

## 1.1 A bill for an act

1.2 relating to education finance; providing for early childhood through grade  
1.3 12 education, including general education, student accountability, education  
1.4 excellence, charter schools, special programs, facilities and technology,  
1.5 nutrition, libraries and accounting, early childhood education, self-sufficiency  
1.6 and lifelong learning, state agencies, and forecast adjustments; appropriating  
1.7 money; requiring reports; amending Minnesota Statutes 2012, sections 13.319,  
1.8 by adding a subdivision; 120A.20, subdivision 1; 120A.22, subdivisions 5,  
1.9 8, 11, 12; 120A.24, subdivision 1; 120A.41; 120B.02; 120B.125; 120B.128;  
1.10 120B.30, subdivisions 1, 1a; 120B.36, subdivision 1; 122A.415, by adding  
1.11 subdivisions; 123A.73, subdivisions 3, 4, 5; 123B.41, subdivision 7; 123B.42,  
1.12 subdivision 3; 123B.53, subdivision 5; 123B.54; 123B.57, subdivision 4;  
1.13 123B.591, subdivisions 2, 3; 123B.75, subdivision 5; 123B.92, subdivision  
1.14 9; 124D.02, subdivision 1; 124D.03, subdivision 12; 124D.10, subdivisions  
1.15 14, 23a; 124D.11, subdivisions 1, 2, 4, 5; 124D.111, subdivision 1, by adding  
1.16 a subdivision; 124D.119; 124D.128, subdivision 2; 124D.42; 124D.4531;  
1.17 124D.531, subdivision 1; 124D.65, subdivision 5; 125A.11, subdivision 1;  
1.18 125A.76, subdivision 4; 125A.79, subdivisions 1, 8; 125B.26, subdivision 4;  
1.19 126C.05, subdivisions 1, 5, 6, 15; 126C.10, subdivisions 1, 2, 2a, 2c, 3, 7, 8, 13,  
1.20 13a, 13b, 17, 18, 24, 27, 29, 31, 32, 34, 35, 36, by adding subdivisions; 126C.12,  
1.21 subdivisions 1, 5; 126C.126; 126C.13, subdivisions 4, 5, by adding subdivisions;  
1.22 126C.15, subdivisions 1, 2; 126C.17; 126C.20; 126C.40, subdivisions 1, 6;  
1.23 126C.44; 127A.45, subdivision 2; 127A.47, subdivisions 7, 8; 127A.51; 128D.11,  
1.24 subdivision 3; 260C.007, subdivision 19; Laws 2007, chapter 146, article 4,  
1.25 section 12; Laws 2011, First Special Session chapter 11, article 1, section 36,  
1.26 subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as  
1.27 amended, 7, as amended, 10, as amended; article 2, sections 13; 14; 18; 19; 50,  
1.28 subdivisions 2, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as  
1.29 amended, 9, as amended; article 3, section 11, subdivisions 2, as amended, 3, as  
1.30 amended, 4, as amended, 5, as amended; article 4, section 10, subdivisions 2, as  
1.31 amended, 3, as amended, 4, as amended, 6, as amended; article 5, section 12,  
1.32 subdivisions 2, as amended, 3, as amended, 4, as amended; article 6, section 2,  
1.33 subdivisions 2, as amended, 3, as amended, 5, as amended; article 7, section 2,  
1.34 subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 2,  
1.35 subdivisions 2, as amended, 3, as amended; article 9, section 3, subdivision 2, as  
1.36 amended; proposing coding for new law in Minnesota Statutes, chapters 124D;  
1.37 126C; repealing Minnesota Statutes 2012, sections 120B.08; 120B.09; 124D.454,  
1.38 subdivisions 10, 11; 125A.76, subdivision 7; 126C.10, subdivisions 13a, 13b, 25,  
1.39 26, 28, 31a, 31b, 31c, 34, 35, 36; 126C.17, subdivision 13; 127A.50, subdivisions

2.1 1, 5; Minnesota Rules, parts 3501.0010; 3501.0020; 3501.0030, subparts 1, 2,  
 2.2 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16; 3501.0040; 3501.0050; 3501.0060;  
 2.3 3501.0090; 3501.0100; 3501.0110; 3501.0120; 3501.0130; 3501.0140;  
 2.4 3501.0150; 3501.0160; 3501.0170; 3501.0180; 3501.0200; 3501.0210;  
 2.5 3501.0220; 3501.0230; 3501.0240; 3501.0250; 3501.0270; 3501.0280, subparts  
 2.6 1, 2; 3501.0290; 3501.1000; 3501.1020; 3501.1030; 3501.1040; 3501.1050;  
 2.7 3501.1110; 3501.1120; 3501.1130; 3501.1140; 3501.1150; 3501.1160;  
 2.8 3501.1170; 3501.1180; 3501.1190.

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

2.10 **ARTICLE 1**

2.11 **GENERAL EDUCATION**

2.12 Section 1. Minnesota Statutes 2012, section 120A.20, subdivision 1, is amended to read:

2.13 Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or  
 2.14 in part by state funds are public schools. Admission to a public school is free to any  
 2.15 person who: (1) resides within the district that operates the school; (2) is under 21 years of  
 2.16 age or who meets the requirements of paragraph (c); and (3) satisfies the minimum age  
 2.17 requirements imposed by this section. Notwithstanding the provisions of any law to the  
 2.18 contrary, the conduct of all students under 21 years of age attending a public secondary  
 2.19 school is governed by a single set of reasonable rules and regulations promulgated by the  
 2.20 school board.

2.21 (b) A person shall not be admitted to a public school (1) as a kindergarten pupil,  
 2.22 unless the pupil is at least five years of age on September 1 of the calendar year in which  
 2.23 the school year for which the pupil seeks admission commences; or (2) as a 1st grade  
 2.24 student, unless the pupil is at least six years of age on September 1 of the calendar year in  
 2.25 which the school year for which the pupil seeks admission commences or has completed  
 2.26 kindergarten; except that any school board may establish a policy for admission of  
 2.27 selected pupils at an earlier age under section 124D.02.

2.28 (c) A pupil who becomes age 21 after enrollment is eligible for continued free public  
 2.29 school enrollment until at least one of the following occurs: (1) the first September 1 after  
 2.30 the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3)  
 2.31 the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4)  
 2.32 the end of the school year.

2.33 Sec. 2. Minnesota Statutes 2012, section 120A.41, is amended to read:

2.34 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

2.35 A school board's annual school calendar must include at least 425 hours of  
 2.36 instruction for a kindergarten student without a disability, 935 hours of instruction for a

3.1 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7  
3.2 through 12, not including summer school. The school calendar for all-day kindergarten  
3.3 must include at least 850 hours of instruction for the school year. Nothing in this section  
3.4 permits a school district to adopt a four-day week schedule unless approved by the  
3.5 commissioner under section 124D.126.

3.6 Sec. 3. Minnesota Statutes 2012, section 123A.73, subdivision 3, is amended to read:

3.7 Subd. 3. **Voluntary dissolution; referendum revenue.** As of the effective date of  
3.8 the voluntary dissolution of a district and its attachment to one or more existing districts  
3.9 pursuant to section 123A.46, the authorization for all referendum revenues previously  
3.10 approved by the voters of all affected districts for those districts pursuant to section  
3.11 126C.17, subdivision 9, or its predecessor provision, is canceled. However, if all of the  
3.12 territory of any independent district is included in the enlarged district, and if the adjusted  
3.13 net tax capacity of taxable property in that territory comprises 90 percent or more of  
3.14 the adjusted net tax capacity of all taxable property in an enlarged district, the enlarged  
3.15 district's referendum revenue shall be determined as follows:

3.16 The referendum revenue shall be the revenue per ~~resident marginal cost~~ adjusted  
3.17 pupil unit times the number of ~~resident marginal cost~~ adjusted pupil units in the enlarged  
3.18 district. Any new referendum revenue shall be authorized only after approval is granted  
3.19 by the voters of the entire enlarged district in an election pursuant to section 126C.17,  
3.20 subdivision 9.

3.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
3.22 and later.

3.23 Sec. 4. Minnesota Statutes 2012, section 123A.73, subdivision 4, is amended to read:

3.24 Subd. 4. **Consolidation; maximum authorized referendum revenues.** (a) As  
3.25 of the effective date of a consolidation pursuant to section 123A.48, if the plan for  
3.26 consolidation so provides, or if the plan for consolidation makes no provision concerning  
3.27 referendum revenues, the authorization for all referendum revenues previously approved  
3.28 by the voters of all affected districts for those districts pursuant to section 126C.17,  
3.29 subdivision 9, or its predecessor provision shall be recalculated as provided in this  
3.30 subdivision. The referendum revenue authorization for the newly created district shall  
3.31 be the revenue per ~~resident marginal cost~~ adjusted pupil unit that would raise an amount  
3.32 equal to the combined dollar amount of the referendum revenues authorized by each of  
3.33 the component districts for the year preceding the consolidation, unless the referendum

4.1 revenue authorization of the newly created district is subsequently modified pursuant to  
4.2 section 126C.17, subdivision 9.

4.3 (b) The referendum allowance for a consolidated district in the years following  
4.4 consolidation equals the average of the consolidating districts' existing authorities for those  
4.5 years, weighted by the districts' ~~resident marginal cost~~ adjusted pupil units in the year  
4.6 preceding consolidation. For purposes of this calculation, the referendum authorities used  
4.7 for individual districts shall not decrease from year to year until such time as all existing  
4.8 authorities for all the consolidating districts have fully expired, but shall increase if they  
4.9 were originally approved with consumer price index-based or other annual increases.

4.10 (c) The referendum revenue authorization for the newly created district shall continue  
4.11 for a period of time equal to the longest period authorized for any component district.

4.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
4.13 and later.

4.14 Sec. 5. Minnesota Statutes 2012, section 123A.73, subdivision 5, is amended to read:

4.15 Subd. 5. **Alternative method.** (a) As of the effective date of a consolidation  
4.16 pursuant to section 123A.48, if the plan for consolidation so provides, the authorization  
4.17 for all referendum revenues previously approved by the voters of all affected districts for  
4.18 those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision  
4.19 shall be combined as provided in this subdivision. The referendum revenue authorization  
4.20 for the newly created district may be any allowance per ~~resident marginal cost~~ adjusted  
4.21 pupil unit provided in the plan for consolidation, but may not exceed the allowance  
4.22 per ~~resident marginal cost~~ adjusted pupil unit that would raise an amount equal to the  
4.23 combined dollar amount of the referendum revenues authorized by each of the component  
4.24 districts for the year preceding the consolidation.

4.25 (b) The referendum allowance for a consolidated district in the years following  
4.26 consolidation equals the average of the consolidating districts' existing authorities for those  
4.27 years, weighted by the districts' ~~resident marginal cost~~ adjusted pupil units in the year  
4.28 preceding consolidation. For purposes of this calculation, the referendum authorities used  
4.29 for individual districts shall not decrease from year to year until such time as all existing  
4.30 authorities for all the consolidating districts have fully expired, but shall increase if they  
4.31 were originally approved with consumer price index-based or other annual increases.

4.32 (c) The referendum revenue authorization for the newly created district shall  
4.33 continue for a period of time equal to the longest period authorized for any component  
4.34 district. The referendum revenue authorization for the newly created district may be  
4.35 modified pursuant to section 126C.17, subdivision 9.

5.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
5.2 and later.

5.3 Sec. 6. Minnesota Statutes 2012, section 123B.41, subdivision 7, is amended to read:

5.4 Subd. 7. **Elementary pupils.** "Elementary pupils" means pupils in grades  
5.5 kindergarten through 6; provided, each kindergarten pupil in a half-day program shall be  
5.6 counted as one-half pupil for all computations pursuant to sections 123B.40 to 123B.42,  
5.7 and 123B.44 to 123B.48.

5.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015.

5.9 Sec. 7. Minnesota Statutes 2012, section 123B.42, subdivision 3, is amended to read:

5.10 Subd. 3. **Cost; limitation.** (a) The cost per pupil of the textbooks, individualized  
5.11 instructional or cooperative learning materials, software or other educational technology,  
5.12 and standardized tests provided for in this section for each school year must not exceed the  
5.13 statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota  
5.14 public elementary and secondary schools for textbooks, individualized instructional  
5.15 materials and standardized tests as computed and established by the department by February  
5.16 1 of the preceding school year from the most recent public school year data then available.

5.17 (b) The cost computed in clause (a) shall be increased by an inflation adjustment  
5.18 equal to the percent of increase in the formula allowance, pursuant to section 126C.10,  
5.19 subdivision 2, from the second preceding school year to the current school year.

5.20 Notwithstanding the amount of the formula allowance for fiscal years 2015 and 2016 in  
5.21 section 126C.10, subdivision 2, the commissioner shall use the amount of the formula  
5.22 allowance for the current year minus \$411 in determining the inflation adjustment for  
5.23 fiscal years 2015 and 2016.

5.24 (c) The commissioner shall allot to the districts or intermediary service areas the  
5.25 total cost for each school year of providing or loaning the textbooks, individualized  
5.26 instructional or cooperative learning materials, software or other educational technology,  
5.27 and standardized tests for the pupils in each nonpublic school. The allotment shall not  
5.28 exceed the product of the statewide average expenditure per pupil, according to clause  
5.29 (a), adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils  
5.30 who make requests pursuant to this section and who are enrolled as of September 15 of  
5.31 the current school year.

5.32 Sec. 8. Minnesota Statutes 2012, section 123B.92, subdivision 9, is amended to read:

6.1 Subd. 9. **Nonpublic pupil transportation aid.** (a) A district's nonpublic pupil  
6.2 transportation aid for the 1996-1997 and later school years for transportation services for  
6.3 nonpublic school pupils according to sections 123B.88, 123B.84 to 123B.86, and this  
6.4 section, equals the sum of the amounts computed in paragraphs (b) and (c). This aid does  
6.5 not limit the obligation to transport pupils under sections 123B.84 to 123B.87.

6.6 (b) For regular and excess transportation according to subdivision 1, paragraph (b),  
6.7 clauses (1) and (2), an amount equal to the product of:

6.8 (1) the district's actual expenditure per pupil transported in the regular and excess  
6.9 transportation categories during the second preceding school year; times

6.10 (2) the number of nonpublic school pupils residing in the district who receive regular  
6.11 or excess transportation service or reimbursement for the current school year; times

6.12 (3) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for  
6.13 the current school year to the formula allowance pursuant to section 126C.10, subdivision  
6.14 2, for the second preceding school year.

6.15 (c) For nonpublic nonregular transportation according to subdivision 1, paragraph  
6.16 (b), clause (5), an amount equal to the product of:

6.17 (1) the district's actual expenditure for nonpublic nonregular transportation during  
6.18 the second preceding school year; times

6.19 (2) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for  
6.20 the current school year to the formula allowance pursuant to section 126C.10, subdivision  
6.21 2, for the second preceding school year.

6.22 (d) Notwithstanding the amount of the formula allowance for fiscal ~~year 2004~~  
6.23 years 2015 and 2016 in section 126C.10, subdivision 2, the commissioner shall use the  
6.24 amount of the formula allowance for the current year minus ~~\$415~~ \$411 in determining  
6.25 the nonpublic pupil transportation revenue in paragraphs (b) and (c) for fiscal ~~year 2004~~  
6.26 years 2015 and 2016.

6.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
6.28 and later.

6.29 Sec. 9. Minnesota Statutes 2012, section 124D.02, subdivision 1, is amended to read:

6.30 Subdivision 1. **Kindergarten instruction.** The board may establish and maintain  
6.31 one or more kindergartens for the instruction of children and after July 1, 1974, shall  
6.32 provide kindergarten instruction for all eligible children, either in the district or in  
6.33 another district. All children to be eligible for kindergarten must be at least five years  
6.34 of age on September 1 of the calendar year in which the school year commences. In  
6.35 addition all children selected under an early admissions policy established by the school

7.1 board may be admitted. If established, a board-adopted early admissions policy must  
 7.2 describe the process and procedures for comprehensive evaluation in cognitive, social,  
 7.3 and emotional developmental domains to help determine the child's ability to meet  
 7.4 kindergarten grade expectations and progress to first grade in the subsequent year. The  
 7.5 comprehensive evaluation must use valid and reliable instrumentation, be aligned with  
 7.6 state kindergarten expectations, and include a parent report and teacher observations of  
 7.7 the child's knowledge, skills, and abilities. The early admissions policy must be made  
 7.8 available to parents in an accessible format and is subject to review by the commissioner  
 7.9 of education. The evaluation is subject to section 127A.41. Nothing in this section  
 7.10 shall prohibit a school district from establishing Head Start, prekindergarten, or nursery  
 7.11 school classes for children below kindergarten age. Any school board with evidence that  
 7.12 providing kindergarten will cause an extraordinary hardship on the school district may  
 7.13 apply to the commissioner of education for an exception.

7.14 Sec. 10. Minnesota Statutes 2012, section 126C.05, subdivision 1, is amended to read:

7.15 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the  
 7.16 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c),  
 7.17 in average daily membership enrolled in the district of residence, in another district under  
 7.18 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under  
 7.19 section 124D.10; or for whom the resident district pays tuition under section 123A.18,  
 7.20 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,  
 7.21 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this  
 7.22 subdivision.

7.23 (a) A prekindergarten pupil with a disability who is enrolled in a program approved  
 7.24 by the commissioner and has an individualized education program is counted as the ratio  
 7.25 of the number of hours of assessment and education service to 825 times ~~1.25~~ 1.0 with a  
 7.26 minimum average daily membership of 0.28, but not more than ~~1.25~~ 1.0 pupil units.

7.27 (b) A prekindergarten pupil who is assessed but determined not to be disabled is  
 7.28 counted as the ratio of the number of hours of assessment service to 825 times ~~1.25~~ 1.0.

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

7.33 (d) ~~A kindergarten pupil who is not included in paragraph (c) is counted as .612 pupil~~  
 7.34 ~~units~~ A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil  
 7.35 units if the pupil is enrolled in a free all-day, every day kindergarten program available to

8.1 all kindergarten pupils at the pupil's school that meets the minimum hours requirement in  
 8.2 section 120A.41, or is counted as .55 pupil units, if the pupil is not enrolled in a free all-day,  
 8.3 every day kindergarten program available to all kindergarten pupils at the pupil's school.

8.4 (e) A pupil who is in any of grades 1 to 3 6 is counted as ~~1.15~~ 1.0 pupil units for  
 8.5 fiscal year 2000 and thereafter.

8.6 (f) ~~A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal~~  
 8.7 ~~year 1995 and thereafter.~~

8.8 (g) A pupil who is in any of grades 7 to 12 is counted as ~~1.3~~ 1.2 pupil units.

8.9 (h) (g) A pupil who is in the postsecondary enrollment options program is counted  
 8.10 as ~~1.3~~ 1.2 pupil units.

8.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 8.12 and later.

8.13 Sec. 11. Minnesota Statutes 2012, section 126C.05, subdivision 5, is amended to read:

8.14 Subd. 5. **Adjusted pupil units.** (a) Adjusted pupil units for a district or charter  
 8.15 school means the sum of:

8.16 (1) the number of pupil units served, according to subdivision 7, plus

8.17 (2) pupil units according to subdivision 1 for whom the district or charter school pays  
 8.18 tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88,  
 8.19 subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, minus

8.20 (3) pupil units according to subdivision 1 for whom the district or charter school  
 8.21 receives tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488,  
 8.22 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65.

8.23 (b) ~~Adjusted marginal cost pupil units means the greater of:~~

8.24 (1) ~~the sum of .77 times the pupil units defined in paragraph (a) for the current school~~  
 8.25 ~~year and .23 times the pupil units defined in paragraph (a) for the previous school year; or~~

8.26 (2) ~~the number of adjusted pupil units defined in paragraph (a) for the current school~~  
 8.27 ~~year.~~

8.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 8.29 and later.

8.30 Sec. 12. Minnesota Statutes 2012, section 126C.05, subdivision 6, is amended to read:

8.31 Subd. 6. **Resident pupil units.** (a) Resident pupil units for a district means the  
 8.32 number of pupil units according to subdivision 1 residing in the district.

8.33 (b) ~~Resident marginal cost pupil units means the greater of:~~



- 9.1 (1) ~~the sum of .77 times the pupil units defined in paragraph (a) for the current year~~  
9.2 ~~and .23 times the pupil units defined in paragraph (a) for the previous school year; or~~  
9.3 (2) ~~the number of resident pupil units defined in paragraph (a) for the current school~~  
9.4 ~~year.~~

9.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
9.6 and later.

9.7 Sec. 13. Minnesota Statutes 2012, section 126C.05, subdivision 15, is amended to read:

9.8 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning  
9.9 year program under section 124D.128, an area learning center or an alternative learning  
9.10 program approved by the commissioner under sections 123A.05 and 123A.06, or a  
9.11 contract alternative program under section 124D.68, subdivision 3, paragraph (d), or  
9.12 subdivision 3a, for more than 1,020 hours in a school year for a secondary student, more  
9.13 than 935 hours in a school year for an elementary student, more than 850 hours in a school  
9.14 year for a kindergarten student without a disability in a full-day kindergarten program,  
9.15 or more than 425 hours in a school year for a half-day kindergarten student without a  
9.16 disability, that pupil may be counted as more than one pupil in average daily membership  
9.17 for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must  
9.18 be determined by the ratio of the number of hours of instruction provided to that pupil in  
9.19 excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time  
9.20 secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours  
9.21 or the number of hours required for a full-time elementary pupil in the district to 935 for  
9.22 an elementary pupil in grades 1 through 6; ~~and~~ (iii) the greater of 425 hours or the number  
9.23 of hours required for a full-time kindergarten student without a disability in the district to  
9.24 425 for a kindergarten student without a disability; and (iv) the greater of 425 hours or the  
9.25 number of hours required for a half-time kindergarten student without a disability in the  
9.26 district to 425 for a half-day kindergarten student without a disability. Hours that occur  
9.27 after the close of the instructional year in June shall be attributable to the following fiscal  
9.28 year. ~~A kindergarten student must not be counted as more than 1.2 pupils in average daily~~  
9.29 ~~membership under this subdivision.~~ A student in kindergarten or grades 1 through 12 must  
9.30 not be counted as more than 1.2 pupils in average daily membership under this subdivision.  
9.31 (b)(i) To receive general education revenue for a pupil in an area learning center  
9.32 or alternative learning program that has an independent study component, a district  
9.33 must meet the requirements in this paragraph. The district must develop, for the pupil,  
9.34 a continual learning plan consistent with section 124D.128, subdivision 3. Each school  
9.35 district that has an area learning center or alternative learning program must reserve

10.1 revenue in an amount equal to at least 90 percent of the district average general education  
10.2 revenue per pupil unit, minus an amount equal to the product of the formula allowance  
10.3 according to section 126C.10, subdivision 2, times ~~.0485~~ .0465, calculated without basic  
10.4 skills and transportation sparsity revenue, times the number of pupil units generated by  
10.5 students attending an area learning center or alternative learning program. The amount of  
10.6 reserved revenue available under this subdivision may only be spent for program costs  
10.7 associated with the area learning center or alternative learning program. Basic skills  
10.8 revenue generated according to section 126C.10, subdivision 4, by pupils attending the  
10.9 eligible program must be allocated to the program.

10.10 (ii) General education revenue for a pupil in a state-approved alternative program  
10.11 without an independent study component must be prorated for a pupil participating for less  
10.12 than a full year, or its equivalent. The district must develop a continual learning plan for the  
10.13 pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area  
10.14 learning center or alternative learning program must reserve revenue in an amount equal to  
10.15 at least 90 percent of the district average general education revenue per pupil unit, minus  
10.16 an amount equal to the product of the formula allowance according to section 126C.10,  
10.17 subdivision 2, times ~~.0485~~ .0465, calculated without basic skills and transportation sparsity  
10.18 revenue, times the number of pupil units generated by students attending an area learning  
10.19 center or alternative learning program. The amount of reserved revenue available under this  
10.20 subdivision may only be spent for program costs associated with the area learning center or  
10.21 alternative learning program. Basic skills revenue generated according to section 126C.10,  
10.22 subdivision 4, by pupils attending the eligible program must be allocated to the program.

10.23 (iii) General education revenue for a pupil in a state-approved alternative program  
10.24 that has an independent study component must be paid for each hour of teacher contact  
10.25 time and each hour of independent study time completed toward a credit or graduation  
10.26 standards necessary for graduation. Average daily membership for a pupil shall equal the  
10.27 number of hours of teacher contact time and independent study time divided by 1,020.

10.28 (iv) For a state-approved alternative program having an independent study  
10.29 component, the commissioner shall require a description of the courses in the program, the  
10.30 kinds of independent study involved, the expected learning outcomes of the courses, and  
10.31 the means of measuring student performance against the expected outcomes.

10.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015.

10.33 Sec. 14. Minnesota Statutes 2012, section 126C.10, subdivision 1, is amended to read:

10.34 Subdivision 1. **General education revenue.** (a) For fiscal years 2013 and 2014, the  
10.35 general education revenue for each district equals the sum of the district's basic revenue,

11.1 extended time revenue, gifted and talented revenue, small schools revenue, basic skills  
 11.2 revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity  
 11.3 revenue, transportation sparsity revenue, total operating capital revenue, equity revenue,  
 11.4 alternative teacher compensation revenue, and transition revenue.

11.5 (b) For fiscal year 2015 and later, the general education revenue for each district  
 11.6 equals the sum of the district's basic revenue, extended time revenue, gifted and talented  
 11.7 revenue, declining enrollment revenue, small schools revenue, basic supplemental  
 11.8 revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue,  
 11.9 transportation sparsity revenue, total operating capital revenue, equity revenue, pension  
 11.10 adjustment revenue, safe schools revenue, and transition revenue.

11.11 Sec. 15. Minnesota Statutes 2012, section 126C.10, subdivision 2, is amended to read:

11.12 Subd. 2. **Basic revenue.** For fiscal year 2014, the basic revenue for each district  
 11.13 equals the formula allowance times the adjusted marginal cost pupil units for the school  
 11.14 year. ~~The formula allowance for fiscal year 2011 is \$5,124. The formula allowance for~~  
 11.15 ~~fiscal year 2012 is \$5,174.~~ For fiscal year 2015 and later, the basic revenue for each district  
 11.16 equals the formula allowance times the adjusted pupil units for the school year. The formula  
 11.17 allowance for fiscal year 2013 ~~and subsequent years~~ is \$5,224. The formula allowance for  
 11.18 fiscal year 2014 is \$5,276. The formula allowance for fiscal year 2015 and later is \$5,687.

11.19 Sec. 16. Minnesota Statutes 2012, section 126C.10, subdivision 2a, is amended to read:

11.20 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue  
 11.21 is equal to the product of ~~\$4,601~~ \$4,945 and the sum of the adjusted ~~marginal cost~~ pupil  
 11.22 units of the district for each pupil in average daily membership in excess of 1.0 and less  
 11.23 than 1.2 according to section 126C.05, subdivision 8.

11.24 (b) A school district's extended time revenue may be used for extended day  
 11.25 programs, extended week programs, summer school, and other programming authorized  
 11.26 under the learning year program.

11.27 Sec. 17. Minnesota Statutes 2012, section 126C.10, subdivision 2c, is amended to read:

11.28 Subd. 2c. **Small schools revenue.** A school district, not including a charter school,  
 11.29 is eligible for small schools revenue equal to the product of:

11.30 (1) ~~\$5,224~~ \$540;

11.31 (2) the district's adjusted ~~marginal cost~~ pupil units for that year; and

11.32 (3) the greater of zero or the ratio of (i) ~~1,000~~ 960 less the district's adjusted ~~marginal~~  
 11.33 ~~cost~~ pupil units for that year, to (ii) ~~1,000~~; and 960.

12.1 ~~(4) 0.10.~~

12.2 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
12.3 and later.

12.4 Sec. 18. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
12.5 subdivision to read:

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

12.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
12.11 and later.

12.12 Sec. 19. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
12.13 subdivision to read:

12.14 Subd. 2e. **Basic supplemental revenue.** The basic supplemental revenue for each  
12.15 district equals the supplemental allowance times the adjusted pupil units for the school  
12.16 year. The supplemental allowance for fiscal year 2015 and later years is \$56.

12.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
12.18 and later.

12.19 Sec. 20. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
12.20 subdivision to read:

12.21 Subd. 2f. **Safe schools revenue.** The safe schools revenue for each district, including  
12.22 charter schools, equals the safe schools allowance times the district's adjusted pupil units  
12.23 for the school year. The safe schools allowance for fiscal year 2015 and later years is \$34.

12.24 Sec. 21. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
12.25 subdivision to read:

12.26 Subd. 2g. **Uses of safe schools revenue.** (a) Safe schools revenue, under subdivision  
12.27 2f, must be reserved and used for directly funding the following purposes or for reimbursing  
12.28 the cities and counties who contract with the district for the following purposes:

12.29 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of  
12.30 peace officers and sheriffs for liaison in services in the district's schools;

13.1 (2) to pay the costs for a drug abuse prevention program as defined in section  
13.2 609.101, subdivision 3, paragraph (e), in the elementary schools;

13.3 (3) to pay the costs for a gang resistance education training curriculum in the  
13.4 district's schools;

13.5 (4) to pay the costs for security in the district's schools and on school property;

13.6 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,  
13.7 voluntary opt-in suicide prevention tools, and violence prevention measures taken by  
13.8 the school district;

13.9 (6) to pay the costs for licensed school counselors, licensed school nurses, licensed  
13.10 school social workers, licensed school psychologists, and licensed alcohol and chemical  
13.11 dependency counselors to help provide early responses to problems; or

13.12 (7) to pay the costs for colocating and collaborating with mental health professionals  
13.13 who are not district employees or contractors.

13.14 For expenditures under clause (1), the district must initially attempt to contract for  
13.15 services to be provided by peace officers or sheriffs with the police department of each  
13.16 city or the sheriff's department of the county within the district containing the school  
13.17 receiving the services. If a local police department or a county sheriff's department does  
13.18 not wish to provide the necessary services, the district may contract for these services with  
13.19 any other police or sheriff's department located entirely or partially within the school  
13.20 district's boundaries.

13.21 (b) A school district may reserve up to \$2 per adjusted pupil unit of safe schools  
13.22 revenue for laminated glass for security in the district's schools.

13.23 Sec. 22. Minnesota Statutes 2012, section 126C.10, subdivision 3, is amended to read:

13.24 Subd. 3. **Compensatory education revenue.** (a) For fiscal year 2014, the  
13.25 compensatory education revenue for each building in the district equals the formula  
13.26 allowance minus \$415 times the compensation revenue pupil units computed according  
13.27 to section 126C.05, subdivision 3. For fiscal year 2015 and later, the compensatory  
13.28 education revenue for each building in the district equals the formula allowance minus  
13.29 \$826 times the compensation revenue pupil units computed according to section 126C.05,  
13.30 subdivision 3. Revenue shall be paid to the district and must be allocated according to  
13.31 section 126C.15, subdivision 2.

13.32 (b) When the district contracting with an alternative program under section 124D.69  
13.33 changes prior to the start of a school year, the compensatory revenue generated by pupils  
13.34 attending the program shall be paid to the district contracting with the alternative program

14.1 for the current school year, and shall not be paid to the district contracting with the  
14.2 alternative program for the prior school year.

14.3 (c) When the fiscal agent district for an area learning center changes prior to the start  
14.4 of a school year, the compensatory revenue shall be paid to the fiscal agent district for the  
14.5 current school year, and shall not be paid to the fiscal agent district for the prior school year.

14.6 Sec. 23. Minnesota Statutes 2012, section 126C.10, subdivision 7, is amended to read:

14.7 Subd. 7. **Secondary sparsity revenue.** (a) A district's secondary sparsity revenue  
14.8 for a school year equals the sum of the results of the following calculation for each  
14.9 qualifying high school in the district:

14.10 (1) the formula allowance for the school year minus \$411, multiplied by

14.11 (2) the secondary average daily membership of pupils served in the high school,  
14.12 multiplied by

14.13 (3) the quotient obtained by dividing 400 minus the secondary average daily  
14.14 membership by 400 plus the secondary daily membership, multiplied by

14.15 (4) the lesser of 1.5 or the quotient obtained by dividing the isolation index minus  
14.16 23 by ten.

14.17 (b) A newly formed district that is the result of districts combining under the  
14.18 cooperation and combination program or consolidating under section 123A.48 must  
14.19 receive secondary sparsity revenue equal to the greater of: (1) the amount calculated  
14.20 under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary  
14.21 sparsity revenue the former districts had in the year prior to consolidation, increased for  
14.22 any subsequent changes in the secondary sparsity formula.

14.23 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
14.24 and later.

14.25 Sec. 24. Minnesota Statutes 2012, section 126C.10, subdivision 8, is amended to read:

14.26 Subd. 8. **Elementary sparsity revenue.** A district's elementary sparsity revenue  
14.27 equals the sum of the following amounts for each qualifying elementary school in the  
14.28 district:

14.29 (1) the formula allowance for the year minus \$411, multiplied by

14.30 (2) the elementary average daily membership of pupils served in the school,  
14.31 multiplied by

14.32 (3) the quotient obtained by dividing 140 minus the elementary average daily  
14.33 membership by 140 plus the average daily membership.

15.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
15.2 and later.

15.3 Sec. 25. Minnesota Statutes 2012, section 126C.10, subdivision 13, is amended to read:

15.4 Subd. 13. **Total operating capital revenue.** (a) Total operating capital revenue for  
15.5 a district equals the amount determined under paragraph (b) or (c), plus ~~\$73~~ \$79 times the  
15.6 adjusted ~~marginal-cost~~ pupil units for the school year. The revenue must be placed in a  
15.7 reserved account in the general fund and may only be used according to subdivision 14.

15.8 (b) Capital revenue for a district equals ~~\$100~~ \$108 times the district's maintenance  
15.9 cost index times its adjusted ~~marginal-cost~~ pupil units for the school year.

15.10 (c) The revenue for a district that operates a program under section 124D.128, is  
15.11 increased by an amount equal to \$30 times the number of ~~marginal-cost~~ adjusted pupil  
15.12 units served at the site where the program is implemented.

15.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
15.14 and later.

15.15 Sec. 26. Minnesota Statutes 2012, section 126C.10, subdivision 13a, is amended to read:

15.16 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal  
15.17 ~~year 2007~~ years 2013 and later 2014 only, a district may levy an amount not more than the  
15.18 product of its operating capital revenue for the fiscal year times the lesser of one or the  
15.19 ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit to the operating  
15.20 capital equalizing factor. The operating capital equalizing factor equals \$10,194.

15.21 Sec. 27. Minnesota Statutes 2012, section 126C.10, subdivision 13b, is amended to read:

15.22 Subd. 13b. **Operating capital aid.** For fiscal years 2013 and 2014 only, a district's  
15.23 operating capital aid equals its operating capital revenue minus its operating capital levy  
15.24 times the ratio of the actual amount levied to the permitted levy.

15.25 Sec. 28. Minnesota Statutes 2012, section 126C.10, subdivision 17, is amended to read:

15.26 Subd. 17. **Transportation sparsity definitions.** The definitions in this subdivision  
15.27 apply to subdivisions 18 and 19.

15.28 (a) "Sparsity index" for a district means the greater of .2 or the ratio of the square  
15.29 mile area of the district to the ~~resident~~ adjusted pupil units of the district.

15.30 (b) "Density index" for a district means the ratio of the square mile area of the  
15.31 district to the ~~resident~~ adjusted pupil units of the district. However, the density index for a  
15.32 district cannot be greater than .2 or less than .005.

16.1 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

16.2 Sec. 29. Minnesota Statutes 2012, section 126C.10, subdivision 18, is amended to read:

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

16.6 (i) Multiply the formula allowance according to subdivision 2, by ~~.1469~~ .141.

16.7 (ii) Multiply the result in clause (i) by the district's sparsity index raised to the  
16.8 26/100 power.

16.9 (iii) Multiply the result in clause (ii) by the district's density index raised to the  
16.10 13/100 power.

16.11 (iv) Multiply the formula allowance according to subdivision 2, by ~~.0485~~ .0465.

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

16.13 (b) Transportation sparsity revenue is equal to the transportation sparsity allowance  
16.14 times the adjusted ~~marginal cost~~ pupil units.

16.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
16.16 and later.

16.17 Sec. 30. Minnesota Statutes 2012, section 126C.10, subdivision 24, is amended to read:

16.18 Subd. 24. **Equity revenue.** (a) ~~A school district qualifies for equity revenue if:~~

16.19 ~~(1) the school district's adjusted marginal cost pupil unit amount of basic revenue,~~  
16.20 ~~transition revenue, and referendum revenue is less than the value of the school district at~~  
16.21 ~~or immediately above the 95th percentile of school districts in its equity region for those~~  
16.22 ~~revenue categories; and~~

16.23 ~~(2) the school district's administrative offices are not located in a city of the first~~  
16.24 ~~class on July 1, 1999.~~

16.25 ~~(b) A school district's equity revenue for a qualifying district that receives~~  
16.26 ~~referendum revenue under section 126C.17, subdivision 4, equals the product of (1) the~~  
16.27 ~~district's adjusted marginal cost pupil units for that year; times (2) the sum of (i) \$13, plus~~  
16.28 ~~(ii) \$75~~ \$100, times the school district's equity index computed under subdivision 27.

16.29 ~~(c) Equity revenue for a qualifying district that does not receive referendum revenue~~  
16.30 ~~under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal~~  
16.31 ~~cost pupil units for that year times \$13.~~

16.32 ~~(d) A school district's equity revenue is increased by the greater of zero or an amount~~  
16.33 ~~equal to the district's resident marginal cost pupil units times the difference between ten~~  
16.34 ~~percent of the statewide average amount of referendum revenue per resident marginal cost~~



17.1 pupil unit for that year and the district's referendum revenue per resident marginal cost  
 17.2 pupil unit. A school district's revenue under this paragraph must not exceed \$100,000 for  
 17.3 that year.

17.4 (e) A school district's equity revenue for a school district located in the metro equity  
 17.5 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

17.6 (f) For fiscal year 2007 and later, notwithstanding paragraph (a), clause (2), a school  
 17.7 district that has per pupil referendum revenue below the 95th percentile qualifies for  
 17.8 additional equity revenue equal to \$46 times its adjusted marginal cost pupil units.

17.9 (g) A district that does not qualify for revenue under paragraph (f) qualifies for  
 17.10 equity revenue equal to \$46 times its adjusted marginal cost pupil units.

17.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 17.12 and later.

17.13 Sec. 31. Minnesota Statutes 2012, section 126C.10, subdivision 27, is amended to read:

17.14 Subd. 27. **District equity index.** (a) A district's equity index equals the greater  
 17.15 of zero or the ratio of the sum of the district equity gap amount to the regional equity  
 17.16 gap amount \$2,000 minus the district's referendum revenue under section 126C.17,  
 17.17 subdivision 4, per adjusted pupil unit to \$2,000.

17.18 (b) A charter school's equity index equals the greater of zero or the ratio of \$2,000  
 17.19 minus the school's general education revenue attributable to referendum equalization aid  
 17.20 under section 124D.11, subdivision 1, per adjusted pupil unit to \$2,000.

17.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 17.22 and later.

17.23 Sec. 32. Minnesota Statutes 2012, section 126C.10, subdivision 29, is amended to read:

17.24 Subd. 29. **Equity levy.** To obtain equity revenue for fiscal year ~~2005~~ 2015 and later,  
 17.25 a district may levy an amount not more than the product of its equity revenue for the  
 17.26 fiscal year times the lesser of one or the ratio of its referendum market value per resident  
 17.27 ~~marginal cost~~ pupil unit to ~~\$476,000~~ \$538,200.

17.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 17.29 and later.

17.30 Sec. 33. Minnesota Statutes 2012, section 126C.10, subdivision 31, is amended to read:

17.31 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the sum of  
 17.32 the transition revenue the district would have received for fiscal year 2015 under Minnesota

18.1 Statutes 2012, section 126C.10, subdivisions 31, 31a, and 31c, and the greater of zero or  
 18.2 the product of the ratio of the number of adjusted marginal cost pupil units the district  
 18.3 would have counted for fiscal year 2004 under Minnesota Statutes 2002 to the district's  
 18.4 adjusted marginal cost pupil units for fiscal year 2004, times the difference between:

18.5 (1) the lesser sum of:

18.6 (i) the district's general education revenue per adjusted marginal cost pupil unit  
 18.7 for fiscal year 2003 or the amount of general education revenue the district would have  
 18.8 received per adjusted marginal cost pupil unit for fiscal year 2004 2015 according to  
 18.9 Minnesota Statutes 2002, 2012, section 126C.10;

18.10 (ii) the safe school levy the district certified for fiscal year 2014 under Minnesota  
 18.11 Statutes 2012, section 126C.44;

18.12 (iii) 70 percent of the integration revenue the district received for fiscal year 2013  
 18.13 under Minnesota Statutes 2012, section 124D.86;

18.14 (iv) the pension adjustment the district would have received for fiscal year 2015  
 18.15 under Minnesota Statutes 2012, section 127A.50;

18.16 (v) the special education aid the district would have received for fiscal year 2015  
 18.17 under Minnesota Statutes 2012, section 125A.65; and

18.18 (vi) the special education excess cost aid the district would have received for fiscal  
 18.19 year 2015 under Minnesota Statutes 2012, section 125A.79; and

18.20 (2) the sum of the district's:

18.21 (i) general education revenue for fiscal year 2004 2015 excluding transition revenue  
 18.22 under section 126C.10;

18.23 (ii) integration revenue for fiscal year 2015 under section 124D.862; and

18.24 (iii) special education aid for fiscal year 2015 under section 125A.76; and

18.25 divided by the number of adjusted marginal cost pupil units the district would have  
 18.26 counted for fiscal year 2004 under Minnesota Statutes 2002 2015.

18.27 (b) ~~A district's transition revenue for fiscal years 2006 through 2009 equals the sum of~~  
 18.28 ~~the product of the district's transition allowance times the district's adjusted marginal cost~~  
 18.29 ~~pupil units plus the district's transition for prekindergarten revenue under subdivision 31a.~~

18.30 (e) (b) A district's transition revenue for fiscal year 2010 2015 and later equals the  
 18.31 sum of the product of the district's transition allowance times the district's adjusted marginal  
 18.32 cost pupil units plus the district's transition for prekindergarten revenue under subdivision  
 18.33 31a plus the district's transition for tuition reciprocity revenue under subdivision 31e.

18.34 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 18.35 and later.

19.1 Sec. 34. Minnesota Statutes 2012, section 126C.10, subdivision 32, is amended to read:

19.2 Subd. 32. **Transition levy.** To obtain transition revenue for fiscal year ~~2005~~ 2015  
19.3 and later, a district may levy an amount not more than the product of its transition revenue  
19.4 for the fiscal year times the lesser of one or the ratio of its referendum market value per  
19.5 resident ~~marginal-cost~~ pupil unit to ~~\$476,000~~ \$538,200.

19.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
19.7 and later.

19.8 Sec. 35. Minnesota Statutes 2012, section 126C.10, subdivision 34, is amended to read:

19.9 Subd. 34. **Basic alternative teacher compensation aid.** (a) ~~For fiscal years 2007,~~  
19.10 ~~2008, and 2009, the basic alternative teacher compensation aid for a school district~~  
19.11 ~~with a plan approved under section 122A.414, subdivision 2b, equals 73.1 percent of~~  
19.12 ~~the alternative teacher compensation revenue under section 122A.415, subdivision 1.~~  
19.13 ~~The basic alternative teacher compensation aid for an intermediate school district or~~  
19.14 ~~charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if~~  
19.15 ~~the recipient is a charter school, equals \$260 times the number of pupils enrolled in the~~  
19.16 ~~school on October 1 of the previous fiscal year, or on October 1 of the current fiscal~~  
19.17 ~~year for a charter school in the first year of operation, times the ratio of the sum of the~~  
19.18 ~~alternative teacher compensation aid and alternative teacher compensation levy for all~~  
19.19 ~~participating school districts to the maximum alternative teacher compensation revenue~~  
19.20 ~~for those districts under section 122A.415, subdivision 1.~~

19.21 ~~(b)~~ For fiscal years ~~2010 and later~~ 2013 and 2014 only, the basic alternative  
19.22 teacher compensation aid for a school with a plan approved under section 122A.414,  
19.23 subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under  
19.24 section 122A.415, subdivision 1. The basic alternative teacher compensation aid for  
19.25 an intermediate school district or charter school with a plan approved under section  
19.26 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times  
19.27 the number of pupils enrolled in the school on October 1 of the previous year, or on  
19.28 October 1 of the current year for a charter school in the first year of operation, times  
19.29 the ratio of the sum of the alternative teacher compensation aid and alternative teacher  
19.30 compensation levy for all participating school districts to the maximum alternative teacher  
19.31 compensation revenue for those districts under section 122A.415, subdivision 1.

19.32 ~~(e)~~ (b) Notwithstanding ~~paragraphs~~ paragraph (a) and ~~(b)~~ and section 122A.415,  
19.33 subdivision 1, the state total basic alternative teacher compensation aid entitlement must  
19.34 not exceed \$75,636,000 for fiscal year 2007 and later. The commissioner must limit the

20.1 amount of alternative teacher compensation aid approved under section 122A.415 so as  
20.2 not to exceed these limits.

20.3 Sec. 36. Minnesota Statutes 2012, section 126C.10, subdivision 35, is amended to read:

20.4 Subd. 35. **Alternative teacher compensation levy.** For fiscal ~~year 2007~~ years 2013  
20.5 and later 2014 only, the alternative teacher compensation levy for a district receiving basic  
20.6 alternative teacher compensation aid equals the product of (1) the difference between the  
20.7 district's alternative teacher compensation revenue and the district's basic alternative  
20.8 teacher compensation aid times (2) the lesser of one or the ratio of the district's adjusted  
20.9 net tax capacity per adjusted pupil unit to \$5,634.

20.10 Sec. 37. Minnesota Statutes 2012, section 126C.10, subdivision 36, is amended to read:

20.11 Subd. 36. **Alternative teacher compensation aid.** (a) For fiscal ~~year 2007~~ years  
20.12 2013 and later 2014 only, a district's alternative teacher compensation equalization aid  
20.13 equals the district's alternative teacher compensation revenue minus the district's basic  
20.14 alternative teacher compensation aid minus the district's alternative teacher compensation  
20.15 levy. If a district does not levy the entire amount permitted, the alternative teacher  
20.16 compensation equalization aid must be reduced in proportion to the actual amount levied.

20.17 (b) A district's alternative teacher compensation aid equals the sum of the  
20.18 district's basic alternative teacher compensation aid and the district's alternative teacher  
20.19 compensation equalization aid.

20.20 Sec. 38. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
20.21 subdivision to read:

20.22 Subd. 38. **Pension adjustment revenue.** A school district's pension adjustment  
20.23 revenue equals the greater of zero or the product of:

20.24 (1) the difference between the district's adjustment under Minnesota Statutes 2012,  
20.25 section 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit and the state  
20.26 average adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for  
20.27 fiscal year 2014 per adjusted pupil unit; and

20.28 (2) the district's adjusted pupil units for the fiscal year.

20.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
20.30 and later.

20.31 Sec. 39. Minnesota Statutes 2012, section 126C.12, subdivision 1, is amended to read:

21.1 Subdivision 1. **Revenue.** Of a district's general education revenue for fiscal year  
 21.2 ~~2000~~ 2015 and thereafter each school district shall reserve an amount equal to the formula  
 21.3 ~~allowance multiplied by~~ the following calculation:

21.4 (1) ~~the sum of adjusted marginal cost pupils in~~ average daily membership, according  
 21.5 to section 126C.05, subdivision 5, in kindergarten times ~~.057~~ \$299; plus

21.6 (2) ~~the sum of adjusted marginal cost pupils in~~ average daily membership, according  
 21.7 to section 126C.05, subdivision 5, in grades 1 to ~~3~~ 6 times ~~.115~~; plus \$459.

21.8 (3) ~~the sum of adjusted marginal cost pupils in~~ average daily membership, according  
 21.9 to section 126C.05, subdivision 5, in grades ~~4 to 6~~ times ~~.06~~.

21.10 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

21.11 Sec. 40. Minnesota Statutes 2012, section 126C.12, subdivision 5, is amended to read:

21.12 Subd. 5. **Additional revenue use.** If the board of a district determines that the  
 21.13 district has achieved and is maintaining the class sizes specified in subdivision 4, the board  
 21.14 may use the revenue to reduce class size in grades 4, 5, and 6, ~~provide all-day, everyday~~  
 21.15 ~~kindergarten~~, prepare and use individualized learning plans, improve program offerings,  
 21.16 purchase instructional material, services, or technology, or provide staff development  
 21.17 needed for reduced class sizes.

21.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015.

21.19 Sec. 41. Minnesota Statutes 2012, section 126C.126, is amended to read:

21.20 **126C.126 USE OF GENERAL EDUCATION REVENUE FOR ALL-DAY**  
 21.21 **KINDERGARTEN AND PREKINDERGARTEN.**

21.22 A school district may spend general education revenue on extended time  
 21.23 kindergarten and prekindergarten programs. At the school board's discretion, the district  
 21.24 may use revenue generated by the full-day kindergarten pupil count under section  
 21.25 126C.05, subdivision 1, paragraph (d), to meet the needs of three- and four-year-olds in the  
 21.26 district. A school district may not use these funds on programs for three- and four-year-old  
 21.27 children while maintaining a fee-based full-day kindergarten program.

21.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 21.29 and later.

21.30 Sec. 42. Minnesota Statutes 2012, section 126C.13, is amended by adding a  
 21.31 subdivision to read:

22.1            Subd. 3a. **General education rate.** The commissioner must establish the general  
22.2 education rate by July 1 of each year for levies payable in the following year. The general  
22.3 education rate must be a rate, rounded up to the nearest hundredth of a percent, that, when  
22.4 applied to the adjusted net tax capacity for all districts, raises the amount specified in this  
22.5 subdivision. The general education rate must be the rate that raises \$19,520,000 for fiscal  
22.6 year 2015; \$26,219,000 for fiscal year 2016; and \$30,004,000 for fiscal year 2017 and  
22.7 later years. The general education rate may not be changed due to changes or corrections  
22.8 made to a district's adjusted net tax capacity after the rate has been established.

22.9            Sec. 43. Minnesota Statutes 2012, section 126C.13, is amended by adding a  
22.10 subdivision to read:

22.11            Subd. 3b. **General education levy.** To obtain general education revenue, a district  
22.12 may levy an amount not to exceed the general education rate times the adjusted net tax  
22.13 capacity of the district for the preceding year. If the amount of the general education  
22.14 levy would exceed the general education revenue, the general education levy must be  
22.15 determined according to subdivision 3c.

22.16            Sec. 44. Minnesota Statutes 2012, section 126C.13, is amended by adding a  
22.17 subdivision to read:

22.18            Subd. 3c. **General education levy; districts off the formula.** (a) If the sum of the  
22.19 amount of the general education levy and equity levy for a district exceeds the district's  
22.20 general education revenue, the amount of the general education levy must be limited to  
22.21 the following:

22.22            (1) the district's general education revenue minus its equity levy; minus  
22.23 (2) payments made for the same school year according to section 126C.21,  
22.24 subdivision 3.

22.25            (b) A levy made according to this subdivision shall also be construed to be the levy  
22.26 made according to subdivision 3b.

22.27            Sec. 45. Minnesota Statutes 2012, section 126C.13, subdivision 4, is amended to read:

22.28            Subd. 4. **General education aid.** (a) For fiscal years ~~2007~~ 2013 and later 2014 only,  
22.29 a district's general education aid is the sum of the following amounts:

22.30            (1) general education revenue, excluding equity revenue, total operating capital  
22.31 revenue, alternative teacher compensation revenue, and transition revenue;

22.32            (2) operating capital aid under section 126C.10, subdivision 13b;

22.33            (3) equity aid under section 126C.10, subdivision 30;

- 23.1 (4) alternative teacher compensation aid under section 126C.10, subdivision 36;  
23.2 (5) transition aid under section 126C.10, subdivision 33;  
23.3 (6) shared time aid under section 126C.01, subdivision 7;  
23.4 (7) referendum aid under section 126C.17, subdivisions 7 and 7a; and  
23.5 (8) online learning aid according to section 124D.096.
- 23.6 (b) For fiscal year 2015 and later, a district's general education aid equals:  
23.7 (1) general education revenue, excluding equity revenue and transition revenue,  
23.8 minus the general education levy, multiplied times the ratio of the actual amount of general  
23.9 education levied to the permitted general education levy; plus  
23.10 (2) equity aid under section 126C.10, subdivision 30; plus  
23.11 (3) transition aid under section 126C.10, subdivision 33; plus  
23.12 (4) shared time aid under section 126C.10, subdivision 7; plus  
23.13 (5) referendum aid under section 126C.17, subdivisions 7 and 7a; plus  
23.14 (6) online learning aid under section 124D.096.

23.15 Sec. 46. Minnesota Statutes 2012, section 126C.13, subdivision 5, is amended to read:

23.16 Subd. 5. **Uses of revenue.** Except as provided in sections 126C.10, ~~subdivision~~  
23.17 subdivisions 2g and 14; 126C.12; and 126C.15, general education revenue may be used  
23.18 during the regular school year and the summer for general and special school purposes.

23.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
23.20 and later.

23.21 Sec. 47. Minnesota Statutes 2012, section 126C.15, subdivision 1, is amended to read:

23.22 Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10,  
23.23 subdivision 4, must be reserved and used to meet the educational needs of pupils who  
23.24 enroll under-prepared to learn and whose progress toward meeting state or local content  
23.25 or performance standards is below the level that is appropriate for learners of their age.  
23.26 Basic skills revenue may also be used for programs designed to prepare children and their  
23.27 families for kindergarten, provided such programming is cost-effective, research-based,  
23.28 and includes an evaluation component to measure, record, and publicly report its level of  
23.29 effectiveness. Any of the following may be provided to meet these learners' needs:

23.30 (1) direct instructional services under the assurance of mastery program according  
23.31 to section 124D.66;

23.32 (2) remedial instruction in reading, language arts, mathematics, other content areas,  
23.33 or study skills to improve the achievement level of these learners;

24.1 (3) additional teachers and teacher aides to provide more individualized instruction  
24.2 to these learners through individual tutoring, lower instructor-to-learner ratios, or team  
24.3 teaching;

24.4 (4) a longer school day or week during the regular school year or through a summer  
24.5 program that may be offered directly by the site or under a performance-based contract  
24.6 with a community-based organization;

24.7 (5) comprehensive and ongoing staff development consistent with district and site  
24.8 plans according to section 122A.60, for teachers, teacher aides, principals, and other  
24.9 personnel to improve their ability to identify the needs of these learners and provide  
24.10 appropriate remediation, intervention, accommodations, or modifications;

24.11 (6) instructional materials, digital learning, and technology appropriate for meeting  
24.12 the individual needs of these learners;

24.13 (7) programs to reduce truancy, encourage completion of high school, enhance  
24.14 self-concept, provide health services, provide nutrition services, provide a safe and secure  
24.15 learning environment, provide coordination for pupils receiving services from other  
24.16 governmental agencies, provide psychological services to determine the level of social,  
24.17 emotional, cognitive, and intellectual development, and provide counseling services,  
24.18 guidance services, and social work services;

24.19 (8) bilingual programs, bicultural programs, and programs for English learners;

24.20 (9) all day kindergarten;

24.21 (10) early education programs, parent-training programs, school readiness programs,  
24.22 kindergarten programs for four-year-olds, and other outreach efforts designed to prepare  
24.23 children for kindergarten;

24.24 (11) extended school day and extended school year programs; and

24.25 ~~(11)~~ (12) substantial parent involvement in developing and implementing remedial  
24.26 education or intervention plans for a learner, including learning contracts between the  
24.27 school, the learner, and the parent that establish achievement goals and responsibilities of  
24.28 the learner and the learner's parent or guardian.

24.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014  
24.30 and later.

24.31 Sec. 48. Minnesota Statutes 2012, section 126C.15, subdivision 2, is amended to read:

24.32 Subd. 2. **Building allocation.** (a) A district or cooperative must allocate its  
24.33 compensatory revenue to each school building in the district or cooperative where  
24.34 the children who have generated the revenue are served unless the school district or  
24.35 cooperative has received permission under Laws 2005, First Special Session chapter 5,



25.1 article 1, section 50, to allocate compensatory revenue according to student performance  
25.2 measures developed by the school board.

25.3 (b) Notwithstanding paragraph (a), a district or cooperative may allocate up to  
25.4 ~~five~~ 15 percent of the amount of compensatory revenue that the district receives to  
25.5 school sites according to a plan adopted by the school board. The money reallocated  
25.6 under this paragraph must be spent for the purposes listed in subdivision 1, but may be  
25.7 spent on students in any grade, including students attending school readiness or other  
25.8 prekindergarten programs.

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

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

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

25.20 Sec. 49. Minnesota Statutes 2012, section 126C.17, is amended to read:

25.21 **126C.17 REFERENDUM REVENUE.**

25.22 Subdivision 1. **Referendum allowance.** ~~(a) For fiscal year 2003 and later, a district's~~  
25.23 ~~initial referendum revenue allowance equals the sum of the allowance under section~~  
25.24 ~~126C.16, subdivision 2, plus any additional allowance per resident marginal cost pupil~~  
25.25 ~~unit authorized under subdivision 9 before May 1, 2001, for fiscal year 2002 and later,~~  
25.26 ~~plus the referendum conversion allowance approved under subdivision 13, minus \$415.~~  
25.27 ~~For districts with more than one referendum authority, the reduction must be computed~~  
25.28 ~~separately for each authority. The reduction must be applied first to the referendum~~  
25.29 ~~conversion allowance and next to the authority with the earliest expiration date. A~~  
25.30 ~~district's initial referendum revenue allowance may not be less than zero.~~

25.31 (b) ~~For fiscal year 2003, a district's referendum revenue allowance equals the initial~~  
25.32 ~~referendum allowance plus any additional allowance per resident marginal cost pupil unit~~  
25.33 ~~authorized under subdivision 9 between April 30, 2001, and December 30, 2001, for~~  
25.34 ~~fiscal year 2003 and later.~~

26.1 (e) For fiscal year 2004 and later, a district's referendum revenue allowance equals  
26.2 the sum of:

26.3 (1) the product of (i) the ratio of the resident marginal cost pupil units the district  
26.4 would have counted for fiscal year 2004 under Minnesota Statutes 2002, section 126C.05,  
26.5 to the district's resident marginal cost pupil units for fiscal year 2004, times (ii) the initial  
26.6 referendum allowance plus any additional allowance per resident marginal cost pupil unit  
26.7 authorized under subdivision 9 between April 30, 2001, and May 30, 2003, for fiscal  
26.8 year 2003 and later, plus

26.9 (2) any additional allowance per resident marginal cost pupil unit authorized under  
26.10 subdivision 9 after May 30, 2003, for fiscal year 2005 and later.

26.11 (a) A district's initial referendum allowance for fiscal year 2015 equals the result of  
26.12 the following calculations:

26.13 (1) multiply the referendum allowance the district would have received for fiscal  
26.14 year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on  
26.15 elections held before July 1, 2013, by the resident marginal cost pupil units the district  
26.16 would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;

26.17 (2) add to the result of clause (1) the adjustment the district would have received  
26.18 under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and  
26.19 (c), based on elections held before July 1, 2013;

26.20 (3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year  
26.21 2015, notwithstanding section 126C.05, subdivision 1, paragraph (d), calculated as though  
26.22 a kindergarten pupil not included in section 126C.05, subdivision 1, paragraph (c), is  
26.23 counted as 0.55 pupil units; and

26.24 (4) if the result of clause (3) is less than zero, set the allowance to zero.

26.25 (b) A district's referendum allowance equals the sum of the district's initial  
26.26 referendum allowance for fiscal year 2015, plus any additional referendum allowance per  
26.27 adjusted pupil unit authorized after June 30, 2013, minus any allowances expiring in fiscal  
26.28 year 2016 or later. For a district with more than one referendum allowance for fiscal year  
26.29 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated under  
26.30 paragraph (a) must be divided into components such that the same percentage of the  
26.31 district's allowance expires at the same time as the old allowances would have expired  
26.32 under Minnesota Statutes 2012, section 126C.17.

26.33 Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal  
26.34 year 2007 2015 and later, a district's referendum allowance must not exceed the greater of:

27.1 ~~(1) the sum of: (i) a district's referendum allowance for fiscal year 1994 times 1.177~~  
 27.2 ~~times the annual inflationary increase as calculated under paragraph (b) plus (ii) its~~  
 27.3 ~~referendum conversion allowance for fiscal year 2003, minus (iii) \$215;~~

27.4 ~~(2) the greater of (i): 26 percent of the formula allowance or (ii) \$1,294 times the~~  
 27.5 ~~annual inflationary increase as calculated under paragraph (b); or times the greatest of:~~

27.6 (1) \$1,845;

27.7 (2) the sum of the referendum revenue the district would have received for fiscal  
 27.8 year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on  
 27.9 elections held before July 1, 2013, and the adjustment the district would have received  
 27.10 under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and  
 27.11 (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil  
 27.12 units for fiscal year 2015, notwithstanding section 126C.05, subdivision 1, paragraph (d),  
 27.13 calculated as though a kindergarten pupil not included in section 126C.05, subdivision 1,  
 27.14 paragraph (c), is counted as 0.55 pupil units; or

27.15 (3) the product of the referendum allowance limit the district would have received  
 27.16 for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and  
 27.17 the resident marginal cost pupil units the district would have received for fiscal year 2015  
 27.18 under Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the  
 27.19 district would have received under Minnesota Statutes 2012, section 127A.47, subdivision  
 27.20 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by  
 27.21 the district's adjusted pupil units for fiscal year 2015, notwithstanding section 126C.05,  
 27.22 subdivision 1, paragraph (d), calculated as though a kindergarten pupil not included in  
 27.23 section 126C.05, subdivision 1, paragraph (c), is counted as 0.55 pupil units; or

27.24 ~~(3)~~ (4) for a newly reorganized district created after July 1, 2006 2013, the referendum  
 27.25 revenue authority for each reorganizing district in the year preceding reorganization divided  
 27.26 by its ~~resident marginal cost~~ adjusted pupil units for the year preceding reorganization.

27.27 (b) For purposes of this subdivision, for fiscal year ~~2005~~ 2016 and later, "inflationary  
 27.28 increase" means one plus the percentage change in the Consumer Price Index for urban  
 27.29 consumers, as prepared by the United States Bureau of Labor Standards, for the current  
 27.30 fiscal year to fiscal year ~~2004~~ 2015. For fiscal years ~~2009~~ year 2016 and later, for purposes  
 27.31 of paragraph (a), clause ~~(1)~~ (3), the inflationary increase equals ~~the inflationary increase~~  
 27.32 ~~for fiscal year 2008 plus one-fourth of the percentage increase in the formula allowance~~  
 27.33 ~~for that year compared with the formula allowance for fiscal year 2008~~ 2015.

27.34 Subd. 3. **Sparsity exception.** A district that qualifies for sparsity revenue under  
 27.35 section 126C.10 is not subject to a referendum allowance limit.

28.1 Subd. 4. **Total referendum revenue.** The total referendum revenue for each district  
28.2 equals the district's referendum allowance times the ~~resident marginal cost~~ adjusted pupil  
28.3 units for the school year.

28.4 Subd. 5. **Referendum equalization revenue.** (a) ~~For fiscal year 2003 and later,~~  
28.5 A district's referendum equalization revenue equals the sum of the first tier referendum  
28.6 equalization revenue and the second tier referendum equalization revenue.

28.7 (b) A district's first tier referendum equalization revenue equals the district's first  
28.8 tier referendum equalization allowance times the district's ~~resident marginal cost~~ adjusted  
28.9 pupil units for that year.

28.10 (c) ~~For fiscal year 2006, a district's first tier referendum equalization allowance~~  
28.11 ~~equals the lesser of the district's referendum allowance under subdivision 1 or \$500. For~~  
28.12 ~~fiscal year 2007, a district's first tier referendum equalization allowance equals the lesser~~  
28.13 ~~of the district's referendum allowance under subdivision 1 or \$600.~~

28.14 ~~For fiscal year 2008 and later,~~ A district's first tier referendum equalization allowance  
28.15 equals the lesser of the district's referendum allowance under subdivision 1 or ~~\$700~~ \$775.

28.16 (d) A district's second tier referendum equalization revenue equals the district's  
28.17 second tier referendum equalization allowance times the district's ~~resident marginal cost~~  
28.18 adjusted pupil units for that year.

28.19 (e) ~~For fiscal year 2006, a district's second tier referendum equalization allowance~~  
28.20 ~~equals the lesser of the district's referendum allowance under subdivision 1 or 18.6 percent~~  
28.21 ~~of the formula allowance, minus the district's first tier referendum equalization allowance.~~  
28.22 ~~For fiscal year 2007 and later,~~ A district's second tier referendum equalization allowance  
28.23 equals the lesser of the district's referendum allowance under subdivision 1 or ~~26~~ 25 percent  
28.24 of the formula allowance, minus the district's first tier referendum equalization allowance.

28.25 (f) Notwithstanding paragraph (e), the second tier referendum allowance for a  
28.26 district qualifying for secondary sparsity revenue under section 126C.10, subdivision 7, or  
28.27 elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's  
28.28 referendum allowance under subdivision 1 minus the district's first tier referendum  
28.29 equalization allowance.

28.30 Subd. 6. **Referendum equalization levy.** (a) For fiscal year 2003 and later,  
28.31 a district's referendum equalization levy equals the sum of the first tier referendum  
28.32 equalization levy and the second tier referendum equalization levy.

28.33 (b) A district's first tier referendum equalization levy equals the district's first tier  
28.34 referendum equalization revenue times the lesser of one or the ratio of the district's  
28.35 referendum market value per resident ~~marginal cost~~ pupil unit to ~~\$476,000~~ \$538,200.

29.1 (c) A district's second tier referendum equalization levy equals the district's second  
 29.2 tier referendum equalization revenue times the lesser of one or the ratio of the district's  
 29.3 referendum market value per resident ~~marginal-cost~~ pupil unit to ~~\$270,000~~ \$259,415.

29.4 Subd. 7. **Referendum equalization aid.** (a) A district's referendum equalization aid  
 29.5 equals the difference between its referendum equalization revenue and levy.

29.6 (b) If a district's actual levy for first or second tier referendum equalization revenue  
 29.7 is less than its maximum levy limit for that tier, aid shall be proportionately reduced.

29.8 (c) Notwithstanding paragraph (a), the referendum equalization aid for a district,  
 29.9 where the referendum equalization aid under paragraph (a) exceeds 90 percent of the  
 29.10 referendum revenue, must not exceed ~~26~~ 25 percent of the formula allowance times the  
 29.11 district's ~~resident marginal-cost~~ adjusted pupil units. A district's referendum levy is  
 29.12 increased by the amount of any reduction in referendum aid under this paragraph.

29.13 Subd. 7a. **Referendum tax base replacement aid.** For each school district that  
 29.14 had a referendum allowance for fiscal year 2002 exceeding \$415, for each separately  
 29.15 authorized referendum levy, the commissioner of revenue, in consultation with the  
 29.16 commissioner of education, shall certify the amount of the referendum levy in taxes  
 29.17 payable year 2001 attributable to the portion of the referendum allowance exceeding \$415  
 29.18 levied against property classified as class 2, noncommercial 4c(1), or 4c(4), under section  
 29.19 273.13, excluding the portion of the tax paid by the portion of class 2a property consisting  
 29.20 of the house, garage, and surrounding one acre of land. The resulting amount must be  
 29.21 used to reduce the district's referendum levy amount otherwise determined, and must be  
 29.22 paid to the district each year that the referendum authority remains in effect, is renewed,  
 29.23 or new referendum authority is approved. The aid payable under this subdivision must  
 29.24 be subtracted from the district's referendum equalization aid under subdivision 7. The  
 29.25 referendum equalization aid after the subtraction must not be less than zero.

29.26 Subd. 7b. **Referendum aid guarantee.** (a) Notwithstanding subdivision 7, a  
 29.27 district's referendum equalization aid for fiscal year 2015 must not be less than the sum  
 29.28 of the referendum equalization aid the district would have received for fiscal year 2015  
 29.29 under Minnesota Statutes 2012, section 126C.17, subdivision 7, and the adjustment the  
 29.30 district would have received under Minnesota Statutes 2012, section 127A.47, subdivision  
 29.31 7, paragraphs (a), (b), and (c).

29.32 (b) Notwithstanding subdivision 7, referendum equalization aid for fiscal year 2016  
 29.33 and later, for a district qualifying for additional aid under paragraph (a) for fiscal year  
 29.34 2015, must not be less than the product of (1) the district's referendum equalization aid  
 29.35 for fiscal year 2015, times (2) the lesser of one or the ratio of the district's referendum  
 29.36 revenue for that school year to the district's referendum revenue for fiscal year 2015, times

30.1 (3) the lesser of one or the ratio of the district's referendum market value used for fiscal  
30.2 year 2015 referendum equalization calculations to the district's referendum market value  
30.3 used for that year's referendum equalization calculations.

30.4 Subd. 8. **Unequalized referendum levy.** Each year, a district may levy an amount  
30.5 equal to the difference between its total referendum revenue according to subdivision 4  
30.6 and its referendum equalization revenue according to subdivision 5.

30.7 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
30.8 subdivision 1, may be increased in the amount approved by the voters of the district  
30.9 at a referendum called for the purpose. The referendum may be called by the board.  
30.10 The referendum must be conducted one or two calendar years before the increased levy  
30.11 authority, if approved, first becomes payable. Only one election to approve an increase  
30.12 may be held in a calendar year. Unless the referendum is conducted by mail under  
30.13 subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the  
30.14 first Monday in November. The ballot must state the maximum amount of the increased  
30.15 revenue per ~~resident marginal cost~~ adjusted pupil unit. The ballot may state a schedule,  
30.16 determined by the board, of increased revenue per ~~resident marginal cost~~ adjusted pupil  
30.17 unit that differs from year to year over the number of years for which the increased revenue  
30.18 is authorized or may state that the amount shall increase annually by the rate of inflation.  
30.19 For this purpose, the rate of inflation shall be the annual inflationary increase calculated  
30.20 under subdivision 2, paragraph (b). The ballot may state that existing referendum levy  
30.21 authority is expiring. In this case, the ballot may also compare the proposed levy authority  
30.22 to the existing expiring levy authority, and express the proposed increase as the amount, if  
30.23 any, over the expiring referendum levy authority. The ballot must designate the specific  
30.24 number of years, not to exceed ten, for which the referendum authorization applies. The  
30.25 ballot, including a ballot on the question to revoke or reduce the increased revenue amount  
30.26 under paragraph (c), must abbreviate the term "per ~~resident marginal cost~~ adjusted pupil  
30.27 unit" as "per pupil." The notice required under section 275.60 may be modified to read, in  
30.28 cases of renewing existing levies at the same amount per pupil as in the previous year:

30.29 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING  
30.30 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS  
30.31 SCHEDULED TO EXPIRE."

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

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

31.1 If approved, an amount equal to the approved revenue per ~~resident marginal cost~~  
31.2 adjusted pupil unit times the resident marginal cost adjusted pupil units for the school  
31.3 year beginning in the year after the levy is certified shall be authorized for certification  
31.4 for the number of years approved, if applicable, or until revoked or reduced by the voters  
31.5 of the district at a subsequent referendum.

31.6 (b) The board must prepare and deliver by first class mail at least 15 days but no more  
31.7 than 30 days before the day of the referendum to each taxpayer a notice of the referendum  
31.8 and the proposed revenue increase. The board need not mail more than one notice to any  
31.9 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be  
31.10 those shown to be owners on the records of the county auditor or, in any county where  
31.11 tax statements are mailed by the county treasurer, on the records of the county treasurer.  
31.12 Every property owner whose name does not appear on the records of the county auditor  
31.13 or the county treasurer is deemed to have waived this mailed notice unless the owner  
31.14 has requested in writing that the county auditor or county treasurer, as the case may be,  
31.15 include the name on the records for this purpose. The notice must project the anticipated  
31.16 amount of tax increase in annual dollars for typical residential homesteads, agricultural  
31.17 homesteads, apartments, and commercial-industrial property within the school district.

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

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

31.26 (c) A referendum on the question of revoking or reducing the increased revenue  
31.27 amount authorized pursuant to paragraph (a) may be called by the board. A referendum to  
31.28 revoke or reduce the revenue amount must state the amount per resident marginal cost  
31.29 pupil unit by which the authority is to be reduced. Revenue authority approved by the  
31.30 voters of the district pursuant to paragraph (a) must be available to the school district at  
31.31 least once before it is subject to a referendum on its revocation or reduction for subsequent  
31.32 years. Only one revocation or reduction referendum may be held to revoke or reduce  
31.33 referendum revenue for any specific year and for years thereafter.

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

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

32.7 Subd. 10. **School referendum levy; market value.** A school referendum levy must  
32.8 be levied against the referendum market value of all taxable property as defined in section  
32.9 126C.01, subdivision 3. Any referendum levy amount subject to the requirements of this  
32.10 subdivision must be certified separately to the county auditor under section 275.07.

32.11 Subd. 11. **Referendum date.** (a) Except for a referendum held under paragraph (b),  
32.12 any referendum under this section held on a day other than the first Tuesday after the first  
32.13 Monday in November must be conducted by mail in accordance with section 204B.46.  
32.14 Notwithstanding subdivision 9, paragraph (b), to the contrary, in the case of a referendum  
32.15 conducted by mail under this paragraph, the notice required by subdivision 9, paragraph (b),  
32.16 must be prepared and delivered by first-class mail at least 20 days before the referendum.

32.17 (b) In addition to the referenda allowed in subdivision 9, clause (a), the commissioner  
32.18 may grant authority to a district to hold a referendum on a different day if the district is in  
32.19 statutory operating debt and has an approved plan or has received an extension from the  
32.20 department to file a plan to eliminate the statutory operating debt.

32.21 (c) The commissioner must approve, deny, or modify each district's request for a  
32.22 referendum levy on a different day within 60 days of receiving the request from a district.

32.23 Subd. 13. **Referendum conversion allowance.** A school district that received  
32.24 supplemental or transition revenue in fiscal year 2002 may convert its supplemental  
32.25 revenue conversion allowance and transition revenue conversion allowance to additional  
32.26 referendum allowance under subdivision 1 for fiscal year 2003 and thereafter. A majority  
32.27 of the school board must approve the conversion at a public meeting before November 1,  
32.28 2001. For a district with other referendum authority, the referendum conversion allowance  
32.29 approved by the board continues until the portion of the district's other referendum  
32.30 authority with the earliest expiration date after June 30, 2006, expires. For a district  
32.31 with no other referendum authority, the referendum conversion allowance approved by  
32.32 the board continues until June 30, 2012.

32.33 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
32.34 and later.

32.35 Sec. 50. **[126C.195] COMPENSATORY SUPPLEMENTAL FORMULA AID.**



33.1 A district that has an adjusted pupil unit count that is in the top 20 largest adjusted  
33.2 pupil unit counts in the prior school year is eligible for the greater of zero or \$1,400 times  
33.3 the sum of the district's pupils eligible for free lunch and one-half of the district's pupils who  
33.4 are eligible for reduced lunch in the prior school year, minus the amount of compensatory  
33.5 education revenue received by the district under section 126C.10, subdivision 3, times .35.

33.6 Sec. 51. Minnesota Statutes 2012, section 126C.20, is amended to read:

33.7 **126C.20 ANNUAL GENERAL EDUCATION AID APPROPRIATION.**

33.8 There is annually appropriated from the general fund to the department the  
33.9 amount necessary for general education aid under section 126C.13, ~~the early graduation~~  
33.10 ~~achievement scholarship program under section 120B.08, and the early graduation~~  
33.11 ~~military service award program under section 120B.09.~~ This amount must be reduced by  
33.12 the amount of any money specifically appropriated for the same purpose in any year  
33.13 from any state fund.

33.14 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2014 and  
33.15 later.

33.16 Sec. 52. Minnesota Statutes 2012, section 126C.40, subdivision 1, is amended to read:

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

33.26 (b) The criteria for approval of applications to levy under this subdivision must  
33.27 include: the reasonableness of the price, the appropriateness of the space to the proposed  
33.28 activity, the feasibility of transporting pupils to the leased building or land, conformity  
33.29 of the lease to the laws and rules of the state of Minnesota, and the appropriateness of  
33.30 the proposed lease to the space needs and the financial condition of the district. The  
33.31 commissioner must not authorize a levy under this subdivision in an amount greater than  
33.32 the cost to the district of renting or leasing a building or land for approved purposes.  
33.33 The proceeds of this levy must not be used for custodial or other maintenance services.

34.1 A district may not levy under this subdivision for the purpose of leasing or renting a  
34.2 district-owned building or site to itself.

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

34.9 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the  
34.10 purpose of leasing or renting a district-owned building or site to itself only if the amount  
34.11 is needed by the district to make payments required by a lease purchase agreement,  
34.12 installment purchase agreement, or other deferred payments agreement authorized by law,  
34.13 and the levy meets the requirements of paragraph (c). A levy authorized for a district by  
34.14 the commissioner under this paragraph may be in the amount needed by the district to  
34.15 make payments required by a lease purchase agreement, installment purchase agreement,  
34.16 or other deferred payments agreement authorized by law, provided that any agreement  
34.17 include a provision giving the school districts the right to terminate the agreement  
34.18 annually without penalty.

34.19 (e) The total levy under this subdivision for a district for any year must not exceed  
34.20 ~~\$150~~ \$162 times the ~~resident~~ adjusted pupil units for the fiscal year to which the levy  
34.21 is attributable.

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

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

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

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

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

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

34.35 (h) A school district that is a member of an intermediate school district may include  
34.36 in its authority under this section the costs associated with leases of administrative and

35.1 classroom space for intermediate school district programs. This authority must not  
35.2 exceed ~~\$43~~ \$46 times the adjusted ~~marginal cost~~ pupil units of the member districts. This  
35.3 authority is in addition to any other authority authorized under this section.

35.4 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in  
35.5 2012 to 2023, a district that is a member of the "Technology and Information Education  
35.6 Systems" data processing joint board, that finds it economically advantageous to enter into  
35.7 a lease agreement to finance improvements to a building and land for a group of school  
35.8 districts or special school districts for staff development purposes, may levy for its portion  
35.9 of lease costs attributed to the district within the total levy limit in paragraph (e). The total  
35.10 levy authority under this paragraph shall not exceed \$632,000.

35.11 (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the  
35.12 purpose of leasing administrative space if the district can demonstrate to the satisfaction of  
35.13 the commissioner that the lease cost for the administrative space is no greater than the  
35.14 lease cost for instructional space that the district would otherwise lease. The commissioner  
35.15 must deny this levy authority unless the district passes a resolution stating its intent to  
35.16 lease instructional space under this section if the commissioner does not grant authority  
35.17 under this paragraph. The resolution must also certify that the lease cost for administrative  
35.18 space under this paragraph is no greater than the lease cost for the district's proposed  
35.19 instructional lease.

35.20 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
35.21 and later.

35.22 Sec. 53. Minnesota Statutes 2012, section 126C.40, subdivision 6, is amended to read:

35.23 Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval  
35.24 by, the commissioner in accordance with the procedures and limits in subdivision 1,  
35.25 paragraphs (a) and (b), a district, as defined in this subdivision, may:

35.26 (1) purchase real or personal property under an installment contract or may lease  
35.27 real or personal property with an option to purchase under a lease purchase agreement, by  
35.28 which installment contract or lease purchase agreement title is kept by the seller or vendor  
35.29 or assigned to a third party as security for the purchase price, including interest, if any; and

35.30 (2) annually levy the amounts necessary to pay the district's obligations under the  
35.31 installment contract or lease purchase agreement.

35.32 (b) The obligation created by the installment contract or the lease purchase  
35.33 agreement must not be included in the calculation of net debt for purposes of section  
35.34 475.53, and does not constitute debt under other law. An election is not required in  
35.35 connection with the execution of the installment contract or the lease purchase agreement.

36.1 (c) The proceeds of the levy authorized by this subdivision must not be used to  
 36.2 acquire a facility to be primarily used for athletic or school administration purposes.

36.3 (d) For the purposes of this subdivision, "district" means:

36.4 (1) ~~a school district which is eligible for revenue under section 124D.86, subdivision~~  
 36.5 ~~3, clause (1), (2), or (3), and whose~~ Special School District No. 1, Minneapolis,  
 36.6 Independent School District No. 625, St. Paul, Independent School District No. 709,  
 36.7 Duluth, or Independent School District No. 535, Rochester, if the district's desegregation  
 36.8 plan has been determined by the commissioner to be in compliance with Department of  
 36.9 Education rules relating to equality of educational opportunity and school desegregation  
 36.10 and, for a district eligible for revenue under section 124D.86, subdivision 3, clause (4)  
 36.11 or (5), where the acquisition of property under this subdivision is determined by the  
 36.12 commissioner to contribute to the implementation of the desegregation plan; or

36.13 (2) ~~a school district that participates in a joint program for interdistrict desegregation~~  
 36.14 ~~with a district defined in clause (1)~~ other districts eligible for revenue under section  
 36.15 124D.862 if the facility acquired under this subdivision is to be primarily used for the a  
 36.16 joint program for interdistrict desegregation and the commissioner determines that the  
 36.17 joint programs are being undertaken to implement the districts' desegregation plan.

36.18 (e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease  
 36.19 or rent a district-owned building to itself does not apply to levies otherwise authorized  
 36.20 by this subdivision.

36.21 (f) For the purposes of this subdivision, any references in subdivision 1 to building  
 36.22 or land shall include personal property.

36.23 Sec. 54. Minnesota Statutes 2012, section 126C.44, is amended to read:

36.24 **126C.44 SAFE SCHOOLS SUPPLEMENTAL LEVY; INTERMEDIATE**  
 36.25 **SCHOOL DISTRICTS.**

36.26 (a) ~~Each district may make a levy on all taxable property located within the district~~  
 36.27 ~~for the purposes specified in this section. The maximum amount which may be levied~~  
 36.28 ~~for all costs under this section shall be equal to \$30 multiplied by the district's adjusted~~  
 36.29 ~~marginal cost pupil units for the school year. The proceeds of the levy must be reserved and~~  
 36.30 ~~used for directly funding the following purposes or for reimbursing the cities and counties~~  
 36.31 ~~who contract with the district for the following purposes: (1) to pay the costs incurred for~~  
 36.32 ~~the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in~~  
 36.33 ~~services in the district's schools; (2) to pay the costs for a drug abuse prevention program~~  
 36.34 ~~as defined in section 609.101, subdivision 3, paragraph (c), in the elementary schools;~~  
 36.35 ~~(3) to pay the costs for a gang resistance education training curriculum in the district's~~

37.1 schools; ~~(4) to pay the costs for security in the district's schools and on school property; (5)~~  
37.2 ~~to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary~~  
37.3 ~~opt-in suicide prevention tools, and violence prevention measures taken by the school~~  
37.4 ~~district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed~~  
37.5 ~~school social workers, licensed school psychologists, and licensed alcohol and chemical~~  
37.6 ~~dependency counselors to help provide early responses to problems. For expenditures~~  
37.7 ~~under clause (1), the district must initially attempt to contract for services to be provided~~  
37.8 ~~by peace officers or sheriffs with the police department of each city or the sheriff's~~  
37.9 ~~department of the county within the district containing the school receiving the services. If~~  
37.10 ~~a local police department or a county sheriff's department does not wish to provide the~~  
37.11 ~~necessary services, the district may contract for these services with any other police or~~  
37.12 ~~sheriff's department located entirely or partially within the school district's boundaries.~~

37.13 ~~(b) A school district that is a member of an intermediate school district may include~~  
37.14 ~~in its authority under this section make a levy on all taxable property located within the~~  
37.15 ~~district for the costs associated with safe schools activities authorized under paragraph~~  
37.16 ~~(a) for intermediate school district programs section 126C.10, subdivision 2g, at an~~  
37.17 ~~intermediate school district. This authority must not exceed \$10 \$11 times the adjusted~~  
37.18 ~~marginal-cost pupil units of the member districts. This authority is in addition to any other~~  
37.19 ~~authority authorized under this section. Revenue raised under this paragraph section must~~  
37.20 ~~be transferred to the intermediate school district.~~

37.21 Sec. 55. Minnesota Statutes 2012, section 127A.47, subdivision 7, is amended to read:

37.22 Subd. 7. **Alternative attendance programs.** (a) The general education aid and  
37.23 special education aid for districts must be adjusted for each pupil attending a nonresident  
37.24 district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The  
37.25 adjustments must be made according to this subdivision.

37.26 ~~(a) General education aid paid to a resident district must be reduced by an amount~~  
37.27 ~~equal to the referendum equalization aid attributable to the pupil in the resident district.~~

37.28 ~~(b) General education aid paid to a district serving a pupil in programs listed in this~~  
37.29 ~~subdivision must be increased by an amount equal to the greater of (1) the referendum~~  
37.30 ~~equalization aid attributable to the pupil in the nonresident district; or (2) the product of~~  
37.31 ~~the district's open enrollment concentration index, the maximum amount of referendum~~  
37.32 ~~revenue in the first tier, and the district's net open enrollment pupil units for that year. A~~  
37.33 ~~district's open enrollment concentration index equals the greater of: (i) zero, or (ii) the~~  
37.34 ~~lesser of 1.0, or the difference between the district's ratio of open enrollment pupil units~~  
37.35 ~~served to its resident pupil units for that year and 0.2. This clause does not apply to a~~

38.1 school district where more than 50 percent of the open enrollment students are enrolled  
38.2 solely in online learning courses.

38.3 (e) If the amount of the reduction to be made from the general education aid of the  
38.4 resident district is greater than the amount of general education aid otherwise due the  
38.5 district, the excess reduction must be made from other state aids due the district.

38.6 (d) For fiscal year 2006, the district of residence must pay tuition to a district or an  
38.7 area learning center, operated according to paragraph (f), providing special instruction and  
38.8 services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in  
38.9 section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must  
38.10 be equal to (1) the actual cost of providing special instruction and services to the pupil,  
38.11 including a proportionate amount for special transportation and unreimbursed building  
38.12 lease and debt service costs for facilities used primarily for special education, minus (2)  
38.13 if the pupil receives special instruction and services outside the regular classroom for  
38.14 more than 60 percent of the school day, the amount of general education revenue and  
38.15 referendum aid attributable to that pupil for the portion of time the pupil receives special  
38.16 instruction and services outside of the regular classroom, excluding portions attributable to  
38.17 district and school administration, district support services, operations and maintenance,  
38.18 capital expenditures, and pupil transportation, minus (3) special education aid attributable  
38.19 to that pupil, that is received by the district providing special instruction and services.  
38.20 For purposes of this paragraph, general education revenue and referendum equalization  
38.21 aid attributable to a pupil must be calculated using the serving district's average general  
38.22 education revenue and referendum equalization aid per adjusted pupil unit.

38.23 (e) For fiscal year 2007 and later, special education aid paid to a resident district must  
38.24 be reduced by an amount equal to (b) For purposes of this subdivision, the "unreimbursed  
38.25 cost of providing special education and services" means the difference between: (1) the  
38.26 actual cost of providing special instruction and services, including special transportation  
38.27 and unreimbursed building lease and debt service costs for facilities used primarily for  
38.28 special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as  
38.29 defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus  
38.30 (2) if the pupil receives special instruction and services outside the regular classroom for  
38.31 more than 60 percent of the school day, the amount of general education revenue and  
38.32 referendum equalization aid attributable to that pupil for the portion of time the pupil  
38.33 receives special instruction and services outside of the regular classroom, excluding  
38.34 portions attributable to district and school administration, district support services,  
38.35 operations and maintenance, capital expenditures, and pupil transportation, minus (3)  
38.36 special education aid under section 125A.76 attributable to that pupil, that is received by

39.1 the district providing special instruction and services. For purposes of this paragraph,  
39.2 general education revenue and referendum equalization aid attributable to a pupil must be  
39.3 calculated using the serving district's average general education revenue and referendum  
39.4 equalization aid per adjusted pupil unit.

39.5 (c) For fiscal year 2015 and later, special education aid paid to a resident district  
39.6 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing  
39.7 special education and services.

39.8 (d) Notwithstanding paragraph (c), special education aid paid to a resident district  
39.9 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special  
39.10 education and services provided to students at an intermediate district, cooperative, or  
39.11 charter school where the percent of students eligible for special education services is at  
39.12 least 70 percent of the charter school's total enrollment.

39.13 (e) Special education aid paid to the district or cooperative providing special  
39.14 instruction and services for the pupil, or to the fiscal agent district for a cooperative,  
39.15 must be increased by the amount of the reduction in the aid paid to the resident district  
39.16 under paragraphs (c) and (d). If the resident district's special education aid is insufficient  
39.17 to make the full adjustment, the remaining adjustment shall be made to other state aids  
39.18 due to the district.

39.19 (f) An area learning center operated by a service cooperative, intermediate district,  
39.20 education district, or a joint powers cooperative may elect through the action of the  
39.21 constituent boards to charge the resident district tuition for pupils rather than to have the  
39.22 general education revenue paid to a fiscal agent school district. Except as provided in  
39.23 paragraph ~~(d)~~ or (e), the district of residence must pay tuition equal to at least 90 percent  
39.24 of the district average general education revenue per pupil unit minus an amount equal  
39.25 to the product of the formula allowance according to section 126C.10, subdivision 2,  
39.26 times ~~.0485~~ .0465, calculated without compensatory revenue and transportation sparsity  
39.27 revenue, times the number of pupil units for pupils attending the area learning center.

39.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
39.29 and later.

39.30 Sec. 56. Minnesota Statutes 2012, section 127A.47, subdivision 8, is amended to read:

39.31 Subd. 8. **Charter schools.** (a) The general education aid for districts must be  
39.32 adjusted for each pupil attending a charter school under section 124D.10. The adjustments  
39.33 must be made according to this subdivision.

40.1 (b) General education aid paid to a district in which a charter school not providing  
40.2 transportation according to section 124D.10, subdivision 16, is located must be increased  
40.3 by an amount equal to the sum of:

40.4 (1) the product of: (i) the sum of an amount equal to the product of the formula  
40.5 allowance according to section 126C.10, subdivision 2, times ~~.0485~~ .0465, plus the  
40.6 transportation sparsity allowance for the district; times (ii) the adjusted ~~marginal cost~~  
40.7 pupil units attributable to the pupil; plus

40.8 (2) the product of \$223 and the extended time marginal cost pupil units attributable  
40.9 to the pupil.

40.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
40.11 and later.

40.12 Sec. 57. Minnesota Statutes 2012, section 127A.51, is amended to read:

40.13 **127A.51 STATEWIDE AVERAGE REVENUE.**

40.14 By October 1 of each year the commissioner must estimate the statewide average  
40.15 adjusted general revenue per adjusted ~~marginal cost~~ pupil unit and the disparity in adjusted  
40.16 general revenue among pupils and districts by computing the ratio of the 95th percentile  
40.17 to the fifth percentile of adjusted general revenue. The commissioner must provide that  
40.18 information to all districts.

40.19 If the disparity in adjusted general revenue as measured by the ratio of the 95th  
40.20 percentile to the fifth percentile increases in any year, the commissioner shall recommend  
40.21 to the legislature options for change in the general education formula that will limit the  
40.22 disparity in adjusted general revenue to no more than the disparity for the previous  
40.23 school year. The commissioner must submit the recommended options to the education  
40.24 committees of the legislature by January 15.

40.25 For purposes of this section and section 126C.10, adjusted general revenue means:

40.26 (1) ~~for fiscal year 2002, the sum of basic revenue under section 126C.10, subdivision~~  
40.27 ~~2; supplemental revenue under section 126C.10, subdivisions 9 and 12; transition revenue~~  
40.28 ~~under section 126C.10, subdivision 20; referendum revenue under section 126C.17; and~~  
40.29 ~~equity revenue under section 126C.10, subdivisions 24a and 24b; and~~

40.30 (2) ~~for fiscal year 2003 and later, the sum of basic revenue under section 126C.10,~~  
40.31 ~~subdivision 2; referendum revenue under section 126C.17; and equity revenue under~~  
40.32 ~~section 126C.10, subdivisions 24a and 24b~~ subdivision 24.

40.33 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
40.34 and later.



41.1 Sec. 58. Minnesota Statutes 2012, section 128D.11, subdivision 3, is amended to read:

41.2 Subd. 3. **No election.** Subject to the provisions of subdivisions 7 to 10, the school  
41.3 district may also by a two-thirds majority vote of all the members of its board of education  
41.4 and without any election by the voters of the district, issue and sell in each calendar year  
41.5 general obligation bonds of the district in an amount not to exceed 5-1/10 per cent of the  
41.6 net tax capacity of the taxable property in the district (plus, for calendar years 1990 to  
41.7 2003, an amount not to exceed \$7,500,000, and for calendar years 2004 to ~~2016~~ 2026,  
41.8 an amount not to exceed \$15,000,000; with an additional provision that any amount of  
41.9 bonds so authorized for sale in a specific year and not sold can be carried forward and  
41.10 sold in the year immediately following).

41.11 **EFFECTIVE DATE.** This section is effective July 1, 2013.

41.12 Sec. 59. Laws 2007, chapter 146, article 4, section 12, is amended to read:

41.13 Sec. 12. **BONDING AUTHORIZATION.**

41.14 To provide funds for the acquisition or betterment of school facilities, Independent  
41.15 School District No. 625, St. Paul, may by two-thirds majority vote of all the members of  
41.16 the board of directors issue general obligation bonds in one or more series for calendar  
41.17 years 2008 ~~through 2016~~ to 2026, as provided in this section. The aggregate principal  
41.18 amount of any bonds issued under this section for each calendar year must not exceed  
41.19 \$15,000,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or  
41.20 475.59. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter  
41.21 475. The authority to issue bonds under this section is in addition to any bonding authority  
41.22 authorized by Minnesota Statutes, chapter 123B, or other law. The amount of bonding  
41.23 authority authorized under this section must be disregarded in calculating the bonding  
41.24 limit of Minnesota Statutes, chapter 123B, or any other law other than Minnesota Statutes,  
41.25 section 475.53, subdivision 4.

41.26 **EFFECTIVE DATE.** This section is effective July 1, 2013.

41.27 Sec. 60. **SCHOOL DISTRICT LEVY ADJUSTMENTS.**

41.28 Subdivision 1. **Tax rate adjustment.** The commissioner of education must adjust  
41.29 each school district tax rate established under Minnesota Statutes, chapters 120B to 127A,  
41.30 by multiplying the rate by the ratio of the statewide total tax capacity for assessment year  
41.31 2012 as it existed prior to the passage of Regular Session 2013 House File No. 677, or  
41.32 a similarly styled bill passed in a special session, to the statewide total tax capacity for  
41.33 assessment year 2012.

42.1 Subd. 2. **Equalizing factors.** The commissioner of education must adjust each  
 42.2 school district equalizing factor established under Minnesota Statutes, chapters 120B to  
 42.3 127A, by dividing the equalizing factor by the ratio of the statewide total tax capacity for  
 42.4 assessment year 2012 as it existed prior to the passage of Regular Session 2013 House  
 42.5 File No. 677, or a similarly styled bill passed in a special session, to the statewide total tax  
 42.6 capacity for assessment year 2012.

42.7 Sec. 61. **APPROPRIATIONS.**

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

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

42.13 \$ 6,045,457,000 ..... 2014

42.14 \$ 6,351,602,000 ..... 2015

42.15 The 2014 appropriation includes \$781,842,000 for 2013 and \$5,263,615,000 for  
 42.16 2014.

42.17 The 2015 appropriation includes \$857,828,000 for 2014 and \$5,493,774,000 for  
 42.18 2015.

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

42.22 \$ 44,000 ..... 2014

42.23 \$ 48,000 ..... 2015

42.24 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
 42.25 127A.49:

42.26 \$ 2,722,000 ..... 2014

42.27 \$ 3,133,000 ..... 2015

42.28 The 2014 appropriation includes \$301,000 for 2013 and \$2,421,000 for 2014.

42.29 The 2015 appropriation includes \$410,000 for 2014 and \$2,723,000 for 2015.

42.30 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota  
 42.31 Statutes, section 123A.485:

43.1           \$        468,000   ..... 2014

43.2           \$        479,000   ..... 2015

43.3           The 2014 appropriation includes \$40,000 for 2013 and \$428,000 for 2014.

43.4           The 2015 appropriation includes \$72,000 for 2014 and \$407,000 for 2015.

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

43.7           \$        15,376,000   ..... 2014

43.8           \$        15,879,000   ..... 2015

43.9           The 2014 appropriation includes \$2,099,000 for 2013 and \$13,277,000 for 2014.

43.10          The 2015 appropriation includes \$2,251,000 for 2014 and \$13,628,000 for 2015.

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

43.13          \$        18,322,000   ..... 2014

43.14          \$        18,607,000   ..... 2015

43.15          The 2014 appropriation includes \$2,668,000 for 2013 and \$15,654,000 for 2014.

43.16          The 2015 appropriation includes \$2,654,000 for 2014 and \$15,953,000 for 2015.

43.17          Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No.  
 43.18 690, Warroad, to operate the Angle Inlet School:

43.19          \$        65,000        ..... 2014

43.20          \$        65,000        ..... 2015

43.21          Subd. 9. **Compensatory supplemental formula aid.** For grants for compensatory  
 43.22 pilot project formula aid as calculated under Minnesota Statutes, section 126C.195:

43.23          \$        6,278,000   ..... 2014

43.24          \$        4,924,000   ..... 2015

43.25          The 2014 appropriation includes \$2,109,000 for 2013 and \$4,169,000 for 2014.

43.26          The 2015 appropriation includes \$706,000 for 2014 and \$4,218,000 for 2015.

43.27          Subd. 10. **Compensatory revenue pilot project.** For grants for participation in the  
 43.28 compensatory revenue pilot program under Laws 2005, First Special Session chapter 5,  
 43.29 article 1, section 50, as amended by Laws 2007, chapter 146, article 1, section 21:

43.30          \$        2,325,000   2014

43.31          \$        2,325,000   2015

43.32          Of this amount, \$1,500,000 in each year is for a grant to Independent School District  
 43.33 No. 11, Anoka-Hennepin; \$75,000 in each year is for a grant to Independent School District

44.1 No. 286, Brooklyn Center; \$210,000 in each year is for a grant to Independent School  
44.2 District No. 279, Osseo; \$160,000 in each year is for a grant to Independent School District  
44.3 No. 281, Robbinsdale; \$165,000 in each year is for a grant to Independent School District  
44.4 No. 535, Rochester; \$65,000 in each year is for a grant to Independent School District No.  
44.5 833, South Washington; and \$150,000 in each year is for a grant to Independent School  
44.6 District No. 241, Albert Lea. If a grant to a specific school district is not awarded, the  
44.7 commissioner may increase the aid amounts to any of the remaining participating school  
44.8 districts. This appropriation is part of the base budget for subsequent fiscal years.

44.9 Sec. 62. **REPEALER.**

44.10 (a) Minnesota Statutes 2012, sections 120B.08; and 120B.09, are repealed for fiscal  
44.11 year 2014 and later.

44.12 (b) Minnesota Statutes 2012, sections 126C.10, subdivisions 13a, 13b, 25, 26, 28,  
44.13 31a, 31b, 31c, 34, 35, and 36; 126C.17, subdivision 13; and 127A.50, subdivisions 1 and  
44.14 5, are repealed for fiscal year 2015 and later.

## 44.15 **ARTICLE 2**

### 44.16 **STUDENT ACCOUNTABILITY**

44.17 Section 1. Minnesota Statutes 2012, section 120B.02, is amended to read:

#### 44.18 **120B.02 EDUCATIONAL EXPECTATIONS AND GRADUATION** 44.19 **REQUIREMENTS FOR MINNESOTA'S STUDENTS.**

44.20 Subdivision 1. **Educational expectations.** (a) The legislature is committed to  
44.21 establishing rigorous academic standards for Minnesota's public school students. To  
44.22 that end, the commissioner shall adopt in rule statewide academic standards. The  
44.23 commissioner shall not prescribe in rule or otherwise the delivery system, classroom  
44.24 assessments, or form of instruction that school sites must use. ~~For purposes of this chapter,~~  
44.25 ~~a school site is a separate facility, or a separate program within a facility that a local school~~  
44.26 ~~board recognizes as a school site for funding purposes.~~

44.27 (b) All commissioner actions regarding the rule must be premised on the following:

44.28 (1) the rule is intended to raise academic expectations for students, teachers, and  
44.29 schools;

44.30 (2) any state action regarding the rule must evidence consideration of school district  
44.31 autonomy; and

44.32 (3) the Department of Education, with the assistance of school districts, must make  
44.33 available information about all state initiatives related to the rule to students and parents,

45.1 teachers, and the general public in a timely format that is appropriate, comprehensive, and  
 45.2 readily understandable.

45.3 ~~(e) When fully implemented, the requirements for high school graduation in~~  
 45.4 ~~Minnesota must require students to satisfactorily complete, as determined by the school~~  
 45.5 ~~district, the course credit requirements under section 120B.024, all state academic~~  
 45.6 ~~standards or local academic standards where state standards do not apply, and successfully~~  
 45.7 ~~pass graduation examinations as required under section 120B.30.~~

45.8 ~~(d)~~ (c) The commissioner shall periodically review and report on the state's  
 45.9 assessment process.

45.10 ~~(e)~~ (d) School districts are not required to adopt specific provisions of the federal  
 45.11 School-to-Work programs.

45.12 Subd. 2. Graduation requirements. To graduate from high school, students must  
 45.13 demonstrate to their enrolling school district or school their satisfactory completion of the  
 45.14 credit requirements under section 120B.024 and their understanding of academic standards  
 45.15 or a nationally normed college entrance exam. A school district must adopt graduation  
 45.16 requirements that meet or exceed state graduation requirements established in law or rule.

45.17 EFFECTIVE DATE. This section is effective August 1, 2013, and applies to  
 45.18 students entering grade 8 in the 2012-2013 school year and later.

45.19 Sec. 2. Minnesota Statutes 2012, section 120B.125, is amended to read:

45.20 **120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION**  
 45.21 **TO POSTSECONDARY EDUCATION AND EMPLOYMENT; INVOLUNTARY**  
 45.22 **CAREER TRACKING PROHIBITED.**

45.23 (a) Consistent with sections 120B.128, 120B.13, 120B.131, 120B.132, 120B.14,  
 45.24 120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections,  
 45.25 school districts are strongly encouraged to, beginning in the 2013-2014 school year, must  
 45.26 assist all students by no later than grade 9 to explore their college and career interests and  
 45.27 aspirations and develop a plan for a smooth and successful transition to postsecondary  
 45.28 education or employment. All students' plans must be designed to:

45.29 (1) provide a comprehensive academic plan for completing a college and  
 45.30 career-ready curriculum premised on meeting state and local academic standards and  
 45.31 developing 21st century skills such as team work, collaboration, and good work habits;

45.32 (2) emphasize academic rigor and high expectations;

45.33 (3) help students identify personal learning styles that may affect their postsecondary  
 45.34 education and employment choices;

46.1 (4) help students ~~succeed at gaining~~ gain access to postsecondary education and  
46.2 career options;

46.3 (5) integrate strong academic content into career-focused courses and integrate  
46.4 relevant career-focused courses into strong academic content;

46.5 (6) help students and families identify and gain access to appropriate counseling  
46.6 and other supports and assistance that enable students to complete required coursework,  
46.7 prepare for postsecondary education and careers, and obtain information about  
46.8 postsecondary education costs and eligibility for financial aid and scholarship;

46.9 (7) help students and families identify collaborative partnerships of kindergarten  
46.10 through grade 12 schools, postsecondary institutions, economic development agencies, and  
46.11 employers that support students' transition to postsecondary education and employment  
46.12 and provide students with experiential learning opportunities; and

46.13 (8) be reviewed and revised at least annually by the student, the student's parent or  
46.14 guardian, and the school or district to ensure that the student's course-taking schedule  
46.15 keeps the student "~~on track~~" making adequate progress to meet state and local high school  
46.16 graduation requirements and with a reasonable chance to succeed with employment or  
46.17 postsecondary education without the need to first complete remedial course work.

46.18 (b) A school district may develop grade-level curricula or provide instruction that  
46.19 introduces students to various careers, but must not require any curriculum, instruction,  
46.20 or employment-related activity that obligates an elementary or secondary student to  
46.21 involuntarily select a career, career interest, employment goals, or related job training.

46.22 ~~(c) School districts are encouraged to seek and use revenue and in-kind contributions~~  
46.23 ~~from nonstate sources and to seek administrative cost savings through innovative local~~  
46.24 ~~funding arrangements, such as the Collaboration Among Rochester Educators (CARE)~~  
46.25 ~~model for funding postsecondary enrollment options, among other sources, for purposes~~  
46.26 ~~of implementing this section.~~

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

46.28 Sec. 3. Minnesota Statutes 2012, section 120B.128, is amended to read:

46.29 **120B.128 EDUCATIONAL PLANNING AND ASSESSMENT SYSTEM**  
46.30 **(EPAS) PROGRAM.**

46.31 (a) School districts and charter schools may elect to participate in the Educational  
46.32 Planning and Assessment System (EPAS) program offered by ACT, Inc. to provide a  
46.33 longitudinal, systematic approach to student educational and career planning, assessment,  
46.34 instructional support, and evaluation. The EPAS achievement tests include English,

47.1 reading, mathematics, science, and components on planning for high school and  
47.2 postsecondary education, interest inventory, needs assessments, and student education  
47.3 plans. These tests are linked to the ACT assessment for college admission and allow  
47.4 students, parents, teachers, and schools to determine the student's college readiness before  
47.5 grades 11 and 12.

47.6 (b) The commissioner of education shall provide ACT Explore tests for students  
47.7 in grade 8 and the ACT Plan test for students in grade 10 to assess individual student  
47.8 academic strengths and weaknesses, academic achievement and progress, higher order  
47.9 thinking skills, and college readiness.

47.10 (c) Students enrolled in grade 8 through the 2011-2012 school year who have  
47.11 not yet demonstrated proficiency on the Minnesota comprehensive assessments, the  
47.12 graduation-required assessments for diploma, or the basic skills testing requirements  
47.13 prior to high school graduation may satisfy state high school graduation requirements for  
47.14 assessments in reading, mathematics, and writing by taking the WorkKeys job skills  
47.15 assessment, the Compass college placement test, or the ACT assessment for college  
47.16 admission.

47.17 (d) The state shall pay the test costs for ~~school districts and charter schools that~~  
47.18 ~~choose to participate in the EPAS program~~ public school students to participate in the  
47.19 assessments under this section. The commissioner shall establish an application procedure  
47.20 and a process for state payment of costs.

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

47.22 Sec. 4. Minnesota Statutes 2012, section 120B.30, subdivision 1, is amended to read:

47.23 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts  
47.24 with appropriate technical qualifications and experience and stakeholders, consistent  
47.25 with subdivision 1a, shall include in the comprehensive assessment system, for each  
47.26 grade level to be tested, state-constructed tests developed ~~from~~ and as computer-adaptive  
47.27 reading and mathematics assessments for students that are aligned with the state's required  
47.28 academic standards under section 120B.021, include multiple choice questions, and be are  
47.29 administered annually to all students in grades 3 through 8 7. Reading and mathematics  
47.30 assessments for all students in grade 8 must be aligned with the state's required reading and  
47.31 mathematics standards, be administered annually, and include multiple choice questions.

47.32 State-developed high school tests aligned with the state's required academic standards  
47.33 under section 120B.021 and administered to all high school students in a subject other  
47.34 than writing must include multiple choice questions. The commissioner shall establish  
47.35 one or more months during which schools shall administer the tests to students each

48.1 school year. For students enrolled in grade 8 before the 2005-2006 school year, Minnesota  
48.2 basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills  
48.3 testing requirements for a passing state notation. The passing scores of basic skills tests in  
48.4 reading and mathematics are the equivalent of 75 percent correct for students entering  
48.5 grade 9 based on the first uniform test administered in February 1998. Students who  
48.6 have not successfully passed a Minnesota basic skills test by the end of the 2011-2012  
48.7 school year must pass the graduation-required assessments for diploma under paragraph  
48.8 (e), except that for the 2012-2013 and 2013-2014 school years only, these students may  
48.9 satisfy the state's graduation test requirement for math by complying with paragraph  
48.10 (d), clauses (1) and (3) (1) Students enrolled in grade 8 through the 2009-2010 school  
48.11 year are eligible to be assessed under (i) the graduation-required assessment for diploma  
48.12 in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30,  
48.13 subdivision 1, paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills  
48.14 assessment, (iii) a computer-adaptive college placement test, or (iv) the ACT assessment  
48.15 for college admission. (2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012  
48.16 school year are eligible to be assessed under (i) the graduation-required assessment for  
48.17 diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section  
48.18 120B.30, subdivision 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills  
48.19 assessment, (iii) a computer-adaptive college placement test, or (iv) the ACT assessment  
48.20 for college admission.

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

48.23 (1) mathematics;

48.24 (i) grades 3 through 8 beginning in the 2010-2011 school year; and

48.25 (ii) high school level beginning in the 2013-2014 school year;

48.26 (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012  
48.27 school year; and

48.28 (3) language arts and reading; grades 3 through 8 and high school level beginning in  
48.29 the 2012-2013 school year.

48.30 (c) For students enrolled in grade 8 in the ~~2005-2006~~ 2012-2013 school year and  
48.31 later, ~~only the following options shall fulfill~~ students' state graduation test requirements,  
48.32 based on a longitudinal, systematic approach to student education and career planning,  
48.33 assessment, instructional support, and evaluation, include the following:

48.34 (1) ~~for reading and mathematics:~~

48.35 (i) ~~obtaining an achievement level equivalent to or greater than proficient as~~  
48.36 ~~determined through a standard setting process on the Minnesota comprehensive~~



49.1 ~~assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing~~  
49.2 ~~score as determined through a standard setting process on the graduation-required~~  
49.3 ~~assessment for diploma in grade 10 for reading and grade 11 for mathematics or~~  
49.4 ~~subsequent retests;~~

49.5 ~~(ii) achieving a passing score as determined through a standard setting process~~  
49.6 ~~on the state-identified language proficiency test in reading and the mathematics test for~~  
49.7 ~~English learners or the graduation-required assessment for diploma equivalent of those~~  
49.8 ~~assessments for students designated as English learners;~~

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

49.12 ~~(iv) obtaining achievement level equivalent to or greater than proficient as~~  
49.13 ~~determined through a standard setting process on the state-identified alternate assessment~~  
49.14 ~~or assessments in grade 10 for reading and grade 11 for mathematics for students with~~  
49.15 ~~an individualized education program; or~~

49.16 ~~(v) achieving an individual passing score on the state-identified alternate assessment~~  
49.17 ~~or assessments as determined by appropriate state guidelines for students with an~~  
49.18 ~~individualized education program; and~~

49.19 ~~(2) for writing:~~

49.20 ~~(i) achieving a passing score on the graduation-required assessment for diploma;~~

49.21 ~~(ii) achieving a passing score as determined through a standard setting process on~~  
49.22 ~~the state-identified language proficiency test in writing for students designated as English~~  
49.23 ~~learners;~~

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

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

49.30 ~~(1) understanding of required academic standards as demonstrated on a nationally~~  
49.31 ~~normed college entrance exam;~~

49.32 ~~(2) achievement and career and college readiness tests in mathematics, reading, and~~  
49.33 ~~writing, consistent with paragraph (e) and to the extent available, to monitor students'~~  
49.34 ~~continuous development of and growth in requisite knowledge and skills; analyze~~  
49.35 ~~students' progress and performance levels, identifying students' academic strengths and~~  
49.36 ~~diagnosing areas where students require curriculum or instructional adjustments, targeted~~

50.1 interventions, or remediation; and, based on analysis of students' progress and performance  
50.2 data, determine students' learning and instructional needs and the instructional tools and  
50.3 best practices that support academic rigor for the student; and

50.4 (3) consistent with this paragraph and section 120B.125, age-appropriate exploration  
50.5 and planning activities and career assessments to encourage students to identify personally  
50.6 relevant career interests and aptitudes and help students and their families develop a  
50.7 regularly reexamined transition plan for postsecondary education or employment without  
50.8 need for postsecondary remediation.

50.9 Based on appropriate state guidelines, students with an individualized education program  
50.10 may satisfy state graduation requirements by achieving an individual score on the  
50.11 state-identified alternative assessments.

50.12 Expectations of schools, districts, and the state for career or college readiness under  
50.13 this subdivision must be comparable in rigor, clarity of purpose, and rates of student  
50.14 completion. A student under clause (2) must receive targeted, relevant, academically  
50.15 rigorous, and resourced instruction, which may include a targeted instruction and  
50.16 intervention plan focused on improving the student's knowledge and skills in core subjects  
50.17 so that the student has a reasonable chance to succeed in a career or college without need  
50.18 for postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091,  
50.19 124D.49, and related sections, an enrolling school or district must actively encourage a  
50.20 student in grade 11 or 12 who is identified as academically ready for a career or college  
50.21 to participate in courses and programs awarding college credit to high school students.  
50.22 Students are not required to achieve a specified score or level of proficiency on an  
50.23 assessment under this subdivision to graduate from high school.

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

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

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

50.31 ~~(3) fully participate in at least two retests of the mathematics GRAD test or until~~  
50.32 ~~they pass the mathematics GRAD test, whichever comes first. To improve the secondary~~  
50.33 ~~and postsecondary outcomes of all students, the alignment between secondary and~~  
50.34 ~~postsecondary education programs and Minnesota's workforce needs, and the efficiency~~  
50.35 ~~and cost-effectiveness of secondary and postsecondary programs, the commissioner, after~~  
50.36 ~~consulting with the chancellor of the Minnesota State Colleges and Universities and using~~

51.1 a request for proposal process, shall contract for a series of assessments that are consistent  
51.2 with this subdivision, aligned with state academic standards, and include career and  
51.3 college readiness benchmarks. Mathematics, reading, and writing assessments for students  
51.4 in grades 8 and 10 must be predictive of and aligned with a nationally normed assessment  
51.5 for career and college readiness. This nationally recognized assessment must be a college  
51.6 entrance exam and given to students in grade 11 or 12. This series of assessments must  
51.7 include a college placement diagnostic exam and contain career exploration elements. The  
51.8 commissioner and the chancellor of the Minnesota State Colleges and Universities must  
51.9 collaborate in aligning instruction and assessments for adult basic education students to  
51.10 provide the students with diagnostic information about any targeted interventions they  
51.11 need so that they may seek postsecondary education or employment without need for  
51.12 postsecondary remediation.

51.13 (1) Districts and schools, on an annual basis, must use the career exploration  
51.14 elements in these assessments to help students, beginning no later than grade 9, and their  
51.15 families explore and plan for postsecondary education or careers based on the students'  
51.16 interests, aptitudes, and aspirations. Districts and schools must use timely regional labor  
51.17 market information and partnerships, among other resources, to help students and their  
51.18 families successfully develop, pursue, review, and revise an individualized plan for  
51.19 postsecondary education or a career. This process must help increase students' engagement  
51.20 in and connection to school, improve students' knowledge and skills, and deepen students'  
51.21 understanding of career pathways as a sequence of academic and career courses that lead  
51.22 to an industry-recognized credential, an associate's degree, or a bachelor's degree and are  
51.23 available to all students, whatever their interests and career goals.

51.24 (2) Students who, based on their growth in academic achievement between grades 8  
51.25 and 10, show adequate progress toward meeting state career and college readiness must be  
51.26 given the college entrance exam part of these assessments in grade 11. A student under  
51.27 this clause who demonstrates attainment of required state academic standards, which  
51.28 include career and college readiness benchmarks, on these assessments is academically  
51.29 ready for a career or college and is encouraged to participate in courses and programs  
51.30 awarding college credit to high school students. Such courses and programs may include  
51.31 sequential courses of study within broad career areas and technical skill assessments  
51.32 that extend beyond course grades.

51.33 (3) All students in grade 11 not subject to clause (2) must be given the college  
51.34 placement diagnostic exam so that the students, their families, the school, and the district  
51.35 can use the results to diagnose areas for targeted instruction, intervention, or remediation  
51.36 and improve students' knowledge and skills in core subjects sufficient for the student

52.1 to graduate and have a reasonable chance to succeed in a career or college without  
52.2 remediation. These students must be given the college entrance exam part of these  
52.3 assessments in grade 12.

52.4 (4) A student in clause (3) who demonstrates: (i) attainment of required state  
52.5 academic standards, which include career and college readiness benchmarks, on these  
52.6 assessments; (ii) attainment of career and college readiness benchmarks on the college  
52.7 placement diagnostic part of these assessments; and, where applicable, (iii) successfully  
52.8 completes targeted instruction, intervention, or remediation approved by the commissioner  
52.9 and the chancellor of the Minnesota State Colleges and Universities after consulting with  
52.10 local school officials and educators, is academically ready for a career or college and is  
52.11 encouraged to participate in courses and programs awarding college credit to high school  
52.12 students. Such courses and programs may include sequential courses of study within  
52.13 broad career areas and technical skill assessments that extend beyond course grades.

52.14 (5) A study to determine the alignment between these assessments and state  
52.15 academic standards under this chapter must be conducted. Where alignment exists, the  
52.16 commissioner must seek federal approval to, and immediately upon receiving approval,  
52.17 replace the federally required assessments referenced under subdivision 1a and section  
52.18 120B.35, subdivision 2, with assessments under this paragraph.

52.19 (e) In developing, supporting, and improving students' academic readiness for a  
52.20 career or college, schools, districts, and the state must have a continuum of empirically  
52.21 derived, clearly defined benchmarks focused on students' attainment of knowledge and  
52.22 skills so that students, their parents, and teachers know how well students must perform to  
52.23 have a reasonable chance to succeed in a career or college without need for postsecondary  
52.24 remediation. The commissioner and Minnesota's public postsecondary institutions must  
52.25 ensure that the foundational knowledge and skills for students' successful performance  
52.26 in postsecondary employment or education and an articulated series of possible targeted  
52.27 interventions are clearly identified and satisfy Minnesota's postsecondary admissions  
52.28 requirements.

52.29 (f) A school, district, or charter school must ~~place record~~ on the high school  
52.30 transcript a student's ~~current pass status for each subject that has a required graduation~~  
52.31 ~~assessment~~ progress toward career and college readiness.

52.32 ~~In addition,~~ (g) The school board granting the students their diplomas may formally  
52.33 decide to include a notation of high achievement on the high school diplomas of those  
52.34 graduating seniors who, according to established school board criteria, demonstrate  
52.35 exemplary academic achievement during high school.

53.1 ~~(e)~~ (h) The 3rd through 8th 7th grade computer-adaptive assessment results and  
 53.2 high school test results shall be available to districts for diagnostic purposes affecting  
 53.3 student learning and district instruction and curriculum, and for establishing educational  
 53.4 accountability. The commissioner must establish empirically derived benchmarks on  
 53.5 adaptive assessments in grades 3 through 7 that reveal a trajectory toward career and  
 53.6 college readiness. The commissioner must disseminate to the public the computer-adaptive  
 53.7 assessments, grade 8, and high school test results upon receiving those results.

53.8 ~~(f)~~ (i) The ~~3rd through 8th grade~~ grades 3 through 7 computer-adaptive assessments,  
 53.9 grade 8, and high school tests must be aligned with state academic standards. The  
 53.10 commissioner shall determine the testing process and the order of administration.  
 53.11 The statewide results shall be aggregated at the site and district level, consistent with  
 53.12 subdivision 1a.

53.13 ~~(g)~~ (j) ~~In addition to the testing and reporting requirements under this section,~~ The  
 53.14 commissioner shall include the following components in the statewide public reporting  
 53.15 system:

53.16 (1) uniform statewide ~~testing~~ computer-adaptive assessments of all students in  
 53.17 grades 3 through ~~8~~ 7 and ~~testing at the grade 8 and high school level~~ levels that provides  
 53.18 appropriate, technically sound accommodations ~~or alternate assessments~~;

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

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

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

53.27 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 53.28 and applies to the 2013-2014 school year and later, except that paragraph (a) applies  
 53.29 the day following final enactment and the requirements for using computer-adaptive  
 53.30 mathematics and reading assessments for grades 3 through 7 apply in the 2015-2016  
 53.31 school year and later. The series of assessments contracted for under paragraph (d) apply  
 53.32 in the 2014-2015 school year and later.

53.33 Sec. 5. Minnesota Statutes 2012, section 120B.30, subdivision 1a, is amended to read:

53.34 Subd. 1a. **Statewide and local assessments; results.** (a) For purposes of this  
 53.35 section, the following definitions have the meanings given them.

54.1 (1) "Computer-adaptive assessments" means fully adaptive assessments.

54.2 (2) "Fully adaptive assessments" include test items that are on-grade level and items  
54.3 that may be above or below a student's grade level.

54.4 (3) "On-grade level" test items contain subject area content that is aligned to state  
54.5 academic standards for the grade level of the student taking the assessment.

54.6 (4) "Above-grade level" test items contain subject area content that is above the  
54.7 grade level of the student taking the assessment and is considered aligned with state  
54.8 academic standards to the extent it is aligned with content represented in state academic  
54.9 standards above the grade level of the student taking the assessment. Notwithstanding  
54.10 the student's grade level, administering above-grade level test items to a student does not  
54.11 violate the requirement that state assessments must be aligned with state standards.

54.12 (5) "Below-grade level" test items contain subject area content that is below the  
54.13 grade level of the student taking the test and is considered aligned with state academic  
54.14 standards to the extent it is aligned with content represented in state academic standards  
54.15 below the student's current grade level. Notwithstanding the student's grade level,  
54.16 administering below-grade level test items to a student does not violate the requirement  
54.17 that state assessments must be aligned with state standards.

54.18 (b) The commissioner must use fully adaptive mathematics and reading assessments  
54.19 for grades 3 through 7 beginning in the 2015-2016 school year and later.

54.20 (c) For purposes of conforming with existing federal educational accountability  
54.21 requirements, the commissioner must develop and implement computer-adaptive reading  
54.22 and mathematics assessments for grades 3 through 8 7, state-developed grade 8 and  
54.23 high school reading and mathematics tests aligned with state academic standards, and  
54.24 science assessments under clause (2) that districts and sites must use to monitor student  
54.25 growth toward achieving those standards. The commissioner must not develop statewide  
54.26 assessments for academic standards in social studies, health and physical education, and  
54.27 the arts. The commissioner must require:

54.28 (1) annual computer-adaptive reading and mathematics assessments in grades 3  
54.29 through 8 7, and grade 8 and high school reading and mathematics tests; and

54.30 (2) annual science assessments in one grade in the grades 3 through 5 span, the  
54.31 grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span,  
54.32 and the commissioner must not require students to achieve a passing score on high school  
54.33 science assessments as a condition of receiving a high school diploma.

54.34 (d) The commissioner must ensure that for annual computer-adaptive assessments:

55.1 (1) individual student performance data and achievement reports are available  
55.2 within three school days of when students take an assessment except in a year when an  
55.3 assessment reflects new performance standards;

55.4 (2) growth information is available for each student from the student's first  
55.5 assessment to each proximate assessment using a constant measurement scale;

55.6 (3) parents, teachers, and school administrators are able to use elementary and  
55.7 middle school student performance data to project students' secondary and postsecondary  
55.8 achievement; and

55.9 (4) useful diagnostic information about areas of students' academic strengths and  
55.10 weaknesses is available to teachers and school administrators for improving student  
55.11 instruction and indicating the specific skills and concepts that should be introduced and  
55.12 developed for students at given performance levels, organized by strands within subject  
55.13 areas, and aligned to state academic standards.

55.14 ~~(b)~~ (e) The commissioner must ensure that all statewide state tests administered to  
55.15 elementary and secondary students measure students' academic knowledge and skills and  
55.16 not students' values, attitudes, and beliefs.

55.17 ~~(e)~~ (f) Reporting of state assessment results must:

55.18 (1) provide timely, useful, and understandable information on the performance of  
55.19 individual students, schools, school districts, and the state;

55.20 (2) include a ~~value-added~~ growth indicator of student achievement under section  
55.21 120B.35, subdivision 3, paragraph (b); and

55.22 ~~(3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine~~  
55.23 ~~whether students have met the state's basic skills requirements; and~~

55.24 ~~(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine~~  
55.25 ~~whether students have met the state's academic standards.~~

55.26 ~~(d)~~ (g) Consistent with applicable federal law ~~and subdivision 1, paragraph (d),~~  
55.27 ~~clause (1),~~ the commissioner must include appropriate, technically sound accommodations  
55.28 or alternative assessments for the very few students with disabilities for whom statewide  
55.29 assessments are inappropriate and for English learners.

55.30 ~~(e)~~ (h) A school, school district, and charter school must administer statewide  
55.31 assessments under this section, as the assessments become available, to evaluate student  
55.32 proficiency progress toward career and college readiness in the context of the state's grade  
55.33 level academic standards. ~~If a state assessment is not available, a school, school district,~~  
55.34 ~~and charter school must determine locally if a student has met the required academic~~  
55.35 ~~standards.~~ A school, school district, or charter school may use a student's performance  
55.36 on a statewide assessment as one of multiple criteria to determine grade promotion or

56.1 retention. A school, school district, or charter school may use a high school student's  
56.2 performance on a statewide assessment as a percentage of the student's final grade in a  
56.3 course, or place a student's assessment score on the student's transcript.

56.4 **EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and  
56.5 later except the requirements for using computer-adaptive mathematics and reading  
56.6 assessments for grades 3 through 7 apply in the 2015-2016 school year and later. Results  
56.7 related to career and college readiness benchmarks apply in the 2014-2015 school year  
56.8 and later.

56.9 Sec. 6. Minnesota Statutes 2012, section 120B.36, subdivision 1, is amended to read:

56.10 Subdivision 1. **School performance ~~report cards~~ reports.** (a) The commissioner  
56.11 shall report student academic performance under section 120B.35, subdivision 2; the  
56.12 percentages of students showing low, medium, and high growth under section 120B.35,  
56.13 subdivision 3, paragraph (b); school safety and student engagement and connection  
56.14 under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section  
56.15 120B.35, subdivision 3, paragraph (c); the percentage of students whose progress and  
56.16 performance levels are meeting career and college readiness benchmarks under section  
56.17 120B.30, subdivision 1; two separate student-to-teacher ratios that clearly indicate the  
56.18 definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of  
56.19 determining these ratios; staff characteristics excluding salaries; student enrollment  
56.20 demographics; district mobility; and extracurricular activities. The report also must  
56.21 indicate a school's adequate yearly progress status under applicable federal law, and must  
56.22 not set any designations applicable to high- and low-performing schools due solely to  
56.23 adequate yearly progress status.

56.24 (b) The commissioner shall develop, annually update, and post on the department  
56.25 Web site school performance ~~report cards~~ reports.

56.26 (c) The commissioner must make available performance ~~report cards~~ reports by the  
56.27 beginning of each school year.

56.28 (d) A school or district may appeal its adequate yearly progress status in writing to  
56.29 the commissioner within 30 days of receiving the notice of its status. The commissioner's  
56.30 decision to uphold or deny an appeal is final.

56.31 (e) School performance ~~report card~~ data are nonpublic data under section 13.02,  
56.32 subdivision 9, until the commissioner publicly releases the data. The commissioner shall  
56.33 annually post school performance ~~report cards~~ reports to the department's public Web  
56.34 site no later than September 1, except that in years when the ~~report card~~ reflects reports



57.1 reflect new performance standards, the commissioner shall post the school performance  
57.2 report cards reports no later than October 1.

57.3 **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and  
57.4 later.

57.5 Sec. 7. **CAREER PATHWAYS ADVISORY TASK FORCE.**

57.6 Subdivision 1. **Recommendations.** (a) A career pathways advisory task force  
57.7 is established to recommend to the Minnesota legislature, consistent with Minnesota  
57.8 Statutes, sections 120B.30, subdivision 1, and 120B.35, subdivision 3, how to structurally  
57.9 redesign secondary and postsecondary education to:

57.10 (1) improve secondary and postsecondary outcomes for students and adult learners;

57.11 (2) align secondary and postsecondary education programs serving students and  
57.12 adult learners;

57.13 (3) align secondary and postsecondary education programs and Minnesota's  
57.14 workforce needs; and

57.15 (4) measure and evaluate the combined efficacy of Minnesota's public kindergarten  
57.16 through grade 12 and postsecondary education programs.

57.17 (b) Advisory task force members, in preparing these recommendations, must  
57.18 seek the advice of education providers, employers, policy makers, and other interested  
57.19 stakeholders and must at least consider how to:

57.20 (1) better inform students about career options, occupational trends, and educational  
57.21 paths leading to viable and rewarding careers and reduce the gap between the demand for  
57.22 and preparation of a skilled Minnesota workforce;

57.23 (2) in consultation with a student's family, develop and periodically adapt, as  
57.24 needed, an education and work plan for each student aligned with the student's personal  
57.25 and professional interests, abilities, skills, and aspirations;

57.26 (3) improve monitoring of high school students' progress with targeted interventions  
57.27 and support and remove the need for remedial instruction;

57.28 (4) increase and accelerate opportunities for secondary school students to earn  
57.29 postsecondary credits leading to a certificate, industry license, or degree;

57.30 (5) better align high school courses and expectations and postsecondary  
57.31 credit-bearing courses;

57.32 (6) better align high school standards and assessments, postsecondary readiness  
57.33 measures and entrance requirements, and the expectations of Minnesota employers;

57.34 (7) increase the rates at which students complete a postsecondary certificate,  
57.35 industry license, or degree; and

58.1 (8) provide graduates of two-year and four-year postsecondary institutions with the  
58.2 foundational skills needed for civic engagement, ongoing employment, and continuous  
58.3 learning.

58.4 Subd. 2. **Membership.** The Career Pathways Advisory Task Force shall have 15  
58.5 members appointed by July 15, 2013, as follows:

58.6 (1) one member appointed by the Minnesota Association of Career and Technical  
58.7 Administrators;

58.8 (2) one member appointed by the Minnesota Association for Career and Technical  
58.9 Education;

58.10 (3) one member appointed by the University of Minnesota who is a faculty member  
58.11 working to develop career and technical educators in Minnesota;

58.12 (4) one member appointed by the Minnesota State Colleges and Universities who is  
58.13 a faculty member working to develop career and technical educators in Minnesota;

58.14 (5) one member appointed by the National Research Center for Career and Technical  
58.15 Education;

58.16 (6) one member appointed by the Minnesota Department of Education;

58.17 (7) one member appointed by the Minnesota Board of Teaching;

58.18 (8) one member appointed by the Minnesota Association of Colleges for Teacher  
58.19 Education;

58.20 (9) one member appointed by the Minnesota State Colleges and Universities from  
58.21 faculty for foundational skills and general education; and

58.22 (10) six members appointed by the commissioner of education who have expertise in  
58.23 any of the areas with which the task force has been charged in subdivision 1.

58.24 Subd. 3. **Terms.** Each member shall serve until the task force sunsets, unless  
58.25 replaced by their appointing authority.

58.26 Subd. 4. **First meeting; acting chair; chair.** The commissioner of education shall  
58.27 convene the first meeting by August 15, 2013, and shall act as chair until the task force  
58.28 elects a chair from among its members at the first meeting.

58.29 Subd. 5. **Compensation.** The task force members shall not be compensated and  
58.30 their expenses shall not be reimbursed.

58.31 Subd. 6. **Staff; technical assistance.** The commissioner of education, on request  
58.32 by the task force, will provide technical assistance and provide staff assistance sufficient  
58.33 for the task force to carry out its duties.

58.34 Subd. 7. **Report.** By February 15, 2014, the task force shall submit a written  
58.35 report describing its recommendations to the chairs and ranking minority members of the

59.1 legislative committees and divisions with primary jurisdiction over kindergarten through  
 59.2 grade 12 education.

59.3 Subd. 8. **Sunset.** The task force expires the day after the task force reports to the  
 59.4 legislature, or February 15, 2014, whichever is earlier.

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

59.6 Sec. 8. **APPROPRIATIONS.**

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

59.10 Subd. 2. **Statewide testing and reporting system.** For the statewide testing and  
 59.11 reporting system under Minnesota Statutes, section 120B.30:

59.12 \$ 16,518,000 ..... 2014

59.13 \$ 19,198,000 ..... 2015

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

59.15 Sec. 9. **REPEALER.**

59.16 Minnesota Rules, parts 3501.0010; 3501.0020; 3501.0030, subparts 1, 2, 3, 4, 5,  
 59.17 6, 7, 9, 10, 11, 12, 13, 14, 15, and 16; 3501.0040; 3501.0050; 3501.0060; 3501.0090;  
 59.18 3501.0100; 3501.0110; 3501.0120; 3501.0130; 3501.0140; 3501.0150; 3501.0160;  
 59.19 3501.0170; 3501.0180; 3501.0200; 3501.0210; 3501.0220; 3501.0230; 3501.0240;  
 59.20 3501.0250; 3501.0270; 3501.0280, subparts 1 and 2; 3501.0290; 3501.1000; 3501.1020;  
 59.21 3501.1030; 3501.1040; 3501.1050; 3501.1110; 3501.1120; 3501.1130; 3501.1140;  
 59.22 3501.1150; 3501.1160; 3501.1170; 3501.1180; and 3501.1190, are repealed effective the  
 59.23 day following final enactment.

### 59.24 **ARTICLE 3**

#### 59.25 **EDUCATION EXCELLENCE**

59.26 Section 1. Minnesota Statutes 2012, section 120A.22, subdivision 5, is amended to read:

59.27 Subd. 5. **Ages and terms.** (a) Every child between seven and ~~16~~ 17 years of age must  
 59.28 receive instruction unless the child has graduated. Every child under the age of seven who  
 59.29 is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days,  
 59.30 or other kindergarten programs shall receive instruction. Except as provided in subdivision  
 59.31 6, a parent may withdraw a child under the age of seven from enrollment at any time.

60.1 (b) A school district by annual board action may require children subject to this  
60.2 subdivision to receive instruction in summer school. A district that acts to require children  
60.3 to receive instruction in summer school shall establish at the time of its action the criteria  
60.4 for determining which children must receive instruction.

60.5 (c) A pupil 16 years of age or older who meets the criteria of section 124D.68,  
60.6 subdivision 2, may be assigned to an area learning center. Such assignment may be made  
60.7 only after consultation with the principal, area learning center director, and parent or  
60.8 guardian.

60.9 **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and  
60.10 later.

60.11 Sec. 2. Minnesota Statutes 2012, section 120A.22, subdivision 8, is amended to read:

60.12 Subd. 8. **Withdrawal from school.** Any student ~~between 16 and 18~~ who is 17 years  
60.13 old who seeks to withdraw from school, and the student's parent or guardian must:

60.14 (1) attend a meeting with school personnel to discuss the educational opportunities  
60.15 available to the student, including alternative educational opportunities; and

60.16 (2) sign a written election to withdraw from school.

60.17 Sec. 3. Minnesota Statutes 2012, section 120A.22, subdivision 11, is amended to read:

60.18 Subd. 11. **Assessment of performance.** (a) Each year the performance of every  
60.19 child ages seven through 16 and every child ages 16 through 17 for which an initial  
60.20 report was filed pursuant to section 120A.24, subdivision 1, after the child is 16 and who  
60.21 is not enrolled in a public school must be assessed using a nationally norm-referenced  
60.22 standardized achievement examination. The superintendent of the district in which the  
60.23 child receives instruction and the person in charge of the child's instruction must agree about  
60.24 the specific examination to be used and the administration and location of the examination.

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

60.29 (c) If the results of the assessments in paragraphs (a) and (b) indicate that the  
60.30 child's performance on the total battery score is at or below the 30th percentile or one  
60.31 grade level below the performance level for children of the same age, the parent must  
60.32 obtain additional evaluation of the child's abilities and performance for the purpose of  
60.33 determining whether the child has learning problems.

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

61.4 **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and  
61.5 later.

61.6 Sec. 4. Minnesota Statutes 2012, section 120A.22, subdivision 12, is amended to read:

61.7 Subd. 12. **Legitimate exemptions.** (a) A parent, guardian, or other person  
61.8 having control of a child may apply to a school district to have the child excused from  
61.9 attendance for the whole or any part of the time school is in session during any school  
61.10 year. Application may be made to any member of the board, a truant officer, a principal,  
61.11 or the superintendent. The school district may state in its school attendance policy that  
61.12 it may ask the student's parent or legal guardian to verify in writing the reason for  
61.13 the child's absence from school. A note from a physician or a licensed mental health  
61.14 professional stating that the child cannot attend school is a valid excuse. The board of the  
61.15 district in which the child resides may approve the application upon the following being  
61.16 demonstrated to the satisfaction of that board:

61.17 (1) that the child's physical or mental health is such as to prevent attendance at  
61.18 school or application to study for the period required, which includes:

- 61.19 (i) child illness, medical, dental, orthodontic, or counseling appointments;  
61.20 (ii) family emergencies;  
61.21 (iii) the death or serious illness or funeral of an immediate family member;  
61.22 (iv) active duty in any military branch of the United States;  
61.23 (v) the child has a condition that requires ongoing treatment for a mental health  
61.24 diagnosis; or

61.25 (vi) other exemptions included in the district's school attendance policy;

61.26 (2) that the child has already completed state and district standards required for  
61.27 graduation from high school; or

61.28 (3) that it is the wish of the parent, guardian, or other person having control of the  
61.29 child, that the child attend for a period or periods not exceeding in the aggregate three  
61.30 hours in any week, a school for religious instruction conducted and maintained by some  
61.31 church, or association of churches, or any Sunday school association incorporated under  
61.32 the laws of this state, or any auxiliary thereof. This school for religious instruction must  
61.33 be conducted and maintained in a place other than a public school building, and it must  
61.34 not, in whole or in part, be conducted and maintained at public expense. However, a child

62.1 may be absent from school on such days as the child attends upon instruction according to  
62.2 the ordinances of some church.

62.3 (b) A parent may withdraw their child from an all-day, every-day kindergarten  
62.4 program and put their child in a half-day program, if offered, or an alternate-day program  
62.5 without being truant. The school district must have a policy to accommodate a parent that  
62.6 wants another option when the district only offers all-day, every-day kindergarten.

62.7 Sec. 5. Minnesota Statutes 2012, section 120A.24, subdivision 1, is amended to read:

62.8 Subdivision 1. **Reports to superintendent.** (a) The person or nonpublic school in  
62.9 charge of providing instruction to a child must submit to the superintendent of the district  
62.10 in which the child resides the name, birth date, and address of the child; the annual tests  
62.11 intended to be used under section 120A.22, subdivision 11, if required; the name of each  
62.12 instructor; and evidence of compliance with one of the requirements specified in section  
62.13 120A.22, subdivision 10:

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

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

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

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

62.21 (b) The person or nonpublic school in charge of providing instruction to a child  
62.22 between the ages of seven and 16 and every child ages 16 through 17 for which an  
62.23 initial report was filed pursuant to this subdivision after the child is 16 must submit, by  
62.24 October 1 of each school year, a letter of intent to continue to provide instruction under  
62.25 this section for all students under the person's or school's supervision and any changes to  
62.26 the information required in paragraph (a) for each student.

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

62.30 **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and  
62.31 later.

62.32 Sec. 6. Minnesota Statutes 2012, section 122A.415, is amended by adding a  
62.33 subdivision to read:

63.1 Subd. 4. **Basic alternative teacher compensation aid.** (a) For fiscal year 2015  
63.2 and later, the basic alternative teacher compensation aid for a school with a plan approved  
63.3 under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher  
63.4 compensation revenue under subdivision 1. The basic alternative teacher compensation  
63.5 aid for an intermediate school district or charter school with a plan approved under section  
63.6 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times  
63.7 the number of pupils enrolled in the school on October 1 of the previous year, or on  
63.8 October 1 of the current year for a charter school in the first year of operation, times  
63.9 the ratio of the sum of the alternative teacher compensation aid and alternative teacher  
63.10 compensation levy for all participating school districts to the maximum alternative teacher  
63.11 compensation revenue for those districts under subdivision 1.

63.12 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative  
63.13 teacher compensation aid entitlement must not exceed \$75,636,000 for fiscal year 2015  
63.14 and later. The commissioner must limit the amount of alternative teacher compensation  
63.15 aid approved under this section so as not to exceed these limits.

63.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2015 and  
63.17 later.

63.18 Sec. 7. Minnesota Statutes 2012, section 122A.415, is amended by adding a  
63.19 subdivision to read:

63.20 Subd. 5. **Alternative teacher compensation levy.** For fiscal year 2015 and later,  
63.21 the alternative teacher compensation levy for a district receiving basic alternative teacher  
63.22 compensation aid equals the product of (1) the difference between the district's alternative  
63.23 teacher compensation revenue and the district's basic alternative teacher compensation  
63.24 aid, times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per  
63.25 adjusted pupil unit to \$6,742.

63.26 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2015 and  
63.27 later.

63.28 Sec. 8. Minnesota Statutes 2012, section 122A.415, is amended by adding a  
63.29 subdivision to read:

63.30 Subd. 6. **Alternative teacher compensation equalization aid.** (a) For fiscal year  
63.31 2015 and later, a district's alternative teacher compensation equalization aid equals the  
63.32 district's alternative teacher compensation revenue minus the district's basic alternative  
63.33 teacher compensation aid minus the district's alternative teacher compensation levy. If a

64.1 district does not levy the entire amount permitted, the alternative teacher compensation  
 64.2 equalization aid must be reduced in proportion to the actual amount levied.

64.3 (b) A district's alternative teacher compensation aid equals the sum of the  
 64.4 district's basic alternative teacher compensation aid and the district's alternative teacher  
 64.5 compensation equalization aid.

64.6 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2015 and  
 64.7 later.

64.8 Sec. 9. Minnesota Statutes 2012, section 124D.03, subdivision 12, is amended to read:

64.9 Subd. 12. **Termination of enrollment.** A district may terminate the enrollment  
 64.10 of a nonresident student enrolled under this section or section 124D.08 at the end of a  
 64.11 school year if the student meets the definition of a habitual truant under section 260C.007,  
 64.12 subdivision 19, the student has been provided appropriate services under chapter 260A,  
 64.13 and the student's case has been referred to juvenile court. A district may also terminate the  
 64.14 enrollment of a nonresident student over the age of ~~16~~ 17 enrolled under this section if the  
 64.15 student is absent without lawful excuse for one or more periods on 15 school days and has  
 64.16 not lawfully withdrawn from school under section 120A.22, subdivision 8.

64.17 **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and  
 64.18 later.

64.19 Sec. 10. Minnesota Statutes 2012, section 124D.128, subdivision 2, is amended to read:

64.20 Subd. 2. **Commissioner designation.** (a) A state-approved alternative program  
 64.21 designated by the state must be a site. A state-approved alternative program must provide  
 64.22 services to students who meet the criteria in section 124D.68 and who are enrolled in:

64.23 (1) a district that is served by the state-approved alternative program; or

64.24 (2) a charter school located within the geographic boundaries of a district that is  
 64.25 served by the state-approved alternative program.

64.26 ~~(b) A school district or charter school may be approved biennially by the state to~~  
 64.27 ~~provide additional instructional programming that results in grade level acceleration. The~~  
 64.28 ~~program must be designed so that students make grade progress during the school year~~  
 64.29 ~~and graduate prior to the students' peers.~~

64.30 ~~(e)~~ (b) To be designated, a ~~district, charter school, or state-approved alternative~~  
 64.31 ~~program must demonstrate to the commissioner that it will:~~

64.32 (1) provide a program of instruction that permits pupils to receive instruction  
 64.33 throughout the entire year; and



65.1 (2) develop and maintain a separate record system that, for purposes of section  
65.2 126C.05, permits identification of membership attributable to pupils participating in the  
65.3 program. The record system and identification must ensure that the program will not have  
65.4 the effect of increasing the total average daily membership attributable to an individual  
65.5 pupil as a result of a learning year program. The record system must include the date the  
65.6 pupil originally enrolled in a learning year program, the pupil's grade level, the date of  
65.7 each grade promotion, the average daily membership generated in each grade level, the  
65.8 number of credits or standards earned, and the number needed to graduate.

65.9 (d) (c) A student who has not completed a school district's graduation requirements  
65.10 may continue to enroll in courses the student must complete in order to graduate until  
65.11 the student satisfies the district's graduation requirements or the student is 21 years old,  
65.12 whichever comes first.

65.13 Sec. 11. Minnesota Statutes 2012, section 124D.42, is amended to read:

65.14 **124D.42 READING AND MATH CORPS.**

65.15 Subd. 6. **Program training.** The commission must, within available resources:

65.16 (1) orient each grantee organization in the nature, philosophy, and purpose of the  
65.17 program;

65.18 (2) build an ethic of community service through general community service training;  
65.19 and

65.20 (3) provide guidance on integrating programmatic-based measurement into program  
65.21 models.

65.22 Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps  
65.23 program is established to provide ServeMinnesota ~~Innovation~~ AmeriCorps members with  
65.24 a data-based problem-solving model of literacy instruction to use in helping to train local  
65.25 Head Start program providers, other prekindergarten program providers, and staff in  
65.26 schools with students in kindergarten through grade 3 to evaluate and teach early literacy  
65.27 skills, including comprehensive, scientifically based reading instruction under section  
65.28 122A.06, subdivision 4, to children age 3 to grade 3.

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

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

66.1 Subd. 9. Minnesota math corps program. (a) A Minnesota math corps program is  
 66.2 established to give ServeMinnesota AmeriCorps members a data-based problem-solving  
 66.3 model of mathematics instruction useful for providing elementary and middle school  
 66.4 students and their teachers with instructional support to meet state academic standards in  
 66.5 mathematics.

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

66.9 EFFECTIVE DATE. This section is effective July 1, 2013.

66.10 Sec. 12. Minnesota Statutes 2012, section 124D.4531, is amended to read:

66.11 **124D.4531 CAREER AND TECHNICAL LEVY REVENUE.**

66.12 Subdivision 1. **Career and technical levy revenue.** (a) A district with a career and  
 66.13 technical program approved under this section for the fiscal year in which the levy is  
 66.14 certified ~~may levy an amount~~ is eligible for career and technical revenue equal to 35 percent  
 66.15 of approved expenditures in the fiscal year in which the levy is certified for the following:

66.16 (1) salaries paid to essential, licensed personnel providing direct instructional  
 66.17 services to students in that fiscal year, including extended contracts, for services rendered  
 66.18 in the district's approved career and technical education programs, excluding salaries  
 66.19 reimbursed by another school district under clause (2);

66.20 (2) amounts paid to another Minnesota school district for salaries of essential,  
 66.21 licensed personnel providing direct instructional services to students in that fiscal year for  
 66.22 services rendered in the district's approved career and technical education programs;

66.23 (2) (3) contracted services provided by a public or private agency other than a  
 66.24 Minnesota school district or cooperative center under subdivision 7;

66.25 (3) (4) necessary travel between instructional sites by licensed career and technical  
 66.26 education personnel;

66.27 (4) (5) necessary travel by licensed career and technical education personnel for  
 66.28 vocational student organization activities held within the state for instructional purposes;

66.29 (5) (6) curriculum development activities that are part of a five-year plan for  
 66.30 improvement based on program assessment;

66.31 (6) (7) necessary travel by licensed career and technical education personnel for  
 66.32 noncollegiate credit-bearing professional development; and

66.33 (7) (8) specialized vocational instructional supplies.

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

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

67.7 (d) The amount of the ~~levy certified~~ revenue calculated under this subdivision may  
67.8 not exceed \$17,850,000 for taxes payable in 2012, \$15,520,000 for taxes payable in 2013,  
67.9 and ~~\$15,393,000~~ \$24,224,000 for taxes payable in 2014.

67.10 (e) If the estimated levy revenue exceeds the amount in paragraph (d), the  
67.11 commissioner must reduce the percentage in paragraph (a), clause (2), until the estimated  
67.12 levy revenue no longer exceeds the limit in paragraph (d).

67.13 Subd. 1a. Career and technical levy. (a) For fiscal year 2014 only, a district may  
67.14 levy an amount not more than the product of its career and technical revenue times the  
67.15 lesser of one or the ratio of its adjusted net tax capacity per adjusted marginal cost pupil  
67.16 unit in the fiscal year in which the levy is certified to the career and technical revenue  
67.17 equalizing factor. The career and technical revenue equalizing factor for fiscal year 2014  
67.18 equals \$9,497.

67.19 (b) For fiscal year 2015 and later, a district may levy an amount not more than  
67.20 the product of its career and technical revenue times the lesser of one or the ratio of its  
67.21 adjusted net tax capacity per adjusted pupil unit in the fiscal year in which the levy is  
67.22 certified to the career and technical revenue equalizing factor. The career and technical  
67.23 revenue equalizing factor for fiscal year 2015 and later equals \$10,058.

67.24 Subd. 1b. Career and technical aid. For fiscal year 2014 and later, a district's  
67.25 career and technical aid equals its career and technical revenue less its career and technical  
67.26 levy. If the district levy is less than the permitted levy, the district's career and technical  
67.27 aid shall be reduced proportionately.

67.28 **Subd. 2. Allocation from cooperative centers and intermediate districts.** For  
67.29 purposes of this section, a cooperative center or an intermediate district must allocate its  
67.30 approved expenditures for career and technical education programs among participating  
67.31 districts.

67.32 **Subd. 3. Levy Revenue guarantee.** Notwithstanding subdivision 1, paragraph (a),  
67.33 the career and technical education levy revenue for a district is not less than the lesser of:

67.34 (1) the district's career and technical education levy authority revenue for the  
67.35 previous fiscal year; or

68.1 (2) 100 percent of the approved expenditures for career and technical programs  
68.2 included in subdivision 1, paragraph (b), for the fiscal year in which the levy is certified.

68.3 Subd. 3a. ~~Levy, pay 2012-2014~~ **Revenue adjustments.** Notwithstanding  
68.4 subdivisions 1, 1a, and 3, for taxes payable in 2012 to 2014 only, the department must  
68.5 calculate the career and technical ~~levy authority~~ revenue for each district according to  
68.6 Minnesota Statutes 2010, section 124D.4531, and adjust the ~~levy authority~~ revenue for  
68.7 each district proportionately to meet the statewide levy revenue target under subdivision 1,  
68.8 paragraph (d). For purposes of calculating the levy revenue guarantee under subdivision  
68.9 3, the career and technical education ~~levy authority~~ revenue for the previous fiscal year  
68.10 is the ~~levy authority~~ revenue according to Minnesota Statutes 2010, section 124D.4531,  
68.11 before adjustments to meet the statewide levy revenue target.

68.12 Subd. 4. **District reports.** Each district or cooperative center must report data to the  
68.13 department for all career and technical education programs as required by the department  
68.14 to implement the career and technical levy revenue formula.

68.15 Subd. 5. **Allocation from districts participating in agreements for secondary**  
68.16 **education or interdistrict cooperation.** For purposes of this section, a district with a  
68.17 career and technical program approved under this section that participates in an agreement  
68.18 under section 123A.30 or 123A.32 must allocate its levy revenue authority under this  
68.19 section among participating districts.

68.20 **EFFECTIVE DATE.** This section is effective for fiscal year 2014 and later.

68.21 Sec. 13. Minnesota Statutes 2012, section 124D.65, subdivision 5, is amended to read:

68.22 Subd. 5. **School district EL revenue.** (a) A district's English learner programs  
68.23 revenue equals the product of (1) ~~\$700 in fiscal year 2004 and later~~ \$705 times (2) the  
68.24 greater of 20 or the adjusted ~~marginal cost~~ average daily membership of eligible English  
68.25 learners enrolled in the district during the current fiscal year.

68.26 (b) A pupil ceases to generate state English learner aid in the school year following  
68.27 the school year in which the pupil attains the state cutoff score on a commissioner-provided  
68.28 assessment that measures the pupil's emerging academic English.

68.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
68.30 and later.

68.31 Sec. 14. **[124D.861] ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.**

68.32 **Subdivision 1. Program to close the academic achievement and opportunity**  
68.33 **gap.** The "Achievement and Integration for Minnesota" program is established to

69.1 promote diversity, pursue racial and economic integration, and increase student academic  
69.2 achievement and equitable educational opportunities in Minnesota public schools. The  
69.3 program must serve students of varying racial, ethnic, and economic backgrounds, taking  
69.4 into account unique geographic and demographic particularities affecting students,  
69.5 schools, and districts including race, neighborhood locations and characteristics, grades,  
69.6 socioeconomic status, academic performance, and language barriers. Eligible districts  
69.7 must use the revenue under section 124D.862 to pursue racial and economic integration in  
69.8 schools through: (1) in-school educational practices and integrated learning environments  
69.9 created to prepare all students to be effective citizens, enhance social cohesion, and  
69.10 reinforce democratic values; and (2) corresponding and meaningful policies and curricula  
69.11 and trained instructors, administrators, school counselors, and other advocates who support  
69.12 and enhance in-school practices and integrated learning environments under this section.  
69.13 In-school practices and integrated learning environments must promote increased student  
69.14 academic achievement, cultural fluency, cross-cultural interactivities, communication and  
69.15 pedagogy, graduation and educational attainment rates, and parent involvement.

69.16 Subd. 2. **Plan components.** (a) The school board of each eligible district must  
69.17 formally develop and implement a long-term comprehensive plan that identifies the  
69.18 collaborative structures and systems, in-school strategies, inclusive best educational  
69.19 practices, and partnerships with higher education institutions and industries required  
69.20 to effect this section and increase the academic achievement of all students. Plan  
69.21 components may include: innovative and integrated prekindergarten through grade 12  
69.22 learning environments that offer students school enrollment choices; family engagement  
69.23 initiatives that involve families in their students' academic life and success; professional  
69.24 development opportunities for teachers and administrators focused on improving the  
69.25 academic achievement of all students; increased programmatic opportunities focused  
69.26 on rigor and college and career readiness for underserved students, including students  
69.27 enrolled in alternative learning centers under section 123A.05, public alternative programs  
69.28 under section 126C.05, subdivision 15, or contract alternative programs under section  
69.29 124D.69, among other underserved students; or recruitment and retention of teachers and  
69.30 administrators with diverse backgrounds. The plan must specify district and school goals  
69.31 for reducing the disparity in academic achievement among all racial and ethnic categories of  
69.32 students and promoting racial and economic integration in schools and districts over time.

69.33 (b) Among other requirements, an eligible district must implement a cost-effective,  
69.34 research-based intervention that includes formative assessment practices to reduce the  
69.35 disparity in student academic achievement between the highest and lowest performing

70.1 racial and ethnic categories of students as measured by student demonstration of  
70.2 proficiency on state reading and math assessments.

70.3 (c) Eligible districts must collaborate in creating efficiencies and eliminating the  
70.4 duplication of programs and services under this section, which may include forming a  
70.5 single, seven-county metropolitan areawide partnership of eligible districts for this purpose.

70.6 Subd. 3. **Biennial progress; budget process.** (a) To receive revenue under section  
70.7 124D.862, the school board of an eligible district must hold at least one formal hearing by  
70.8 March 1 in the year preceding the current biennium to report to the public its progress in  
70.9 realizing the goals identified in its plan. At the hearing, the board must provide the public  
70.10 with longitudinal data demonstrating district and school progress in reducing the disparity  
70.11 in student academic achievement among all racial and ethnic categories of students and  
70.12 realizing racial and economic integration, consistent with its plan and the measures in  
70.13 paragraph (b). The district also must submit to the commissioner by March 1 in the year  
70.14 preceding the current biennium a detailed biennial budget for continuing to implement  
70.15 its plan and the commissioner must review and approve or disapprove the budget by  
70.16 June 1 of that year.

70.17 (b) The longitudinal data required under paragraph (a) must be based on student  
70.18 growth and progress toward proficiency in reading, mathematics, and writing, as defined  
70.19 under section 120B.299, and one or more of the following measures:

70.20 (1) the number of world language proficiency or high achievement certificates  
70.21 awarded under section 120B.022, subdivision 1, paragraphs (b) and (c);

70.22 (2) adequate yearly progress under section 120B.35, subdivision 2;

70.23 (3) preparation for postsecondary academic and career opportunities under section  
70.24 120B.35, subdivision 3, paragraph (c), clause (1);

70.25 (4) rigorous coursework completed under section 120B.35, subdivision 3, paragraph  
70.26 (c), clause (2); or

70.27 (5) school safety and students' engagement and connection at school under section  
70.28 120B.35, subdivision 3, paragraph (d).

70.29 Subd. 4. **Evaluation.** The commissioner must evaluate the efficacy of district  
70.30 plans in reducing the disparity in student academic achievement among all racial and  
70.31 ethnic categories of students and realizing racial and economic integration and report the  
70.32 commissioner's findings to the kindergarten through grade 12 education committees of the  
70.33 legislature by February 1 every fourth year beginning February 1, 2017.

70.34 **EFFECTIVE DATE.** This section is effective for fiscal year 2014 and later.

70.35 Sec. 15. **[124D.862] ACHIEVEMENT AND INTEGRATION REVENUE.**

71.1 Subdivision 1. **Eligibility.** A school district is eligible for achievement and  
71.2 integration revenue under this section if the district has a biennial achievement and  
71.3 integration plan approved by the department under section 124D.861. Priority for funding  
71.4 must be given to eligible school districts that include methods that have been effective in  
71.5 reducing disparities in student achievement in the district's biennial plan.

71.6 Subd. 2. **Achievement and integration revenue.** (a) For fiscal year 2014, initial  
71.7 achievement and integration revenue for an eligible district equals the lesser of the  
71.8 district's expenditure for the fiscal year under its budget according to subdivision 1a or the  
71.9 greater of: (1) 90 percent of the district's integration revenue for fiscal year 2013 under  
71.10 Minnesota Statutes 2012, section 124D.86, or (2) the sum of: (i) \$361 times the district's  
71.11 adjusted pupil units for the prior fiscal year computed using the pupil unit weights effective  
71.12 under section 126C.05 for fiscal year 2015 and later, times the district's enrollment of  
71.13 protected students as a percent of its total enrollment on October 1 of the prior fiscal year,  
71.14 plus (ii) \$100 times the district's adjusted pupil units for the prior fiscal year computed  
71.15 using the pupil unit weights effective under section 126C.05 for fiscal year 2015 and later  
71.16 times the district's enrollment of protected students as a percent of its total enrollment on  
71.17 October 1 of the prior fiscal year times the district's focus rating for the prior fiscal year  
71.18 under Minnesota's 2012 Elementary and Secondary Education Act flexibility request.

71.19 (b) For fiscal year 2015 and later, initial achievement and integration revenue for  
71.20 an eligible district equals the lesser of the district's expenditure for the fiscal year under  
71.21 its budget according to subdivision 1a or the greater of: (1) 63 percent of the district's  
71.22 integration revenue for fiscal year 2013 under Minnesota Statutes 2012, section 124D.86,  
71.23 or (2) the sum of: (i) \$253 times the district's adjusted pupil units for the prior fiscal year  
71.24 computed using the pupil unit weights effective under section 126C.05 for fiscal year 2015  
71.25 and later, times the district's enrollment of protected students as a percent of its total  
71.26 enrollment on October 1 of the prior fiscal year, plus (ii) \$70 times the district's adjusted  
71.27 pupil units for the prior fiscal year computed using the pupil unit weights effective under  
71.28 section 126C.05 for fiscal year 2015 and later, times the district's enrollment of protected  
71.29 students as a percent of its total enrollment on October 1 of the prior fiscal year times the  
71.30 district's focus rating for the prior fiscal year under Minnesota's 2012 Elementary and  
71.31 Secondary Education Act flexibility request.

71.32 (c) In each year, .02 percent of each district's initial achievement and integration  
71.33 revenue is transferred to the Department of Education for the oversight and accountability  
71.34 activities required under this section and section 124D.861.

71.35 (d) A district that did not meet its achievement goals established in section 124D.861  
71.36 for the previous biennium must report to the commissioner the reasons why the goals were

72.1 not met. The district must submit a two-year improvement plan to achieve the unmet goals  
72.2 from its achievement and integration plan. A district that does not meet its goals in the  
72.3 improvement plan must have its initial achievement and integration revenue reduced by  
72.4 20 percent for the current year.

72.5 (e) Any revenue saved by the reductions in paragraph (d) must be proportionately  
72.6 reallocated on a per adjusted pupil unit basis to all districts that met their achievement  
72.7 goals in the previous biennium.

72.8 Subd. 3. **Achievement and integration aid.** A district's achievement and  
72.9 integration aid for fiscal year 2014 equals the difference between the district's achievement  
72.10 and integration revenue and its achievement and integration levy. A district's achievement  
72.11 and integration aid for fiscal year 2015 and later equals the district's achievement and  
72.12 integration revenue.

72.13 Subd. 4. **Achievement and integration levy.** For fiscal year 2014 only, a district's  
72.14 achievement and integration levy equals the amount the district was authorized to levy  
72.15 under Laws 2011, First Special Session chapter 11, article 2, section 49, paragraph (f).

72.16 Subd. 5. **Revenue reserved.** Integration revenue received under this section must  
72.17 be reserved and used only for the programs authorized in subdivision 6.

72.18 Subd. 6. **Revenue uses.** At least 80 percent of a district's achievement and  
72.19 integration revenue received under this section must be used for innovative and integrated  
72.20 learning environments, family engagement activities, and other approved programs  
72.21 providing direct services to students. Up to 20 percent of the revenue may be used for  
72.22 professional development and staff development activities, and not more than ten percent  
72.23 of this share of the revenue may be used for administrative expenditures.

72.24 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014  
72.25 and later.

72.26 Sec. 16. Minnesota Statutes 2012, section 260C.007, subdivision 19, is amended to read:

72.27 Subd. 19. **Habitual truant.** "Habitual truant" means a child under the age of ~~16~~ 17  
72.28 years who is absent from attendance at school without lawful excuse for seven school days  
72.29 per school year if the child is in elementary school or for one or more class periods on  
72.30 seven school days per school year if the child is in middle school, junior high school, or  
72.31 high school; or a child who is ~~16 or~~ 17 years of age who is absent from attendance at school  
72.32 without lawful excuse for one or more class periods on seven school days per school year  
72.33 and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.



73.1 **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and  
73.2 later.

73.3 Sec. 17. Laws 2011, First Special Session chapter 11, article 2, section 13, the effective  
73.4 date, is amended to read:

73.5 **EFFECTIVE DATE.** This section is effective the day following final enactment  
73.6 and applies beginning in the ~~2014-2015~~ 2015-2016 school year and later.

73.7 Sec. 18. Laws 2011, First Special Session chapter 11, article 2, section 14, the effective  
73.8 date, is amended to read:

73.9 **EFFECTIVE DATE.** This section is effective the day following final enactment  
73.10 and applies beginning in the ~~2014-2015~~ 2015-2016 school year and later.

73.11 Sec. 19. Laws 2011, First Special Session chapter 11, article 2, section 18, the effective  
73.12 date, is amended to read:

73.13 **EFFECTIVE DATE.** This section is effective the day following final enactment  
73.14 and applies beginning in the ~~2014-2015~~ 2015-2016 school year and later.

73.15 Sec. 20. Laws 2011, First Special Session chapter 11, article 2, section 19, the effective  
73.16 date, is amended to read:

73.17 **EFFECTIVE DATE.** This section is effective the day following final enactment  
73.18 and applies beginning in the ~~2014-2015~~ 2015-2016 school year and later.

73.19 Sec. 21. **SUCCESS FOR THE FUTURE GRANT APPLICATIONS.**

73.20 A school district may receive a success for the future grant if the school district's  
73.21 grant application was postmarked on or before the Department of Education's deadline  
73.22 date for application.

73.23 Sec. 22. **APPROPRIATIONS.**

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

74.1 Subd. 2. **Integration aid.** For integration aid under Minnesota Statutes, section  
 74.2 124D.86, and Minnesota Statutes, section 124D.862:

74.3 \$ 75,390,000 ..... 2014

74.4 \$ 68,568,000 ..... 2015

74.5 The 2014 appropriation includes \$17,197,000 for 2013 and \$58,193,000 for 2014.

74.6 The 2015 appropriation includes \$9,869,000 for 2014 and \$58,699,000 for 2015.

74.7 Subd. 3. **Literacy incentive aid.** For literacy incentive aid under Minnesota  
 74.8 Statutes, section 124D.98:

74.9 \$ 52,035,000 ..... 2014

74.10 \$ 53,812,000 ..... 2015

74.11 The 2014 appropriation includes \$6,607,000 for 2013 and \$45,428,000 for 2014.

74.12 The 2015 appropriation includes \$7,704,000 for 2014 and \$46,108,000 for 2015.

74.13 Subd. 4. **Interdistrict desegregation or integration transportation grants.** For  
 74.14 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
 74.15 section 124D.87:

74.16 \$ 13,968,000 ..... 2014

74.17 \$ 14,712,000 ..... 2015

74.18 Subd. 5. **Success for the future.** For American Indian success for the future grants  
 74.19 under Minnesota Statutes, section 124D.81:

74.20 \$ 2,118,000 ..... 2014

74.21 \$ 2,137,000 ..... 2015

74.22 The 2014 appropriation includes \$290,000 for 2013 and \$1,828,000 for 2014.

74.23 The 2015 appropriation includes \$309,000 for 2014 and \$1,828,000 for 2015.

74.24 Subd. 6. **American Indian teacher preparation grants.** For joint grants to assist  
 74.25 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

74.26 \$ 190,000 ..... 2014

74.27 \$ 190,000 ..... 2015

74.28 Subd. 7. **Tribal contract schools.** For tribal contract school aid under Minnesota  
 74.29 Statutes, section 124D.83:

74.30 \$ 2,052,000 ..... 2014

74.31 \$ 2,190,000 ..... 2015

74.32 The 2014 appropriation includes \$266,000 for 2013 and \$1,786,000 for 2014.

74.33 The 2015 appropriation includes \$303,000 for 2014 and \$1,887,000 for 2015.

75.1 Subd. 8. **Early childhood programs at tribal schools.** For early childhood family  
 75.2 education programs at tribal contract schools under Minnesota Statutes, section 124D.83,  
 75.3 subdivision 4:

75.4 \$ 68,000 ..... 2014  
 75.5 \$ 68,000 ..... 2015

75.6 Subd. 9. **Examination fees; teacher training and support programs.** (a) For  
 75.7 students' advanced placement and international baccalaureate examination fees under  
 75.8 Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs  
 75.9 for teachers and other interested educators under Minnesota Statutes, section 120B.13,  
 75.10 subdivision 1:

75.11 \$ 4,500,000 ..... 2014  
 75.12 \$ 4,500,000 ..... 2015

75.13 (b) The advanced placement program shall receive 75 percent of the appropriation  
 75.14 each year and the international baccalaureate program shall receive 25 percent of the  
 75.15 appropriation each year. The department, in consultation with representatives of the  
 75.16 advanced placement and international baccalaureate programs selected by the Advanced  
 75.17 Placement Advisory Council and the Minnesota Association of IB World Schools,  
 75.18 respectively, shall determine the amounts of the expenditures each year for examination  
 75.19 fees and training and support programs for each program.

75.20 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least  
 75.21 \$500,000 each year is for teachers to attend subject matter summer training programs  
 75.22 and follow-up support workshops approved by the advanced placement or international  
 75.23 baccalaureate programs. The amount of the subsidy for each teacher attending an  
 75.24 advanced placement or international baccalaureate summer training program or workshop  
 75.25 shall be the same. The commissioner shall determine the payment process and the amount  
 75.26 of the subsidy.

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

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

75.32 Subd. 10. **Concurrent enrollment program.** For concurrent enrollment programs  
 75.33 under Minnesota Statutes, section 124D.091:

75.34 \$ 2,000,000 ..... 2014  
 75.35 \$ 2,000,000 ..... 2015

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

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

76.4 Subd. 11. Collaborative urban educator. For the collaborative urban educator  
 76.5 grant program:

76.6 \$ 528,000 ..... 2014

76.7 \$ 528,000 ..... 2015

76.8 \$200,000 each year is for the Southeast Asian teacher program at Concordia  
 76.9 University, St. Paul; \$164,000 each year is for the collaborative educator program at  
 76.10 the University of St. Thomas; and \$164,000 each year is for the Center for Excellence  
 76.11 in Urban Teaching at Hamline University.

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

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

76.16 Subd. 12. ServeMinnesota program. For funding ServeMinnesota programs under  
 76.17 Minnesota Statutes, sections 124D.37 to 124D.45:

76.18 \$ 900,000 ..... 2014

76.19 \$ 900,000 ..... 2015

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

76.23 Subd. 13. Student organizations. For student organizations:

76.24 \$ 725,000 ..... 2014

76.25 \$ 725,000 ..... 2015

76.26 \$46,000 each year is for student organizations serving health occupations (HOSA).

76.27 \$43,000 each year is for student organizations serving service occupations (HERO).

76.28 \$100,000 each year is for student organizations serving trade and industry  
 76.29 occupations (Skills USA, secondary and postsecondary).

76.30 \$95,000 each year is for student organizations serving business occupations (BPA,  
 76.31 secondary and postsecondary).

76.32 \$150,000 each year is for student organizations serving agriculture occupations  
 76.33 (FFA, PAS).

77.1 \$142,000 each year is for student organizations serving family and consumer science  
 77.2 occupations (FCCLA).

77.3 \$109,000 each year is for student organizations serving marketing occupations  
 77.4 (DECA and DECA collegiate).

77.5 \$40,000 each year is for the Minnesota Foundation for Student Organizations.

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

77.7 Subd. 14. **Early childhood literacy programs.** For early childhood literacy  
 77.8 programs under Minnesota Statutes, section 119A.50, subdivision 3:

77.9 \$ 4,875,000 ..... 2014

77.10 \$ 4,875,000 ..... 2015

77.11 Up to \$4,875,000 each year is for leveraging federal and private funding to support  
 77.12 AmeriCorps members serving in the Minnesota Reading Corps program established by  
 77.13 ServeMinnesota, including costs associated with the training and teaching of early literacy  
 77.14 skills to children age three to grade 3 and the evaluation of the impact of the program  
 77.15 under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

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

77.17 Subd. 15. **Minnesota math corps program.** For the Minnesota math corps program  
 77.18 under Minnesota Statutes, section 124D.42, subdivision 9.

77.19 \$ 750,000 ..... 2014

77.20 \$ 750,000 ..... 2015

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

77.23 Subd. 16. **Alternative compensation.** For alternative teacher compensation aid  
 77.24 under Minnesota Statutes, section 122A.415, subdivision 4:

77.25 \$ 59,711,000 ..... 2015

77.26 The 2015 appropriation includes \$0 for 2014 and \$59,711,000 for 2015.

77.27 Subd. 17. **Teacher development and evaluation pilot grant program.** For  
 77.28 grants to school districts to participate in the teacher development and evaluation pilot  
 77.29 grant program:

77.30 \$ 683,000 ..... 2014

77.31 This is a onetime appropriation.

77.32 Subd. 18. **Career and technical aid.** For career and technical aid under Minnesota  
 77.33 Statutes, section 124D.4531, subdivision 1b:

78.1 \$ 7,551,000 ..... 2014

78.2 \$ 8,798,000 ..... 2015

78.3 The 2014 appropriation includes \$0 for 2014 and \$7,551,000 for 2015.

78.4 The 2015 appropriation includes \$1,280,000 for 2014 and \$7,518,000 for 2015.

78.5 **ARTICLE 4**

78.6 **CHARTER SCHOOLS**

78.7 Section 1. Minnesota Statutes 2012, section 124D.10, subdivision 14, is amended to  
78.8 read:

78.9 Subd. 14. **Annual public reports.** (a) A charter school must publish an annual report  
78.10 approved by the board of directors. The annual report must at least include information  
78.11 on school enrollment, student attrition, governance and management, staffing, finances,  
78.12 academic performance, operational performance, innovative practices and implementation,  
78.13 and future plans. A charter school must distribute the annual report by publication, mail,  
78.14 or electronic means to the commissioner, authorizer, school employees, and parents and  
78.15 legal guardians of students enrolled in the charter school and must also post the report on  
78.16 the charter school's official Web site. The reports are public data under chapter 13.

78.17 (b) An authorizer must annually compile the individual reports of all schools it  
78.18 charters and that are published in accordance with paragraph (a), and submit a portfolio  
78.19 report to the commissioner in the form and manner determined by the commissioner and  
78.20 to the public. An authorizer's annual portfolio report must include:

78.21 (1) the academic and financial performance of all operating charter schools overseen  
78.22 by the authorizer;

78.23 (2) the status of the authorizer's charter school portfolio, identifying all charter  
78.24 schools in each of the following categories: approved, but not open; open and operating;  
78.25 and closed, including the year closed and reason for closure;

78.26 (3) the authorizing function provided by the authorizer to the charter schools within  
78.27 its portfolio, including the authorizer's financial plan that is submitted to the commissioner  
78.28 under this section; and

78.29 (4) the process for overseeing and evaluating all charter schools it authorizes to  
78.30 ensure compliance with all statutory and contractual obligations to increase students'  
78.31 academic performance and achievement.

78.32 Sec. 2. Minnesota Statutes 2012, section 124D.10, subdivision 23a, is amended to read:

79.1 Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from  
 79.2 entering a lease of real property with a related party unless the lessor is a school district, a  
 79.3 nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the  
 79.4 lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

79.5 (b) For purposes of this section and section 124D.11:

79.6 (1) "related party" means an affiliate or immediate relative of the other party in  
 79.7 question, an affiliate of an immediate relative, or an immediate relative of an affiliate;

79.8 (2) "affiliate" means a person that directly or indirectly, through one or more  
 79.9 intermediaries, controls, is controlled by, or is under common control with another person;

79.10 (3) "immediate family" means an individual whose relationship by blood, marriage,  
 79.11 adoption, or partnering is no more remote than first cousin;

79.12 (4) "person" means an individual or entity of any kind; and

79.13 (5) "control" means the ability to affect the management, operations, or policy  
 79.14 actions or decisions of a person, whether through ownership of voting securities, by  
 79.15 contract, or otherwise.

79.16 (c) A lease of real property to be used for a charter school, not excluded in paragraph  
 79.17 (a), must contain the following statement: "This lease is subject to Minnesota Statutes,  
 79.18 section 124D.10, subdivision 23a."

79.19 (d) If a charter school enters into as lessee a lease with a related party and the  
 79.20 charter school subsequently closes, the commissioner has the right to recover from the  
 79.21 lessor any lease payments in excess of those that are reasonable under section 124D.11,  
 79.22 subdivision 4, clause (1).

79.23 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2013  
 79.24 and later.

79.25 Sec. 3. Minnesota Statutes 2012, section 124D.11, subdivision 1, is amended to read:

79.26 Subdivision 1. **General education revenue.** (a) General education revenue must  
 79.27 be paid to a charter school as though it were a district. The general education revenue  
 79.28 for each adjusted ~~marginal cost~~ pupil unit is the state average general education revenue  
 79.29 per pupil unit, plus the referendum equalization aid allowance in the pupil's district of  
 79.30 residence, minus an amount equal to the product of the formula allowance according to  
 79.31 section 126C.10, subdivision 2, times ~~.0485~~ .0465, calculated without basic skills revenue,  
 79.32 extended time revenue, ~~alternative teacher compensation revenue~~, equity revenue, teacher  
 79.33 development and evaluation revenue, pension adjustment revenue, transition revenue, and  
 79.34 transportation sparsity revenue, plus basic skills revenue, extended time revenue, ~~basic~~  
 79.35 ~~alternative teacher compensation aid according to section 126C.10, subdivision 34~~, equity

80.1 revenue, pension adjustment revenue, and transition revenue as though the school were a  
80.2 school district. The general education revenue for each extended time marginal-cost  
80.3 pupil unit equals \$4,378 \$4,722.

80.4 ~~(b) Notwithstanding paragraph (a), for charter schools in the first year of operation,~~  
80.5 ~~general education revenue shall be computed using the number of adjusted pupil units~~  
80.6 ~~in the current fiscal year.~~

80.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
80.8 and later.

80.9 Sec. 4. Minnesota Statutes 2012, section 124D.11, subdivision 2, is amended to read:

80.10 Subd. 2. **Transportation revenue.** Transportation revenue must be paid to a charter  
80.11 school that provides transportation services according to section 124D.10, subdivision 16,  
80.12 according to this subdivision. Transportation aid shall equal transportation revenue.

80.13 In addition to the revenue under subdivision 1, a charter school providing  
80.14 transportation services must receive general education aid equal to the sum of the product  
80.15 of (i) an amount equal to the product of the formula allowance according to section  
80.16 126C.10, subdivision 2, times ~~.0485~~ .0465, plus the transportation sparsity allowance for  
80.17 the school district in which the charter school is located times (ii) the adjusted ~~marginal~~  
80.18 ~~cost~~ pupil units, plus the product of \$223 times the extended time ~~marginal-cost~~ pupil units.

80.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
80.20 and later.

80.21 Sec. 5. Minnesota Statutes 2012, section 124D.11, subdivision 4, is amended to read:

80.22 Subd. 4. **Building lease aid.** (a) When a charter school finds it economically  
80.23 advantageous to rent or lease a building or land for any instructional purposes and it  
80.24 determines that the total operating capital revenue under section 126C.10, subdivision  
80.25 13, is insufficient for this purpose, it may apply to the commissioner for building lease  
80.26 aid for this purpose. The commissioner must review the lease as provided in section  
80.27 124D.10, subdivision 17, and either approve or deny a lease aid application using the  
80.28 following criteria:

- 80.29 (1) the reasonableness of the price based on current market values;
- 80.30 (2) the extent to which the lease conforms to applicable state laws and rules; and
- 80.31 (3) the appropriateness of the proposed lease in the context of the space needs and  
80.32 financial circumstances of the charter school.



81.1 A charter school must not use the building lease aid it receives for custodial, maintenance  
 81.2 service, utility, or other operating costs.

81.3 (b) The amount of annual building lease aid per pupil unit served for a charter school  
 81.4 for any year leasing a building from any private, nonprofit, nonsectarian organization; any  
 81.5 private property owner or any sectarian organization; or an affiliated building corporation,  
 81.6 school district, or other governmental entity on which debt or capital lease obligations  
 81.7 remain based on original issuance for building purchase, construction, or renovation shall  
 81.8 not exceed the lesser of (a) (1) 90 percent of the approved cost or (b) (2) the product of the  
 81.9 pupil units served for the current school year times \$1,200 \$1,314.

81.10 (c) The annual building lease contract amount for a charter school leasing from a  
 81.11 related nonprofit organization, a parent company, an affiliated building corporation, a  
 81.12 school district, a charter school, or other governmental entity on which the original debt  
 81.13 or capital lease obligations related to the original building purchase, construction, or  
 81.14 renovation have been retired shall be no greater than the lesser of (1) \$3 per square foot;  
 81.15 or (2) the product of pupil units served for the current school year times \$200. Lease  
 81.16 aid is calculated as 90 percent of the lesser of (i) \$3 per square foot, or (ii) the product  
 81.17 of pupil units served times \$200.

81.18 (d) The annual lease contract and lease aid for a site with ownership as provided in  
 81.19 paragraph (c) occupied by a charter school, where the building is expanded, improved, or  
 81.20 sold, may be subject to the provisions of paragraph (c).

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

81.22 Sec. 6. **APPROPRIATIONS.**

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

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

81.28 \$ 54,384,000 ..... 2014

81.29 \$ 58,020,000 ..... 2015

81.30 The 2014 appropriation includes \$6,819,000 for 2013 and \$47,565,000 for 2014.

81.31 The 2015 appropriation includes \$8,066,000 for 2014 and \$49,954,000 for 2015.

82.1 **ARTICLE 5**

82.2 **SPECIAL PROGRAMS**

82.3 Section 1. Minnesota Statutes 2012, section 124D.11, subdivision 5, is amended to read:

82.4 Subd. 5. **Special education aid.** (a) Except as provided in subdivision 2, special  
82.5 education aid must be paid to a charter school according to section 125A.76, as though  
82.6 it were a school district.

82.7 ~~(b) For fiscal year 2006, the charter school may charge tuition to the district of~~  
82.8 ~~residence as follows:~~

82.9 ~~(1) if the charter school does not receive general education revenue on behalf of~~  
82.10 ~~the student according to subdivision 1, tuition shall be charged as provided in section~~  
82.11 ~~125A.11; or~~

82.12 ~~(2) if the charter school receives general education revenue on behalf of the student~~  
82.13 ~~according to subdivision 1, tuition shall be charged as provided in section 127A.47,~~  
82.14 ~~subdivision 7, paragraph (d).~~

82.15 ~~(e)~~ (b) For fiscal year ~~2007~~ 2015 and later, the special education aid paid to the  
82.16 charter school shall be adjusted as follows:

82.17 (1) if the charter school does not receive general education revenue on behalf of  
82.18 the student according to subdivision 1, the aid shall be adjusted as provided in section  
82.19 125A.11; or

82.20 (2) if the charter school receives general education revenue on behalf of the student  
82.21 according to subdivision 1, the aid shall be adjusted as provided in section 127A.47,  
82.22 subdivision 7, ~~paragraph~~ paragraphs (b) to (d).

82.23 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

82.24 Sec. 2. Minnesota Statutes 2012, section 125A.11, subdivision 1, is amended to read:

82.25 Subdivision 1. **Nonresident tuition rate; other costs.** ~~(a) For fiscal year 2006,~~  
82.26 ~~when a school district provides instruction and services outside the district of residence,~~  
82.27 ~~board and lodging, and any tuition to be paid, shall be paid by the district of residence.~~  
82.28 ~~The tuition rate to be charged for any child with a disability, excluding a pupil for whom~~  
82.29 ~~tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be~~  
82.30 ~~the sum of (1) the actual cost of providing special instruction and services to the child~~  
82.31 ~~including a proportionate amount for special transportation and unreimbursed building~~  
82.32 ~~lease and debt service costs for facilities used primarily for special education, plus (2)~~  
82.33 ~~the amount of general education revenue and referendum aid attributable to the pupil,~~  
82.34 ~~minus (3) the amount of special education aid for children with a disability received~~

83.1 ~~on behalf of that child, minus (4) if the pupil receives special instruction and services~~  
83.2 ~~outside the regular classroom for more than 60 percent of the school day, the amount of~~  
83.3 ~~general education revenue and referendum aid, excluding portions attributable to district~~  
83.4 ~~and school administration, district support services, operations and maintenance, capital~~  
83.5 ~~expenditures, and pupil transportation, attributable to that pupil for the portion of time~~  
83.6 ~~the pupil receives special instruction and services outside of the regular classroom. If~~  
83.7 ~~the boards involved do not agree upon the tuition rate, either board may apply to the~~  
83.8 ~~commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set~~  
83.9 ~~a date for a hearing or request a written statement from each board, giving each board~~  
83.10 ~~at least ten days' notice, and after the hearing or review of the written statements the~~  
83.11 ~~commissioner must make an order fixing the tuition rate, which is binding on both school~~  
83.12 ~~districts. General education revenue and referendum equalization aid attributable to a~~  
83.13 ~~pupil must be calculated using the resident district's average general education revenue~~  
83.14 ~~and referendum equalization aid per adjusted pupil unit.~~

83.15 ~~(b)~~ (a) For fiscal year ~~2007~~ 2015 and later, when a school district provides special  
83.16 instruction and services for a pupil with a disability as defined in section 125A.02 outside  
83.17 the district of residence, excluding a pupil for whom an adjustment to special education  
83.18 aid is calculated according to section 127A.47, subdivision 7, ~~paragraph (e)~~ paragraphs (b)  
83.19 to (d), special education aid paid to the resident district must be reduced by an amount  
83.20 equal to (1) the actual cost of providing special instruction and services to the pupil,  
83.21 including a proportionate amount for special transportation and unreimbursed building  
83.22 lease and debt service costs for facilities used primarily for special education, plus (2)  
83.23 the amount of general education revenue and referendum equalization aid attributable  
83.24 to that pupil, calculated using the resident district's average general education revenue  
83.25 and referendum equalization aid per adjusted pupil unit excluding basic skills revenue,  
83.26 elementary sparsity revenue and secondary sparsity revenue, minus (3) the amount of  
83.27 special education aid for children with a disability under section 125A.76 received on  
83.28 behalf of that child, minus (4) if the pupil receives special instruction and services outside  
83.29 the regular classroom for more than 60 percent of the school day, the amount of general  
83.30 education revenue and referendum equalization aid, excluding portions attributable to  
83.31 district and school administration, district support services, operations and maintenance,  
83.32 capital expenditures, and pupil transportation, attributable to that pupil for the portion of  
83.33 time the pupil receives special instruction and services outside of the regular classroom,  
83.34 calculated using the resident district's average general education revenue and referendum  
83.35 equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity  
83.36 revenue and secondary sparsity revenue and the serving district's basic skills revenue,

84.1 elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit.  
 84.2 Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a  
 84.3 fiscal agent school district, the general education revenue and referendum equalization  
 84.4 aid attributable to a pupil must be calculated using the resident district's average general  
 84.5 education revenue and referendum equalization aid excluding compensatory revenue,  
 84.6 elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid  
 84.7 to the district or cooperative providing special instruction and services for the pupil  
 84.8 must be increased by the amount of the reduction in the aid paid to the resident district.  
 84.9 Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision  
 84.10 7, shall be recognized and reported as revenues and expenditures on the resident school  
 84.11 district's books of account under sections 123B.75 and 123B.76. If the resident district's  
 84.12 special education aid is insufficient to make the full adjustment, the remaining adjustment  
 84.13 shall be made to other state aid due to the district.

84.14 ~~(e)~~ (b) Notwithstanding ~~paragraphs~~ paragraph (a) ~~and (b)~~ and section 127A.47,  
 84.15 subdivision 7, paragraphs (b) to (d) ~~and (e)~~, a charter school where more than 30 percent  
 84.16 of enrolled students receive special education and related services, a site approved under  
 84.17 section 125A.515, an intermediate district, a special education cooperative, or a school  
 84.18 district that served as the applicant agency for a group of school districts for federal  
 84.19 special education aids for fiscal year 2006 may apply to the commissioner for authority to  
 84.20 charge the resident district an additional amount to recover any remaining unreimbursed  
 84.21 costs of serving pupils with a disability. The application must include a description of the  
 84.22 costs and the calculations used to determine the unreimbursed portion to be charged to the  
 84.23 resident district. Amounts approved by the commissioner under this paragraph must be  
 84.24 included in the tuition billings or aid adjustments under paragraph (a) ~~or (b)~~, or section  
 84.25 127A.47, subdivision 7, ~~paragraph (d) or (e)~~ paragraphs (b) to (d), as applicable.

84.26 ~~(d)~~ (c) For purposes of this subdivision and section 127A.47, subdivision 7,  
 84.27 paragraphs (d) and (e), "general education revenue and referendum equalization aid"  
 84.28 means the sum of the general education revenue according to section 126C.10, subdivision  
 84.29 1, ~~excluding alternative teacher compensation revenue~~, plus the referendum equalization  
 84.30 aid according to section 126C.17, subdivision 7, ~~as adjusted according to section 127A.47,~~  
 84.31 ~~subdivision 7, paragraphs (a) to (c).~~

84.32 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

84.33 Sec. 3. Minnesota Statutes 2012, section 125A.76, subdivision 4, is amended to read:

84.34 Subd. 4. **State total special education aid.** The state total special education aid  
 84.35 equals ~~\$529,247,000 for fiscal year 2007, \$694,063,000 for fiscal year 2008, \$719,470,000~~

85.1 for fiscal year 2009, \$735,693,000 for fiscal year 2010, and \$786,586,000 for fiscal year  
 85.2 2011 \$869,357,000 for fiscal year 2013, \$916,575,000 for fiscal year 2014, \$976,895,000  
 85.3 for fiscal year 2015, \$1,037,655,000 for fiscal year 2016, and \$1,100,577,000 for fiscal  
 85.4 year 2017. The state total special education aid for later fiscal years equals:

- 85.5 (1) the state total special education aid for the preceding fiscal year; times  
 85.6 (2) the program growth factor; times  
 85.7 (3) the greater of one, or the ratio of the state total average daily membership for the  
 85.8 current fiscal year to the state total average daily membership for the preceding fiscal year.

85.9 Sec. 4. Minnesota Statutes 2012, section 125A.79, subdivision 1, is amended to read:

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

85.12 (a) "Unreimbursed special education cost" means the sum of the following:

85.13 (1) expenditures for teachers' salaries, contracted services, supplies, equipment, and  
 85.14 transportation services eligible for revenue under section 125A.76; plus

85.15 (2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and  
 85.16 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

85.17 (3) revenue for teachers' salaries, contracted services, supplies, equipment, and  
 85.18 transportation services under section 125A.76; minus

85.19 (4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services  
 85.20 eligible for revenue under section 125A.76, subdivision 2.

85.21 (b) "General revenue" for a school district means the sum of the general education  
 85.22 revenue according to section 126C.10, subdivision 1, ~~excluding alternative teacher~~  
 85.23 ~~compensation revenue~~, minus transportation sparsity revenue minus total operating  
 85.24 capital revenue. "General revenue" for a charter school means the sum of the general  
 85.25 education revenue according to section 124D.11, subdivision 1, and transportation revenue  
 85.26 according to section 124D.11, subdivision 2, ~~excluding alternative teacher compensation~~  
 85.27 ~~revenue~~, minus referendum equalization aid minus transportation sparsity revenue minus  
 85.28 operating capital revenue.

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

85.30 (d) "Program growth factor" means 1.02 for fiscal year 2012 and later.

85.31 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

85.32 Sec. 5. Minnesota Statutes 2012, section 125A.79, subdivision 8, is amended to read:

85.33 Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive  
 85.34 services under section 125A.76, subdivisions 1 and 2, and are placed in a care and

86.1 treatment facility by court action in a state that does not have a reciprocity agreement with  
 86.2 the commissioner under section 125A.155, the resident school district shall submit the  
 86.3 balance of the tuition bills, minus the general education revenue, excluding basic skills  
 86.4 revenue and ~~alternative teacher compensation revenue~~, and referendum equalization aid  
 86.5 attributable to the pupil, calculated using the resident district's average general education  
 86.6 revenue and referendum equalization aid per adjusted pupil unit minus the special  
 86.7 education contracted services initial revenue attributable to the pupil.

86.8 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

86.9 Sec. 6. **APPROPRIATIONS.**

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

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

86.15 \$ 901,904,000 ..... 2014  
 86.16 \$ 968,149,000 ..... 2015

86.17 The 2014 appropriation includes \$118,232,000 for 2013 and \$783,672,000 for 2014.  
 86.18 The 2015 appropriation includes \$132,903,000 for 2014 and \$835,246,000 for 2015.

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

86.22 \$ 1,655,000 ..... 2014  
 86.23 \$ 1,752,000 ..... 2015

86.24 If the appropriation for either year is insufficient, the appropriation for the other  
 86.25 year is available.

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

86.28 \$ 342,000 ..... 2014  
 86.29 \$ 355,000 ..... 2015

86.30 The 2014 appropriation includes \$45,000 for 2013 and \$297,000 for 2014.  
 86.31 The 2015 appropriation includes \$50,000 for 2014 and \$305,000 for 2015.

87.1 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota  
 87.2 Statutes, section 125A.79, subdivision 7:

87.3 \$ 117,841,000 ..... 2014  
 87.4 \$ 121,897,000 ..... 2015

87.5 The 2014 appropriation includes \$42,030,000 for 2013 and \$75,811,000 for 2014.

87.6 The 2015 appropriation includes \$44,009,000 for 2014 and \$77,888,000 for 2015.

87.7 Subd. 6. **Court-placed special education revenue.** For reimbursing serving school  
 87.8 districts for unreimbursed eligible expenditures attributable to children placed in the serving  
 87.9 school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

87.10 \$ 54,000 ..... 2014  
 87.11 \$ 55,000 ..... 2015

87.12 Subd. 7. **Special education out-of-state tuition.** For special education out-of-state  
 87.13 tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

87.14 \$ 250,000 ..... 2014  
 87.15 \$ 250,000 ..... 2015

87.16 **Sec. 7. REPEALER.**

87.17 Minnesota Statutes 2012, sections 124D.454, subdivisions 10 and 11; and 125A.76,  
 87.18 subdivision 7, are repealed.

87.19 **ARTICLE 6**

87.20 **FACILITIES AND TECHNOLOGY**

87.21 Section 1. Minnesota Statutes 2012, section 123B.53, subdivision 5, is amended to read:

87.22 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a  
 87.23 district equals the sum of the first tier equalized debt service levy and the second tier  
 87.24 equalized debt service levy.

87.25 (b) A district's first tier equalized debt service levy equals the district's first tier debt  
 87.26 service equalization revenue times the lesser of one or the ratio of:

87.27 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
 87.28 the year before the year the levy is certified by the adjusted pupil units in the district for  
 87.29 the school year ending in the year prior to the year the levy is certified; to

87.30 (2) ~~\$3,049~~ \$3,550.

87.31 (c) A district's second tier equalized debt service levy equals the district's second tier  
 87.32 debt service equalization revenue times the lesser of one or the ratio of:

88.1 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
88.2 the year before the year the levy is certified by the adjusted pupil units in the district for  
88.3 the school year ending in the year prior to the year the levy is certified; to

88.4 (2) ~~\$7,622~~ \$7,900.

88.5 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2015 and  
88.6 later.

88.7 Sec. 2. Minnesota Statutes 2012, section 123B.54, is amended to read:

88.8 **123B.54 DEBT SERVICE APPROPRIATION.**

88.9 (a) ~~\$21,727,000~~ \$25,191,000 in fiscal year ~~2014~~ 2016 and ~~\$24,201,000~~ \$22,773,000  
88.10 in fiscal year ~~2015~~ 2017 and later are appropriated from the general fund to the  
88.11 commissioner of education for payment of debt service equalization aid under section  
88.12 123B.53.

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

88.15 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2015 and  
88.16 later.

88.17 Sec. 3. Minnesota Statutes 2012, section 123B.57, subdivision 4, is amended to read:

88.18 Subd. 4. **Health and safety levy.** To receive health and safety revenue, a district  
88.19 may levy an amount equal to the district's health and safety revenue as defined in  
88.20 subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by  
88.21 dividing the adjusted net tax capacity of the district for the year preceding the year the  
88.22 levy is certified by the adjusted ~~marginal-cost~~ pupil units in the district for the school year  
88.23 to which the levy is attributable, to ~~\$2,796~~ \$3,165.

88.24 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
88.25 and later.

88.26 Sec. 4. Minnesota Statutes 2012, section 123B.591, subdivision 2, is amended to read:

88.27 Subd. 2. **Deferred maintenance revenue.** The deferred maintenance revenue for  
88.28 an eligible school district equals the product of ~~\$60~~ \$64 times the adjusted ~~marginal-cost~~  
88.29 pupil units for the school year times the lesser of one or the ratio of the district's average  
88.30 age of building space to 35 years.



89.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
89.2 and later.

89.3 Sec. 5. Minnesota Statutes 2012, section 123B.591, subdivision 3, is amended to read:

89.4 Subd. 3. **Deferred maintenance levy.** To obtain deferred maintenance revenue for  
89.5 ~~fiscal year 2008 and later~~, a district may levy an amount not more than the product of its  
89.6 deferred maintenance revenue for the fiscal year times the lesser of one or the ratio of its  
89.7 adjusted net tax capacity per adjusted ~~marginal cost~~ pupil unit to ~~\$5,621~~ \$5,965.

89.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
89.9 and later.

89.10 Sec. 6. Minnesota Statutes 2012, section 125B.26, subdivision 4, is amended to read:

89.11 Subd. 4. **District aid.** For fiscal year 2006 and later, a district, charter school,  
89.12 or intermediate school district's Internet access equity aid equals the district, charter  
89.13 school, or intermediate school district's approved cost for the previous fiscal year  
89.14 according to subdivision 1 exceeding ~~\$15~~ \$16 times the district's adjusted ~~marginal~~  
89.15 ~~cost~~ pupil units for the previous fiscal year or no reduction if the district is part of an  
89.16 organized telecommunications access cluster. Equity aid must be distributed to the  
89.17 telecommunications access cluster for districts, charter schools, or intermediate school  
89.18 districts that are members of the cluster or to individual districts, charter schools, or  
89.19 intermediate school districts not part of a telecommunications access cluster.

89.20 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
89.21 and later.

89.22 Sec. 7. **DISABLED ACCESS LEVY AUTHORITY; TRACY.**

89.23 Notwithstanding the time limit in Minnesota Statutes, section 123B.58, subdivision  
89.24 3, Independent School District No. 2904, Tracy, may levy its remaining disabled access  
89.25 levy authority over two years, beginning with taxes payable in 2015.

89.26 **EFFECTIVE DATE.** This section is effective for levies certified in 2014 and later.

89.27 Sec. 8. **ELEVATOR REPAIR LEVY; NORMAN COUNTY WEST SCHOOL**  
89.28 **DISTRICT.**

89.29 For taxes payable in 2015 and 2016, Independent School District No. 2527,  
89.30 Norman County West, may levy for an amount not to exceed \$27,500 in each year. The

90.1 proceeds of this levy must be used to refurbish an existing elevator with new electrical and  
 90.2 mechanical components.

90.3 **EFFECTIVE DATE.** This section is effective for taxes payable in 2015 and 2016.

90.4 Sec. 9. **APPROPRIATIONS.**

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

90.8 Subd. 2. **Health and safety revenue.** For health and safety aid according to  
 90.9 Minnesota Statutes, section 123B.57, subdivision 5:

90.10 \$ 458,000 ..... 2014  
 90.11 \$ 435,000 ..... 2015

90.12 The 2014 appropriation includes \$26,000 for 2013 and \$432,000 for 2014.  
 90.13 The 2015 appropriation includes \$73,000 for 2014 and \$362,000 for 2015.

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

90.16 \$ 18,909,000 ..... 2014  
 90.17 \$ 24,986,000 ..... 2015

90.18 The 2014 appropriation includes \$2,397,000 for 2013 and \$16,512,000 for 2014.  
 90.19 The 2015 appropriation includes \$2,800,000 for 2014 and \$22,186,000 for 2015.

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

90.22 \$ 19,114,000 ..... 2014  
 90.23 \$ 19,287,000 ..... 2015

90.24 The 2014 appropriation includes \$2,623,000 for 2013 and \$16,491,000 for 2014.  
 90.25 The 2015 appropriation includes \$2,796,000 for 2014 and \$16,491,000 for 2015.

90.26 Subd. 5. **Equity in telecommunications access.** For equity in telecommunications  
 90.27 access:

90.28 \$ 3,750,000 ..... 2014  
 90.29 \$ 3,750,000 ..... 2015

90.30 If the appropriation amount is insufficient, the commissioner shall reduce the  
 90.31 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the  
 90.32 revenue for fiscal years 2014 and 2015 shall be prorated.

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

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

91.4 \$ 3,532,000 ..... 2014

91.5 \$ 3,729,000 ..... 2015

91.6 The 2014 appropriation includes \$456,000 for 2013 and \$3,076,000 for 2014.

91.7 The 2015 appropriation includes \$521,000 for 2014 and \$3,208,000 for 2015.

91.8 **ARTICLE 7**

91.9 **NUTRITION, LIBRARIES, AND ACCOUNTING**

91.10 Section 1. Minnesota Statutes 2012, section 123B.75, subdivision 5, is amended to read:

91.11 ~~Subd. 5. **Levy recognition.** (a) For fiscal years 2009 and 2010, in June of each~~  
 91.12 ~~year, the school district must recognize as revenue, in the fund for which the levy was~~  
 91.13 ~~made, the lesser of:~~

91.14 ~~(1) the sum of May, June, and July school district tax settlement revenue received in~~  
 91.15 ~~that calendar year, plus general education aid according to section 126C.13, subdivision~~  
 91.16 ~~4, received in July and August of that calendar year; or~~

91.17 ~~(2) the sum of:~~

91.18 ~~(i) 31 percent of the referendum levy certified according to section 126C.17, in~~  
 91.19 ~~calendar year 2000; and~~

91.20 ~~(ii) the entire amount of the levy certified in the prior calendar year according to~~  
 91.21 ~~section 124D.86, subdivision 4, for school districts receiving revenue under sections~~  
 91.22 ~~124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a),~~  
 91.23 ~~and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6; plus~~

91.24 ~~(iii) zero percent of the amount of the levy certified in the prior calendar year for the~~  
 91.25 ~~school district's general and community service funds, plus or minus auditor's adjustments,~~  
 91.26 ~~not including the levy portions that are assumed by the state, that remains after subtracting~~  
 91.27 ~~the referendum levy certified according to section 126C.17 and the amount recognized~~  
 91.28 ~~according to item (ii).~~

91.29 ~~(b) For fiscal year 2011 and later years, in June of each year, the school district must~~  
 91.30 ~~recognize as revenue, in the fund for which the levy was made, the lesser of:~~

91.31 ~~(1) the sum of May, June, and July school district tax settlement revenue received in~~  
 91.32 ~~that calendar year, plus general education aid according to section 126C.13, subdivision~~  
 91.33 ~~4, received in July and August of that calendar year; or~~

91.34 ~~(2) the sum of:~~

92.1 (i) the greater of 48.6 percent of the referendum levy certified according to section  
 92.2 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified  
 92.3 according to section 126C.17 in calendar year 2000; plus

92.4 (ii) the entire amount of the levy certified in the prior calendar year according to  
 92.5 section 124D.4531, 124D.86, subdivision 4, for school districts receiving revenue under  
 92.6 sections 124D.86, subdivision 3, clauses (1), (2), and (3); 124D.862, subdivision 4, for  
 92.7 Special School District No. 1, Minneapolis, Independent School District No. 625, St.  
 92.8 Paul, and Independent School District No. 709, Duluth; 126C.41, subdivisions 1, 2,  
 92.9 paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48,  
 92.10 subdivision 6; plus

92.11 (iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the  
 92.12 school district's general and community service funds, plus or minus auditor's adjustments,  
 92.13 that remains after subtracting the referendum levy certified according to section 126C.17  
 92.14 and the amount recognized according to item (ii).

92.15 Sec. 2. Minnesota Statutes 2012, section 124D.111, subdivision 1, is amended to read:

92.16 Subdivision 1. **School lunch aid computation.** Each school year, the state must pay  
 92.17 participants in the national school lunch program the amount of ~~12~~ 14 cents for each full  
 92.18 paid, ~~reduced~~ reduced-price, and free student lunch served to students.

92.19 **EFFECTIVE DATE.** This section is effective July 1, 2013.

92.20 Sec. 3. Minnesota Statutes 2012, section 124D.111, is amended by adding a  
 92.21 subdivision to read:

92.22 Subd. 4. **Inability to pay.** A school that provides meals under this section must not  
 92.23 deny a child lunch or provide that child with an alternative meal if that child qualifies for a  
 92.24 reduced-price meal and that child or that child's parent or guardian provides notice to the  
 92.25 school that the family does not have sufficient funds to pay for the lunch.

92.26 Sec. 4. Minnesota Statutes 2012, section 124D.119, is amended to read:

92.27 **124D.119 SUMMER FOOD SERVICE REPLACEMENT AID.**

92.28 States funds are available to compensate department-approved summer food  
 92.29 program sponsors for ~~reduced federal operating reimbursement rates under Public Law~~  
 92.30 ~~104-193, the federal summer food service program. A sponsor is eligible for summer food~~  
 92.31 ~~service replacement aid equal to the sum of the following amounts:~~ Reimbursement shall

93.1 be made on December 15 based on total meals served by each sponsor from the end of the  
 93.2 school year to the beginning of the next school year on a pro rata basis.

93.3 ~~(1) for breakfast service, up to four cents per breakfast served by the sponsor during~~  
 93.4 ~~the current program year;~~

93.5 ~~(2) for lunch or supper service, up to 14 cents per lunch or supper served by the~~  
 93.6 ~~sponsor during the current program year; and~~

93.7 ~~(3) for supplement service, up to ten cents per supplement served by the sponsor~~  
 93.8 ~~during the current program year.~~

93.9 Sec. 5. Minnesota Statutes 2012, section 127A.45, subdivision 2, is amended to read:

93.10 Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county  
 93.11 treasurers pursuant to section 276.10, apportionments from the school endowment fund  
 93.12 pursuant to section 127A.33, apportionments by the county auditor pursuant to section  
 93.13 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue  
 93.14 pursuant to chapter 298.

93.15 (b) "Cumulative amount guaranteed" means the product of

93.16 (1) the cumulative disbursement percentage shown in subdivision 3; times

93.17 (2) the sum of

93.18 (i) the current year aid payment percentage of the estimated aid and credit  
 93.19 entitlements paid according to subdivision 13; plus

93.20 (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

93.21 (iii) the other district receipts.

93.22 (c) "Payment date" means the date on which state payments to districts are made  
 93.23 by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday,  
 93.24 or a weekday which is a legal holiday, the payment shall be made on the immediately  
 93.25 preceding business day. The commissioner may make payments on dates other than  
 93.26 those listed in subdivision 3, but only for portions of payments from any preceding  
 93.27 payment dates which could not be processed by the electronic funds transfer method due  
 93.28 to documented extenuating circumstances.

93.29 (d) The current year aid payment percentage equals ~~73 in fiscal year 2010 and 70 in~~  
 93.30 ~~fiscal year 2011, and 60 in fiscal years 2012 and later~~ 85.5 in fiscal year 2014 and later.

93.31 Sec. 6. CYRUS AND MORRIS SCHOOL DISTRICT CONSOLIDATION.

93.32 Subdivision 1. Purpose. The legislature finds that an orderly, voluntary  
 93.33 consolidation of Independent School Districts Nos. 611, Cyrus, and 769, Morris, promotes  
 93.34 the well-being of the students and increases educational efficiency in those school districts.

94.1 Subd. 2. **Remediation costs.** Independent School District No. 611, Cyrus, may  
94.2 identify all health and safety remediation costs related to the demolition of the Cyrus  
94.3 school building and submit those amounts to the commissioner of education for approval.  
94.4 Any approved costs may be included either in the district's health and safety plan or in the  
94.5 bonding authority authorized under subdivision 3.

94.6 Subd. 3. **Facility bonds.** Independent School District No. 611, Cyrus, may issue  
94.7 general obligation bonds without an election under Minnesota Statutes, chapter 475, after  
94.8 a public meeting of the school board with notice given by mail according to Minnesota  
94.9 Statutes, section 123B.09, subdivision 11, in an amount not to exceed \$1,000,000  
94.10 approved by the commissioner of education for the costs associated with demolishing the  
94.11 Cyrus school building. The bonds must be repaid within ten years of issuance. Any excess  
94.12 bond proceeds after bonds are repaid must be credited back to the taxpayers of the former  
94.13 Independent School District No. 611, Cyrus.

94.14 Subd. 4. **Reorganization operating debt determined.** Independent School District  
94.15 No. 611, Cyrus, must estimate its reorganization operating debt according to Minnesota  
94.16 Statutes, section 123B.82, and submit that amount to the commissioner of education  
94.17 for approval.

94.18 Subd. 5. **Reorganization operating debt bonds.** Independent School District No.  
94.19 611, Cyrus, may issue general obligation bonds without an election under Minnesota  
94.20 Statutes, chapter 475, after a public meeting of the school board with notice given by mail  
94.21 according to Minnesota Statutes, section 123B.09, subdivision 11, in an amount not to  
94.22 exceed the reorganization operating debt approved by the commissioner of education  
94.23 under subdivision 4. The bonds must be repaid within six years of issuance.

94.24 Subd. 6. **Repayment.** The bonded debt issued under this section remains payable  
94.25 by the taxable property located within the boundaries of former Independent School  
94.26 District No. 611, Cyrus.

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

94.28 Sec. 7. **RECIPROCITY AGREEMENT EXEMPTION; HENDRICKS.**

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

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

95.1 Sec. 8. **APPROPRIATIONS.**

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

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

95.7	\$	<u>14,596,000</u>	.....	<u>2014</u>
95.8	\$	<u>14,888,000</u>	.....	<u>2015</u>

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

95.11	\$	<u>5,711,000</u>	.....	<u>2014</u>
95.12	\$	<u>6,022,000</u>	.....	<u>2015</u>

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

95.15	\$	<u>1,039,000</u>	.....	<u>2014</u>
95.16	\$	<u>1,049,000</u>	.....	<u>2015</u>

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

95.19	\$	<u>150,000</u>	.....	<u>2014</u>
95.20	\$	<u>150,000</u>	.....	<u>2015</u>

95.21 **Subd. 6. Basic system support.** For basic system support grants under Minnesota  
 95.22 Statutes, section 134.355:

95.23	\$	<u>13,448,000</u>	.....	<u>2014</u>
95.24	\$	<u>13,570,000</u>	.....	<u>2015</u>

95.25 The 2014 appropriation includes \$1,845,000 for 2013 and \$11,603,000 for 2014.  
 95.26 The 2015 appropriation includes \$1,967,000 for 2014 and \$11,603,000 for 2015.

95.27 **Subd. 7. Multicounty, multitype library systems.** For grants under Minnesota  
 95.28 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

95.29	\$	<u>1,288,000</u>	.....	<u>2014</u>
95.30	\$	<u>1,300,000</u>	.....	<u>2015</u>

95.31 The 2014 appropriation includes \$176,000 for 2013 and \$1,112,000 for 2014.  
 95.32 The 2015 appropriation includes \$188,000 for 2014 and \$1,112,000 for 2015.

96.1 Subd. 8. **Electronic library for Minnesota.** For statewide licenses to online  
 96.2 databases selected in cooperation with the Minnesota Office of Higher Education for  
 96.3 school media centers, public libraries, state government agency libraries, and public  
 96.4 or private college or university libraries:

96.5 \$ 900,000 ..... 2014

96.6 \$ 900,000 ..... 2015

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

96.8 Subd. 9. **Regional library telecommunications aid.** For regional library  
 96.9 telecommunications aid under Minnesota Statutes, section 134.355:

96.10 \$ 2,279,000 ..... 2014

96.11 \$ 2,300,000 ..... 2015

96.12 The 2014 appropriation includes \$312,000 for 2013 and \$1,967,000 for 2014.

96.13 The 2015 appropriation includes \$333,000 for 2014 and \$1,967,000 for 2015.

96.14 **ARTICLE 8**

96.15 **EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY, AND**  
 96.16 **LIFELONG LEARNING**

96.17 Section 1. Minnesota Statutes 2012, section 13.319, is amended by adding a  
 96.18 subdivision to read:

96.19 Subd. 9. **Early learning scholarships.** Section 124D.143 governs data under the  
 96.20 early learning scholarship program.

96.21 Sec. 2. [124D.143] **EARLY LEARNING SCHOLARSHIPS.**

96.22 Subdivision 1. **Early learning scholarships established.** The Office of Early  
 96.23 Learning must oversee the early learning scholarship program in consultation with the  
 96.24 Minnesota Departments of Education, Human Services, and Health.

96.25 Subd. 2. **Duties.** The Office of Early Learning shall administer the early learning  
 96.26 scholarship program, establish participation standards for children and their families,  
 96.27 develop criteria for qualifying providers based on section 124D.142, and contract for  
 96.28 administrative services as necessary with a resource and referral organization under  
 96.29 section 119B.19, or other nonprofit or public entity.

96.30 Subd. 3. **Definitions.** (a) The terms defined in the subdivision apply to this section.

96.31 (b) "Director" means the director of the Office of Early Learning.

96.32 (c) "Eligible program" means a Head Start program under section 119A.50, school  
 96.33 readiness program under section 124D.15, or other school district child-based program



97.1 designed to provide early education services to children not yet in kindergarten, licensed  
97.2 center-based child care program under chapter 245A, or licensed family child care  
97.3 program under chapter 245A or other program providing early learning opportunities.

97.4 (d) "Income" has the meaning given in section 119B.011, subdivision 15.

97.5 (e) "Parent" means the parent or legal guardian of a child.

97.6 (f) "Prospective program" means an eligible program that makes a commitment to  
97.7 enhance its quality of education and care and demonstrates to the director's satisfaction that  
97.8 the program is pursuing a program rating. For fiscal years 2016 and later, a prospective  
97.9 program must cite a hardship or demonstrate a special circumstance as to why the program  
97.10 is not yet ready to enter the rating process before the director may grant it eligibility.

97.11 (g) "Rated program" means an eligible program that receives one, two, three, or four  
97.12 stars under the quality rating and improvement system established in section 124D.142.

97.13 Subd. 4. **Participant eligibility.** The parent of a child who will be at least three  
97.14 years of age as of September 1 of the year of application, is eligible to apply for an early  
97.15 learning scholarship if the family's income is at or below 185 percent of the federal  
97.16 poverty level. The director of the Office of Early Learning may specify the form and  
97.17 manner of the application for a scholarship. The director may establish a method to  
97.18 determine family income but a parent meets this requirement by documenting their child's  
97.19 identification through another public funding eligibility process, including the free and  
97.20 reduced-price lunch program, National School Lunch Act, United States Code, title  
97.21 42, section 1751, part 210; Head Start under federal Improving Head Start for School  
97.22 Readiness Act of 2007; Minnesota family investment program under chapter 256J; the  
97.23 Federal Supplemental Nutrition Assistance Program; and child care assistance programs  
97.24 under chapter 119B, and no further information to verify income is required. A parent  
97.25 under age 21 who is pursuing a high school or general education equivalency diploma is  
97.26 eligible for an early learning scholarship if the parent has a child age zero to five years old  
97.27 and meets the income eligibility requirements in this subdivision.

97.28 Subd. 5. **Scholarship amount.** (a) The director annually shall determine the  
97.29 maximum scholarship amounts based on the results of the rate survey conducted under  
97.30 section 119B.13, subdivision 1, paragraph (b), and may establish a range of scholarship  
97.31 amounts taking into account the child's level of need and geographic location. The  
97.32 director shall establish a scholarship amount schedule according to the eligible program's  
97.33 rating under subdivision 3, paragraph (g), and prospective programs under subdivision  
97.34 3, paragraph (f). The scholarship amounts may be designed to be layered around other  
97.35 assistance programs available to that child. The director shall not consider local funds  
97.36 allocated to support an early learning program when layering scholarships around other

98.1 assistance programs. Eligible providers must be notified of the scholarship allocations  
98.2 available in their geographic location.

98.3 (b) The director shall try to maintain a statewide annual average scholarship amount  
98.4 of \$6,000 per scholarship recipient and report annually to the legislature the actual average  
98.5 statewide scholarship amount per scholarship recipient.

98.6 Subd. 6. **Award of scholarships.** (a) The director shall establish application  
98.7 timelines and determine the schedule for awarding scholarships that meet operational  
98.8 needs of eligible programs. The director may prioritize applications on factors including  
98.9 family income, geographic location, and needs of the child. By March 15, eligible  
98.10 programs may notify the director of the number of scholarship-eligible children who are  
98.11 eligible under subdivision 4 and who have applied for enrollment in that program. To  
98.12 facilitate enrollment planning, by April 15, the director shall notify eligible programs that  
98.13 have provided enrollment information under this paragraph of the scholarship status of  
98.14 each applicant. To the extent practicable and taking into account family mobility, the  
98.15 scholarships must be awarded to eligible recipients beginning April 15 of each year for a  
98.16 child's participation in a program starting in July, August, or September of that year. Any  
98.17 siblings of a child who has been awarded a scholarship under this section must be awarded  
98.18 a scholarship upon request provided the sibling attends the same program. A child who  
98.19 has received a scholarship under this section must continue to receive a scholarship until  
98.20 that child enrolls in kindergarten or turns six years of age.

98.21 (b) A three- or four-star rated program that has a waiting list of children eligible for  
98.22 scholarships may notify the director of the program's desire to serve additional children in  
98.23 order to accommodate scholarship recipients. The director may designate a predetermined  
98.24 number of scholarship slots for that program and notify the program of that number.

98.25 (c) A scholarship recipient may choose any available program and is not required to  
98.26 enroll in a program with a predetermined number of slots.

98.27 (d) A child who receives a scholarship who has not completed development  
98.28 screening under sections 121A.16 to 121A.19 must complete that screening within 45  
98.29 days of first attending an eligible program.

98.30 (e) The director shall report annually to the legislature on a summary of the  
98.31 geographic distribution of scholarships throughout the state.

98.32 Subd. 7. **Scholarship recipient choice of programs.** A scholarship recipient may  
98.33 choose to apply to any rated program or prospective program for acceptance. If the  
98.34 scholarship recipient has not been accepted and subsequently enrolled in a rated program  
98.35 within ten months of receipt of the scholarship, the scholarship cancels and the recipient  
98.36 must reapply in order to be eligible for another scholarship.

99.1 Subd. 8. **Building quality.** For fiscal years 2014 and 2015 only, the director must  
99.2 develop a streamlined process to encourage eligible programs to enter the rating program.  
99.3 As a part of building quality in the system of providers, the director may grant a parent  
99.4 authority to use a scholarship at a prospective program.

99.5 Subd. 9. **Provider reimbursement.** The director may determine the form and  
99.6 method of payment to the fiscal agent for each program serving a scholarship recipient.  
99.7 The director may make quarterly payments on behalf of the scholarship recipient in  
99.8 advance of the services provided to the child, or arrange other payment methods for  
99.9 providers. The director may request information as necessary from providers to verify  
99.10 scholarship payments.

99.11 Subd. 10. **Earned income calculation.** Scholarships paid to providers on behalf  
99.12 of eligible parents must not be counted as earned income for the purposes of medical  
99.13 assistance, MinnesotaCare, Minnesota family investment program, diversionary work  
99.14 program, child care assistance, or Head Start programs. Scholarships paid to providers on  
99.15 behalf of eligible parents must not be considered child care funds for the purposes of the  
99.16 child care assistance program under chapter 119B.

99.17 Subd. 11. **Student identification number.** The director shall collect from  
99.18 participating programs data including, but not limited to, demographic, socioeconomic,  
99.19 participation, and assessment information related to scholarship recipients. Data on  
99.20 scholarship recipients are private data on individuals as defined in section 13.02,  
99.21 subdivision 12.

99.22 Subd. 12. **Report required.** (a) The director, in consultation with the children's  
99.23 cabinet, shall develop and implement a plan to publicize and increase parent awareness of  
99.24 early learning scholarships. The director must report the results of the outreach efforts to  
99.25 the legislature by January 15 of each year.

99.26 (b) The director shall coordinate existing evaluation and assessment efforts and track  
99.27 scholarship program participation to understand program outcomes. The director must  
99.28 report to the legislature on the performance of the scholarship program by January 15,  
99.29 2016, and each year thereafter.

99.30 Sec. 3. Minnesota Statutes 2012, section 124D.531, subdivision 1, is amended to read:

99.31 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic  
99.32 education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid  
99.33 during the previous fiscal year as a result of adjustments under subdivision 4, paragraph  
99.34 (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later  
99.35 fiscal years equals:

100.1 (1) the state total adult basic education aid for the preceding fiscal year plus any  
 100.2 amount that is not paid for during the previous fiscal year, as a result of adjustments under  
 100.3 subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

100.4 (2) the lesser of:

100.5 (i) ~~1.02~~ 1.03; or

100.6 (ii) the average growth in state total contact hours over the prior ten program years.

100.7 Beginning in fiscal year 2002, two percent of the state total adult basic education  
 100.8 aid must be set aside for adult basic education supplemental service grants under section  
 100.9 124D.522.

100.10 (b) The state total adult basic education aid, excluding basic population aid, equals  
 100.11 the difference between the amount computed in paragraph (a), and the state total basic  
 100.12 population aid under subdivision 2.

100.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014  
 100.14 and later.

100.15 Sec. 4. **EARLY LEARNING SCHOLARSHIPS; FISCAL YEAR 2014 ONLY.**

100.16 Notwithstanding the timelines in Minnesota Statutes, section 124D.143, for fiscal  
 100.17 year 2014 only, the director shall establish an expedited process to award scholarships  
 100.18 to eligible recipients attending three- or four-star rated programs to accommodate those  
 100.19 eligible programs with fall enrollment deadlines.

100.20 Sec. 5. **APPROPRIATIONS.**

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

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

100.26 \$ 10,004,000 ..... 2014

100.27 \$ 10,159,000 ..... 2015

100.28 The 2014 appropriation includes \$1,372,000 for 2013 and \$8,632,000 for 2014.

100.29 The 2015 appropriation includes \$1,463,000 for 2014 and \$8,696,000 for 2015.

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

101.1           \$     21,879,000     .....   2014

101.2           \$     22,422,000     .....   2015

101.3           The 2014 appropriation includes \$3,008,000 for 2013 and \$18,871,000 for 2014.

101.4           The 2015 appropriation includes \$3,200,000 for 2014 and \$19,222,000 for 2015.

101.5           Subd. 4. **Early childhood education scholarships.** For early childhood education  
 101.6 scholarships under Minnesota Statutes, section 124D.143:

101.7           \$     25,000,000     .....   2014

101.8           \$     25,000,000     .....   2015

101.9           The 2014 appropriation includes \$950,000 for administrative costs to run the  
 101.10 program.

101.11          The 2015 appropriation includes \$950,000 for administrative costs to run the  
 101.12 program.

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

101.14          Subd. 5. **Parent-child home program.** For a grant to the parent-child home  
 101.15 program:

101.16          \$     250,000     .....   2014

101.17          \$     250,000     .....   2015

101.18          The grant must be used for an evidence-based and research-validated early childhood  
 101.19 literacy and school readiness program for children ages 16 months to four years at its  
 101.20 existing suburban program location. The program must expand to one additional urban  
 101.21 and one additional rural program location for fiscal years 2014 and 2015.

101.22          Subd. 6. **Health and developmental screening aid.** For health and developmental  
 101.23 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

101.24          \$     3,390,000     .....   2014

101.25          \$     3,345,000     .....   2015

101.26          The 2014 appropriation includes \$474,000 for 2013 and \$2,916,000 for 2014.

101.27          The 2015 appropriation includes \$494,000 for 2014 and \$2,851,000 for 2015.

101.28          Subd. 7. **Head Start program.** For Head Start programs under Minnesota Statutes,  
 101.29 section 119A.52:

101.30          \$     20,100,000     .....   2014

101.31          \$     20,100,000     .....   2015

101.32          Subd. 8. **Educate parents partnership.** For the educate parents partnership under  
 101.33 Minnesota Statutes, section 124D.129:

102.1           \$           49,000   ..... 2014  
 102.2           \$           49,000   ..... 2015

102.3           Subd. 9. Kindergarten entrance assessment initiative and intervention  
 102.4 **program.** For the kindergarten entrance assessment initiative and intervention program  
 102.5 under Minnesota Statutes, section 124D.162:

102.6           \$           281,000   ..... 2014  
 102.7           \$           281,000   ..... 2015

102.8           Subd. 10. Community education aid. For community education aid under  
 102.9 Minnesota Statutes, section 124D.20:

102.10          \$           926,000   ..... 2014  
 102.11          \$           1,056,000   ..... 2015

102.12          The 2014 appropriation includes \$118,000 for 2013 and \$808,000 for 2014.  
 102.13          The 2015 appropriation includes \$137,000 for 2014 and \$919,000 for 2015.

102.14          Subd. 11. Adults with disabilities program aid. For adults with disabilities  
 102.15 programs under Minnesota Statutes, section 124D.56:

102.16          \$           704,000   ..... 2014  
 102.17          \$           710,000   ..... 2015

102.18          The 2014 appropriation includes \$96,000 for 2013 and \$608,000 for 2014.  
 102.19          The 2015 appropriation includes \$102,000 for 2014 and \$608,000 for 2015.

102.20          Subd. 12. Hearing-impaired adults. For programs for hearing-impaired adults  
 102.21 under Minnesota Statutes, section 124D.57:

102.22          \$           70,000   ..... 2014  
 102.23          \$           70,000   ..... 2015

102.24          Subd. 13. School-age care revenue. For extended day aid under Minnesota  
 102.25 Statutes, section 124D.22:

102.26          \$           1,000   ..... 2014  
 102.27          \$           1,000   ..... 2015

102.28          The 2014 appropriation includes \$0 for 2013 and \$1,000 for 2014.  
 102.29          The 2015 appropriation includes \$0 for 2014 and \$1,000 for 2015.

102.30          Subd. 14. Adult basic education aid. For adult basic education aid under  
 102.31 Minnesota Statutes, section 124D.531:

103.1 \$ 46,978,000 ..... 2014

103.2 \$ 48,816,000 ..... 2015

103.3 The 2014 appropriation includes \$6,284,000 for 2013 and \$40,694,000 for 2014.

103.4 The 2015 appropriation includes \$6,901,000 for 2014 and \$41,915,000 for 2015.

103.5 Subd. 15. **GED tests.** For payment of 60 percent of the costs of GED tests under  
 103.6 Minnesota Statutes, section 124D.55:

103.7 \$ 125,000 ..... 2014

103.8 \$ 125,000 ..... 2015

## 103.9 **ARTICLE 9**

### 103.10 **STATE AGENCIES**

103.11 Section 1. **DEPARTMENT OF EDUCATION.**

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

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

103.16 \$ 22,283,000 ..... 2014

103.17 \$ 19,996,000 ..... 2015

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

103.19 (b) \$260,000 each year is for the Minnesota Children's Museum.

103.20 (c) \$41,000 each year is for the Minnesota Academy of Science.

103.21 (d) \$50,000 each year is for the Duluth Children's Museum.

103.22 (e) \$618,000 each year is for the Board of Teaching. Any balance in the first year  
 103.23 does not cancel but is available in the second year.

103.24 (f) \$167,000 each year is for the Board of School Administrators. Any balance in  
 103.25 the first year does not cancel but is available in the second year.

103.26 (g) \$1,500,000 in fiscal year 2014 and \$263,000 in fiscal year 2015 only is for  
 103.27 transfers to the Office of Enterprise Technology to develop model Individuals with  
 103.28 Disabilities Education Act (IDEA) online-available paperwork for special needs students.  
 103.29 Any ongoing information technology support or costs for online IDEA paperwork will be  
 103.30 incorporated into the service-level agreement and will be paid to the Office of Enterprise  
 103.31 Technology by the department under the rates and mechanisms specified in that agreement.  
 103.32 Any balance in the first year does not cancel but is available in the second year.

104.1 (h) \$250,000 each year is for the School Finance Division to enhance financial  
 104.2 data analysis.

104.3 (i) \$300,000 in fiscal year 2014 only is for a grant to the Northeast Service  
 104.4 Cooperative for a pilot project related to energy conservation programs in Northeast  
 104.5 Service Cooperative member school districts.

104.6 (j) \$500,000 each year is to assist school districts in implementing an antibullying  
 104.7 policy.

104.8 (k) \$125,000 each year is appropriated to the Minnesota Humanities Commission  
 104.9 for civics education.

104.10 (l) \$35,000 each year is for a transfer to the governor's office.

104.11 (m) \$750,000 in fiscal year 2014 only is for departmental costs associated with  
 104.12 teacher development and evaluation.

104.13 (n) The expenditures of federal grants and aids as shown in the biennial budget  
 104.14 document and its supplements are approved and appropriated and shall be spent as  
 104.15 indicated.

104.16 (o) None of the amounts appropriated under this subdivision may be used for  
 104.17 Minnesota's Washington, D.C. office.

104.18 (p) The base in fiscal year 2016 and later is \$19,733,000.

104.19 **Subd. 3. Board of Teaching; licensure by portfolio.** For the Board of Teaching  
 104.20 for licensure by portfolio:

104.21 \$ 30,000 ..... 2014

104.22 \$ 30,000 ..... 2015

104.23 This appropriation is from the educator licensure portfolio account of the special  
 104.24 revenue fund.

104.25 **Sec. 2. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

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

104.28 \$ 11,591,000 ..... 2014

104.29 \$ 11,591,000 ..... 2015

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

104.31 **Sec. 3. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

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



105.1           \$         7,478,000     .....   2014

105.2           \$         7,478,000     .....   2015

105.3           \$750,000 each year is to develop an arts curriculum.

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

105.5                                 **ARTICLE 10**

105.6                                 **FORECAST ADJUSTMENTS**

105.7                                 **A. GENERAL EDUCATION**

105.8           Section 1. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision

105.9           2, as amended by Laws 2012, chapter 292, article 2, section 1, is amended to read:

105.10           Subd. 2. **General education aid.** For general education aid under Minnesota

105.11           Statutes, section 126C.13, subdivision 4:

105.12           \$    5,379,068,000     .....   2012

105.13           ~~5,844,995,000~~

105.14           \$    7,153,701,000     .....   2013

105.15           The 2012 appropriation includes \$1,660,922,000 for 2011 and \$3,718,146,000

105.16           for 2012.

105.17           The 2013 appropriation includes \$2,038,568,000 for 2012 and ~~\$3,806,427,000~~

105.18           \$5,115,133,000 for 2013.

105.19           Sec. 2. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision

105.20           3, as amended by Laws 2012, chapter 292, article 2, section 2, is amended to read:

105.21           Subd. 3. **Enrollment options transportation.** For transportation of pupils attending

105.22           postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation

105.23           of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

105.24           \$         42,000       .....   2012

105.25           ~~46,000~~

105.26           \$         40,000       .....   2013

105.27           Sec. 3. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision

105.28           4, as amended by Laws 2012, chapter 292, article 2, section 3, is amended to read:

105.29           Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section

105.30           127A.49:

105.31           \$         1,406,000     .....   2012

105.32           ~~2,072,000~~

105.33           \$         2,503,000     .....   2013

106.1 The 2012 appropriation includes \$346,000 for 2011 and \$1,060,000 for 2012.

106.2 The 2013 appropriation includes \$588,000 for 2012 and ~~\$1,484,000~~ \$1,915,000  
 106.3 for 2013.

106.4 Sec. 4. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision  
 106.5 5, as amended by Laws 2012, chapter 292, article 2, section 4, is amended to read:

106.6 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota  
 106.7 Statutes, section 123A.485:

106.8 \$ 145,000 ..... 2012

106.9 ~~193,000~~

106.10 \$ 260,000 ..... 2013

106.11 The 2012 appropriation includes \$145,000 for 2011 and \$0 for 2012.

106.12 The 2013 appropriation includes \$0 for 2012 and ~~\$193,000~~ \$260,000 for 2013.

106.13 Sec. 5. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision  
 106.14 6, as amended by Laws 2012, chapter 292, article 2, section 5, is amended to read:

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

106.17 \$ 14,302,000 ..... 2012

106.18 ~~15,594,000~~

106.19 \$ 18,969,000 ..... 2013

106.20 The 2012 appropriation includes \$4,161,000 for 2011 and \$10,141,000 for 2012.

106.21 The 2013 appropriation includes \$5,629,000 for 2012 and ~~\$9,965,000~~ \$13,340,000  
 106.22 for 2013.

106.23 Sec. 6. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision  
 106.24 7, as amended by Laws 2012, chapter 292, article 2, section 6, is amended to read:

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

106.27 \$ 17,757,000 ..... 2012

106.28 ~~19,036,000~~

106.29 \$ 23,648,000 ..... 2013

106.30 The 2012 appropriation includes \$5,700,000 for 2011 and \$12,057,000 for 2012.

106.31 The 2013 appropriation includes \$6,694,000 for 2012 and ~~\$12,342,000~~ \$16,954,000  
 106.32 for 2013.

107.1 Sec. 7. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision  
 107.2 10, as amended by Laws 2012, chapter 292, article 2, section 7, is amended to read:

107.3 Subd. 10. **Compensatory pilot project formula aid.** For grants for compensatory  
 107.4 pilot project formula aid as calculated under this subdivision:

107.5 \$ ~~9,368,000~~  
 107.6 \$ 13,403,000 ..... 2013

107.7 For fiscal year 2013 only, a district which has a pupil unit count that is in the top 20  
 107.8 largest pupil unit counts is eligible for the greater of zero or \$1,400 times the number of  
 107.9 compensatory pupil units, minus the amount of compensatory education revenue received  
 107.10 by the district under Minnesota Statutes, section 126C.10, subdivision 3.

107.11 The 2013 appropriation includes \$0 for 2012 and ~~\$9,368,000~~ \$13,403,000 for 2013.

107.12 This is a onetime appropriation.

107.13 **B. EDUCATION EXCELLENCE**

107.14 Sec. 8. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision  
 107.15 2, as amended by Laws 2012, chapter 292, article 2, section 8, is amended to read:

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

107.18 \$ 42,806,000 ..... 2012  
 107.19 ~~48,978,000~~  
 107.20 \$ 60,067,000 ..... 2013

107.21 The 2012 appropriation includes \$12,642,000 for 2011 and \$30,164,000 for 2012.

107.22 The 2013 appropriation includes \$16,746,000 for 2012 and ~~\$32,232,000~~ \$43,321,000  
 107.23 for 2013.

107.24 Sec. 9. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision  
 107.25 4, as amended by Laws 2012, chapter 292, article 2, section 10, is amended to read:

107.26 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section  
 107.27 124D.86:

107.28 \$ 61,181,000 ..... 2012  
 107.29 ~~65,498,000~~  
 107.30 \$ 79,329,000 ..... 2013

107.31 The 2012 appropriation includes \$19,272,000 for 2011 and \$41,909,000 for 2012.

107.32 The 2013 appropriation includes \$23,268,000 for 2012 and ~~\$42,230,000~~ \$56,061,000  
 107.33 for 2013.

108.1 The base for the final payment in fiscal year 2014 for fiscal year 2013 is ~~\$31,668,000~~  
 108.2 \$17,197,000.

108.3 Sec. 10. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision  
 108.4 5, as amended by Laws 2012, chapter 292, article 2, section 11, is amended to read:

108.5 Subd. 5. **Literacy incentive aid.** For literacy incentive aid under Minnesota  
 108.6 Statutes, section 124D.98:

108.7 \$ 31,241,000  
 108.8 \$ 41,978,000 ..... 2013

108.9 The 2013 appropriation includes \$0 for 2012 and ~~\$31,241,000~~ \$41,978,000 for 2013.

108.10 Sec. 11. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision  
 108.11 6, as amended by Laws 2012, chapter 292, article 2, section 12, is amended to read:

108.12 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For  
 108.13 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
 108.14 section 124D.87:

108.15 \$ 13,262,000 ..... 2012  
 108.16 ~~13,966,000~~  
 108.17 \$ 13,260,000 ..... 2013

108.18 Sec. 12. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision  
 108.19 7, as amended by Laws 2012, chapter 292, article 2, section 13, is amended to read:

108.20 Subd. 7. **Success for the future.** For American Indian success for the future grants  
 108.21 under Minnesota Statutes, section 124D.81:

108.22 \$ 2,013,000 ..... 2012  
 108.23 ~~2,137,000~~  
 108.24 \$ 2,609,000 ..... 2013

108.25 The 2012 appropriation includes \$638,000 for 2011 and \$1,375,000 for 2012.

108.26 The 2013 appropriation includes \$762,000 for 2012 and ~~\$1,375,000~~ \$1,847,000  
 108.27 for 2013.

108.28 Sec. 13. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision  
 108.29 9, as amended by Laws 2012, chapter 292, article 2, section 14, is amended to read:

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

109.1           \$       1,791,000   ..... 2012  
109.2                    ~~1,969,000~~  
109.3           \$       2,353,000   ..... 2013

109.4           The 2012 appropriation includes \$600,000 for 2011 and \$1,191,000 for 2012.

109.5           The 2013 appropriation includes \$660,000 for 2012 and ~~\$1,309,000~~ \$1,693,000  
109.6 for 2013.

109.7                                   **C. SPECIAL EDUCATION**

109.8           Sec. 14. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision  
109.9 2, as amended by Laws 2012, chapter 292, article 2, section 15, is amended to read:

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

109.12           \$       767,845,000   ..... 2012  
109.13                    ~~856,386,000~~  
109.14           \$       1,046,423,000   ..... 2013

109.15           The 2012 appropriation includes \$235,975,000 for 2011 and \$531,870,000 for 2012.

109.16           The 2013 appropriation includes \$295,299,000 for 2012 and ~~\$561,087,000~~  
109.17 \$751,124,000 for 2013.

109.18           Sec. 15. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision  
109.19 3, as amended by Laws 2012, chapter 292, article 2, section 16, is amended to read:

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

109.23           \$       1,508,000   ..... 2012  
109.24                    ~~1,593,000~~  
109.25           \$       1,570,000   ..... 2013

109.26           If the appropriation for either year is insufficient, the appropriation for the other  
109.27 year is available.

109.28           Sec. 16. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision  
109.29 4, as amended by Laws 2012, chapter 292, article 2, section 17, is amended to read:

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

109.32           \$       314,000   ..... 2012  
109.33                    ~~321,000~~  
109.34           \$       407,000   ..... 2013

110.1 The 2012 appropriation includes \$107,000 for 2011 and \$207,000 for 2012.

110.2 The 2013 appropriation includes \$114,000 for 2012 and ~~\$207,000~~ \$293,000 for 2013.

110.3 Sec. 17. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision  
110.4 5, as amended by Laws 2012, chapter 292, article 2, section 18, is amended to read:

110.5 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota  
110.6 Statutes, section 125A.79, subdivision 7:

110.7 \$ 107,557,000 ..... 2012

110.8 ~~115,269,000~~

110.9 \$ 134,121,000 ..... 2013

110.10 The 2012 appropriation includes \$53,449,000 for 2011 and \$54,108,000 for 2012.

110.11 The 2013 appropriation includes \$59,607,000 for 2012 and ~~\$55,662,000~~ \$74,514,000  
110.12 for 2013.

#### 110.13 **D. FACILITIES AND TECHNOLOGY**

110.14 Sec. 18. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision  
110.15 2, as amended by Laws 2012, chapter 292, article 2, section 19, is amended to read:

110.16 Subd. 2. **Health and safety revenue.** For health and safety aid according to  
110.17 Minnesota Statutes, section 123B.57, subdivision 5:

110.18 \$ 98,000 ..... 2012

110.19 ~~157,000~~

110.20 \$ 200,000 ..... 2013

110.21 The 2012 appropriation includes \$39,000 for 2011 and \$59,000 for 2012.

110.22 The 2013 appropriation includes \$32,000 for 2012 and ~~\$125,000~~ \$168,000 for 2013.

110.23 Sec. 19. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision  
110.24 3, as amended by Laws 2012, chapter 292, article 2, section 20, is amended to read:

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

110.27 \$ 11,625,000 ..... 2012

110.28 ~~16,342,000~~

110.29 \$ 20,237,000 ..... 2013

110.30 The 2012 appropriation includes \$2,604,000 for 2011 and \$9,021,000 for 2012.

110.31 The 2013 appropriation includes \$5,008,000 for 2012 and ~~\$11,334,000~~ \$15,229,000  
110.32 for 2013.

111.1 Sec. 20. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision  
111.2 4, as amended by Laws 2012, chapter 292, article 2, section 21, is amended to read:

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

111.5 \$ 18,187,000 ..... 2012

111.6 ~~19,287,000~~

111.7 \$ 23,549,000 ..... 2013

111.8 The 2012 appropriation includes \$5,785,000 for 2011 and \$12,402,000 for 2012.

111.9 The 2013 appropriation includes \$6,885,000 for 2012 and ~~\$12,402,000~~ \$16,664,000  
111.10 for 2013.

111.11 Sec. 21. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision  
111.12 6, as amended by Laws 2012, chapter 292, article 2, section 22, is amended to read:

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

111.15 \$ 2,331,000 ..... 2012

111.16 ~~3,141,000~~

111.17 \$ 3,817,000 ..... 2013

111.18 The 2012 appropriation includes \$676,000 for 2011 and \$1,655,000 for 2012.

111.19 The 2013 appropriation includes \$918,000 for 2012 and ~~\$2,223,000~~ \$2,899,000  
111.20 for 2013.

## 111.21 E. NUTRITION AND LIBRARIES

111.22 Sec. 22. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision  
111.23 2, as amended by Laws 2012, chapter 292, article 2, section 23, is amended to read:

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

111.26 \$ 12,285,000 ..... 2012

111.27 ~~12,524,000~~

111.28 \$ 12,266,000 ..... 2013

111.29 Sec. 23. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision  
111.30 3, as amended by Laws 2012, chapter 292, article 2, section 24, is amended to read:

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

112.1           \$       5,247,000     ..... 2012  
 112.2                       ~~5,560,000~~  
 112.3           \$       5,417,000     ..... 2013

112.4           Sec. 24. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision  
 112.5 4, as amended by Laws 2012, chapter 292, article 2, section 25, is amended to read:

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

112.8           \$       1,025,000     ..... 2012  
 112.9                       ~~1,035,000~~  
 112.10          \$       1,019,000     ..... 2013

112.11          Sec. 25. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision  
 112.12 2, as amended by Laws 2012, chapter 292, article 2, section 26, is amended to read:

112.13          Subd. 2. **Basic system support.** For basic system support grants under Minnesota  
 112.14 Statutes, section 134.355:

112.15          \$       12,797,000     ..... 2012  
 112.16                       ~~13,570,000~~  
 112.17          \$       16,569,000     ..... 2013

112.18          The 2012 appropriation includes \$4,071,000 for 2011 and \$8,726,000 for 2012.

112.19          The 2013 appropriation includes \$4,844,000 for 2012 and ~~\$8,726,000~~ \$11,725,000  
 112.20 for 2013.

112.21          Sec. 26. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision  
 112.22 3, as amended by Laws 2012, chapter 292, article 2, section 27, is amended to read:

112.23          Subd. 3. **Multicounty, multitype library systems.** For grants under Minnesota  
 112.24 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

112.25          \$       1,226,000     ..... 2012  
 112.26                       ~~1,300,000~~  
 112.27          \$       1,588,000     ..... 2013

112.28          The 2012 appropriation includes \$390,000 for 2011 and \$836,000 for 2012.

112.29          The 2013 appropriation includes \$464,000 for 2012 and ~~\$836,000~~ \$1,124,000 for  
 112.30 2013.

112.31          Sec. 27. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision  
 112.32 5, as amended by Laws 2012, chapter 292, article 2, section 28, is amended to read:



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

113.3 \$ 2,169,000 ..... 2012

113.4 ~~2,300,000~~

113.5 \$ 2,809,000 ..... 2013

113.6 The 2012 appropriation includes \$690,000 for 2011 and \$1,479,000 for 2012.

113.7 The 2013 appropriation includes \$821,000 for 2012 and ~~\$1,479,000~~ \$1,988,000

113.8 for 2013.

113.9 **F. EARLY CHILDHOOD EDUCATION, PREVENTION, AND**

113.10 **LIFELONG LEARNING**

113.11 Sec. 28. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision  
113.12 2, as amended by Laws 2012, chapter 292, article 2, section 29, is amended to read:

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

113.15 \$ 9,444,000 ..... 2012

113.16 ~~10,095,000~~

113.17 \$ 12,326,000 ..... 2013

113.18 The 2012 appropriation includes \$2,952,000 for 2011 and \$6,492,000 for 2012.

113.19 The 2013 appropriation includes \$3,603,000 for 2012 and ~~\$6,492,000~~ \$8,723,000

113.20 for 2013.

113.21 Sec. 29. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision  
113.22 3, as amended by Laws 2012, chapter 292, article 2, section 30, is amended to read:

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

113.25 \$ 21,099,000 ..... 2012

113.26 ~~22,358,000~~

113.27 \$ 27,197,000 ..... 2013

113.28 The 2012 appropriation includes \$6,542,000 for 2011 and \$14,557,000 for 2012.

113.29 The 2013 appropriation includes \$8,082,000 for 2012 and ~~\$14,276,000~~ \$19,115,000

113.30 for 2013.

113.31 Sec. 30. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision  
113.32 4, as amended by Laws 2012, chapter 292, article 2, section 31, is amended to read:

114.1 Subd. 4. **Health and developmental screening aid.** For health and developmental  
114.2 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

114.3 \$ 3,359,000 ..... 2012

114.4 ~~3,543,000~~

114.5 \$ 4,287,000 ..... 2013

114.6 The 2012 appropriation includes \$1,066,000 for 2011 and \$2,293,000 for 2012.

114.7 The 2013 appropriation includes \$1,273,000 for 2012 and ~~\$2,270,000~~ \$3,014,000

114.8 for 2013.

114.9 Sec. 31. Laws 2011, First Special Session chapter 11, article 8, section 2, subdivision  
114.10 2, as amended by Laws 2012, chapter 292, article 2, section 32, is amended to read:

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

114.13 \$ 442,000 ..... 2012

114.14 ~~746,000~~

114.15 \$ 926,000 ..... 2013

114.16 The 2012 appropriation includes \$134,000 for 2011 and \$308,000 for 2012.

114.17 The 2013 appropriation includes \$170,000 for 2012 and ~~\$576,000~~ \$756,000 for 2013.

114.18 Sec. 32. Laws 2011, First Special Session chapter 11, article 8, section 2, subdivision  
114.19 3, as amended by Laws 2012, chapter 292, article 2, section 33, is amended to read:

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

114.22 \$ 654,000 ..... 2012

114.23 ~~710,000~~

114.24 \$ 867,000 ..... 2013

114.25 The 2012 appropriation includes \$197,000 for 2011 and \$457,000 for 2012.

114.26 The 2013 appropriation includes \$253,000 for 2012 and ~~\$457,000~~ \$614,000 for 2013.

114.27 Sec. 33. Laws 2011, First Special Session chapter 11, article 9, section 3, subdivision  
114.28 2, as amended by Laws 2012, chapter 292, article 2, section 34, is amended to read:

114.29 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota  
114.30 Statutes, section 124D.531:

114.31 \$ 42,526,000 ..... 2012

114.32 ~~45,901,000~~

114.33 \$ 56,113,000 ..... 2013

114.34 The 2012 appropriation includes \$13,364,000 for 2011 and \$29,162,000 for 2012.

115.1           The 2013 appropriation includes \$16,190,000 for 2012 and ~~\$29,711,000~~ \$39,923,000  
115.2   for 2013.