

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3735

03/31/2016 Authored by Davnie and Johnson, S., The bill was read for the first time and referred to the Committee on Education Innovation Policy

1.1 A bill for an act
1.2 relating to education; providing tax credits for teachers and provisions addressing
1.3 teacher shortages in the state; appropriating money; amending Minnesota
1.4 Statutes 2014, sections 120B.11, subdivision 5; 124D.09, subdivision 10; 290.06,
1.5 by adding a subdivision; Minnesota Statutes 2015 Supplement, sections 122A.60,
1.6 subdivision 1; 127A.05, subdivision 6; 136A.1791, subdivisions 1, 3; proposing
1.7 coding for new law in Minnesota Statutes, chapters 122A; 125A; 290.

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

1.9 ARTICLE 1

1.10 TEACHER SHORTAGE

1.11 Section 1. Minnesota Statutes 2014, section 120B.11, subdivision 5, is amended to read:

1.12 Subd. 5. Report. (a) Consistent with requirements for school performance reports
1.13 under section 120B.36, subdivision 1, and paragraph (b), the school board shall publish
1.14 a report in the local newspaper with the largest circulation in the district, by mail, or
1.15 by electronic means on the district Web site. The school board shall hold an annual
1.16 public meeting to review, and revise where appropriate, student achievement goals,
1.17 local assessment outcomes, plans, strategies, and practices for improving curriculum
1.18 and instruction and cultural competency, and to review district success in realizing
1.19 the previously adopted student achievement goals and related benchmarks and the
1.20 improvement plans leading to the world's best workforce. The school board must transmit
1.21 an electronic summary of its report to the commissioner in the form and manner the
1.22 commissioner determines.

1.23 (b) Each school board must include in its annual report under paragraph (a) data on:

2.1 (1) the number of licensed teachers employed by the district who self-identify as
 2.2 non-Caucasian and who are members of a population underrepresented among licensed
 2.3 teachers in the district;

2.4 (2) the number of community experts providing instruction in the district during the
 2.5 school year and the subject areas they teach;

2.6 (3) the school year testing schedule for the district showing grade levels and
 2.7 assessments and the time allotted for each assessment; and

2.8 (4) the class sizes for the district's prekindergarten through grade 6 classrooms.

2.9 The format for reporting the data must comply with the model data-reporting format
 2.10 developed by the commissioner.

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

2.13 Sec. 2. **[122A.187] DISTRICT EMPLOYEE CAREER ADVANCEMENT**
 2.14 **GRANT PROGRAM.**

2.15 Subdivision 1. **Program establishment; requirements.** (a) An annual grant
 2.16 program is established to provide opportunities for district employees to attain:

2.17 (1) a teaching license;

2.18 (2) an additional subject area license in a field where the participating district is
 2.19 experiencing a teacher shortage;

2.20 (3) a master's degree in a core academic subject area; or

2.21 (4) national board certification.

2.22 (b) Grants under this section are available to district employees who are:

2.23 (1) education or teaching assistants or other nonlicensed district employees
 2.24 interested in becoming licensed classroom teachers;

2.25 (2) currently licensed classroom teachers interested in acquiring an additional
 2.26 subject area license in a field in which the district is experiencing a teacher shortage under
 2.27 section 127A.05, subdivision 6;

2.28 (3) interested in attaining a master's degree in a core academic subject area under
 2.29 section 120B.021, subdivision 4; or

2.30 (4) interested in attaining National Board for Professional Teaching Standards
 2.31 certification.

2.32 (c) All districts participating in this grant program must agree to support and monitor
 2.33 the progress of each grant recipient and to provide recipients with student teaching
 2.34 opportunities, teacher mentoring, or other professional development opportunities, as

3.1 appropriate. District employees receiving grant funding must agree to work in the district
 3.2 providing the funding for at least three school years after they receive their license, degree,
 3.3 or certification. The agreement must establish consequences for grant recipients who fail
 3.4 to complete the requisite three school years of work in the district but must not penalize a
 3.5 grant recipient who is prevented by a district action from completing the requisite work.

3.6 Subd. 2. **Program funding.** (a) The commissioner shall make grants with
 3.7 appropriations for this purpose to interested school districts on a first-come, first-served
 3.8 basis until funds are expended. Interested districts receiving funding must use the funding
 3.9 to help eligible individuals under subdivision 1 offset their education costs, including
 3.10 tuition, textbooks, and other instructional materials; pursue national board certification; or
 3.11 for compensation to allow these individuals to complete their student teaching requirement.
 3.12 The grant amount, excluding compensation, must not exceed the grant recipient's actual
 3.13 program or course costs in a school term or year minus any federal Pell grant or state grant
 3.14 or any national scholarship the grant recipient is eligible to receive. Districts must award
 3.15 grants annually on a first-come, first-served basis to the extent funding is available.

3.16 (b) To receive grant funding, eligible individuals must: enroll and make satisfactory
 3.17 progress in a teacher preparation or other academic program offered by the local or
 3.18 regional postsecondary institution or program, or be formally accepted and registered as a
 3.19 candidate for national board certification; and, if pursuing a license or degree, annually
 3.20 complete an application for federal student aid.

3.21 (c) A district must recognize all credits, certificates, and endorsements earned under
 3.22 this program when determining a teacher's placement on the district's salary schedule.

3.23 **EFFECTIVE DATE.** This section is effective beginning in fiscal year 2017.

3.24 Sec. 3. Minnesota Statutes 2015 Supplement, section 122A.60, subdivision 1, is
 3.25 amended to read:

3.26 Subdivision 1. **Staff development committee.** (a) A school board must use the
 3.27 revenue authorized in section 122A.61 for:

3.28 (1) teacher development and evaluation plans under section 122A.40, subdivision 8,
 3.29 or 122A.41, subdivision 5, and allowing a teacher and the teacher's mentor or peer coach,
 3.30 at their request, to use professional development revenue for implementing the teacher's
 3.31 individual growth plan or recommendations resulting from the peer review process;

3.32 (2) principal development and evaluation under section 123B.147, subdivision 3;

3.33 (3) in-service education programs under section 120B.22, subdivision 2; and

3.34 (4) other staff development needs.

4.1 (b) The board must establish an advisory staff development committee to develop
 4.2 the plan, assist site professional development teams in developing a site plan consistent
 4.3 with the goals of the plan, and evaluate staff development efforts at the site level. A
 4.4 majority of the advisory committee and the site professional development team must be
 4.5 teachers representing various grade levels, subject areas, and special education. The
 4.6 advisory committee must also include nonteaching staff, parents, and administrators.

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

4.9 Sec. 4. Minnesota Statutes 2014, section 124D.09, subdivision 10, is amended to read:

4.10 Subd. 10. **Courses according to agreements.** (a) An eligible pupil, according
 4.11 to subdivision 5, may enroll in a nonsectarian course taught by a secondary teacher or
 4.12 a postsecondary faculty member and offered at a secondary school, or another location,
 4.13 according to an agreement between a public school board and the governing body of an
 4.14 eligible public postsecondary system or an eligible private postsecondary institution,
 4.15 as defined in subdivision 3. All provisions of this section shall apply to a pupil, public
 4.16 school board, district, and the governing body of a postsecondary institution, except as
 4.17 otherwise provided.

4.18 (b) To encourage American Indian students under section 124D.72 and other
 4.19 students to consider teaching as a profession, participating public school boards and
 4.20 the governing boards of eligible public postsecondary systems and eligible private
 4.21 postsecondary institutions may develop and offer an "introduction to teaching" course
 4.22 under this subdivision.

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

4.24 Sec. 5. **[125A.035] CASELOAD MAXIMUMS FOR SPECIAL EDUCATION**
 4.25 **PROFESSIONALS.**

4.26 Subdivision 1. **Negotiated caseload maximums.** Teacher collective bargaining
 4.27 agreements under chapter 179A must establish caseload maximums for special education
 4.28 teachers and other service providers, or must indicate the parties to the agreement agreed
 4.29 not to include caseload maximums in their agreement. If the parties cannot agree on
 4.30 caseload maximums or the current collective bargaining agreement does not contain
 4.31 caseload maximums for all special education professionals, the caseload maximums
 4.32 established in this section apply and must be included in the parties' agreement.

5.1 Subd. 2. **Application.** Caseload maximums apply to all licensed special education
5.2 professionals who provide services or instruction to students with specific disabling
5.3 conditions, including classroom teachers, speech and language pathologists, physical
5.4 therapists, school nurses, school counselors, school social workers, school psychologists,
5.5 teachers of developmental and adaptive physical education, teachers of the visually
5.6 impaired, teachers of students with hearing disabilities, physical therapists, audiologists,
5.7 itinerant teachers, and work experience coordinators.

5.8 Subd. 3. **Caseload maximum for special education professionals.** (a) The
5.9 caseload maximum for all special education professionals is 75 units, based on the total
5.10 number of students in a school year for whom that professional provides the following
5.11 services or due process procedures:

5.12 (1) direct special education services in a particular skill or subject area that relate to
5.13 instruction, including cooperative teaching;

5.14 (2) indirect special education services including:

5.15 (i) ongoing progress reviews;

5.16 (ii) cooperative planning;

5.17 (iii) consultation;

5.18 (iv) demonstration teaching;

5.19 (v) modification and adaptation of the environment, curriculum, materials, or
5.20 equipment;

5.21 (vi) direct contact with children with disabilities to monitor and observe; or

5.22 (vii) participation on a student's individualized education program team for purposes
5.23 other than case management;

5.24 (3) service as a student's individualized education program case manager; and

5.25 (4) evaluating or reevaluating a student.

5.26 (b) Responsibility for each due process procedure provided to meet an eligible
5.27 student's level of need must be weighted as follows:

5.28 (1) students who receive special education services for up to 60 percent of their
5.29 instructional day, corresponding to federal settings 1 and 2, count as one caseload unit for
5.30 each service;

5.31 (2) students who receive special education services for more than 60 percent of
5.32 their instructional day, corresponding to federal setting 3, count as two caseload units for
5.33 each service;

5.34 (3) students who receive special education services for more than 60 percent of their
5.35 instructional day, corresponding to federal setting 4, count as three caseload units for
5.36 each service;

6.1 (4) professionals providing more than one direct service to the same student can
 6.2 count each service separately when counting caseload units; and

6.3 (5) professionals such as school nurses, school counselors, and school social workers
 6.4 can count the significant responsibilities they have for serving nondisabled students when
 6.5 calculating caseload maximums.

6.6 Subd. 4. **Professionals employed less than full time.** The caseload maximum
 6.7 for a special education professional employed less than full time must be adjusted
 6.8 proportionally to that professional's full-time equivalency.

6.9 Subd. 5. **When caseload maximums are exceeded.** Unless otherwise provided in
 6.10 the collective bargaining agreement, if a special education professional's caseload exceeds
 6.11 75 units in a school year, the employer must compensate the teacher at a rate of 1/75th
 6.12 of the professional's annual salary for every unit by which the maximum is exceeded.
 6.13 Caseload maximums and additional compensation requirements are enforceable through
 6.14 the grievance procedure contained in the collective bargaining agreement.

6.15 Subd. 6. **Scoring rubric.** The commissioner, in consultation with representatives
 6.16 of licensed special education professionals and local school board members, must adopt
 6.17 and maintain on the department Web site a scoring rubric consistent with this section
 6.18 that allows special education professionals to determine their caseload unit score at the
 6.19 beginning of each school year.

6.20 **EFFECTIVE DATE.** This section is effective beginning July 1, 2017.

6.21 Sec. 6. Minnesota Statutes 2015 Supplement, section 127A.05, subdivision 6, is
 6.22 amended to read:

6.23 Subd. 6. **Survey of districts.** The commissioner of education shall survey the state's
 6.24 school districts and teacher preparation programs and report to the education committees
 6.25 of the legislature by February 1 of each odd-numbered year on the status of teacher early
 6.26 retirement patterns, the teacher shortage; and the substitute teacher shortage; ~~including~~
 6.27 ~~patterns and shortages in~~ by subject areas and the economic development regions of the
 6.28 state, and the number of licensed teachers who self-identify as people of color and are
 6.29 members of a population underrepresented among licensed teachers in each district. The
 6.30 report must also include: aggregate data on teachers' self-reported race and ethnicity; data
 6.31 on how districts are making progress in hiring teachers and substitutes in the areas of
 6.32 shortage; and a five-year projection of teacher demand for each district.

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

7.1 Sec. 7. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 1,
7.2 is amended to read:

7.3 Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings
7.4 given them in this subdivision.

7.5 (b) "Qualified educational loan" means a government, commercial, or foundation
7.6 loan for actual costs paid for tuition and reasonable educational and living expenses
7.7 related to a teacher's preparation or further education.

7.8 (c) "School district" means an independent school district, special school district,
7.9 intermediate district, education district, special education cooperative, service cooperative,
7.10 a cooperative center for vocational education, or a charter school located in Minnesota.

7.11 (d) "Teacher" means an individual holding a teaching license issued by the licensing
7.12 division in the Department of Education on behalf of the Board of Teaching who is
7.13 employed by a school district to provide classroom instruction in a teacher shortage area.

7.14 (e) "Teacher shortage area" means the licensure fields and economic development
7.15 regions reported by the commissioner of education as experiencing a teacher shortage or
7.16 the school districts where minority populations are underrepresented among licensed
7.17 teachers, consistent with section 127A.05, subdivision 6, and applicable federal law.

7.18 (f) "Commissioner" means the commissioner of the Office of Higher Education
7.19 unless indicated otherwise.

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

7.21 Sec. 8. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 3,
7.22 is amended to read:

7.23 Subd. 3. **Use of report on teacher shortage areas.** The commissioner of education
7.24 shall use the teacher supply and demand report to the legislature to identify the licensure
7.25 fields and economic development regions in Minnesota experiencing a teacher shortage
7.26 and the school districts where minority populations are underrepresented among licensed
7.27 teachers, consistent with section 127A.05, subdivision 6, and applicable federal law.

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

7.29 Sec. 9. **APPROPRIATIONS.**

7.30 Subdivision 1. **Encouraging American Indian students to become teachers.** (a)
7.31 \$..... in fiscal year 2017 is appropriated from the general fund to the commissioner of
7.32 education to encourage American Indian students and other students to consider teaching

8.1 as a profession and take an "introduction to teaching" course under Minnesota Statutes,
 8.2 section 124D.09, subdivision 10, paragraph (b).

8.3 (b) The base for this program in fiscal year 2018 and later is \$.....

8.4 Subd. 2. **Grants to advance district employees' careers.** (a) \$..... in fiscal
 8.5 year 2017 is appropriated from the general fund to the commissioner of education for
 8.6 individuals to attain a teaching license, a master's degree in a core academic subject area,
 8.7 or National Board for Professional Teaching Standards certification under Minnesota
 8.8 Statutes, section 122A.187.

8.9 (b) The base for this program in fiscal year 2018 and later is \$.....

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

8.11 **ARTICLE 2**

8.12 **TEACHER TAX CREDITS**

8.13 Section 1. Minnesota Statutes 2014, section 290.06, is amended by adding a
 8.14 subdivision to read:

8.15 Subd. 37. **Credit for teacher expenses.** (a) A credit is allowed against the tax
 8.16 imposed under this chapter equal to 50 percent of the amount that the taxpayer is allowed
 8.17 to deduct under section 62(a)(2)(D) of the Internal Revenue Code for the taxable year.

8.18 (b) If the credit allowed under this subdivision exceeds the liability for tax under this
 8.19 chapter, the commissioner shall pay the excess as a refund to the taxpayer.

8.20 (c) An amount sufficient to pay the refunds required by this subdivision is
 8.21 appropriated from the general fund to the commissioner of revenue.

8.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
 8.23 December 31, 2015, and the Internal Revenue Code, as amended through December
 8.24 31, 2015, applies.

8.25 Sec. 2. **[290.0682] CREDIT FOR KINDERGARTEN THROUGH GRADE 12**
 8.26 **TEACHER LICENSURE AND PROFESSIONAL DEVELOPMENT.**

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

8.29 (b) "Core content area" means the academic subject of reading, English or language
 8.30 arts, mathematics, science, foreign languages, civics and government, economics, arts,
 8.31 history, or geography.

9.1 (c) "Master's degree program" means a graduate level program at an accredited
 9.2 university leading to a master of arts or science degree in a core content area directly
 9.3 related to a qualified teacher's licensure field. To be eligible under this credit, a licensed
 9.4 elementary school teacher must pursue a master's degree program in a core content area in
 9.5 which the teacher provides direct classroom instruction.

9.6 (d) "Qualified education professional" means an individual employed by a Minnesota
 9.7 public school that serves any of grades kindergarten through grade 12 as a licensed
 9.8 teacher, paraprofessional, or other nonlicensed employee.

9.9 (e) "Qualified education program" means:

9.10 (1) for a qualified education professional who is not a licensed teacher, a Board of
 9.11 Teaching-approved teacher preparation program; or

9.12 (2) for a qualified education professional who is a licensed teacher, any of the
 9.13 following:

9.14 (i) a master's degree program;

9.15 (ii) a Board of Teaching-approved program to become licensed in a licensure field
 9.16 reported by the commissioner of education under section 136A.1791 as experiencing a
 9.17 teacher shortage for the school year in which the tuition and fees were paid; or

9.18 (iii) coursework necessary to obtain national board certification.

9.19 Subd. 2. **Credit allowed.** A qualified education professional is allowed a credit
 9.20 against the tax imposed under this chapter. The credit equals 75 percent of tuition and
 9.21 fees paid during the taxable year, up to a maximum credit of \$3,000. To qualify, tuition
 9.22 and fees must be paid for a qualified education program.

9.23 Subd. 3. **Credit refundable.** (a) If the amount of the credit for which an individual
 9.24 is eligible exceeds the individual's liability for tax under this chapter, the commissioner
 9.25 shall refund the excess to the individual.

9.26 (b) The amount necessary to pay the refunds required by this section is appropriated
 9.27 to the commissioner from the general fund.

9.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
 9.29 December 31, 2015.

9.30 Sec. 3. **[290.0683] STUDENT LOAN CREDIT FOR TEACHERS.**

9.31 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
 9.32 have the meanings given them unless the context clearly indicates otherwise.

9.33 (b) "Income-driven repayment plan" means a payment plan established by the
 9.34 United States Department of Education that sets monthly student loan payments based

10.1 on income and family size under United States Code, title 20, section 1087e, or similar
10.2 authority and specifically includes, but is not limited to:

10.3 (1) the income-based repayment plan under United State Code, title 20, section 1098e;

10.4 (2) the income contingent repayment plan established under United State Code,
10.5 title 20, section 1087e, subsection (e); and

10.6 (3) the PAYE program or REPAYE program established by the United States
10.7 Department of Education under administrative regulations.

10.8 (c) "Qualified loan payment" means the payment of principal and interest on a
10.9 student loan made by a teacher during the taxable year if the payments are made under an
10.10 income-driven repayment plan.

10.11 (d) "Teacher" means a licensed teacher employed for all or part of the taxable year
10.12 by a public school located in this state.

10.13 Subd. 2. **Credit allowed.** A teacher is allowed a credit against the tax imposed by
10.14 this chapter equal to 50 percent of the lesser of:

10.15 (1) the qualified loan payments made by the teacher during the taxable year; or

10.16 (2) the amount of wages, as defined in section 290.92, paid by a public school
10.17 located in this state to the teacher for the taxable year.

10.18 Subd. 3. **Credit refundable.** (a) If the credit allowed under this section exceeds
10.19 the liability for tax under this chapter, the commissioner shall pay the excess as a refund
10.20 to the teacher.

10.21 (b) An amount sufficient to pay the refunds required by this section is appropriated
10.22 from the general fund to the commissioner.

10.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
10.24 December 31, 2015.

APPENDIX
Article locations in 16-6569

ARTICLE 1	TEACHER SHORTAGE	Page.Ln 1.9
ARTICLE 2	TEACHER TAX CREDITS	Page.Ln 8.11