

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE **S.F. No. 2482**

(SENATE AUTHORS: OLSON and Stumpf)

DATE	D-PG	OFFICIAL STATUS
03/15/2012	4476	Introduction and first reading Referred to Education
03/22/2012	4764 4775a	Comm report: To pass as amended and re-refer to Finance Joint rule 2.03, referred to Rules and Administration
03/29/2012	5266	Comm report: Adopt previous comm report
04/03/2012	5573s 5614	Comm report: To pass as amended Second reading
04/04/2012	5641	HF substituted on General Orders HF2949

A bill for an act

1.1 relating to education; providing for general education, education excellence,
1.2 special education, and other programs; appropriating money; amending
1.3 Minnesota Statutes 2010, sections 120A.20, subdivision 2; 120A.22,
1.4 subdivisions 2, 11; 120B.024; 120B.13, subdivision 1; 122A.415, subdivision 3;
1.5 123B.04; 123B.92, subdivision 3; 124D.08, by adding a subdivision; 124D.09,
1.6 subdivisions 9, 12, 13, 22, 24, by adding a subdivision; 125A.14; 125A.19;
1.7 125A.515, subdivision 1; 126C.19, subdivision 2; 127A.47, subdivision 1;
1.8 135A.101, subdivision 1; 475.58, by adding a subdivision; Minnesota Statutes
1.9 2011 Supplement, sections 120A.24, subdivision 1; 120B.023, subdivision 2;
1.10 120B.07; 120B.08; 120B.09; 120B.12, subdivision 2; 120B.30, subdivision 1;
1.11 122A.40, subdivision 5; 123B.147, subdivision 3; 124D.10, subdivisions 3,
1.12 4, 6, 8, 10, 11, 13, 14, 15, 17a, 23, 25, by adding a subdivision; 124D.4531,
1.13 subdivision 1; 124D.98, subdivisions 2, 3; 126C.126; 126C.40, subdivision 1;
1.14 127A.45, subdivision 6a; Laws 2011, First Special Session chapter 11, article
1.15 2, section 50, subdivision 16; article 7, section 2, subdivision 8; proposing
1.16 coding for new law in Minnesota Statutes, chapter 123B; repealing Minnesota
1.17 Statutes 2010, sections 120A.28; 120B.019; 120B.31, subdivision 3; 121A.60,
1.18 subdivisions 3, 4; 121A.62; 121A.63; 122A.18, subdivision 9; 124D.09,
1.19 subdivision 23; 125A.16; 125A.80; 127A.47, subdivision 2; 475.53, subdivision
1.20 5.
1.21

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

ARTICLE 1

GENERAL EDUCATION

1.25 Section 1. Minnesota Statutes 2010, section 120A.20, subdivision 2, is amended to
1.26 read:

1.27 Subd. 2. **Education and, residence, and transportation of homeless.** (a)
1.28 Notwithstanding subdivision 1, a district must not deny free admission to a homeless
1.29 ~~person of school age~~ pupil solely because the district cannot determine that the ~~person~~
1.30 pupil is a resident of the district.

2.1 (b) ~~The school district of residence for a homeless person of school age pupil~~
2.2 ~~shall be the school district in which the homeless shelter or other program, center, or~~
2.3 ~~facility assisting the homeless person is located. The educational services a school~~
2.4 ~~district provides to a homeless person must allow the person to work toward meeting the~~
2.5 ~~graduation standards under section 120B.02. parent or legal guardian resides, unless: (1)~~
2.6 ~~parental rights have been terminated by court order; (2) the parent or guardian is not~~
2.7 ~~living within the state; or (3) the parent or guardian having legal custody of the child is~~
2.8 ~~an inmate of a Minnesota correctional facility or is a resident of a halfway house under~~
2.9 ~~the supervision of the commissioner of corrections. If any of clauses (1) to (3) apply, the~~
2.10 ~~school district of residence shall be the school district in which the pupil resided when the~~
2.11 ~~qualifying event occurred. If no other district of residence can be established, the school~~
2.12 ~~district of residence shall be the school district in which the pupil currently resides. If~~
2.13 ~~there is a dispute between school districts regarding residency, the district of residence is~~
2.14 ~~the district designated by the commissioner of education.~~

2.15 (c) The serving district is responsible for transporting a homeless pupil to and from
2.16 the pupil's district of residence. The district may transport from a permanent home in
2.17 another district but only through the end of the academic school year. When a pupil is
2.18 enrolled in a charter school, the district or school that provides transportation for other
2.19 pupils enrolled in the charter school is responsible for providing transportation. When a
2.20 homeless student with or without an individualized education program attends a public
2.21 school other than an independent or special school district or charter school, the district of
2.22 residence is responsible for transportation.

2.23 Sec. 2. Minnesota Statutes 2010, section 120A.22, subdivision 11, is amended to read:

2.24 Subd. 11. **Assessment of performance.** (a) Each year the performance of every
2.25 child ages seven through 16 who is not enrolled in a public school must be assessed using
2.26 a nationally norm-referenced standardized achievement examination. The superintendent
2.27 of the district in which the child receives instruction and the person in charge of the child's
2.28 instruction must agree about the specific examination to be used and the administration
2.29 and location of the examination.

2.30 (b) To the extent the examination in paragraph (a) does not provide assessment in
2.31 all of the subject areas in subdivision 9, the parent must assess the child's performance
2.32 in the applicable subject area. This requirement applies only to a parent who provides
2.33 instruction and does not meet the requirements of subdivision 10, clause (1), (2), or (3).

2.34 (c) If the results of the assessments in paragraphs (a) and (b) indicate that the
2.35 child's performance on the total battery score is at or below the 30th percentile or one

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3.1 grade level below the performance level for children of the same age, the parent must
3.2 obtain additional evaluation of the child's abilities and performance for the purpose of
3.3 determining whether the child has learning problems.

3.4 (d) A child receiving instruction from a nonpublic school, person, or institution that
3.5 is accredited by an accrediting agency, recognized according to section 123B.445, or
3.6 recognized by the commissioner, is exempt from the requirements of this subdivision.

3.7 Sec. 3. Minnesota Statutes 2011 Supplement, section 120A.24, subdivision 1, is
3.8 amended to read:

3.9 Subdivision 1. **Reports to superintendent.** (a) The person or nonpublic school in
3.10 charge of providing instruction to a child must submit to the superintendent of the district
3.11 in which the child resides the name, birth date, and address of the child; the annual tests
3.12 intended to be used under section 120A.22, subdivision 11, if required; the name of each
3.13 instructor; and evidence of compliance with one of the requirements specified in section
3.14 120A.22, subdivision 10:

3.15 (1) by October 1 of the first school year the child receives instruction after reaching
3.16 the age of seven;

3.17 (2) within 15 days of when a parent withdraws a child from public school after age
3.18 seven to ~~homeschool~~ provide instruction in a nonpublic school that is not accredited
3.19 by a state-recognized accredited agency;

3.20 (3) within 15 days of moving out of a district; and

3.21 (4) by October 1 after a new resident district is established.

3.22 (b) The person or nonpublic school in charge of providing instruction to a child
3.23 between the ages of seven and 16 must submit, by October 1 of each school year, a letter
3.24 of intent to continue to provide instruction under this section for all students under the
3.25 person's or school's supervision and any changes to the information required in paragraph
3.26 (a) for each student.

3.27 (c) The superintendent may collect the required information under this section
3.28 through an electronic or Web-based format, but must not require electronic submission
3.29 of information under this section from the person in charge of reporting under this
3.30 subdivision.

3.31 Sec. 4. Minnesota Statutes 2011 Supplement, section 120B.07, is amended to read:

3.32 **120B.07 EARLY GRADUATION.**

3.33 ~~(a)~~ Notwithstanding any law to the contrary, any secondary school student who has
3.34 completed all required courses or standards may, with the approval of the student, the

4.1 student's parent or guardian, and local school officials, graduate before the completion
4.2 of the school year.

4.3 ~~(b) General education revenue attributable to the student must be paid as though~~
4.4 ~~the student was in attendance for the entire year unless the student participates in the~~
4.5 ~~early graduation achievement scholarship program under section 120B.08 or the early~~
4.6 ~~graduation military service award program under section 120B.09.~~

4.7 **EFFECTIVE DATE.** This section is effective for fiscal year 2012 and later.

4.8 Sec. 5. Minnesota Statutes 2011 Supplement, section 120B.08, is amended to read:

4.9 **120B.08 EARLY GRADUATION ACHIEVEMENT SCHOLARSHIP**
4.10 **PROGRAM.**

4.11 Subdivision 1. **Participation.** A student who qualifies for early graduation under
4.12 section 120B.07, who meets the criteria in subdivision 1a and who has not participated in
4.13 the early graduation military service award program under section 120B.09, is eligible to
4.14 participate in the early graduation achievement scholarship program.

4.15 Subd. 1a. **Eligible student.** For purposes of this section, an eligible student is a
4.16 secondary student enrolled in a Minnesota public school who, at the time of graduation,
4.17 generated Minnesota general education revenue and who graduates prior to the end of the
4.18 fourth school year after first enrolling in ninth grade.

4.19 Subd. 2. **Scholarship amounts.** A student who participates in the early graduation
4.20 achievement scholarship program is eligible for a scholarship of \$2,500 if the student
4.21 ~~qualifies for graduation~~ graduates one semester or two trimesters early, \$5,000 if the
4.22 student ~~qualifies for graduation~~ graduates two semesters or three or four trimesters early,
4.23 or \$7,500 if the student ~~qualifies for graduation~~ graduates three or more semesters or
4.24 five or more trimesters early. Participation in the optional summer term, extended day
4.25 sessions, and intersessions of a state-approved learning year program under section
4.26 124D.128 are considered a quarter for purposes of computing scholarship amounts.

4.27 Subd. 3. **Scholarship uses.** An early graduation achievement scholarship may be
4.28 used at any ~~accredited~~ institution of higher education accredited by an accrediting agency
4.29 recognized by the United States Department of Education.

4.30 Subd. 4. **Application.** A qualifying student may apply to the commissioner of
4.31 education for an early graduation achievement scholarship. The application must be in
4.32 the form and manner specified by the commissioner. Upon verification of the qualifying
4.33 student's course completion necessary for graduation, the department must issue the
4.34 student a certificate showing the student's scholarship amount.

5.1 Subd. 5. **Enrollment verification.** A student who qualifies under this section
5.2 and enrolls in an accredited higher education institution must submit a form to the
5.3 commissioner verifying the student's enrollment in the higher education institution and the
5.4 tuition charges for that semester. Within ~~15~~ 45 days of receipt of a student's enrollment
5.5 and tuition verification form, the commissioner must issue a scholarship check to the
5.6 ~~student~~ higher education institution in the lesser of the tuition amount for that semester
5.7 or the maximum amount of the student's early graduation achievement scholarship. A
5.8 student may continue to submit enrollment verification forms to the commissioner until
5.9 the student has used the full amount of the student's graduation achievement scholarship or
5.10 six years from the date of the student's graduation, whichever occurs first. The scholarship
5.11 cannot be renewed.

5.12 Subd. 6. **General education money transferred.** The commissioner must transfer
5.13 the amounts necessary to fund the early graduation achievement scholarships from the
5.14 general education aid appropriation for that year.

5.15 **EFFECTIVE DATE.** This section is effective for fiscal year 2012 and later.

5.16 Sec. 6. Minnesota Statutes 2011 Supplement, section 120B.09, is amended to read:

5.17 **120B.09 EARLY GRADUATION MILITARY SERVICE AWARD PROGRAM.**

5.18 Subdivision 1. **Eligibility.** For purposes of this section, "eligible person" means a
5.19 secondary student enrolled in any Minnesota public school who, at the time of graduation,
5.20 generated Minnesota general education revenue, who qualifies for early graduation under
5.21 section 120B.07, who graduated prior to the end of the fourth school year after first
5.22 enrolling in ninth grade, who has not participated in the early graduation achievement
5.23 scholarship program under section 120B.08, and who, before the end of the calendar
5.24 year of the student's graduation, enters into active service in either the active or reserve
5.25 component of the United States armed forces and deploys for 60 days or longer to a
5.26 military base or installation outside Minnesota for the purpose of attending basic military
5.27 training or military school and, if required by the military, performing other military duty.
5.28 The active service may be in accordance with United States Code, title 10 or title 32.

5.29 Subd. 2. **Application.** An eligible person may apply to the commissioner of
5.30 education for an early graduation military service bonus. The application must be in the
5.31 form and manner specified by the commissioner and must be received at the department
5.32 within two calendar years of the date of graduation.

5.33 Subd. 3. **Verification and award.** The request for payment must be received at
5.34 the department by the end of the second fiscal year following the date of the student's

6.1 graduation. Upon verification of the qualifying student's course completion necessary for
6.2 graduation and eligibility for the military service bonus, the commissioner must issue
6.3 payment to that person. Payment amounts must be determined according to section
6.4 120B.08, subdivision 2. Once the original amount of the award has been paid, it cannot be
6.5 renewed.

6.6 **EFFECTIVE DATE.** This section is effective for fiscal year 2012 and later.

6.7 Sec. 7. Minnesota Statutes 2010, section 122A.415, subdivision 3, is amended to read:

6.8 Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites,
6.9 or charter schools with approved applications must receive alternative compensation
6.10 revenue for each school year that the district, intermediate school district, school site,
6.11 or charter school implements an alternative teacher professional pay system under this
6.12 subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district,
6.13 intermediate school district, school site, or charter school that received alternative teacher
6.14 compensation aid for the previous fiscal year must receive at least an amount of alternative
6.15 teacher compensation revenue equal to the lesser of the amount it received for the previous
6.16 fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if
6.17 the district, intermediate school district, school site, or charter school submits a timely
6.18 application and the commissioner determines that the district, intermediate school district,
6.19 school site, or charter school continues to implement an alternative teacher professional
6.20 pay system, consistent with its application under this section.

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

6.27 (c) ~~For applications approved under this section before August 1 of the fiscal year for~~
6.28 ~~which the aid is paid, the portion of the state total basic alternative teacher compensation~~
6.29 ~~aid entitlement allocated to charter schools must not exceed \$522,000 for fiscal year 2006~~
6.30 ~~and \$3,374,000 for fiscal year 2007.~~ For fiscal year 2008 and later, the portion of the state
6.31 total basic alternative teacher compensation aid entitlement allocated to charter schools
6.32 must not exceed the product of \$3,374,000 times the ratio of the state total charter school
6.33 enrollment for the previous fiscal year to the state total charter school enrollment for ~~the~~
6.34 ~~second previous~~ fiscal year 2007. Additional basic alternative teacher compensation aid
6.35 may be approved for charter schools after August 1, not to exceed the charter school limit

7.1 for the following fiscal year, if the basic alternative teacher compensation aid entitlement
7.2 for school districts based on applications approved by August 1 does not expend the
7.3 remaining amount under the limit.

7.4 Sec. 8. Minnesota Statutes 2010, section 123B.92, subdivision 3, is amended to read:

7.5 Subd. 3. **Alternative attendance programs.** (a) A district that enrolls nonresident
7.6 pupils in programs under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68,
7.7 must provide authorized transportation to the pupil within the attendance area for the
7.8 school that the pupil attends at the same level of service that is provided to resident pupils
7.9 within the attendance area. The resident district need not provide or pay for transportation
7.10 between the pupil's residence and the district's border.

7.11 (b) A district may provide transportation to allow a student who attends a high-need
7.12 English language learner program and who resides within the transportation attendance
7.13 area of the program to continue in the program until the student completes the highest
7.14 grade level offered by the program.

7.15 (c) A homeless nonresident pupil enrolled under section 124D.08, subdivision 2a,
7.16 must be provided transportation from the pupil's district of residence to and from the
7.17 school of enrollment.

7.18 Sec. 9. Minnesota Statutes 2010, section 124D.08, is amended by adding a subdivision
7.19 to read:

7.20 Subd. 2a. **Continued enrollment for homeless students.** Notwithstanding
7.21 subdivision 2, a pupil who has been enrolled in a district, who is identified as homeless,
7.22 and whose parent or legal guardian moves to another district, may continue to enroll in
7.23 the nonresident district without the approval of the board of the nonresident district. The
7.24 approval of the board of the pupil's resident district is not required.

7.25 Sec. 10. Minnesota Statutes 2010, section 124D.09, is amended by adding a
7.26 subdivision to read:

7.27 Subd. 5a. **Authorization; career or technical education.** A 10th, 11th, or 12th
7.28 grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant
7.29 school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in
7.30 a district under a cultural exchange program, may enroll in a career or technical education
7.31 course offered by a Minnesota state college or university. A 10th grade pupil applying
7.32 for enrollment in a career or technical education course under this subdivision must
7.33 have received a passing score on the 8th grade Minnesota Comprehensive Assessment

8.1 in reading as a condition of enrollment. A secondary pupil may enroll in their first
8.2 postsecondary options enrollment course under this subdivision. A student who is refused
8.3 enrollment by a Minnesota state college or university under this subdivision, may apply
8.4 to an eligible institution offering a career or technical education course or a college or
8.5 university registered under chapter 136A by the Office of Higher Education that is eligible
8.6 to receive state student aid. The postsecondary institution must give priority to its students
8.7 according to subdivision 9. If a secondary student receives a grade of "C" or better in the
8.8 career or technical education course taken under this subdivision, the postsecondary
8.9 institution must allow the student to take additional secondary courses at that institution,
8.10 not to exceed the limits in subdivision 8. A "career or technical course" is a course that is
8.11 part of a career and technical education program that provides individuals with coherent,
8.12 rigorous content aligned with academic standards and relevant technical knowledge
8.13 and skills needed to prepare for further education and careers in current and emerging
8.14 professions and provide technical skill proficiency, an industry recognized credential, and
8.15 a certificate, diploma, or an associate degree.

8.16 Sec. 11. Minnesota Statutes 2010, section 124D.09, subdivision 9, is amended to read:

8.17 Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to its
8.18 postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses.
8.19 A postsecondary institution may provide information about its programs to a secondary
8.20 school or to a pupil or parent, ~~but it may not advertise or otherwise recruit or solicit~~
8.21 ~~the participation of secondary pupils to enroll in its programs on financial grounds.~~
8.22 An institution must not enroll secondary pupils, for postsecondary enrollment options
8.23 purposes, in remedial, developmental, or other courses that are not college level. Once a
8.24 pupil has been enrolled in a postsecondary course under this section, the pupil shall not
8.25 be displaced by another student.

8.26 Sec. 12. Minnesota Statutes 2010, section 124D.09, subdivision 12, is amended to read:

8.27 Subd. 12. **Credits.** ~~A pupil may enroll in a course under this section for either~~
8.28 ~~secondary credit or postsecondary credit. At the time a pupil enrolls in a course, the pupil~~
8.29 ~~shall designate whether the course is for secondary or postsecondary credit. A pupil taking~~
8.30 ~~several courses may designate some for secondary credit and some for postsecondary~~
8.31 ~~credit.~~ A pupil must not audit a course under this section.

8.32 A district shall grant academic credit to a pupil enrolled in a course for secondary
8.33 credit if the pupil successfully completes the course. Seven quarter or four semester
8.34 college credits equal at least one full year of high school credit. Fewer college credits may

9.1 be prorated. A district must also grant academic credit to a pupil enrolled in a course for
9.2 postsecondary credit if secondary credit is requested by a pupil. If no comparable course is
9.3 offered by the district, the district must, as soon as possible, notify the commissioner, who
9.4 shall determine the number of credits that shall be granted to a pupil who successfully
9.5 completes a course. If a comparable course is offered by the district, the school board
9.6 shall grant a comparable number of credits to the pupil. If there is a dispute between the
9.7 district and the pupil regarding the number of credits granted for a particular course, the
9.8 pupil may appeal the board's decision to the commissioner. The commissioner's decision
9.9 regarding the number of credits shall be final.

9.10 The secondary credits granted to a pupil must be counted toward the graduation
9.11 requirements and subject area requirements of the district. Evidence of successful
9.12 completion of each course and secondary credits granted must be included in the pupil's
9.13 secondary school record. A pupil shall provide the school with a copy of the pupil's grade
9.14 in each course taken for secondary credit under this section. Upon the request of a pupil,
9.15 the pupil's secondary school record must also include evidence of successful completion
9.16 and credits granted for a course taken for postsecondary credit. In either case, the record
9.17 must indicate that the credits were earned at a postsecondary institution.

9.18 If a pupil enrolls in a postsecondary institution after leaving secondary school, the
9.19 postsecondary institution must award postsecondary credit for any course successfully
9.20 completed for secondary credit at that institution. Other postsecondary institutions may
9.21 award, after a pupil leaves secondary school, postsecondary credit for any courses
9.22 successfully completed under this section. An institution may not charge a pupil for
9.23 the award of credit.

9.24 The Board of Trustees of the Minnesota State Colleges and Universities and
9.25 the Board of Regents of the University of Minnesota must, and private nonprofit and
9.26 proprietary postsecondary institutions should, award postsecondary credit for any
9.27 successfully completed courses in a program certified by the National Alliance of
9.28 Concurrent Enrollment Partnerships offered according to an agreement under subdivision
9.29 10.

9.30 Sec. 13. Minnesota Statutes 2010, section 124D.09, subdivision 13, is amended to read:

9.31 Subd. 13. **Financial arrangements.** For a pupil enrolled in a course under this
9.32 section, the department must make payments according to this subdivision for courses that
9.33 were taken for secondary credit.

9.34 The department must not make payments to a school district or postsecondary
9.35 institution for a course taken for postsecondary credit only. The department must not

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10.1 make payments to a postsecondary institution for a course from which a student officially
10.2 withdraws during the first 14 days of the quarter or semester or who has been absent from
10.3 the postsecondary institution for the first 15 consecutive school days of the quarter or
10.4 semester and is not receiving instruction in the home or hospital.

10.5 A postsecondary institution, including a college or university under subdivision 5a,
10.6 shall receive the following:

10.7 (1) for an institution granting quarter credit, the reimbursement per credit hour shall
10.8 be an amount equal to 88 percent of the product of the formula allowance minus \$415,
10.9 multiplied by 1.3, and divided by 45; or

10.10 (2) for an institution granting semester credit, the reimbursement per credit hour
10.11 shall be an amount equal to 88 percent of the product of the general revenue formula
10.12 allowance minus \$415, multiplied by 1.3, and divided by 30.

10.13 The department must pay to each postsecondary institution 100 percent of the
10.14 amount in clause (1) or (2) within 30 days of receiving initial enrollment information
10.15 each quarter or semester. If changes in enrollment occur during a quarter or semester,
10.16 the change shall be reported by the postsecondary institution at the time the enrollment
10.17 information for the succeeding quarter or semester is submitted. At any time the
10.18 department notifies a postsecondary institution that an overpayment has been made, the
10.19 institution shall promptly remit the amount due.

10.20 Sec. 14. Minnesota Statutes 2010, section 124D.09, subdivision 24, is amended to read:

10.21 Subd. 24. **Limit; state obligation.** The provisions of subdivisions 13, 19, and
10.22 ~~22, and 23~~ shall not apply for any postsecondary courses in which a pupil is enrolled in
10.23 addition to being enrolled full time in that pupil's district or for any postsecondary course
10.24 in which a pupil is enrolled for postsecondary credit. The pupil is enrolled full time if
10.25 the pupil attends credit-bearing classes in the high school or high school program for
10.26 all of the available hours of instruction.

10.27 **EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and
10.28 later.

10.29 Sec. 15. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 8, is
10.30 amended to read:

10.31 Subd. 8. **Federal, state, and local requirements.** (a) A charter school shall meet all
10.32 federal, state, and local health and safety requirements applicable to school districts.

10.33 (b) A school must comply with statewide accountability requirements governing
10.34 standards and assessments in chapter 120B.

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11.1 (c) A school authorized by a school board may be located in any district, unless the
11.2 school board of the district of the proposed location disapproves by written resolution.

11.3 (d) A charter school must be nonsectarian in its programs, admission policies,
11.4 employment practices, and all other operations. An authorizer may not authorize a charter
11.5 school or program that is affiliated with a nonpublic sectarian school or a religious
11.6 institution. A charter school student must be released for religious instruction, consistent
11.7 with section 120A.22, subdivision 12, clause (3).

11.8 (e) Charter schools must not be used as a method of providing education or
11.9 generating revenue for students who are being home-schooled. This paragraph does not
11.10 apply to shared time aid, under section 126C.19.

11.11 (f) The primary focus of a charter school must be to provide a comprehensive
11.12 program of instruction for at least one grade or age group from five through 18 years
11.13 of age. Instruction may be provided to people younger than five years and older than
11.14 18 years of age.

11.15 (g) A charter school may not charge tuition.

11.16 (h) A charter school is subject to and must comply with chapter 363A and section
11.17 121A.04.

11.18 (i) A charter school is subject to and must comply with the Pupil Fair Dismissal
11.19 Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections
11.20 123B.34 to 123B.39.

11.21 (j) A charter school is subject to the same financial audits, audit procedures, and
11.22 audit requirements as a district. Audits must be conducted in compliance with generally
11.23 accepted governmental auditing standards, the federal Single Audit Act, if applicable,
11.24 and section 6.65. A charter school is subject to and must comply with sections 15.054;
11.25 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 471.38; 471.391; 471.392; and
11.26 471.425. The audit must comply with the requirements of sections 123B.75 to 123B.83,
11.27 except to the extent deviations are necessary because of the program at the school.
11.28 Deviations must be approved by the commissioner and authorizer. The Department of
11.29 Education, state auditor, legislative auditor, or authorizer may conduct financial, program,
11.30 or compliance audits. A charter school determined to be in statutory operating debt under
11.31 sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

11.32 (k) A charter school is a district for the purposes of tort liability under chapter 466.

11.33 (l) A charter school must comply with chapters 13 and 13D; and sections 120A.22,
11.34 subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

11.35 (m) A charter school is subject to the Pledge of Allegiance requirement under
11.36 section 121A.11, subdivision 3.

12.1 (n) A charter school offering online courses or programs must comply with section
12.2 124D.095.

12.3 (o) A charter school and charter school board of directors are subject to chapter 181.

12.4 (p) A charter school must comply with section 120A.22, subdivision 7, governing
12.5 the transfer of students' educational records and sections 138.163 and 138.17 governing
12.6 the management of local records.

12.7 (q) A charter school that provides early childhood health and developmental
12.8 screening must comply with sections 121A.16 to 121A.19.

12.9 (r) A charter school that provides school-sponsored youth athletic activities must
12.10 comply with section 121A.38.

12.11 Sec. 16. Minnesota Statutes 2011 Supplement, section 126C.126, is amended to read:

12.12 **126C.126 REALLOCATING GENERAL EDUCATION REVENUE FOR**
12.13 **ALL-DAY KINDERGARTEN AND PREKINDERGARTEN.**

12.14 ~~(a) In order to provide additional revenue for an optional all-day kindergarten~~
12.15 ~~program, a district may reallocate general education revenue attributable to 12th grade~~
12.16 ~~students who have graduated early under section 120B.07 and who do not participate in~~
12.17 ~~the early graduation achievement scholarship program under section 120B.08 or the early~~
12.18 ~~graduation military service award program under section 120B.09.~~

12.19 ~~(b)~~ A school district may spend general education revenue on extended time
12.20 kindergarten and prekindergarten programs.

12.21 Sec. 17. Minnesota Statutes 2010, section 126C.19, subdivision 2, is amended to read:

12.22 Subd. 2. **Exception.** Notwithstanding subdivision 1, the resident district of a shared
12.23 time pupil attending shared time classes in another district ~~may~~ or a charter school must
12.24 grant the district or charter school of attendance, upon its request, permission to claim
12.25 the pupil as a resident for state aid purposes. In this case, state aid must be paid to the
12.26 district or charter school of attendance ~~and, upon agreement.~~ If the resident district agrees,
12.27 the district of attendance may bill the resident district for any unreimbursed education
12.28 costs, but not for unreimbursed transportation costs. ~~The agreement may, however,~~
12.29 provide resident district and the district or charter school of attendance may negotiate an
12.30 agreement for the resident district to pay the cost of any of the particular transportation
12.31 categories specified in section 123B.92, subdivision 1, and in this case, aid for those
12.32 categories must be paid to the district of residence rather than to the district of attendance.

13.1 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2014
13.2 and later.

13.3 Sec. 18. Minnesota Statutes 2011 Supplement, section 127A.45, subdivision 6a,
13.4 is amended to read:

13.5 Subd. 6a. **Cash flow adjustment.** The board of directors of any charter school
13.6 serving fewer than ~~150~~ 200 students where the percent of students eligible for special
13.7 education services equals at least 90 percent of the charter school's total enrollment may
13.8 request that the commissioner of education accelerate the school's cash flow under this
13.9 section. The commissioner must approve a properly submitted request within 30 days of
13.10 its receipt. The commissioner must accelerate the school's regular special education aid
13.11 payments according to the schedule in the school's request and modify the payments to the
13.12 school under subdivision 3 accordingly. A school must not receive current payments of
13.13 regular special education aid exceeding 90 percent of its estimated aid entitlement for the
13.14 fiscal year. The commissioner must delay the special education aid payments to all other
13.15 school districts and charter schools in proportion to each district or charter school's total
13.16 share of regular special education aid such that the overall aid payment savings from the
13.17 aid payment shift remains unchanged for any fiscal year.

13.18 Sec. 19. Minnesota Statutes 2010, section 127A.47, subdivision 1, is amended to read:

13.19 Subdivision 1. **Aid to serving district.** (a) Unless otherwise specifically provided
13.20 by law, general education aid must be paid according to this subdivision.

13.21 (b) Except as provided in paragraph (c), general education aid must be paid to the
13.22 serving district.

13.23 (c) If the resident district pays tuition for a pupil under section 123A.18, 123A.22,
13.24 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05,
13.25 125A.03 to 125A.24, 125A.51, or 125A.65, general education aid, excluding basic skills
13.26 revenue under section 126C.10, subdivision 4, must be paid to the resident district. For
13.27 a student enrolled under section 124D.08, subdivision 2a, that is enrolled in other than
13.28 an independent or special school district or charter school, the general education revenue
13.29 shall be paid to the resident district.

13.30 Sec. 20. Minnesota Statutes 2010, section 135A.101, subdivision 1, is amended to read:

13.31 Subdivision 1. **Requirements for participation.** To participate in the postsecondary
13.32 enrollment options program, a college or university must abide by the provisions in this

14.1 section. The institution may provide information about its programs to a secondary school
14.2 or to a pupil or parent, ~~but may not recruit or solicit participation on financial grounds.~~

14.3 Sec. 21. **POSTSECONDARY ENROLLMENT OPTION APPROPRIATION**
14.4 **ADJUSTMENT.**

14.5 Notwithstanding Minnesota Statutes, section 124D.09, for fiscal year 2013 only, the
14.6 commissioner must limit the appropriation paid in the postsecondary enrollment option
14.7 program that is attributable to tenth grade students enrolling in career and technical classes
14.8 to the amount generated under Minnesota Statutes, section 124D.09, subdivision 13,
14.9 clause (1) or (2), multiplied times 0.55.

14.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2013 only.

14.11 Sec. 22. **APPROPRIATION ADJUSTMENTS.**

14.12 Notwithstanding Laws 2011, First Special Session chapter 11, the commissioner
14.13 shall adjust appropriations made to the Department of Education in that act for the effects
14.14 of statutory changes made in this act. Where appropriate, the amounts necessary to fulfill
14.15 the requirements of this section are appropriated from the general fund.

14.16 Sec. 23. **REVISOR'S INSTRUCTION.**

14.17 In Minnesota Statutes and Rules, the revisor of statutes shall substitute the terms
14.18 "English learner," "EL," or similar term for "limited English proficient," "English language
14.19 learner," "LEP," "ELL," or similar term when referring to early childhood through grade 12
14.20 education. The revisor shall also make grammatical changes related to the changes in term.

14.21 Sec. 24. **REPEALER.**

14.22 (a) Minnesota Statutes 2010, section 124D.09, subdivision 23, is repealed effective
14.23 for the 2012-2013 school year and later.

14.24 (b) Minnesota Statutes 2010, section 127A.47, subdivision 2, is repealed.

14.25 **ARTICLE 2**

14.26 **EDUCATION EXCELLENCE**

14.27 Section 1. Minnesota Statutes 2010, section 120A.22, subdivision 2, is amended to
14.28 read:

15.1 Subd. 2. **Applicability.** This section and sections 120A.24; 120A.26; ~~120A.28;~~
15.2 120A.30; 120A.32; and 120A.34 apply only to a child required to receive instruction
15.3 according to subdivision 5 and to instruction that is intended to fulfill that requirement.

15.4 Sec. 2. Minnesota Statutes 2011 Supplement, section 120B.023, subdivision 2, is
15.5 amended to read:

15.6 Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must
15.7 revise and appropriately embed technology and information literacy standards consistent
15.8 with recommendations from school media specialists into the state's academic standards
15.9 and graduation requirements and implement a review cycle for state academic standards
15.10 and related benchmarks, consistent with this subdivision. During each review cycle, the
15.11 commissioner also must examine the alignment of each required academic standard and
15.12 related benchmark with the knowledge and skills students need for college readiness and
15.13 advanced work in the particular subject area.

15.14 (b) The commissioner in the 2006-2007 school year must revise and align the state's
15.15 academic standards and high school graduation requirements in mathematics to require
15.16 that students satisfactorily complete the revised mathematics standards, beginning in the
15.17 2010-2011 school year. Under the revised standards:

15.18 (1) students must satisfactorily complete an algebra I credit by the end of eighth
15.19 grade; and

15.20 (2) students scheduled to graduate in the 2014-2015 school year or later must
15.21 satisfactorily complete an algebra II credit or its equivalent.

15.22 The commissioner also must ensure that the statewide mathematics assessments
15.23 administered to students in grades 3 through 8 and 11 are aligned with the state academic
15.24 standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph

15.25 (b). The commissioner must implement a review of the academic standards and related
15.26 benchmarks in mathematics beginning in the 2015-2016 school year.

15.27 (c) The commissioner in the 2007-2008 school year must revise and align the state's
15.28 academic standards and high school graduation requirements in the arts to require that
15.29 students satisfactorily complete the revised arts standards beginning in the 2010-2011
15.30 school year. The commissioner must implement a review of the academic standards and
15.31 related benchmarks in arts beginning in the 2016-2017 school year.

15.32 (d) The commissioner in the 2008-2009 school year must revise and align the state's
15.33 academic standards and high school graduation requirements in science to require that
15.34 students satisfactorily complete the revised science standards, beginning in the 2011-2012
15.35 school year. Under the revised standards, students scheduled to graduate in the 2014-2015

16.1 school year or later must satisfactorily complete a chemistry, physics, or career and
16.2 technical education credit that ~~meets the standards underlying either~~ utilizes standards
16.3 associated with the chemistry or, physics, or biology credit or a combination thereof. The
16.4 commissioner must implement a review of the academic standards and related benchmarks
16.5 in science beginning in the 2017-2018 school year.

16.6 (e) The commissioner in the 2009-2010 school year must revise and align the state's
16.7 academic standards and high school graduation requirements in language arts to require
16.8 that students satisfactorily complete the revised language arts standards beginning in the
16.9 2012-2013 school year. The commissioner must implement a review of the academic
16.10 standards and related benchmarks in language arts beginning in the 2018-2019 school year.

16.11 (f) The commissioner in the 2010-2011 school year must revise and align the state's
16.12 academic standards and high school graduation requirements in social studies to require
16.13 that students satisfactorily complete the revised social studies standards beginning in the
16.14 2013-2014 school year. The commissioner must implement a review of the academic
16.15 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

16.16 (g) School districts and charter schools must revise and align local academic
16.17 standards and high school graduation requirements in health, world languages, and career
16.18 and technical education to require students to complete the revised standards beginning
16.19 in a school year determined by the school district or charter school. School districts and
16.20 charter schools must formally establish a periodic review cycle for the academic standards
16.21 and related benchmarks in health, world languages, and career and technical education.

16.22 Sec. 3. Minnesota Statutes 2010, section 120B.024, is amended to read:

16.23 **120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

16.24 (a) Students beginning 9th grade in the 2004-2005 school year and later must
16.25 successfully complete the following high school level course credits for graduation:

16.26 (1) four credits of language arts;

16.27 (2) three credits of mathematics, encompassing at least algebra, geometry, statistics,
16.28 and probability sufficient to satisfy the academic standard;

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

16.30 (4) three and one-half credits of social studies, encompassing at least United
16.31 States history, geography, government and citizenship, world history, and economics or
16.32 three credits of social studies encompassing at least United States history, geography,
16.33 government and citizenship, and world history, and one-half credit of economics taught in
16.34 a school's social studies, agriculture education, or business department;

16.35 (5) one credit in the arts; and

17.1 (6) a minimum of seven elective course credits.

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

17.5 (b) An agriculture science course may fulfill a science credit requirement in addition
17.6 to the specified science credits in biology and chemistry or physics under paragraph (a),
17.7 clause (3), and paragraph (d).

17.8 (c) A career and technical education course may fulfill a science, mathematics, or
17.9 arts credit requirement in addition to the specified science, mathematics, or arts credits
17.10 under paragraph (a), clause (2), (3), or (5), and paragraph (d).

17.11 (d) Students scheduled to graduate in the 2014-2015 school year and later must
17.12 successfully complete a chemistry or physics credit.

17.13 Sec. 4. Minnesota Statutes 2011 Supplement, section 120B.12, subdivision 2, is
17.14 amended to read:

17.15 Subd. 2. **Identification; report.** For the 2011-2012 school year and later, each
17.16 school district shall identify before the end of kindergarten, grade 1, and grade 2 students
17.17 who are not reading at grade level before the end of the current school year. Reading
17.18 assessments must identify and evaluate students' areas of academic need related to
17.19 literacy. The district must use a locally adopted assessment and annually report summary
17.20 assessment results to the commissioner by ~~June~~ July 1.

17.21 Sec. 5. Minnesota Statutes 2010, section 120B.13, subdivision 1, is amended to read:

17.22 Subdivision 1. **Program structure; training programs for teachers.** ~~(a) The~~
17.23 ~~advanced placement and international baccalaureate programs are well-established~~
17.24 ~~academic programs for mature, academically directed high school students. These~~
17.25 ~~programs, in addition to providing academic rigor, offer sound curricular design,~~
17.26 ~~accountability, comprehensive external assessment, feedback to students and teachers,~~
17.27 ~~and the opportunity for high school students to compete academically on a global level.~~
17.28 ~~Advanced placement and international baccalaureate programs allow students to leave~~
17.29 ~~high school with the academic skills and self-confidence to succeed in college and~~
17.30 ~~beyond. The advanced placement and international baccalaureate programs help provide~~
17.31 ~~Minnesota students with world-class educational opportunity.~~

17.32 ~~(b)~~ Critical to schools' educational success is ongoing advanced
17.33 placement/international baccalaureate-approved teacher training. A secondary teacher
17.34 assigned by a district to teach an advanced placement or international baccalaureate course

18.1 or other interested educator may participate in a training program offered by The College
18.2 Board or International Baccalaureate North America, Inc. The state may pay a portion
18.3 of the tuition, room, board, and out-of-state travel costs a teacher or other interested
18.4 educator incurs in participating in a training program. The commissioner shall determine
18.5 application procedures and deadlines, select teachers and other interested educators to
18.6 participate in the training program, and determine the payment process and amount of the
18.7 subsidy. The procedures determined by the commissioner shall, to the extent possible,
18.8 ensure that advanced placement and international baccalaureate courses become available
18.9 in all parts of the state and that a variety of course offerings are available in school districts.
18.10 This subdivision does not prevent teacher or other interested educator participation in
18.11 training programs offered by The College Board or International Baccalaureate North
18.12 America, Inc., when tuition is paid by a source other than the state.

18.13 Sec. 6. Minnesota Statutes 2011 Supplement, section 120B.30, subdivision 1, is
18.14 amended to read:

18.15 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
18.16 with appropriate technical qualifications and experience and stakeholders, consistent with
18.17 subdivision 1a, shall include in the comprehensive assessment system, for each grade
18.18 level to be tested, state-constructed tests developed from and aligned with the state's
18.19 required academic standards under section 120B.021, include multiple choice questions,
18.20 and be administered annually to all students in grades 3 through 8. State-developed high
18.21 school tests aligned with the state's required academic standards under section 120B.021
18.22 and administered to all high school students in a subject other than writing must include
18.23 multiple choice questions. The commissioner shall establish one or more months during
18.24 which schools shall administer the tests to students each school year. For students enrolled
18.25 in grade 8 before the 2005-2006 school year, Minnesota basic skills tests in reading,
18.26 mathematics, and writing shall fulfill students' basic skills testing requirements for a
18.27 passing state notation. The passing scores of basic skills tests in reading and mathematics
18.28 are the equivalent of 75 percent correct for students entering grade 9 based on the
18.29 first uniform test administered in February 1998. Students who have not successfully
18.30 passed a Minnesota basic skills test by the end of the 2011-2012 school year must pass
18.31 the graduation-required assessments for diploma under paragraph (c), except that for
18.32 the 2012-2013 and 2013-2014 school years only, these students may satisfy the state's
18.33 graduation test requirement for math by complying with paragraph (d), clauses (1) and (3).

18.34 (b) The state assessment system must be aligned to the most recent revision of
18.35 academic standards as described in section 120B.023 in the following manner:

- 19.1 (1) mathematics;
- 19.2 (i) grades 3 through 8 beginning in the 2010-2011 school year; and
- 19.3 (ii) high school level beginning in the 2013-2014 school year;
- 19.4 (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012
- 19.5 school year; and
- 19.6 (3) language arts and reading; grades 3 through 8 and high school level beginning in
- 19.7 the 2012-2013 school year.
- 19.8 (c) For students enrolled in grade 8 in the 2005-2006 school year and later, only the
- 19.9 following options shall fulfill students' state graduation test requirements:
- 19.10 (1) for reading and mathematics:
- 19.11 (i) obtaining an achievement level equivalent to or greater than proficient as
- 19.12 determined through a standard setting process on the Minnesota comprehensive
- 19.13 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing
- 19.14 score as determined through a standard setting process on the graduation-required
- 19.15 assessment for diploma in grade 10 for reading and grade 11 for mathematics or
- 19.16 subsequent retests;
- 19.17 (ii) achieving a passing score as determined through a standard setting process on the
- 19.18 state-identified language proficiency test in reading and the mathematics test for English
- 19.19 language learners or the graduation-required assessment for diploma equivalent of those
- 19.20 assessments for students designated as English language learners;
- 19.21 (iii) achieving an individual passing score on the graduation-required assessment for
- 19.22 diploma as determined by appropriate state guidelines for students with an individualized
- 19.23 education program or 504 plan;
- 19.24 (iv) obtaining achievement level equivalent to or greater than proficient as
- 19.25 determined through a standard setting process on the state-identified alternate assessment
- 19.26 or assessments in grade 10 for reading and grade 11 for mathematics for students with
- 19.27 an individualized education program; or
- 19.28 (v) achieving an individual passing score on the state-identified alternate assessment
- 19.29 or assessments as determined by appropriate state guidelines for students with an
- 19.30 individualized education program; and
- 19.31 (2) for writing:
- 19.32 (i) achieving a passing score on the graduation-required assessment for diploma;
- 19.33 (ii) achieving a passing score as determined through a standard setting process on
- 19.34 the state-identified language proficiency test in writing for students designated as English
- 19.35 language learners;

20.1 (iii) achieving an individual passing score on the graduation-required assessment for
20.2 diploma as determined by appropriate state guidelines for students with an individualized
20.3 education program or 504 plan; or

20.4 (iv) achieving an individual passing score on the state-identified alternate assessment
20.5 or assessments as determined by appropriate state guidelines for students with an
20.6 individualized education program.

20.7 (d) Students enrolled in grade 8 in any school year from the 2005-2006 school
20.8 year to the 2009-2010 school year who do not pass the mathematics graduation-required
20.9 assessment for diploma under paragraph (c) are eligible to receive a high school diploma
20.10 if they:

20.11 (1) complete with a passing score or grade all state and local coursework and credits
20.12 required for graduation by the school board granting the students their diploma;

20.13 (2) participate in district-prescribed academic remediation in mathematics; and

20.14 (3) fully participate in at least two retests of the mathematics GRAD test or until
20.15 they pass the mathematics GRAD test, whichever comes first. A school, district, or charter
20.16 school must place on the high school transcript a student's current pass status for each
20.17 subject that has a required graduation assessment.

20.18 In addition, the school board granting the students their diplomas may formally
20.19 decide to include a notation of high achievement on the high school diplomas of those
20.20 graduating seniors who, according to established school board criteria, demonstrate
20.21 exemplary academic achievement during high school.

20.22 (e) The 3rd through 8th grade and high school test results shall be available to
20.23 districts for diagnostic purposes affecting student learning and district instruction and
20.24 curriculum, and for establishing educational accountability. The commissioner must
20.25 disseminate to the public the high school test results upon receiving those results.

20.26 (f) The 3rd through 8th grade and high school tests must be aligned with state
20.27 academic standards. The commissioner shall determine the testing process and the order
20.28 of administration. The statewide results shall be aggregated at the site and district level,
20.29 consistent with subdivision 1a.

20.30 (g) In addition to the testing and reporting requirements under this section, the
20.31 commissioner shall include the following components in the statewide public reporting
20.32 system:

20.33 (1) uniform statewide testing of all students in grades 3 through 8 and at the high
20.34 school level that provides appropriate, technically sound accommodations or alternate
20.35 assessments;

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

21.4 (3) state results on the American College Test; and

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

21.9 Sec. 7. Minnesota Statutes 2011 Supplement, section 122A.40, subdivision 5, is
21.10 amended to read:

21.11 Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's
21.12 first teaching experience in Minnesota in a single district is deemed to be a probationary
21.13 period of employment, and, the probationary period in each district in which the teacher is
21.14 thereafter employed shall be one year. The school board must adopt a plan for written
21.15 evaluation of teachers during the probationary period that is consistent with subdivision
21.16 8. Evaluation must occur at least three times periodically throughout each school year
21.17 for a teacher performing services during that school year; the first evaluation must occur
21.18 within the first 90 days of teaching service. Days devoted to parent-teacher conferences,
21.19 teachers' workshops, and other staff development opportunities and days on which a
21.20 teacher is absent from school must not be included in determining the number of school
21.21 days on which a teacher performs services. Except as otherwise provided in paragraph (b),
21.22 during the probationary period any annual contract with any teacher may or may not be
21.23 renewed as the school board shall see fit. However, the board must give any such teacher
21.24 whose contract it declines to renew for the following school year written notice to that
21.25 effect before ~~June~~ July 1. If the teacher requests reasons for any nonrenewal of a teaching
21.26 contract, the board must give the teacher its reason in writing, including a statement
21.27 that appropriate supervision was furnished describing the nature and the extent of such
21.28 supervision furnished the teacher during the employment by the board, within ten days
21.29 after receiving such request. The school board may, after a hearing held upon due notice,
21.30 discharge a teacher during the probationary period for cause, effective immediately,
21.31 under section 122A.44.

21.32 (b) A board must discharge a probationary teacher, effective immediately, upon
21.33 receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's
21.34 license has been revoked due to a conviction for child abuse or sexual abuse.

22.1 (c) A probationary teacher whose first three years of consecutive employment are
22.2 interrupted for active military service and who promptly resumes teaching consistent with
22.3 federal reemployment timelines for uniformed service personnel under United States
22.4 Code, title 38, section 4312(e), is considered to have a consecutive teaching experience
22.5 for purposes of paragraph (a).

22.6 (d) A probationary teacher must complete at least 120 days of teaching service each
22.7 year during the probationary period. Days devoted to parent-teacher conferences, teachers'
22.8 workshops, and other staff development opportunities and days on which a teacher is
22.9 absent from school do not count as days of teaching service under this paragraph.

22.10 EFFECTIVE DATE. This section is effective for the 2012-2013 school year and
22.11 later.

22.12 Sec. 8. [123B.022] PROHIBITIONS ON POLITICAL ACTIVITIES BY PUBLIC
22.13 SCHOOL EMPLOYEES.

22.14 Local school boards shall develop and implement policies to ensure that publicly
22.15 funded resources, including, but not limited to, time, materials, equipment, facilities, and
22.16 e-mail and other forms of technology used to communicate are not used or authorized
22.17 for use by public employees to:

22.18 (1) advocate the election or defeat of any candidate for elective office;

22.19 (2) advocate the passage or defeat of any referendum question; or

22.20 (3) solicit funds for political purposes.

22.21 The policy also must define appropriate use and times of use of all computers at a
22.22 school site with Internet access available for employee use.

22.23 Such policies shall not prohibit the use of public funds for disseminating factual
22.24 information about a proposition appearing on a local ballot, if such information is factual
22.25 and does not advocate for or against the proposition.

22.26 All school districts must make these policies readily accessible to the public.

22.27 EFFECTIVE DATE. This section is effective six months following final enactment.

22.28 Sec. 9. Minnesota Statutes 2010, section 123B.04, is amended to read:

22.29 123B.04 SITE DECISION-MAKING; INDIVIDUALIZED LEARNING
22.30 AGREEMENT; OTHER AGREEMENTS.

22.31 Subdivision 1. **Definition.** "Education site" means a separate facility. A program
22.32 within a facility or within a district is an education site if the school board recognizes it
22.33 as a site.

23.1 Subd. 1a. **Individualized learning and instruction; improved student**
23.2 **achievement.** To promote individualized learning and instruction and improve student
23.3 achievement under subdivisions 4 and 4a, a participating school board under this section
23.4 must consider how to:

23.5 (1) assist a school site to adapt instruction to the needs and aptitudes of individual
23.6 students, and establish goals and standards for individual students in addition to the state
23.7 academic standards applicable to all students;

23.8 (2) coordinate the pace of instruction and learning with the needs and aptitudes of
23.9 individual students at a school site;

23.10 (3) provide useful data and assist with research in developing and improving
23.11 innovative, cost-effective, research-based individualized learning, instruction, and
23.12 assessment under this section and section 124D.10;

23.13 (4) demonstrate and help evaluate instructional alternatives to age-based grade
23.14 progression;

23.15 (5) more effectively motivate students and teachers; and

23.16 (6) expand use of learning technology to support individualized learning, instruction,
23.17 assessment, and achievement.

23.18 Subd. 2. **Agreement.** (a) The school board and a school site may enter into an
23.19 agreement under this section solely to develop and implement an individualized learning
23.20 and achievement contract under subdivision 4.

23.21 ~~(a)~~ (b) Upon the request of 60 percent of the licensed employees of a site or a school
23.22 site decision-making team, the school board shall enter into discussions to reach an
23.23 agreement concerning the governance, management, or control of the school. A school
23.24 site decision-making team may include the school principal, teachers in the school or
23.25 their designee, other employees in the school, representatives of pupils in the school, or
23.26 other members in the community. A school site decision-making team must include at
23.27 least one parent of a pupil in the school. For purposes of formation of a new site, a school
23.28 site decision-making team may be a team of teachers that is recognized by the board as
23.29 a site. The school site decision-making team shall include the school principal or other
23.30 person having general control and supervision of the school. The site decision-making
23.31 team must reflect the diversity of the education site. At least one-half of the members
23.32 shall be employees of the district, unless an employee is the parent of a student enrolled
23.33 in the school site, in which case the employee may elect to serve as a parent member of
23.34 the site team.

24.1 ~~(b)~~ (c) School site decision-making agreements must delegate powers, duties, and
24.2 broad management responsibilities to site teams and involve staff members, students as
24.3 appropriate, and parents in decision making.

24.4 ~~(e)~~ (d) An agreement shall include a statement of powers, duties, responsibilities,
24.5 and authority to be delegated to and within the site.

24.6 ~~(d)~~ (e) An agreement may include:

24.7 (1) an achievement contract according to subdivision 4;

24.8 (2) a mechanism to allow principals, a site leadership team, or other persons having
24.9 general control and supervision of the school, to make decisions regarding how financial
24.10 and personnel resources are best allocated at the site and from whom goods or services
24.11 are purchased;

24.12 (3) a mechanism to implement parental involvement programs under section
24.13 124D.895 and to provide for effective parental communication and feedback on this
24.14 involvement at the site level;

24.15 (4) a provision that would allow the team to determine who is hired into licensed
24.16 and nonlicensed positions;

24.17 (5) a provision that would allow teachers to choose the principal or other person
24.18 having general control;

24.19 (6) an amount of revenue allocated to the site under subdivision 3; and

24.20 (7) any other powers and duties determined appropriate by the board.

24.21 The school board of the district remains the legal employer under clauses (4) and (5).

24.22 ~~(e)~~ (f) Any powers or duties not delegated to the school site management team in the
24.23 school site management agreement shall remain with the school board.

24.24 ~~(f)~~ (g) Approved agreements shall be filed with the commissioner. If a school board
24.25 denies a request or the school site and school board fail to reach an agreement to enter
24.26 into a school site management agreement, the school board shall provide a copy of the
24.27 request and the reasons for its denial to the commissioner.

24.28 ~~(g)~~ (h) A site decision-making grant program is established, consistent with this
24.29 subdivision, to allow sites to implement an agreement that at least:

24.30 (1) notwithstanding subdivision 3, allocates to the site all revenue that is attributable
24.31 to the students at that site;

24.32 (2) includes a provision, consistent with current law and the collective bargaining
24.33 agreement in effect, that allows the site team to decide who is selected from within the
24.34 district for licensed and nonlicensed positions at the site and to make staff assignments
24.35 in the site; and

24.36 (3) includes a completed performance agreement under subdivision 4.

25.1 The commissioner shall establish the form and manner of the application for a grant
25.2 and annually, at the end of each fiscal year, report to the house of representatives and
25.3 senate committees having jurisdiction over education on the progress of the program.

25.4 Subd. 3. **Revenue and cost allocation.** Revenue for a fiscal year received or
25.5 receivable by the district shall be allocated to education sites based on the agreement
25.6 between the school board and the site decision-making team. Revenue shall remain
25.7 allocated to each site until used by the site. The site teams and the board may enter an
25.8 agreement that permits the district to provide services and retain the revenue required to
25.9 pay for the services provided. The district remains responsible for legally entering into
25.10 contracts and expending funds. For the purposes of this subdivision, "allocation" means
25.11 that the determination of the use of the revenue shall be under the control of the site. The
25.12 district may charge the accounts of each site the actual costs of goods and services from
25.13 the general or capital funds attributable to the site.

25.14 Subd. 4. **Achievement contract.** A school board may enter a written education
25.15 site achievement contract with each site decision-making team for ~~the purpose of:~~ (1)
25.16 setting individualized learning performance expectations and achievement measures and
25.17 short- and long-term educational goals for each student at that site, including the goals
25.18 for improvement in each area of; (2) recognizing each student's educational needs and
25.19 aptitudes and levels of academic attainment, whether on grade level or above or below
25.20 grade level, so as to improve student performance through such means as a cost-effective,
25.21 research-based formative assessment system designed to promote individualized learning
25.22 and assessment; (3) using student performance data to diagnose a student's academic
25.23 strengths and weaknesses and indicate to the student's teachers the specific skills and
25.24 concepts that need to be introduced to the student and developed through academic
25.25 instruction or applied learning, organized by strands within subject areas and linked to
25.26 state and local academic standards during the next year, a plan to assist consistent with
25.27 the student's short- and long-term educational goals; and (4) assisting the education site
25.28 if their progress in achieving student or contract goals are not achieved, and or other
25.29 performance expectations and or measures determined agreed to by the board and the site
25.30 decision-making team are not realized or implemented.

25.31 Subd. 4a. **Additional site agreements premised on successful achievement**
25.32 **contracts.** A school board that enters into a written education achievement contract
25.33 with a school site under subdivision 4 where the student performance data at the site
25.34 demonstrate at least three consecutive school years of improved student achievement
25.35 consistent with the terms of the achievement contract must seek to establish a similar
25.36 achievement contract with other school sites in the district.

26.1 Subd. 5. **Commissioner's role.** The commissioner of education, in consultation
26.2 with appropriate educational organizations, shall:

26.3 (1) upon request, provide technical support for districts and sites with agreements
26.4 under this section;

26.5 (2) conduct and compile research on the effectiveness of site decision making; and

26.6 (3) periodically report on and evaluate the effectiveness of site management
26.7 agreements on a statewide basis.

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

26.9 Sec. 10. Minnesota Statutes 2011 Supplement, section 123B.147, subdivision 3,
26.10 is amended to read:

26.11 Subd. 3. **Duties; evaluation.** (a) The principal shall provide administrative,
26.12 supervisory, and instructional leadership services, under the supervision of the
26.13 superintendent of schools of the district and according to the policies, rules, and
26.14 regulations of the school board, for the planning, management, operation, and evaluation
26.15 of the education program of the building or buildings to which the principal is assigned.

26.16 (b) To enhance a principal's leadership skills and support and improve teaching
26.17 practices, school performance, and student achievement, a district must develop and
26.18 implement a performance-based system for annually evaluating school principals assigned
26.19 to supervise a school building within the district. The evaluation must be designed
26.20 to improve teaching and learning by supporting the principal in shaping the school's
26.21 professional environment and developing teacher quality, performance, and effectiveness.
26.22 The annual evaluation must:

26.23 (1) support and improve a principal's instructional leadership, organizational
26.24 management, and professional development, and strengthen the principal's capacity in the
26.25 areas of instruction, supervision, evaluation, and teacher development;

26.26 (2) include formative and summative evaluations;

26.27 (3) be consistent with a principal's job description, a district's long-term plans and
26.28 goals, and the principal's own professional multiyear growth plans and goals, all of which
26.29 must support the principal's leadership behaviors and practices, rigorous curriculum,
26.30 school performance, and high-quality instruction;

26.31 (4) include on-the-job observations and previous evaluations;

26.32 (5) allow surveys to help identify a principal's effectiveness, leadership skills and
26.33 processes, and strengths and weaknesses in exercising leadership in pursuit of school
26.34 success;

27.1 (6) use longitudinal data on student academic growth as ~~an~~ 35 percent of the
27.2 evaluation component and incorporate district achievement goals and targets;

27.3 (7) be linked to professional development that emphasizes improved teaching and
27.4 learning, curriculum and instruction, student learning, and a collaborative professional
27.5 culture; and

27.6 (8) for principals not meeting standards of professional practice or other criteria
27.7 under this subdivision, implement a plan to improve the principal's performance and
27.8 specify the procedure and consequence if the principal's performance is not improved.

27.9 The provisions of this paragraph are intended to provide districts with sufficient
27.10 flexibility to accommodate district needs and goals related to developing, supporting,
27.11 and evaluating principals.

27.12 **EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and
27.13 later.

27.14 Sec. 11. Minnesota Statutes 2010, section 124D.09, subdivision 22, is amended to read:

27.15 Subd. 22. **Transportation.** (a) A parent or guardian of a pupil enrolled in a course
27.16 for secondary credit may apply to the pupil's district of residence for reimbursement for
27.17 transporting the pupil between the secondary school in which the pupil is enrolled or the
27.18 pupil's home and the postsecondary institution that the pupil attends. The state shall
27.19 provide state aid to a district in an amount sufficient to reimburse the parent or guardian
27.20 for the necessary transportation costs when the family's or guardian's income is at or
27.21 below the poverty level, as determined by the federal government. The reimbursement
27.22 shall be the pupil's actual cost of transportation or 15 cents per mile traveled, whichever
27.23 is less. Reimbursement may not be paid for more than 250 miles per week. However,
27.24 if the nearest postsecondary institution is more than 25 miles from the pupil's resident
27.25 secondary school, the weekly reimbursement may not exceed the reimbursement rate per
27.26 mile times the actual distance between the secondary school or the pupil's home and the
27.27 nearest postsecondary institution times ten. The state must pay aid to the district according
27.28 to this subdivision.

27.29 (b) A parent or guardian of an alternative pupil enrolled in a course for secondary
27.30 credit may apply to the pupil's postsecondary institution for reimbursement for
27.31 transporting the pupil between the secondary school in which the pupil is enrolled or the
27.32 pupil's home and the postsecondary institution in an amount sufficient to reimburse the
27.33 parent or guardian for the necessary transportation costs when the family's or guardian's
27.34 income is at or below the poverty level, as determined by the federal government. The

28.1 amount of the reimbursement shall be determined as in paragraph (a). The state must pay
28.2 aid to the postsecondary institution according to this subdivision.

28.3 Sec. 12. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 3, is
28.4 amended to read:

28.5 Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this
28.6 subdivision have the meanings given them.

28.7 "Application" to receive approval as an authorizer means the proposal an eligible
28.8 authorizer submits to the commissioner under paragraph (c) before that authorizer is able
28.9 to submit any affidavit to charter to a school.

28.10 "Application" under subdivision 4 means the charter school business plan a
28.11 school developer submits to an authorizer for approval to establish a charter school that
28.12 documents the school developer's mission statement, school purposes, program design,
28.13 financial plan, governance and management structure, and background and experience,
28.14 plus any other information the authorizer requests. The application also shall include a
28.15 "statement of assurances" of legal compliance prescribed by the commissioner.

28.16 "Affidavit" means a written statement the authorizer submits to the commissioner
28.17 for approval to establish a charter school under subdivision 4 attesting to its review and
28.18 approval process before chartering a school.

28.19 (b) The following organizations may authorize one or more charter schools:

28.20 (1) a school board; intermediate school district school board; education district
28.21 organized under sections 123A.15 to 123A.19;

28.22 (2) a charitable organization under section 501(c)(3) of the Internal Revenue Code
28.23 of 1986, excluding a nonpublic sectarian or religious institution, any person other than a
28.24 natural person that directly or indirectly, through one or more intermediaries, controls,
28.25 is controlled by, or is under common control with the nonpublic sectarian or religious
28.26 institution, and any other charitable organization under this clause that in the federal IRS
28.27 Form 1023, Part IV, describes activities indicating a religious purpose, that:

28.28 (i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on
28.29 Foundations;

28.30 (ii) is registered with the attorney general's office; and

28.31 (iii) is incorporated in the state of Minnesota and has been operating continuously
28.32 for at least five years but does not operate a charter school;

28.33 (3) a Minnesota private college, notwithstanding clause (2), that grants two- or
28.34 four-year degrees and is registered with the Minnesota Office of Higher Education under
28.35 chapter 136A; community college, state university, or technical college governed by the

29.1 Board of Trustees of the Minnesota State Colleges and Universities; or the University
29.2 of Minnesota;

29.3 (4) a nonprofit corporation subject to chapter 317A, described in section 317A.905,
29.4 and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code
29.5 of 1986, may authorize one or more charter schools if the charter school has operated
29.6 for at least three years under a different authorizer and if the nonprofit corporation has
29.7 existed for at least 25 years; or

29.8 (5) single-purpose authorizers that are charitable, nonsectarian organizations formed
29.9 under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state
29.10 of Minnesota whose sole purpose is to charter schools. Eligible organizations interested
29.11 in being approved as an authorizer under this paragraph must submit a proposal to the
29.12 commissioner that includes the provisions of paragraph (c) and a five-year financial plan.
29.13 Such authorizers shall consider and approve applications using the criteria provided in
29.14 subdivision 4 and shall not limit the applications it solicits, considers, or approves to any
29.15 single curriculum, learning program, or method.

29.16 (c) An eligible authorizer under this subdivision must apply to the commissioner for
29.17 approval as an authorizer before submitting any affidavit to the commissioner to charter
29.18 a school. The application for approval as a charter school authorizer must demonstrate
29.19 the applicant's ability to implement the procedures and satisfy the criteria for chartering a
29.20 school under this section. The commissioner must approve or disapprove an application
29.21 within 45 business days of the application deadline. If the commissioner disapproves
29.22 the application, the commissioner must notify the applicant of the specific deficiencies
29.23 in writing and the applicant then has 20 business days to address the deficiencies to the
29.24 commissioner's satisfaction. After the 20 business days expire, the commissioner has 15
29.25 business days to make a final decision to approve or disapprove the application. Failing to
29.26 address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to
29.27 be an authorizer. The commissioner, in establishing criteria for approval, must consider
29.28 the applicant's:

- 29.29 (1) capacity and infrastructure;
- 29.30 (2) application criteria and process;
- 29.31 (3) contracting process;
- 29.32 (4) ongoing oversight and evaluation processes; and
- 29.33 (5) renewal criteria and processes.

29.34 (d) An applicant must include in its application to the commissioner to be an
29.35 approved authorizer at least the following:

- 29.36 (1) how chartering schools is a way for the organization to carry out its mission;

30.1 (2) a description of the capacity of the organization to serve as an authorizer,
30.2 including the personnel who will perform the authorizing duties, their qualifications, the
30.3 amount of time they will be assigned to this responsibility, and the financial resources
30.4 allocated by the organization to this responsibility;

30.5 (3) a description of the application and review process the authorizer will use to
30.6 make decisions regarding the granting of charters;

30.7 (4) a description of the type of contract it will arrange with the schools it charters
30.8 that meets the provisions of subdivision 6;

30.9 (5) the process to be used for providing ongoing oversight of the school consistent
30.10 with the contract expectations specified in clause (4) that assures that the schools chartered
30.11 are complying with both the provisions of applicable law and rules, and with the contract;

30.12 (6) a description of the criteria and process the authorizer will use to grant expanded
30.13 applications under subdivision 4, paragraph (j);

30.14 (7) the process for making decisions regarding the renewal or termination of
30.15 the school's charter based on evidence that demonstrates the academic, organizational,
30.16 and financial competency of the school, including its success in increasing student
30.17 achievement and meeting the goals of the charter school agreement; and

30.18 (8) an assurance specifying that the organization is committed to serving as an
30.19 authorizer for the full five-year term.

30.20 (e) A disapproved applicant under this section may resubmit an application during a
30.21 future application period.

30.22 (f) If the governing board of an approved authorizer ~~that has chartered multiple~~
30.23 ~~schools~~ votes to withdraw as an approved authorizer for a reason unrelated to any
30.24 cause under subdivision 23, the authorizer must notify all its chartered schools and the
30.25 commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in
30.26 the next calendar year. The commissioner may approve the transfer of a charter school
30.27 to a new authorizer under this paragraph after the new authorizer submits an affidavit to
30.28 the commissioner.

30.29 (g) The authorizer must participate in department-approved training.

30.30 (h) An authorizer that chartered a school before August 1, 2009, must apply by
30.31 June 30, 2012, to the commissioner for approval, under paragraph (c), to continue as an
30.32 authorizer under this section. For purposes of this paragraph, an authorizer that fails to
30.33 submit a timely application is ineligible to charter a school.

30.34 (i) The commissioner shall review an authorizer's performance every five years in
30.35 a manner and form determined by the commissioner and may review an authorizer's
30.36 performance more frequently at the commissioner's own initiative or at the request of a

31.1 charter school operator, charter school board member, or other interested party. The
31.2 commissioner, after completing the review, shall transmit a report with findings to the
31.3 authorizer. If, consistent with this section, the commissioner finds that an authorizer has
31.4 not fulfilled the requirements of this section, the commissioner may subject the authorizer
31.5 to corrective action, which may include terminating the contract with the charter school
31.6 board of directors of a school it chartered. The commissioner must notify the authorizer
31.7 in writing of any findings that may subject the authorizer to corrective action and
31.8 the authorizer then has 15 business days to request an informal hearing before the
31.9 commissioner takes corrective action. If the commissioner terminates a contract between
31.10 an authorizer and a charter school under this paragraph, the commissioner may assist the
31.11 charter school in acquiring a new authorizer.

31.12 (j) The commissioner may at any time take corrective action against an authorizer,
31.13 including terminating an authorizer's ability to charter a school for:

31.14 (1) failing to demonstrate the criteria under paragraph (c) under which the
31.15 commissioner approved the authorizer;

31.16 (2) violating a term of the chartering contract between the authorizer and the charter
31.17 school board of directors;

31.18 (3) unsatisfactory performance as an approved authorizer; or

31.19 (4) any good cause shown that provides the commissioner a legally sufficient reason
31.20 to take corrective action against an authorizer.

31.21 Sec. 13. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 4, is
31.22 amended to read:

31.23 Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from
31.24 a school developer, may charter a licensed teacher under section 122A.18, subdivision
31.25 1, or a group of individuals that includes one or more licensed teachers under section
31.26 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the
31.27 authorizer's affidavit under paragraph (b). The school must be organized and operated as a
31.28 nonprofit corporation under chapter 317A and the provisions under the applicable chapter
31.29 shall apply to the school except as provided in this section.

31.30 Notwithstanding sections 465.717 and 465.719, a school district, subject to this
31.31 section and section 124D.11, may create a corporation for the purpose of establishing a
31.32 charter school.

31.33 (b) Before the operators may establish and operate a school, the authorizer must file
31.34 an affidavit with the commissioner stating its intent to charter a school. An authorizer
31.35 must file a separate affidavit for each school it intends to charter. The affidavit must

32.1 state the terms and conditions under which the authorizer would charter a school and
32.2 how the authorizer intends to oversee the fiscal and student performance of the charter
32.3 school and to comply with the terms of the written contract between the authorizer
32.4 and the charter school board of directors under subdivision 6. The commissioner must
32.5 approve or disapprove the authorizer's affidavit within 60 business days of receipt of the
32.6 affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify
32.7 the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business
32.8 days to address the deficiencies. If the authorizer does not address deficiencies to the
32.9 commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain
32.10 commissioner approval precludes an authorizer from chartering the school that is the
32.11 subject of this affidavit.

32.12 (c) The authorizer may prevent an approved charter school from opening for
32.13 operation if, among other grounds, the charter school violates this section or does not meet
32.14 the ready-to-open standards that are part of the authorizer's oversight and evaluation
32.15 process or are stipulated in the charter school contract.

32.16 (d) The operators authorized to organize and operate a school, before entering into a
32.17 contract or other agreement for professional or other services, goods, or facilities, must
32.18 incorporate as a nonprofit corporation under chapter 317A and must establish a board of
32.19 directors composed of at least five members who are not related parties until a timely
32.20 election for members of the ongoing charter school board of directors is held according to
32.21 the school's articles and bylaws under paragraph (f). A charter school board of directors
32.22 must be composed of at least five members who are not related parties. Staff members
32.23 employed at the school, including teachers providing instruction under a contract with a
32.24 cooperative, and all parents or legal guardians of children enrolled in the school are the
32.25 voters eligible to elect the members of the school's board of directors. A charter school
32.26 must notify eligible voters of the school board election dates at least 30 days before the
32.27 election. Board of director meetings must comply with chapter 13D.

32.28 (e) ~~Upon the request of an individual, the charter school must make available~~
32.29 ~~in a timely fashion~~ A charter school shall publish and maintain on the school's official
32.30 Web site: (1) the minutes of meetings of the board of directors, and of members and
32.31 committees having any board-delegated authority; for at least one calendar year from the
32.32 date of publication; (2) directory information for members of the board of directors and
32.33 committees having board-delegated authority; and (3) identifying and contact information
32.34 for the school's authorizer. Identifying and contact information for the school's authorizer
32.35 must be included in other school materials made available to the public. Upon request of
32.36 an individual, the charter school must also make available in a timely fashion financial

33.1 statements showing all operations and transactions affecting income, surplus, and deficit
33.2 during the school's last annual accounting period; and a balance sheet summarizing assets
33.3 and liabilities on the closing date of the accounting period. A charter school also must post
33.4 on its official Web site information identifying its authorizer and indicate how to contact
33.5 that authorizer and include that same information about its authorizer in other school
33.6 materials that it makes available to the public.

33.7 (f) Every charter school board member shall attend ~~department-approved~~ ongoing
33.8 training throughout the member's term on board governance, including training on
33.9 the board's role and responsibilities, employment policies and practices, and financial
33.10 management. A board member who does not begin the required initial training within six
33.11 months after being seated and complete that training within 12 months of being seated on
33.12 the board is ineligible to continue to serve as a board member. The school shall include in
33.13 its annual report the training attended by each board member during the previous year.

33.14 (g) The ongoing board must be elected before the school completes its third year of
33.15 operation. Board elections must be held during the school year but may not be conducted
33.16 on days when the school is closed for holidays or vacations. The charter school board of
33.17 directors shall be composed of at least five nonrelated members and include: (i) at least one
33.18 licensed teacher employed at the school or a licensed teacher providing instruction under
33.19 contract between the charter school and a cooperative; (ii) the parent or legal guardian
33.20 of a student enrolled in the charter school who is not an employee of the charter school;
33.21 and (iii) an interested community member who is not employed by the charter school and
33.22 does not have a child enrolled in the school. The board may be a teacher majority board
33.23 composed of teachers described in this paragraph. The chief financial officer and the chief
33.24 administrator may only serve as ex-officio nonvoting board members and may not serve
33.25 as a voting member of the board. Charter school employees shall not serve on the board
33.26 unless item (i) applies. Contractors providing facilities, goods, or services to a charter
33.27 school shall not serve on the board of directors of the charter school. Board bylaws shall
33.28 outline the process and procedures for changing the board's governance model, consistent
33.29 with chapter 317A. A board may change its governance model only:

33.30 (1) by a majority vote of the board of directors and the licensed teachers employed
33.31 by the school, including licensed teachers providing instruction under a contract between
33.32 the school and a cooperative; and

33.33 (2) with the authorizer's approval.

33.34 Any change in board governance must conform with the board structure established
33.35 under this paragraph.

34.1 (h) The granting or renewal of a charter by an authorizer must not be conditioned
34.2 upon the bargaining unit status of the employees of the school.

34.3 (i) The granting or renewal of a charter school by an authorizer must not be
34.4 contingent on the charter school being required to contract, lease, or purchase services
34.5 from the authorizer. Any potential contract, lease, or purchase of service from an
34.6 authorizer must be disclosed to the commissioner, accepted through an open bidding
34.7 process, and be a separate contract from the charter contract. The school must document
34.8 the open bidding process. An authorizer must not enter into a contract to provide
34.9 management and financial services for a school that it authorizes, unless the school
34.10 documents that it received at least two competitive bids.

34.11 (j) An authorizer may permit the board of directors of a charter school to expand
34.12 the operation of the charter school to additional sites or to add additional grades at the
34.13 school beyond those described in the authorizer's original affidavit as approved by
34.14 the commissioner only after submitting a supplemental affidavit for approval to the
34.15 commissioner in a form and manner prescribed by the commissioner. The supplemental
34.16 affidavit must document that:

34.17 (1) the proposed expansion plan demonstrates need and projected enrollment;

34.18 (2) the expansion is warranted, at a minimum, by longitudinal data demonstrating
34.19 students' improved academic performance and growth on statewide assessments under
34.20 chapter 120B;

34.21 (3) the charter school is financially sound and the financing it needs to implement
34.22 the proposed expansion exists; and

34.23 (4) the charter school has the governance structure and management capacity to
34.24 carry out its expansion.

34.25 (k) The commissioner shall have 30 business days to review and comment on the
34.26 supplemental affidavit. ~~The commissioner shall notify the authorizer of any deficiencies in~~
34.27 ~~the supplemental affidavit and the authorizer then has 20 business days to address, to the~~
34.28 ~~commissioner's satisfaction, any deficiencies in the supplemental affidavit. The authorizer~~
34.29 may not give final approval to the school may not to expand grades or add sites until the
34.30 commissioner has approved the supplemental affidavit. ~~The commissioner's approval or~~
34.31 ~~disapproval of a supplemental affidavit is final~~ completes the review and comment process.

34.32 (l) A charter school operating under this section may merge with another charter
34.33 school. The merger must comply with chapter 317A and section 124D.11, subdivision
34.34 9, paragraph (g). Upon a formal vote of the board of directors of each charter school
34.35 involved and written notice of intent to the authorizer of each school, the schools may
34.36 negotiate a merger plan that must include at least the following:

35.1 (1) a merger budget, a multiyear operating budget for the merged charter school, a
35.2 long-range financial plan, and a plan for the transfer of assets and liabilities to the merged
35.3 charter school;

35.4 (2) a process for transitioning responsibility of governance, administration, and all
35.5 operations to the merged charter school;

35.6 (3) a statement of academic, student engagement, and organizational operations
35.7 goals for the merged charter school; and

35.8 (4) an agreement between involved authorizers on the authorizing plan for the
35.9 merged charter school.

35.10 The approval of the boards of directors of the merging charter schools, the
35.11 authorizers of those schools, and the authorizer of the merged charter school is required
35.12 to adopt the merger plan. After the merger plan is adopted, the authorizer of the merged
35.13 charter school must submit the plan to the commissioner for review and comment. The
35.14 commissioner must complete the review and comment of the plan within 30 business days.
35.15 The merger may not take effect until the commissioner completes the review and comment.

35.16 Sec. 14. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 6, is
35.17 amended to read:

35.18 Subd. 6. **Charter contract.** The authorization for a charter school must be in the
35.19 form of a written contract signed by the authorizer and the board of directors of the charter
35.20 school. The contract must be completed within 45 business days of the commissioner's
35.21 approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a
35.22 copy of the signed charter contract within ten business days of its execution. The contract
35.23 for a charter school must be in writing and contain at least the following:

35.24 (1) a declaration of the purposes in subdivision 1 that the school intends to carry out
35.25 and how the school will report its implementation of those purposes;

35.26 (2) a description of the school program and the specific academic and nonacademic
35.27 outcomes that pupils must achieve;

35.28 (3) a statement of admission policies and procedures;

35.29 (4) a governance, management, and administration plan for the school;

35.30 (5) signed agreements from charter school board members to comply with all
35.31 federal and state laws governing organizational, programmatic, and financial requirements
35.32 applicable to charter schools;

35.33 (6) the criteria, processes, and procedures that the authorizer will use for ongoing
35.34 oversight of operational, financial, and academic performance;

36.1 (7) the performance evaluation that is a prerequisite for reviewing a charter contract
36.2 under subdivision 15;

36.3 (8) types and amounts of insurance liability coverage to be obtained by the charter
36.4 school;

36.5 (9) consistent with subdivision 25, paragraph (d), a provision to indemnify and hold
36.6 harmless the authorizer and its officers, agents, and employees from any suit, claim,
36.7 or liability arising from any operation of the charter school, and the commissioner and
36.8 department officers, agents, and employees notwithstanding section 3.736;

36.9 (10) the term of the initial contract, which may be up to ~~three~~ five years plus an
36.10 additional preoperational planning year, and up to five years for a renewed contract or a
36.11 contract with a new authorizer after a transfer of authorizers, if warranted by the school's
36.12 academic, financial, and operational performance;

36.13 (11) how the board of directors or the operators of the charter school will provide
36.14 special instruction and services for children with a disability under sections 125A.03
36.15 to 125A.24, and 125A.65, a description of the financial parameters within which the
36.16 charter school will operate to provide the special instruction and services to children
36.17 with a disability;

36.18 (12) the process the authorizer will use for making decisions regarding the renewal,
36.19 termination, and an appeal process of such termination, of the school's charter based on
36.20 evidence that demonstrates the academic, organizational, and financial competency of the
36.21 school, including its success in increasing student achievement and meeting the goals
36.22 of the charter school agreement;

36.23 (13) a dispute resolution process agreed upon by the authorizer and the charter
36.24 school that includes at least the following:

36.25 (i) a written notice process to invoke the dispute resolution process and a description
36.26 of the matter in dispute;

36.27 (ii) a time limit for response; and

36.28 (iii) a process for final resolution of the issue in dispute;

36.29 ~~(12)~~ (14) the process and criteria the authorizer intends to use to monitor and
36.30 evaluate the fiscal and student performance of the charter school, consistent with
36.31 subdivision 15; and

36.32 ~~(13)~~ (15) the plan for an orderly closing of the school under chapter 317A, if the
36.33 closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract,
36.34 and that includes establishing the responsibilities of the school board of directors and the
36.35 authorizer and notifying the commissioner, authorizer, school district in which the charter

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37.1 school is located, and parents of enrolled students about the closure, the transfer of student
37.2 records to students' resident districts, and procedures for closing financial operations.

37.3 Sec. 15. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 10,
37.4 is amended to read:

37.5 Subd. 10. **Pupil performance.** (a) A charter school must design its programs to
37.6 at least meet the outcomes adopted by the commissioner for public school students. In
37.7 the absence of the commissioner's requirements, the school must meet the outcomes
37.8 contained in the contract with the authorizer. The achievement levels of the outcomes
37.9 contained in the contract may exceed the achievement levels of any outcomes adopted by
37.10 the commissioner for public school students.

37.11 (b) A charter school where 70 percent or more of enrolled students are eligible to
37.12 participate in the graduation incentives program under section 124D.68 is deemed an area
37.13 learning center for the purpose of evaluating student and school academic performance
37.14 outcomes and determining a school graduation rate.

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

37.16 Sec. 16. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 11,
37.17 is amended to read:

37.18 Subd. 11. **Employment and other operating matters.** (a) A charter school must
37.19 employ or contract with necessary teachers, as defined by section 122A.15, subdivision 1,
37.20 who hold valid licenses to perform the particular service for which they are employed in
37.21 the school. The charter school's state aid may be reduced under section 127A.43 if the
37.22 school employs a teacher who is not appropriately licensed or approved by the board of
37.23 teaching. The school may employ necessary employees who are not required to hold
37.24 teaching licenses to perform duties other than teaching and may contract for other services.
37.25 The school may discharge teachers and nonlicensed employees. The charter school board
37.26 is subject to section 181.932. When offering employment to a prospective employee, a
37.27 charter school must give that employee a written description of the terms and conditions
37.28 of employment and the school's personnel policies.

37.29 (b) A person, without holding a valid administrator's license, may perform
37.30 administrative, supervisory, or instructional leadership duties. The board of directors shall
37.31 establish qualifications for persons that hold administrative, supervisory, or instructional
37.32 leadership roles. The qualifications shall include at least the following areas: instruction
37.33 and assessment; human resource and personnel management; financial management;
37.34 legal and compliance management; effective communication; and board, authorizer, and

38.1 community relationships. The board of directors shall use those qualifications as the basis
38.2 for job descriptions, hiring, and performance evaluations of those who hold administrative,
38.3 supervisory, or instructional leadership roles. The board of directors and an individual
38.4 who does not hold a valid administrative license and who serves in an administrative,
38.5 supervisory, or instructional leadership position shall develop a professional development
38.6 plan. Documentation of the implementation of the professional development plan of these
38.7 persons shall be included in the school's annual report.

38.8 (c) The board of directors also shall decide matters related to the operation of the
38.9 school, including budgeting, curriculum and operating procedures.

38.10 (d) The board of directors shall adopt and implement a performance evaluation
38.11 process for all employees of the school. The performance evaluation process for teachers
38.12 and administrators must be designed to support and improve pupil learning and student
38.13 achievement, instructional leadership, and enhancing school outcomes, and must be linked
38.14 to professional development.

38.15 Sec. 17. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 13,
38.16 is amended to read:

38.17 Subd. 13. **Length of school year.** A charter school must provide instruction each
38.18 year for at least the number of ~~days~~ hours required by section 120A.41. It may provide
38.19 instruction throughout the year according to sections 124D.12 to 124D.127 or 124D.128.

38.20 Sec. 18. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 14,
38.21 is amended to read:

38.22 Subd. 14. **Annual public reports.** A charter school must publish an annual report
38.23 approved by the board of directors. The annual report must at least include information
38.24 on school enrollment, student attrition, governance and management, staffing, finances,
38.25 academic performance, operational performance, innovative practices and implementation,
38.26 and future plans. A charter school must distribute the annual report by publication, mail,
38.27 or electronic means to the ~~commissioner~~, authorizer, school employees, and parents and
38.28 legal guardians of students enrolled in the charter school and must also post the report on
38.29 the charter school's official Web site. The reports are public data under chapter 13.

38.30 Sec. 19. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 15,
38.31 is amended to read:

38.32 Subd. 15. **Review and comment.** (a) The authorizer shall provide a formal written
38.33 evaluation of the school's performance before the authorizer renews the charter contract.

39.1 The department must review and comment on the authorizer's evaluation process at the
39.2 time the authorizer submits its application for approval and each time the authorizer
39.3 undergoes its five-year review under subdivision 3, paragraph (e).

39.4 (b) An authorizer shall monitor and evaluate the fiscal, operational, and student
39.5 performance of the school, and may for this purpose annually assess a charter school
39.6 a fee according to paragraph (c). The agreed-upon fee structure must be stated in the
39.7 charter school contract.

39.8 (c) The fee that each charter school pays to an authorizer each year is the greater of:

39.9 (1) the basic formula allowance for that year; or

39.10 (2) the lesser of:

39.11 (i) the maximum fee factor times the basic formula allowance for that year; or

39.12 (ii) the fee factor times the basic formula allowance for that year times the charter
39.13 school's adjusted marginal cost pupil units for that year. The fee factor equals .005 in fiscal
39.14 year 2010, .01 in fiscal year 2011, .013 in fiscal year 2012, and .015 in fiscal years 2013
39.15 and later. The maximum fee factor equals 1.5 in fiscal year 2010, 2.0 in fiscal year 2011,
39.16 3.0 in fiscal year 2012, and 4.0 in fiscal years 2013 and later.

39.17 (d) ~~The department and any charter school it charters must not assess or pay a fee~~
39.18 ~~under paragraphs (b) and (c).~~ An authorizer may not assess a fee for any required services
39.19 other than as provided in this subdivision.

39.20 (e) For the preoperational planning period, the authorizer may assess a charter school
39.21 a fee equal to the basic formula allowance.

39.22 (f) By September 30 of each year, an authorizer shall submit to the commissioner
39.23 a statement of expenditures related to chartering activities during the previous school
39.24 year ending June 30. A copy of the statement shall be given to all schools chartered by
39.25 the authorizer.

39.26 Sec. 20. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 17a,
39.27 is amended to read:

39.28 Subd. 17a. **Affiliated nonprofit building corporation.** (a) Before a charter school
39.29 may organize an affiliated nonprofit building corporation (i) to renovate or purchase an
39.30 existing facility to serve as a school or (ii) to construct a new school facility, an authorizer
39.31 must submit an affidavit to the commissioner for approval in the form and manner the
39.32 commissioner prescribes, and consistent with paragraphs (b) and (c) or (d).

39.33 (b) An affiliated nonprofit building corporation under this subdivision must:

39.34 (1) be incorporated under section 317A ~~and comply with applicable Internal~~
39.35 ~~Revenue Service regulations;~~

40.1 (2) comply with applicable Internal Revenue Service regulations, including
40.2 regulations for "supporting organizations" as defined by the Internal Revenue Service;

40.3 ~~(2)~~ (3) submit to the commissioner each fiscal year a list of current board members
40.4 and a copy of its annual audit; and

40.5 ~~(3)~~ (4) comply with government data practices law under chapter 13.

40.6 An affiliated nonprofit building corporation must not serve as the leasing agent for
40.7 property or facilities it does not own. A charter school that leases a facility from an
40.8 affiliated nonprofit building corporation that does not own the leased facility is ineligible
40.9 to receive charter school lease aid. The state is immune from liability resulting from a
40.10 contract between a charter school and an affiliated nonprofit building corporation.

40.11 (c) A charter school may organize an affiliated nonprofit building corporation to
40.12 renovate or purchase an existing facility to serve as a school if the charter school:

40.13 (1) has been operating for at least five consecutive school years;

40.14 (2) has had a net positive unreserved general fund balance as of June 30 in the
40.15 preceding five fiscal years;

40.16 (3) has a long-range strategic and financial plan;

40.17 (4) completes a feasibility study of available buildings; ~~and~~

40.18 (5) documents enrollment projections and the need to use an affiliated building
40.19 corporation to renovate or purchase an existing facility to serve as a school; and

40.20 (6) has a plan for the renovation or purchase, which describes the parameters and
40.21 budget for the project.

40.22 (d) A charter school may organize an affiliated nonprofit building corporation to
40.23 expand an existing school facility or construct a new school facility if the charter school:

40.24 (1) demonstrates the lack of facilities available to serve as a school;

40.25 (2) has been operating for at least eight consecutive school years;

40.26 (3) has had a net positive unreserved general fund balance as of June 30 in the
40.27 preceding ~~eight~~ five fiscal years;

40.28 (4) completes a feasibility study of facility options;

40.29 (5) has a long-range strategic and financial plan that includes enrollment projections
40.30 and demonstrates the need for constructing a new school facility; and

40.31 (6) has a plan for the expansion or new school facility, which describes the
40.32 parameters and budget for the project.

40.33 (e) A charter school or an affiliated nonprofit building corporation organized by a
40.34 charter school must not initiate an installment contract for purchase, or a lease agreement,
40.35 or solicit bids for new construction, expansion, or remodeling of an educational facility
40.36 that requires an expenditure in excess of \$1,400,000, unless it meets the criteria in

41.1 paragraph (b) and paragraph (c) or (d), as applicable, and receives a positive review and
41.2 comment from the commissioner under section 123B.71.

41.3 Sec. 21. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 23,
41.4 is amended to read:

41.5 Subd. 23. **Causes for nonrenewal or termination of charter school contract.** (a)
41.6 The duration of the contract with an authorizer must be for the term contained in the
41.7 contract according to subdivision 6. The authorizer may or may not renew a contract at
41.8 the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally
41.9 terminate a contract during the term of the contract for any ground listed in paragraph (b).
41.10 At least 60 business days before not renewing or terminating a contract, the authorizer
41.11 shall notify the board of directors of the charter school of the proposed action in writing.
41.12 The notice shall state the grounds for the proposed action in reasonable detail and that the
41.13 charter school's board of directors may request in writing an informal hearing before the
41.14 authorizer within 15 business days of receiving notice of nonrenewal or termination of
41.15 the contract. Failure by the board of directors to make a written request for an informal
41.16 hearing within the 15-business-day period shall be treated as acquiescence to the proposed
41.17 action. Upon receiving a timely written request for a hearing, the authorizer shall give ten
41.18 business days' notice to the charter school's board of directors of the hearing date. The
41.19 authorizer shall conduct an informal hearing before taking final action. The authorizer
41.20 shall take final action to renew or not renew a contract no later than 20 business days
41.21 before the proposed date for terminating the contract or the end date of the contract.

41.22 (b) A contract may be terminated or not renewed upon any of the following grounds:

41.23 (1) failure to meet the requirements for pupil performance contained in the contract;

41.24 (2) failure to meet generally accepted standards of fiscal management;

41.25 (3) violations of law; or

41.26 (4) other good cause shown.

41.27 If a contract is terminated or not renewed under this paragraph, the school must be
41.28 dissolved according to the applicable provisions of chapter 317A.

41.29 (c) If the authorizer and the charter school board of directors mutually agree to
41.30 terminate or not renew the contract, for reasons other than paragraph (b), a change in
41.31 transfer of authorizers is allowed ~~if the commissioner approves the change to a different~~
41.32 ~~eligible authorizer to authorize the charter school. Both parties~~ at the end of the current
41.33 contract with the consent of the current authorizer and after review and comment of the
41.34 commissioner. The school and current authorizer must jointly submit their intent in writing
41.35 to the commissioner to mutually terminate the contract. The authorizer that is a party to

42.1 the existing contract must inform the proposed authorizer about the fiscal and operational
42.2 status ~~and~~, student performance level, and any unresolved issues related to the contract
42.3 or oversight of the school. ~~Before the commissioner determines whether to approve a~~
42.4 ~~change in authorizer, the proposed authorizer must identify any outstanding issues in the~~
42.5 ~~proposed charter contract that were unresolved in the previous charter contract and have~~
42.6 ~~the charter school agree to resolve those issues. If no change in authorizer is approved,~~
42.7 ~~the school must be dissolved according to applicable law and the terms of the contract.~~
42.8 The proposed authorizer must submit to the commissioner a copy of the proposed new
42.9 contract for comment and review. The contract must identify all unresolved contract or
42.10 oversight issues that exist and include a plan that the charter school and authorizer have
42.11 agreed upon to resolve those issues. The commissioner shall have 20 business days to
42.12 conduct the review and comment of the contract. The transfer may not go into effect until
42.13 the review and comment of the commissioner is completed.

42.14 (d) The commissioner, after providing reasonable notice to the board of directors of
42.15 a charter school and the existing authorizer, and after providing an opportunity for a public
42.16 hearing, may terminate the existing contract between the authorizer and the charter school
42.17 board if the charter school has a history of:

- 42.18 (1) failure to meet pupil performance requirements consistent with state law;
42.19 (2) financial mismanagement or failure to meet generally accepted standards of
42.20 fiscal management; or
42.21 (3) repeated or major violations of the law.

42.22 Sec. 22. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 25,
42.23 is amended to read:

42.24 Subd. 25. **Extent of specific legal authority.** (a) The board of directors of a charter
42.25 school may sue and be sued.

42.26 (b) The board may not levy taxes or issue bonds.

42.27 (c) The commissioner, an authorizer, members of the board of an authorizer in
42.28 their official capacity, and employees of an authorizer are immune from civil or criminal
42.29 liability with respect to all activities related to a charter school they approve or authorize.
42.30 The board of directors shall obtain at least the amount of and types of insurance up to the
42.31 applicable tort liability limits under chapter 466. The charter school board must submit
42.32 a copy of the insurance policy to its authorizer ~~and the commissioner~~ before starting
42.33 operations. The charter school board must ~~submit~~ notify its authorizer of changes in its
42.34 insurance carrier or policy ~~to its authorizer and the commissioner~~ amount limits within
42.35 20 business days of the change.

43.1 (d) Notwithstanding section 3.736, the charter school shall assume full liability for
43.2 its activities and indemnify and hold harmless the authorizer and its officers, agents, and
43.3 employees from any suit, claim, or liability arising from any operation of the charter school
43.4 and the commissioner and department officers, agents, and employees. A charter school
43.5 is not required to indemnify or hold harmless a state employee if the state would not be
43.6 required to indemnify and hold the employee harmless under section 3.736, subdivision 9.

43.7 Sec. 23. Minnesota Statutes 2011 Supplement, section 124D.10, is amended by adding
43.8 a subdivision to read:

43.9 Subd. 27. Collaboration between charter school and school district. (a) A charter
43.10 school board may voluntarily enter into a two-year, renewable agreement for collaboration
43.11 to enhance student achievement with a school district within whose geographic boundary
43.12 it operates.

43.13 (b) A school district need not be an approved authorizer to enter into a collaboration
43.14 agreement with a charter school. A charter school need not be authorized by the school
43.15 district with which it seeks to collaborate.

43.16 (c) A charter school authorizer is prohibited from requiring a collaboration agreement
43.17 as a condition of entering into or renewing a charter contract as defined in subdivision 6.

43.18 (d) Nothing in this subdivision or in the collaboration agreement may impact in any
43.19 way, the authority or autonomy of the charter school.

43.20 (e) Nothing in this subdivision or in the collaboration agreement shall cause the state
43.21 to pay twice for the same student, service or facility or otherwise impact state funding, or
43.22 the flow thereof, to the school district or the charter school.

43.23 (f) The collaboration agreement may include, but need not be limited to,
43.24 collaboration regarding facilities, transportation, training, student achievement,
43.25 assessments, mutual performance standards and other areas of mutual agreement.

43.26 (g) The school district shall include the academic performance of the students of a
43.27 collaborative charter school site operating within the geographic boundaries of the school
43.28 district, for purposes of student assessment and reporting to the state.

43.29 Sec. 24. Minnesota Statutes 2011 Supplement, section 124D.4531, subdivision 1,
43.30 is amended to read:

43.31 Subdivision 1. **Career and technical levy.** (a) A district with a career and technical
43.32 program approved under this section for the fiscal year in which the levy is certified
43.33 may levy an amount equal to the greater of:

44.1 (1) \$80 times the district's average daily membership in grades 9 through 12 for the
44.2 fiscal year in which the levy is certified; or

44.3 (2) 35 percent of approved expenditures in the fiscal year in which the levy is
44.4 certified for the following:

44.5 (i) salaries paid to essential, licensed personnel providing direct instructional
44.6 services to students in that fiscal year, including extended contracts, for services rendered
44.7 in the district's approved career and technical education programs;

44.8 (ii) contracted services provided by a public or private agency other than a Minnesota
44.9 school district or cooperative center under subdivision 7;

44.10 (iii) necessary travel between instructional sites by licensed career and technical
44.11 education personnel;

44.12 (iv) necessary travel by licensed career and technical education personnel for
44.13 vocational student organization activities held within the state for instructional purposes;

44.14 (v) curriculum development activities that are part of a five-year plan for
44.15 improvement based on program assessment;

44.16 (vi) necessary travel by licensed career and technical education personnel for
44.17 noncollegiate credit-bearing professional development; and

44.18 (vii) specialized vocational instructional supplies.

44.19 (b) Up to ten percent of a district's career and technical levy may be spent on
44.20 equipment purchases. Districts using the career and technical levy for equipment
44.21 purchases must report to the department on the improved learning opportunities for
44.22 students that result from the investment in equipment.

44.23 (c) The district must recognize the full amount of this levy as revenue for the fiscal
44.24 year in which it is certified.

44.25 (d) The amount of the levy certified under this subdivision may not exceed
44.26 \$17,850,000 for taxes payable in 2012, ~~\$15,520,000~~ \$18,549,000 for taxes payable in
44.27 2013, and ~~\$15,545,000~~ \$21,810,000 for taxes payable in 2014.

44.28 (e) If the estimated levy exceeds the amount in paragraph (d), the commissioner
44.29 must reduce the percentage in paragraph (a), clause (2), until the estimated levy no longer
44.30 exceeds the limit in paragraph (d).

44.31 **EFFECTIVE DATE.** This section is effective for taxes payable in 2013 and later.

44.32 Sec. 25. Minnesota Statutes 2011 Supplement, section 124D.98, subdivision 2, is
44.33 amended to read:

44.34 Subd. 2. **Proficiency aid.** In fiscal year 2013 and later, the proficiency aid for each
44.35 school is equal to the product of the school's proficiency allowance times the number

45.1 of third grade pupils at the school on October 1 of the previous fiscal year. A school's
45.2 proficiency allowance is equal to the percentage of students in each building that meet
45.3 or exceed proficiency on the third grade reading Minnesota Comprehensive Assessment,
45.4 averaged across the previous three test administrations, times ~~\$85~~ \$530.

45.5 Sec. 26. Minnesota Statutes 2011 Supplement, section 124D.98, subdivision 3, is
45.6 amended to read:

45.7 Subd. 3. **Growth aid.** In fiscal year 2013 and later, the growth aid for each school is
45.8 equal to the product of the school's growth allowance times the number of fourth grade
45.9 pupils enrolled at the school on October 1 of the previous fiscal year. A school's growth
45.10 allowance is equal to the percentage of students at that school making medium or high
45.11 growth, under section 120B.299, on the fourth grade reading Minnesota Comprehensive
45.12 Assessment, averaged across the previous three test administrations, times ~~\$85~~ \$530.

45.13 Sec. 27. Minnesota Statutes 2011 Supplement, section 126C.40, subdivision 1, is
45.14 amended to read:

45.15 Subdivision 1. **To lease building or land.** (a) When an independent or a special
45.16 school district or a group of independent or special school districts finds it economically
45.17 advantageous to rent or lease a building or land for any instructional purposes or for
45.18 school storage or furniture repair, and it determines that the operating capital revenue
45.19 authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may
45.20 apply to the commissioner for permission to make an additional capital expenditure levy
45.21 for this purpose. An application for permission to levy under this subdivision must contain
45.22 financial justification for the proposed levy, the terms and conditions of the proposed
45.23 lease, and a description of the space to be leased and its proposed use.

45.24 (b) The criteria for approval of applications to levy under this subdivision must
45.25 include: the reasonableness of the price, the appropriateness of the space to the proposed
45.26 activity, the feasibility of transporting pupils to the leased building or land, conformity
45.27 of the lease to the laws and rules of the state of Minnesota, and the appropriateness of
45.28 the proposed lease to the space needs and the financial condition of the district. The
45.29 commissioner must not authorize a levy under this subdivision in an amount greater than
45.30 the cost to the district of renting or leasing a building or land for approved purposes.
45.31 The proceeds of this levy must not be used for custodial or other maintenance services.
45.32 A district may not levy under this subdivision for the purpose of leasing or renting a
45.33 district-owned building or site to itself.

46.1 (c) For agreements finalized after July 1, 1997, a district may not levy under this
46.2 subdivision for the purpose of leasing: (1) a newly constructed building used primarily
46.3 for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed
46.4 building addition or additions used primarily for regular kindergarten, elementary, or
46.5 secondary instruction that contains more than 20 percent of the square footage of the
46.6 previously existing building.

46.7 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the
46.8 purpose of leasing or renting a district-owned building or site to itself only if the amount
46.9 is needed by the district to make payments required by a lease purchase agreement,
46.10 installment purchase agreement, or other deferred payments agreement authorized by law,
46.11 and the levy meets the requirements of paragraph (c). A levy authorized for a district by
46.12 the commissioner under this paragraph may be in the amount needed by the district to
46.13 make payments required by a lease purchase agreement, installment purchase agreement,
46.14 or other deferred payments agreement authorized by law, provided that any agreement
46.15 include a provision giving the school districts the right to terminate the agreement
46.16 annually without penalty.

46.17 (e) The total levy under this subdivision for a district for any year must not exceed
46.18 \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

46.19 (f) For agreements for which a review and comment have been submitted to the
46.20 Department of Education after April 1, 1998, the term "instructional purpose" as used in
46.21 this subdivision excludes expenditures on stadiums.

46.22 (g) The commissioner of education may authorize a school district to exceed the
46.23 limit in paragraph (e) if the school district petitions the commissioner for approval. The
46.24 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)
46.25 for not more than five years if the district meets the following criteria:

46.26 (1) the school district has been experiencing pupil enrollment growth in the
46.27 preceding five years;

46.28 (2) the purpose of the increased levy is in the long-term public interest;

46.29 (3) the purpose of the increased levy promotes colocation of government services;

46.30 and

46.31 (4) the purpose of the increased levy is in the long-term interest of the district by
46.32 avoiding over construction of school facilities.

46.33 (h) A school district that is a member of an intermediate school district may include
46.34 in its authority under this section the costs associated with leases of administrative and
46.35 classroom space for intermediate school district programs. This authority must not exceed

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47.1 \$43 times the adjusted marginal cost pupil units of the member districts. This authority is
47.2 in addition to any other authority authorized under this section.

47.3 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in
47.4 2012 to 2023, a district that is a member of the "Technology and Information Education
47.5 Systems" data processing joint board, that finds it economically advantageous to enter into
47.6 a lease agreement to finance improvements to a building and land for a group of school
47.7 districts or special school districts for staff development purposes, may levy for its portion
47.8 of lease costs attributed to the district within the total levy limit in paragraph (e). The total
47.9 levy authority under this paragraph shall not exceed \$632,000.

47.10 (j) In addition to the allowable capital levies in paragraph (a), a school district
47.11 that is a member of the St. Croix River Education District that finds it economically
47.12 advantageous to enter into a lease purchase agreement for a building and land for the St.
47.13 Croix River Education District may levy for its portion of lease costs attributed to the
47.14 district within the total levy limit in paragraph (e). The authority under this paragraph is
47.15 effective for taxes payable in 2013 to 2028.

47.16 **EFFECTIVE DATE.** This section is effective for taxes payable in 2013 and later.

47.17 Sec. 28. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
47.18 16, is amended to read:

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

47.20 \$ 725,000 2012

47.21 \$ 725,000 2013

47.22 \$49,000 each year is for student organizations serving health occupations (~~HUSA~~)
47.23 (HOSA).

47.24 \$46,000 each year is for student organizations serving service occupations (HERO).

47.25 \$106,000 each year is for student organizations serving trade and industry
47.26 occupations (SkillsUSA, secondary and postsecondary).

47.27 \$101,000 each year is for student organizations serving business occupations
47.28 (~~DECA~~, BPA, secondary and postsecondary).

47.29 \$158,000 each year is for student organizations serving agriculture occupations
47.30 (FFA, PAS).

47.31 \$150,000 each year is for student organizations serving family and consumer science
47.32 occupations (FCCLA).

47.33 \$115,000 each year is for student organizations serving marketing occupations
47.34 (~~DEX~~) (DECA, DECA Collegiate).

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

48.1 Sec. 29. **LEASE LEVY; ADMINISTRATIVE SPACE.**

48.2 Subdivision 1. **Faribault.** Notwithstanding Minnesota Statutes, section 126C.40,
48.3 subdivision 1, Independent School District No. 656, Faribault, may lease administrative
48.4 space under Minnesota Statutes, section 126C.40, subdivision 1, if the district can
48.5 demonstrate to the satisfaction of the commissioner of education that the administrative
48.6 space is less expensive than instructional space that the district would otherwise lease.
48.7 The commissioner must deny this levy authority unless the district passes a resolution
48.8 stating its intent to lease instructional space under Minnesota Statutes, section 126C.40,
48.9 subdivision 1, if the commissioner does not grant authority under this section. The
48.10 resolution must also certify that a lease of administrative space under this section is less
48.11 expensive than the district's proposed instructional lease. Levy authority under this section
48.12 shall not exceed the total levy authority under Minnesota Statutes, section 126C.40,
48.13 subdivision 1, paragraph (e).

48.14 Subd. 2. **Wayzata.** Notwithstanding Minnesota Statutes, section 126C.40,
48.15 subdivision 1, Independent School District No. 284, Wayzata, may lease administrative
48.16 space under Minnesota Statutes, section 126C.40, subdivision 1, if the district can
48.17 demonstrate to the satisfaction of the commissioner of education that the administrative
48.18 space is less expensive than instructional space that the district would otherwise lease.
48.19 The commissioner must deny this levy authority unless the district passes a resolution
48.20 stating its intent to lease instructional space under Minnesota Statutes, section 126C.40,
48.21 subdivision 1, if the commissioner does not grant authority under this section. The
48.22 resolution must also certify that a lease of administrative space under this section is less
48.23 expensive than the district's proposed instructional lease. Levy authority under this section
48.24 shall not exceed the total levy authority under Minnesota Statutes, section 126C.40,
48.25 subdivision 1, paragraph (e).

48.26 **EFFECTIVE DATE.** This section is effective for taxes payable in 2013 and later.

48.27 Sec. 30. **REPEALER.**

48.28 Minnesota Statutes 2010, sections 120A.28; 120B.019; 120B.31, subdivision 3;
48.29 121A.60, subdivisions 3 and 4; 121A.62; 121A.63; and 122A.18, subdivision 9, are
48.30 repealed.

ARTICLE 3

SPECIAL EDUCATION AND OTHER PROGRAMS

Section 1. Minnesota Statutes 2010, section 125A.14, is amended to read:

125A.14 EXTENDED SCHOOL YEAR.

A district may provide extended school year services for children with a disability living within the district and nonresident children temporarily placed in the district pursuant to section 125A.15 ~~or 125A.16~~. Prior to March 31 or 30 days after the child with a disability is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to section 125A.15 ~~or 125A.16~~, of its intention to provide these programs. Notwithstanding any contrary provisions in ~~sections~~ section 125A.15 ~~and 125A.16~~, the district providing the special instruction and services must apply for special education aid for the extended school year services. The unreimbursed actual cost of providing the program for nonresident children with a disability, including the cost of board and lodging, may be billed to the district of the child's residence and must be paid by the resident district. Transportation costs must be paid by the district responsible for providing transportation pursuant to section 125A.15 ~~or 125A.16~~ and transportation aid must be paid to that district.

Sec. 2. Minnesota Statutes 2010, section 125A.19, is amended to read:

125A.19 NONRESIDENT EDUCATION; BILLING.

All tuition billing for the education of nonresident children pursuant to sections 125A.03 to 125A.24, 125A.51, 125A.515, and 125A.65 must be done on uniform forms prescribed by the commissioner. The billing shall contain an itemized statement of costs that are being charged to the district of residence. ~~One copy of each billing must be filed with the commissioner.~~

Sec. 3. Minnesota Statutes 2010, section 125A.515, subdivision 1, is amended to read:

Subdivision 1. **Approval of education programs.** The commissioner shall approve on-site education programs for placement of children and youth in residential facilities including detention centers, before being licensed by the Department of Human Services or the Department of Corrections. Education programs in these facilities shall conform to state and federal education laws including the Individuals with Disabilities Education Act (IDEA). This section applies only to placements in facilities licensed by the Department of Human Services or the Department of Corrections. For purposes of this section, "on-site

50.1 education program" means the educational services provided directly on the grounds of
50.2 the care and treatment facility to children and youth placed for care and treatment.

50.3 Sec. 4. Minnesota Statutes 2010, section 475.58, is amended by adding a subdivision
50.4 to read:

50.5 Subd. 1b. **School districts.** Notwithstanding subdivision 1a or section 205A.05,
50.6 a school district election under this section must be held on the first Tuesday after the
50.7 first Monday in November.

50.8 Sec. 5. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 8,
50.9 is amended to read:

50.10 Subd. 8. **Early childhood education scholarships.** For grants to early childhood
50.11 education scholarships for public or private early childhood preschool programs for
50.12 children ages 3 to 5 and for evidence-based and research-validated early literacy home
50.13 visiting programs for children ages 18 months to 4 years:

50.14 \$ 4,000,000 2013

50.15 (a) All children whose parents or legal guardians meet the eligibility requirements
50.16 of paragraph (b) established by the commissioner are eligible to receive early childhood
50.17 education scholarships under this section.

50.18 (b) A parent or legal guardian is eligible for an early childhood education scholarship
50.19 if the parent or legal guardian:

50.20 (1) has a child three or four years of age on September 1, beginning in calendar
50.21 year 2012; and

50.22 (2)(i) has income equal to or less than 47 percent of the state median income in the
50.23 current calendar year; or

50.24 (ii) can document their child's identification through another public funding
50.25 eligibility process, including the Free and Reduced Price Lunch Program, National School
50.26 Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal
50.27 Improving Head Start for School Readiness Act of 2007; Minnesota family investment
50.28 program under chapter 256J; and child care assistance programs under chapter 119B.

50.29 Each year, if this appropriation is insufficient to provide early childhood education
50.30 scholarships to all eligible children, the Department of Education shall make scholarships
50.31 available on a first-come, first-served basis.

50.32 The commissioner of education shall submit a written report to the education
50.33 committees of the legislature by January 15, 2012, describing its plan for implementation
50.34 of scholarships under this subdivision for the 2012-2013 school year.

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51.1 (c) Of this amount, \$250,000 is for a grant to the evidence-based early literacy
51.2 Parent-Child Home Program.

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

51.4 (e) The base for this program is \$2,000,000 each year.

51.5 **Sec. 6. REPEALER.**

51.6 Minnesota Statutes 2010, sections 125A.16; 125A.80; and 475.53, subdivision
51.7 5, are repealed.

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Article locations in S2482-2

ARTICLE 1	GENERAL EDUCATION	Page.Ln 1.23
ARTICLE 2	EDUCATION EXCELLENCE	Page.Ln 14.25
ARTICLE 3	SPECIAL EDUCATION AND OTHER PROGRAMS	Page.Ln 49.1

120A.28 SCHOOL BOARDS; DUTIES.

It is the duty of each board through its clerk or other authorized agent or employee, to report the names of children required to attend school, with excuses, if any, granted in the district, to the superintendent or principals of the district, within the first week of school. Subsequent excuses granted must be reported in the same manner. The clerk or principal must provide the teachers in the several schools supervised with the necessary information for the respective grades of school, relating to the list of pupils with excuses granted. Within five days after receiving the report, the clerk or principals must report the names of children not excused who are not attending school, with the names and addresses of their parents, to the superintendent.

120B.019 REPEALING PROFILE OF LEARNING STATUTES AND RULES.

Notwithstanding sections 120B.02, 120B.30, 120B.31, and 120B.35, or other law to the contrary, the commissioner of education must not implement the profile of learning portion of the state's results-oriented graduation rule.

120B.31 SYSTEM ACCOUNTABILITY AND STATISTICAL ADJUSTMENTS.

Subd. 3. **Educational accountability.** (a) The Independent Office of Educational Accountability, as authorized by Laws 1997, First Special Session chapter 4, article 5, section 28, subdivision 2, is established, and shall be funded through the Board of Regents of the University of Minnesota. The office shall advise the education committees of the legislature and the commissioner of education, at least on a biennial basis, on the degree to which the statewide educational accountability and reporting system includes a comprehensive assessment framework that measures school accountability for students achieving the goals described in the state's high school graduation rule. The office shall determine and annually report to the legislature whether and how effectively:

(1) the statewide system of educational accountability uses multiple indicators to provide valid and reliable comparative and contextual data on students, schools, districts, and the state, and if not, recommend ways to improve the accountability reporting system;

(2) a value-added growth indicator of student achievement over time estimates the effects of the school and school district on student achievement and measures school performance, consistent with section 120B.35, subdivision 3, paragraph (b);

(3) data are available on students who do not pass one or more of the state's required GRAD tests and do not receive a diploma as a consequence, and these data are categorized according to gender, race, eligibility for free or reduced lunch, and English language proficiency; and

(4) the requirements under section 127A.095, subdivision 2, are met.

(b) When the office reviews the statewide educational accountability and reporting system, it shall also consider:

(1) the objectivity and neutrality of the state's educational accountability system; and

(2) the impact of a testing program on school curriculum and student learning.

121A.60 DEFINITIONS.

Subd. 3. **School site mediation board.** "School site mediation board" means a board representative of parents of students in the building, staff, and students that shall have the responsibilities as defined in section 121A.62. The principal or other person having general control and supervision of the school, shall serve as an ex officio member of the board.

Subd. 4. **School-based ombudsperson.** "School-based ombudsperson" means an administrator, a teacher, a parent, or a student representative who shall have the responsibilities under section 121A.63.

121A.62 SCHOOL SITE MEDIATION BOARD.

Subdivision 1. **Board allowed.** A school district or school site council may establish a school site mediation board. The board must consist of equal numbers of staff and parents and, in the case of secondary schools, student representatives. Members shall be representative of the school community and must be selected by a method as determined in the district's discipline policy.

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Subd. 2. **Purposes and duties.** The board must mediate issues in dispute at the school site related to the implementation of district and school site codes of conduct under sections 121A.60 to 121A.64, and the application of the codes to a student.

121A.63 OMBUDSPERSON SERVICE.

A school district or school site council may establish an ombudsperson service for students, parents, and staff. The service must consist of an administrator, a student, a parent, and a teacher. The school site must notify students, parents, and staff of the availability of the service. The service must provide advocacy for enforcement of the codes of conduct and the procedures to remediate disputes related to implementation of the code of conduct and the goals of the school in maintaining an orderly learning environment for all students.

122A.18 BOARD TO ISSUE LICENSES.

Subd. 9. **Teacher licenses.** The Board of Teaching, upon request by the affected person, shall issue teacher licenses under the licensure rules in place on July 31, 1996, to a person who enrolled in an accredited teacher preparation program by January 1, 2000, who satisfactorily completes the requirements for licensure under those rules, who meets the requirements of subdivision 8, and who applies for licensure by September 1, 2003.

124D.09 POSTSECONDARY ENROLLMENT OPTIONS ACT.

Subd. 23. **Exception; intermediate districts.** A secondary pupil who is a resident of a member district of an intermediate district, as defined in section 136D.01, may not enroll in that intermediate district's vocational program as a postsecondary pupil under this section when the intermediate district operates a secondary program at a college facility and secondary students have access to the postsecondary curriculum and receive high school and college credit for successfully completing the program.

125A.16 PLACEMENT IN STATE INSTITUTION; RESPONSIBILITY.

(a) Responsibility for special instruction and services for a child with a disability placed in a state institution on a temporary basis must be determined in the following manner:

(1) the legal residence of the child is the district in which the child's parent resides, if living, or the child's guardian; and

(2) when the educational needs of the child can be met through the institutional program, the costs for the instruction must be paid by the department to which the institution is assigned with exception of children placed in fee-for-service facilities operated by the commissioner of corrections whose cost for such instruction shall be paid as outlined in section 125A.15.

(b) When it is determined that the child can benefit from public school enrollment, provision for the instruction shall be made in the following manner:

(1) determination of eligibility for special instruction and services must be made by the commissioner and the commissioner of the department responsible for the institution;

(2) the district where the institution is located is responsible for providing transportation and an appropriate educational program for the child and must make a tuition charge to the child's district of residence for the actual cost of providing the program; and

(3) the district of the child's residence shall pay the tuition and other program costs excluding transportation costs and may claim general education aid for the child. Transportation costs must be paid by the district where the institution is located and the state must pay transportation aid to that district.

125A.80 UNIFORM BILLING SYSTEM FOR THE EDUCATION COSTS OF OUT-OF-HOME PLACED STUDENTS.

The commissioner, in cooperation with the commissioners of human services and corrections and with input from appropriate billing system users, shall develop and implement a uniform billing system for school districts and other agencies, including private providers, who provide the educational services for students who are placed out of the home. The uniform billing system must:

(1) allow for the proper and timely billing to districts by service providers with a minimum amount of district administration;

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(2) allow districts to bill the state for certain types of special education and regular education services as provided by law;

(3) provide flexibility for the types of services that are provided for children placed out of the home, including day treatment services;

(4) allow the commissioner to track the type, cost, and quality of services provided for children placed out of the home;

(5) conform existing special education and proposed regular education billing procedures;

(6) provide a uniform reporting standard of per diem rates;

(7) determine allowable expenses and maximum reimbursement rates for the state reimbursement of care and treatment services; and

(8) provide a process for the district to appeal to the commissioner tuition bills submitted to districts and to the state.

127A.47 PAYMENTS TO RESIDENT AND NONRESIDENT DISTRICTS.

Subd. 2. **Reporting; revenue for homeless.** For all school purposes, unless otherwise specifically provided by law, a homeless pupil is a resident of the school district that enrolls the pupil.

475.53 LIMIT ON NET DEBT.

Subd. 5. **Certain independent school districts.** No independent school district located wholly or partly within a city of the first class shall issue obligations with a term of more than two years, whenever the aggregate of the outstanding obligations of the district equals or exceeds 0.7 percent of the market value of the taxable property within the school district.