budget in detail may be  
 3.4 inspected by any resident of the district upon request to the chief school administrator.

3.5 **EFFECTIVE DATE.** This section is effective July 1, 2014.

3.6 Sec. 5. Minnesota Statutes 2013 Supplement, section 126C.15, subdivision 2, is  
 3.7 amended to read:

3.8 Subd. 2. **Building allocation.** (a) A district or cooperative must allocate at least 50  
 3.9 percent of its compensatory revenue to each school building in the district or cooperative  
 3.10 where the children who have generated the revenue are served unless the school district or  
 3.11 cooperative has received permission under Laws 2005, First Special Session chapter 5,  
 3.12 article 1, section 50, to allocate compensatory revenue according to student performance  
 3.13 measures developed by the school board.

3.14 (b) ~~Notwithstanding paragraph (a),~~ A district or cooperative may shall allocate up to  
 3.15 five percent of the remaining amount of compensatory revenue ~~that the district it~~ receives  
 3.16 to school sites according to a plan adopted by the school governing board, and a of the  
 3.17 ~~district or cooperative may allocate up to an additional five percent of its compensatory~~  
 3.18 ~~revenue for activities under subdivision 1, clause (10), according to a plan adopted by the~~  
 3.19 ~~school board.~~ The money reallocated under this paragraph must be spent for the purposes  
 3.20 listed in subdivision 1, but may be spent on students in any grade, including students  
 3.21 attending school readiness or other prekindergarten programs.

3.22 (c) For the purposes of this section and section 126C.05, subdivision 3, "building"  
 3.23 means education site as defined in section 123B.04, subdivision 1.

3.24 (d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue  
 3.25 generated by students served at a cooperative unit shall be paid to the cooperative unit.

3.26 (e) A district or cooperative with school building openings, school building  
 3.27 closings, changes in attendance area boundaries, or other changes in programs or student  
 3.28 demographics between the prior year and the current year may reallocate compensatory  
 3.29 revenue among sites to reflect these changes. A district or cooperative must report to the  
 3.30 department any adjustments it makes according to this paragraph and the department must  
 3.31 use the adjusted compensatory revenue allocations in preparing the report required under  
 3.32 section 123B.76, subdivision 3, paragraph (c).

3.33 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2015  
 3.34 and later.

4.1 Sec. 6. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9, is  
 4.2 amended to read:

4.3 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
 4.4 subdivision 1, may be increased in the amount approved by the voters of the district  
 4.5 at a referendum called for the purpose. The referendum may be called by the board.  
 4.6 The referendum must be conducted one or two calendar years before the increased levy  
 4.7 authority, if approved, first becomes payable. Only one election to approve an increase  
 4.8 may be held in a calendar year. Unless the referendum is conducted by mail under  
 4.9 subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the  
 4.10 first Monday in November. The ballot must state the maximum amount of the increased  
 4.11 revenue per adjusted pupil unit. The ballot may state a schedule, determined by the board,  
 4.12 of increased revenue per adjusted pupil unit that differs from year to year over the number  
 4.13 of years for which the increased revenue is authorized or may state that the amount shall  
 4.14 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the  
 4.15 annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may  
 4.16 state that existing referendum levy authority is expiring. In this case, the ballot may also  
 4.17 compare the proposed levy authority to the existing expiring levy authority, and express  
 4.18 the proposed increase as the amount, if any, over the expiring referendum levy authority.  
 4.19 The ballot must designate the specific number of years, not to exceed ten, for which the  
 4.20 referendum authorization applies. The ballot, including a ballot on the question to revoke  
 4.21 or reduce the increased revenue amount under paragraph (c), must abbreviate the term  
 4.22 "per adjusted pupil unit" as "per pupil." The notice required under section 275.60 may  
 4.23 be modified to read, in cases of renewing existing levies at the same amount per pupil  
 4.24 as in the previous year:

4.25 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING  
 4.26 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS  
 4.27 SCHEDULED TO EXPIRE."

4.28 The ballot may contain a textual portion with the information required in this  
 4.29 subdivision and a question stating substantially the following:

4.30 "Shall the increase in the revenue proposed by (petition to) the board of .....,  
 4.31 School District No. ..., be approved?"

4.32 If approved, an amount equal to the approved revenue per adjusted pupil unit times  
 4.33 the adjusted pupil units for the school year beginning in the year after the levy is certified  
 4.34 shall be authorized for certification for the number of years approved, if applicable, or  
 4.35 until revoked or reduced by the voters of the district at a subsequent referendum.

5.1 (b) The board must prepare and deliver by ~~first-class~~ mail at least ~~15~~ ten days but  
5.2 no more than 30 days before the day of the referendum to each taxpayer a notice of the  
5.3 referendum and the proposed revenue increase. The board need not mail more than one  
5.4 notice to any taxpayer. For the purpose of giving mailed notice under this subdivision,  
5.5 owners must be those shown to be owners on the records of the county auditor or, in any  
5.6 county where tax statements are mailed by the county treasurer, on the records of the county  
5.7 treasurer. Every property owner whose name does not appear on the records of the county  
5.8 auditor or the county treasurer is deemed to have waived this mailed notice unless the  
5.9 owner has requested in writing that the county auditor or county treasurer, as the case may  
5.10 be, include the name on the records for this purpose. The notice must project the anticipated  
5.11 amount of tax increase in annual dollars for typical residential homesteads, agricultural  
5.12 homesteads, apartments, and commercial-industrial property within the school district.

5.13 The notice for a referendum may state that an existing referendum levy is expiring  
5.14 and project the anticipated amount of increase over the existing referendum levy in  
5.15 the first year, if any, in annual dollars for typical residential homesteads, agricultural  
5.16 homesteads, apartments, and commercial-industrial property within the district.

5.17 The notice must include the following statement: "Passage of this referendum will  
5.18 result in an increase in your property taxes." However, in cases of renewing existing levies,  
5.19 the notice may include the following statement: "Passage of this referendum extends an  
5.20 existing operating referendum at the same amount per pupil as in the previous year."

5.21 (c) A referendum on the question of revoking or reducing the increased revenue  
5.22 amount authorized pursuant to paragraph (a) may be called by the board. A referendum to  
5.23 revoke or reduce the revenue amount must state the amount per ~~resident marginal cost~~  
5.24 adjusted pupil unit by which the authority is to be reduced. Revenue authority approved  
5.25 by the voters of the district pursuant to paragraph (a) must be available to the school  
5.26 district at least once before it is subject to a referendum on its revocation or reduction for  
5.27 subsequent years. Only one revocation or reduction referendum may be held to revoke or  
5.28 reduce referendum revenue for any specific year and for years thereafter.

5.29 (d) The approval of 50 percent plus one of those voting on the question is required to  
5.30 pass a referendum authorized by this subdivision.

5.31 (e) At least 15 days before the day of the referendum, the district must submit a  
5.32 copy of the notice required under paragraph (b) to the commissioner and to the county  
5.33 auditor of each county in which the district is located. Within 15 days after the results  
5.34 of the referendum have been certified by the board, or in the case of a recount, the  
5.35 certification of the results of the recount by the canvassing board, the district must notify  
5.36 the commissioner of the results of the referendum.

6.1 **EFFECTIVE DATE.** This section is effective for notices mailed on or after July  
6.2 1, 2014.

6.3 Sec. 7. **REPEALER.**

6.4 Minnesota Statutes 2012, section 120A.40, is repealed.

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

APPENDIX  
Repealed Minnesota Statutes: 14-4616

**120A.40 SCHOOL CALENDAR.**

(a) Except for learning programs during summer, flexible learning year programs authorized under sections 124D.12 to 124D.127, and learning year programs under section 124D.128, a district must not commence an elementary or secondary school year before Labor Day, except as provided under paragraph (b). Days devoted to teachers' workshops may be held before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

(b) A district may begin the school year on any day before Labor Day:

- (1) to accommodate a construction or remodeling project of \$400,000 or more affecting a district school facility;
- (2) if the district has an agreement under section 123A.30, 123A.32, or 123A.35 with a district that qualifies under clause (1); or
- (3) if the district agrees to the same schedule with a school district in an adjoining state.