

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 1222**

(SENATE AUTHORS: PRATT and Nelson)

DATE	D-PG	OFFICIAL STATUS
02/20/2017	678	Introduction and first reading
		Referred to E-12 Policy
03/13/2017	1304a	Comm report: To pass as amended and re-refer to E-12 Finance

1.1 A bill for an act

1.2 relating to education; providing for prekindergarten through grade 12 education,

1.3 including general education, education excellence, teachers, special education,

1.4 self-sufficiency and lifelong learning, and libraries; amending Minnesota Statutes

1.5 2016, sections 120A.22, by adding a subdivision; 120B.021, subdivisions 1, 3;

1.6 120B.022, subdivision 1b; 120B.12; 120B.125; 120B.30, subdivision 1a; 120B.31,

1.7 subdivision 4, by adding a subdivision; 120B.35, subdivision 3; 121A.22,

1.8 subdivision 2; 121A.221; 122A.415, subdivision 4; 123B.52, subdivision 1, by

1.9 adding a subdivision; 123B.92, subdivision 1; 124D.09, subdivisions 3, 5, 13, by

1.10 adding a subdivision; 124D.52, subdivision 7; 124D.549; 124D.55; 124E.02;

1.11 124E.03, subdivision 2; 124E.05, subdivisions 4, 7, by adding a subdivision;

1.12 124E.06, subdivision 7; 124E.07, subdivisions 3, 4, 7; 124E.10, by adding a

1.13 subdivision; 124E.11; 124E.16; 124E.17, subdivision 1; 125A.0941; 125A.515;

1.14 126C.17, subdivision 9; 127A.45, subdivision 10; 134.31, subdivision 2; 256J.08,

1.15 subdivisions 38, 39; proposing coding for new law in Minnesota Statutes, chapters

1.16 122A; 123B; repealing Minnesota Statutes 2016, sections 124D.73, subdivision

1.17 2; 124E.10, subdivision 5; Minnesota Rules, part 3500.3100, subpart 4.

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

1.19 **ARTICLE 1**

1.20 **GENERAL EDUCATION**

1.21 Section 1. Minnesota Statutes 2016, section 120A.22, is amended by adding a subdivision

1.22 to read:

1.23 Subd. 14. **Attending courses at a nonpublic school.** (a) A 9th, 10th, 11th, or 12th grade

1.24 student enrolled in a public school may attend courses at a nonpublic school as defined in

1.25 subdivision 4 at the student's expense for up to one-third of the minimum hours required

1.26 under section 120A.41.

2.1 (b) A district or school may grant academic credit to a pupil attending a nonsectarian  
2.2 course at a nonpublic school for secondary credit pursuant to this subdivision if the pupil  
2.3 successfully completes the course.

2.4 (c) The secondary credits granted to a pupil may be counted toward the graduation  
2.5 requirements and subject area requirements of the school or district. Evidence of successful  
2.6 completion of each course and secondary credits granted may be included in the pupil's  
2.7 secondary school record. A pupil shall provide the school with a copy of the pupil's grade  
2.8 in each course taken for secondary credit under this subdivision.

2.9 (d) Written notice of attendance in a course at a nonpublic school under this subdivision  
2.10 must be provided to the pupil's school or district no later than 60 days before the first day  
2.11 of the nonpublic school course.

2.12 (e) A pupil attending a course under this subdivision is ineligible for nonpublic pupil  
2.13 aid under section 123B.42. A pupil attending a course under this subdivision shall continue  
2.14 to generate average daily membership for the enrolling public school.

2.15 (f) Students who enroll in a course pursuant to this subdivision shall lose no rights,  
2.16 privileges, or access to services from the district.

2.17 Sec. 2. Minnesota Statutes 2016, section 121A.22, subdivision 2, is amended to read:

2.18 Subd. 2. **Exclusions.** In addition, this section does not apply to drugs or medicine that  
2.19 are:

2.20 (1) purchased without a prescription;

2.21 (2) used by a pupil who is 18 years old or older;

2.22 (3) used in connection with services for which a minor may give effective consent,  
2.23 including section 144.343, subdivision 1, and any other law;

2.24 (4) used in situations in which, in the judgment of the school personnel who are present  
2.25 or available, the risk to the pupil's life or health is of such a nature that drugs or medicine  
2.26 should be given without delay;

2.27 (5) used off the school grounds;

2.28 (6) used in connection with athletics or extra curricular activities;

2.29 (7) used in connection with activities that occur before or after the regular school day;

2.30 (8) provided or administered by a public health agency to prevent or control an illness  
2.31 or a disease outbreak as provided for in sections 144.05 and 144.12;

3.1 (9) prescription asthma or reactive airway disease medications self-administered by a  
 3.2 pupil with an asthma inhaler, consistent with section 121A.221, if the district has received  
 3.3 a written authorization from the pupil's parent permitting the pupil to self-administer the  
 3.4 medication, the inhaler is properly labeled for that student, and the parent has not requested  
 3.5 school personnel to administer the medication to the pupil. The parent must submit written  
 3.6 authorization for the pupil to self-administer the medication each school year; or

3.7 (10) epinephrine auto-injectors, consistent with section 121A.2205, if the parent and  
 3.8 prescribing medical professional annually inform the pupil's school in writing that (i) the  
 3.9 pupil may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and  
 3.10 requires immediate access to epinephrine auto-injectors that the parent provides properly  
 3.11 labeled to the school for the pupil as needed.

3.12 Sec. 3. Minnesota Statutes 2016, section 121A.221, is amended to read:

3.13 **121A.221 POSSESSION AND USE OF ASTHMA INHALERS BY ASTHMATIC**  
 3.14 **STUDENTS.**

3.15 (a) Consistent with section 121A.22, subdivision 2, clause (9), in a school district that  
 3.16 employs a school nurse or provides school nursing services under another arrangement, the  
 3.17 school nurse or other appropriate party must assess the student's knowledge and skills to  
 3.18 safely possess and use an asthma inhaler in a school setting and enter into the student's  
 3.19 school health record a plan to implement safe possession and use of asthma inhalers.

3.20 (b) Consistent with section 121A.22, subdivision 2, clause (9), in a school that does not  
 3.21 have a school nurse or school nursing services, the student's parent or guardian must submit  
 3.22 written verification from the prescribing professional that documents an assessment of the  
 3.23 student's knowledge and skills to safely possess and use an asthma inhaler in a school setting  
 3.24 has been completed.

3.25 Sec. 4. Minnesota Statutes 2016, section 123B.52, subdivision 1, is amended to read:

3.26 Subdivision 1. **Contracts.** A contract for work or labor, or for the purchase of furniture,  
 3.27 fixtures, or other property, except books registered under the copyright laws and information  
 3.28 systems software, or for the construction or repair of school houses, the estimated cost or  
 3.29 value of which shall exceed that specified in section 471.345, subdivision 3, must not be  
 3.30 made by the school board without first advertising for bids or proposals by two weeks'  
 3.31 published notice in the official newspaper. This notice must state the time and place of  
 3.32 receiving bids and contain a brief description of the subject matter.

4.1 Additional publication in the official newspaper or elsewhere may be made as the board  
4.2 shall deem necessary.

4.3 After taking into consideration conformity with the specifications, terms of delivery,  
4.4 and other conditions imposed in the call for bids, every such contract for which a call for  
4.5 bids has been issued must be awarded to the lowest responsible bidder, be duly executed  
4.6 in writing, and be otherwise conditioned as required by law. The person to whom the contract  
4.7 is awarded shall give a sufficient bond to the board for its faithful performance.

4.8 Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to  
4.9 the purchase of a finished tangible product, a board may require, at its discretion, a  
4.10 performance bond of a contractor in the amount the board considers necessary. A record  
4.11 must be kept of all bids, with names of bidders and amount of bids, and with the successful  
4.12 bid indicated thereon. A bid containing an alteration or erasure of any price contained in  
4.13 the bid which is used in determining the lowest responsible bid must be rejected unless the  
4.14 alteration or erasure is corrected as provided in this section. An alteration or erasure may  
4.15 be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and  
4.16 initialed in ink by the person signing the bid. In the case of identical low bids from two or  
4.17 more bidders, the board may, at its discretion, utilize negotiated procurement methods with  
4.18 the tied low bidders for that particular transaction, so long as the price paid does not exceed  
4.19 the low tied bid price. In the case where only a single bid is received, the board may, at its  
4.20 discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid  
4.21 does not exceed the original bid. If no satisfactory bid is received, the board may readvertise.  
4.22 Standard requirement price contracts established for supplies or services to be purchased  
4.23 by the district must be established by competitive bids. Such standard requirement price  
4.24 contracts may contain escalation clauses and may provide for a negotiated price increase  
4.25 or decrease based upon a demonstrable industrywide or regional increase or decrease in the  
4.26 vendor's costs. Either party to the contract may request that the other party demonstrate  
4.27 such increase or decrease. The term of such contracts must not exceed two years with an  
4.28 option on the part of the district to renew for an additional two years, except as provided in  
4.29 subdivision 7. Contracts for the purchase of perishable food items, except milk for school  
4.30 lunches and vocational training programs, in any amount may be made by direct negotiation  
4.31 by obtaining two or more written quotations for the purchase or sale, when possible, without  
4.32 advertising for bids or otherwise complying with the requirements of this section or section  
4.33 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least  
4.34 one year after receipt.

5.1 Every contract made without compliance with the provisions of this section shall be  
5.2 void. Except in the case of the destruction of buildings or injury thereto, where the public  
5.3 interest would suffer by delay, contracts for repairs may be made without advertising for  
5.4 bids.

5.5 **EFFECTIVE DATE.** This section is effective for contracts entered into on or after July  
5.6 1, 2017.

5.7 Sec. 5. Minnesota Statutes 2016, section 123B.52, is amended by adding a subdivision to  
5.8 read:

5.9 Subd. 7. **Food service contracts.** A contract between a school board and a food service  
5.10 management company that complies with Code of Federal Regulations, title 7, section  
5.11 210.16, may be renewed annually after its initial term for not more than four additional  
5.12 years.

5.13 **EFFECTIVE DATE.** This section is effective for contracts entered into on or after July  
5.14 1, 2017.

5.15 Sec. 6. **[123B.651] ENERGY USE REDUCTION AND REPORTING FOR PUBLIC**  
5.16 **SCHOOLS.**

5.17 Beginning October 1, 2017, each public school or school district reporting on behalf of  
5.18 a public school must enter and maintain monthly utility consumption data into the Minnesota  
5.19 B3 benchmarking program for all buildings under its custodial control.

5.20 Sec. 7. Minnesota Statutes 2016, section 123B.92, subdivision 1, is amended to read:

5.21 Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms  
5.22 defined in this subdivision have the meanings given to them.

5.23 (a) "Actual expenditure per pupil transported in the regular and excess transportation  
5.24 categories" means the quotient obtained by dividing:

5.25 (1) the sum of:

5.26 (i) all expenditures for transportation in the regular category, as defined in paragraph  
5.27 (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

5.28 (ii) an amount equal to one year's depreciation on the district's school bus fleet and  
5.29 mobile units computed on a straight line basis at the rate of 15 percent per year for districts  
5.30 operating a program under section 124D.128 for grades 1 to 12 for all students in the district  
5.31 and 12-1/2 percent per year for other districts of the cost of the fleet, plus

6.1 (iii) an amount equal to one year's depreciation on the district's type III vehicles, as  
6.2 defined in section 169.011, subdivision 71, which must be used a majority of the time for  
6.3 pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per  
6.4 year of the cost of the type three school buses by:

6.5 (2) the number of pupils eligible for transportation in the regular category, as defined  
6.6 in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause  
6.7 (2).

6.8 (b) "Transportation category" means a category of transportation service provided to  
6.9 pupils as follows:

6.10 (1) Regular transportation is:

6.11 (i) transportation to and from school during the regular school year for resident elementary  
6.12 pupils residing one mile or more from the public or nonpublic school they attend, and  
6.13 resident secondary pupils residing two miles or more from the public or nonpublic school  
6.14 they attend, excluding desegregation transportation and noon kindergarten transportation;  
6.15 but with respect to transportation of pupils to and from nonpublic schools, only to the extent  
6.16 permitted by sections 123B.84 to 123B.87;

6.17 (ii) transportation of resident pupils to and from language immersion programs;

6.18 (iii) transportation of a pupil who is a custodial parent and that pupil's child between the  
6.19 pupil's home and the child care provider and between the provider and the school, if the  
6.20 home and provider are within the attendance area of the school;

6.21 (iv) transportation to and from or board and lodging in another district, of resident pupils  
6.22 of a district without a secondary school; and

6.23 (v) transportation to and from school during the regular school year required under  
6.24 subdivision 3 for nonresident elementary pupils when the distance from the attendance area  
6.25 border to the public school is one mile or more, and for nonresident secondary pupils when  
6.26 the distance from the attendance area border to the public school is two miles or more,  
6.27 excluding desegregation transportation and noon kindergarten transportation.

6.28 For the purposes of this paragraph, a district may designate a licensed day care facility,  
6.29 school day care facility, respite care facility, the residence of a relative, or the residence of  
6.30 a person or other location chosen by the pupil's parent or guardian, or an after-school program  
6.31 for children operated by a political subdivision of the state, as the home of a pupil for part  
6.32 or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence,  
6.33 or program is within the attendance area of the school the pupil attends.

7.1 (2) Excess transportation is:

7.2 (i) transportation to and from school during the regular school year for resident secondary  
7.3 pupils residing at least one mile but less than two miles from the public or nonpublic school  
7.4 they attend, and transportation to and from school for resident pupils residing less than one  
7.5 mile from school who are transported because of full-service school zones, extraordinary  
7.6 traffic, drug, or crime hazards; and

7.7 (ii) transportation to and from school during the regular school year required under  
7.8 subdivision 3 for nonresident secondary pupils when the distance from the attendance area  
7.9 border to the school is at least one mile but less than two miles from the public school they  
7.10 attend, and for nonresident pupils when the distance from the attendance area border to the  
7.11 school is less than one mile from the school and who are transported because of full-service  
7.12 school zones, extraordinary traffic, drug, or crime hazards.

7.13 (3) Desegregation transportation is transportation within and outside of the district during  
7.14 the regular school year of pupils to and from schools located outside their normal attendance  
7.15 areas under a plan for desegregation mandated by the commissioner or under court order.

7.16 (4) "Transportation services for pupils with disabilities" is:

7.17 (i) transportation of pupils with disabilities who cannot be transported on a regular school  
7.18 bus between home or a respite care facility and school;

7.19 (ii) necessary transportation of pupils with disabilities from home or from school to  
7.20 other buildings, including centers such as developmental achievement centers, hospitals,  
7.21 and treatment centers where special instruction or services required by sections 125A.03 to  
7.22 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district  
7.23 where services are provided;

7.24 (iii) necessary transportation for resident pupils with disabilities required by sections  
7.25 125A.12, and 125A.26 to 125A.48;

7.26 (iv) board and lodging for pupils with disabilities in a district maintaining special classes;

7.27 (v) transportation from one educational facility to another within the district for resident  
7.28 pupils enrolled on a shared-time basis in educational programs, and necessary transportation  
7.29 required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities  
7.30 who are provided special instruction and services on a shared-time basis or if resident pupils  
7.31 are not transported, the costs of necessary travel between public and private schools or  
7.32 neutral instructional sites by essential personnel employed by the district's program for  
7.33 children with a disability;

8.1 (vi) transportation for resident pupils with disabilities to and from board and lodging  
8.2 facilities when the pupil is boarded and lodged for educational purposes;

8.3 (vii) transportation of pupils for a curricular field trip activity on a school bus equipped  
8.4 with a power lift when the power lift is required by a student's disability or section 504 plan;  
8.5 and

8.6 (viii) services described in clauses (i) to (vii), when provided for pupils with disabilities  
8.7 in conjunction with a summer instructional program that relates to the pupil's individualized  
8.8 education program or in conjunction with a learning year program established under section  
8.9 124D.128.

8.10 For purposes of computing special education initial aid under section 125A.76, the cost  
8.11 of providing transportation for children with disabilities includes (A) the additional cost of  
8.12 transporting a student in a shelter care facility as defined in section 260C.007, subdivision  
8.13 30, a homeless student ~~from a temporary nonshelter home~~ in another district to the school  
8.14 of origin, or a formerly homeless student from a permanent home in another district to the  
8.15 school of origin but only through the end of the academic year; and (B) depreciation on  
8.16 district-owned school buses purchased after July 1, 2005, and used primarily for  
8.17 transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii)  
8.18 and (iii). Depreciation costs included in the disabled transportation category must be excluded  
8.19 in calculating the actual expenditure per pupil transported in the regular and excess  
8.20 transportation categories according to paragraph (a). For purposes of subitem (A), a school  
8.21 district may transport a child who does not have a school of origin to the same school  
8.22 attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

8.23 (5) "Nonpublic nonregular transportation" is:

8.24 (i) transportation from one educational facility to another within the district for resident  
8.25 pupils enrolled on a shared-time basis in educational programs, excluding transportation  
8.26 for nonpublic pupils with disabilities under clause (4);

8.27 (ii) transportation within district boundaries between a nonpublic school and a public  
8.28 school or a neutral site for nonpublic school pupils who are provided pupil support services  
8.29 pursuant to section 123B.44; and

8.30 (iii) late transportation home from school or between schools within a district for  
8.31 nonpublic school pupils involved in after-school activities.

8.32 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational  
8.33 programs and services, including diagnostic testing, guidance and counseling services, and



9.1 health services. A mobile unit located off nonpublic school premises is a neutral site as  
 9.2 defined in section 123B.41, subdivision 13.

9.3 **EFFECTIVE DATE.** This section is effective retroactively from December 10, 2016.

9.4 Sec. 8. Minnesota Statutes 2016, section 126C.17, subdivision 9, is amended to read:

9.5 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
 9.6 subdivision 1, may be increased in the amount approved by the voters of the district at a  
 9.7 referendum called for the purpose. The referendum may be called by the board. The  
 9.8 referendum must be conducted one or two calendar years before the increased levy authority,  
 9.9 if approved, first becomes payable. Only one election to approve an increase may be held  
 9.10 in a calendar year. Unless the referendum is conducted by mail under subdivision 11,  
 9.11 paragraph (a), the referendum must be held on the first Tuesday after the first Monday in  
 9.12 November. The ballot must state the maximum amount of the increased revenue per adjusted  
 9.13 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue  
 9.14 per adjusted pupil unit that differs from year to year over the number of years for which the  
 9.15 increased revenue is authorized or may state that the amount shall increase annually by the  
 9.16 rate of inflation. For this purpose, the rate of inflation shall be the annual inflationary increase  
 9.17 calculated under subdivision 2, paragraph (b). The ballot may state that existing referendum  
 9.18 levy authority is expiring. In this case, the ballot may also compare the proposed levy  
 9.19 authority to the existing expiring levy authority, and express the proposed increase as the  
 9.20 amount, if any, over the expiring referendum levy authority. The ballot must designate the  
 9.21 specific number of years, not to exceed ten, for which the referendum authorization applies.  
 9.22 The ballot, including a ballot on the question to revoke or reduce the increased revenue  
 9.23 amount under paragraph (c), must abbreviate the term "per adjusted pupil unit" as "per  
 9.24 pupil." The notice required under section 275.60 may be modified to read, in cases of  
 9.25 renewing existing levies at the same amount per pupil as in the previous year:

9.26 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING TO  
 9.27 EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS SCHEDULED  
 9.28 TO EXPIRE."

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

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

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

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

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

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

10.25 (c) A referendum on the question of revoking or reducing the increased revenue amount  
10.26 authorized pursuant to paragraph (a) may be called by the board. A referendum to revoke  
10.27 or reduce the revenue amount must state the amount per adjusted pupil unit by which the  
10.28 authority is to be reduced. Revenue authority approved by the voters of the district pursuant  
10.29 to paragraph (a) must be available to the school district at least once before it is subject to  
10.30 a referendum on its revocation or reduction for subsequent years. Only one revocation or  
10.31 reduction referendum may be held to revoke or reduce referendum revenue for any specific  
10.32 year and for years thereafter.

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

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

11.7 **EFFECTIVE DATE.** This section is effective August 1, 2017.

11.8 Sec. 9. Minnesota Statutes 2016, section 127A.45, subdivision 10, is amended to read:

11.9 Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general fund  
 11.10 payments for a district nonoperating fund must be made at the current year aid payment  
 11.11 percentage of the estimated entitlement during the fiscal year of the entitlement. This amount  
 11.12 shall be paid in ~~12~~ six equal monthly installments from July through December. The amount  
 11.13 of the actual entitlement, after adjustment for actual data, minus the payments made during  
 11.14 the fiscal year of the entitlement must be paid prior to October 31 of the following school  
 11.15 year. The commissioner may make advance payments of debt service equalization aid and  
 11.16 state-paid tax credits for a district's debt service fund earlier than would occur under the  
 11.17 preceding schedule if the district submits evidence showing a serious cash flow problem in  
 11.18 the fund. The commissioner may make earlier payments during the year and, if necessary,  
 11.19 increase the percent of the entitlement paid to reduce the cash flow problem.

11.20 Sec. 10. **REPEALER.**

11.21 Minnesota Statutes 2016, section 124D.73, subdivision 2, is repealed.

## 11.22 **ARTICLE 2**

### 11.23 **EDUCATION EXCELLENCE**

11.24 Section 1. Minnesota Statutes 2016, section 120B.021, subdivision 1, is amended to read:

11.25 Subdivision 1. **Required academic standards.** (a) The following subject areas are  
 11.26 required for statewide accountability:

11.27 (1) language arts;

11.28 (2) mathematics;

11.29 (3) science;

12.1 (4) social studies, including history, geography, economics, and government and  
 12.2 citizenship that includes civics consistent with section 120B.02, subdivision 3;

12.3 (5) physical education;

12.4 (6) health, for which locally developed academic standards apply; and

12.5 (7) the arts, for which statewide or locally developed academic standards apply, as  
 12.6 determined by the school district. Public elementary and middle schools must offer at least  
 12.7 three and require at least two of the following four arts areas: dance; music; theater; and  
 12.8 visual arts. Public high schools must offer at least three and require at least one of the  
 12.9 following five arts areas: media arts; dance; music; theater; and visual arts.

12.10 (b) For purposes of applicable federal law, the academic standards for language arts,  
 12.11 mathematics, and science apply to all public school students, except the very few students  
 12.12 with extreme cognitive or physical impairments for whom an individualized education  
 12.13 program team has determined that the required academic standards are inappropriate. An  
 12.14 individualized education program team that makes this determination must establish  
 12.15 alternative standards.

12.16 (c) Beginning in the 2016-2017 school year, the department must adopt the most recent  
 12.17 ~~National Association of Sport and Physical Education~~ SHAPE America (Society of Health  
 12.18 and Physical Educators) kindergarten through grade 12 standards and benchmarks for  
 12.19 physical education as the required physical education academic standards. The department  
 12.20 may modify and adapt the national standards to accommodate state interest. The modification  
 12.21 and adaptations must maintain the purpose and integrity of the national standards. The  
 12.22 department must make available sample assessments, which school districts may use as an  
 12.23 alternative to local assessments, to assess students' mastery of the physical education  
 12.24 standards beginning in the 2018-2019 school year.

12.25 (d) District efforts to develop, implement, or improve instruction or curriculum as a  
 12.26 result of the provisions of this section must be consistent with sections 120B.10, 120B.11,  
 12.27 and 120B.20.

12.28 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 12.29 is retroactive to July 1, 2016.

12.30 Sec. 2. Minnesota Statutes 2016, section 120B.021, subdivision 3, is amended to read:

12.31 Subd. 3. **Rulemaking.** The commissioner, consistent with the requirements of this section  
 12.32 and section 120B.022, must adopt statewide rules under section 14.389 for implementing  
 12.33 statewide rigorous core academic standards in language arts, mathematics, science, social

13.1 studies, physical education, and the arts. After the rules authorized under this subdivision  
13.2 are initially adopted, the commissioner may not amend or repeal these rules nor adopt new  
13.3 rules on the same topic without specific legislative authorization. ~~The academic standards  
13.4 for language arts, mathematics, and the arts must be implemented for all students beginning  
13.5 in the 2003-2004 school year. The academic standards for science and social studies must  
13.6 be implemented for all students beginning in the 2005-2006 school year.~~

13.7 Sec. 3. Minnesota Statutes 2016, section 120B.022, subdivision 1b, is amended to read:

13.8 Subd. 1b. **State bilingual and multilingual seals.** (a) Consistent with efforts to strive  
13.9 for the world's best workforce under sections 120B.11 and 124E.03, subdivision 2, paragraph  
13.10 (i), and close the academic achievement and opportunity gap under sections 124D.861 and  
13.11 124D.862, voluntary state bilingual and multilingual seals are established to recognize high  
13.12 school students in any Minnesota public, charter, or nonpublic school who demonstrate an  
13.13 advanced-low level or an intermediate high level of functional proficiency in listening,  
13.14 speaking, reading, and writing on either assessments aligned with American Council on the  
13.15 Teaching of Foreign Languages' (ACTFL) proficiency guidelines or on equivalent valid  
13.16 and reliable assessments in one or more languages in addition to English. American Sign  
13.17 Language is a language other than English for purposes of this subdivision and a world  
13.18 language for purposes of subdivision 1a.

13.19 (b) In addition to paragraph (a), to be eligible to receive a seal:

13.20 (1) students must satisfactorily complete all required English language arts credits; and

13.21 (2) students must demonstrate mastery of Minnesota's English language proficiency  
13.22 standards.

13.23 (c) Consistent with this subdivision, a high school student who demonstrates an  
13.24 intermediate high ACTFL level of functional proficiency in one language in addition to  
13.25 English is eligible to receive the state bilingual gold seal. A high school student who  
13.26 demonstrates an intermediate high ACTFL level of functional native proficiency in more  
13.27 than one language in addition to English is eligible to receive the state multilingual gold  
13.28 seal. A high school student who demonstrates an advanced-low ACTFL level of functional  
13.29 proficiency in one language in addition to English is eligible to receive the state bilingual  
13.30 platinum seal. A high school student who demonstrates an advanced-low ACTFL level of  
13.31 functional proficiency in more than one language in addition to English is eligible to receive  
13.32 the state multilingual platinum seal.

14.1 (d) School districts and charter schools may give students periodic opportunities to  
14.2 demonstrate their level of proficiency in listening, speaking, reading, and writing in a  
14.3 language in addition to English. Where valid and reliable assessments are unavailable, a  
14.4 school district or charter school may rely on evaluators trained in assessing under ACTFL  
14.5 proficiency guidelines to assess a student's level of foreign, heritage, or indigenous language  
14.6 proficiency under this section. School districts and charter schools must maintain appropriate  
14.7 records to identify high school students eligible to receive the state bilingual or multilingual  
14.8 gold and platinum seals. The school district or charter school must affix the appropriate seal  
14.9 to the transcript of each high school student who meets the requirements of this subdivision  
14.10 and may affix the seal to the student's diploma. A school district or charter school must not  
14.11 charge the high school student a fee for this seal.

14.12 (e) A school district or charter school may award elective course credits in world  
14.13 languages to a student who demonstrates the requisite proficiency in a language other than  
14.14 English under this section.

14.15 (f) A school district or charter school may award community service credit to a student  
14.16 who demonstrates an intermediate high or advanced-low ACTFL level of functional  
14.17 proficiency in listening, speaking, reading, and writing in a language other than English  
14.18 and who participates in community service activities that are integrated into the curriculum,  
14.19 involve the participation of teachers, and support biliteracy in the school or local community.

14.20 (g) The commissioner must list on the Web page those assessments that are aligned to  
14.21 ACTFL proficiency guidelines.

14.22 (h) By August 1, 2015, the colleges and universities of the Minnesota State Colleges  
14.23 and Universities system must establish criteria to translate the seals into college credits  
14.24 based on the world language course equivalencies identified by the Minnesota State Colleges  
14.25 and Universities faculty and staff and, upon request from an enrolled student, the Minnesota  
14.26 State Colleges and Universities may award foreign language credits to a student who receives  
14.27 a Minnesota World Language Proficiency Certificate under subdivision 1a. A student who  
14.28 demonstrated the requisite level of language proficiency in grade 10, 11, or 12 to receive a  
14.29 seal or certificate and is enrolled in a Minnesota State Colleges and Universities institution  
14.30 must request college credits for the student's seal or proficiency certificate within three  
14.31 academic years after graduating from high school. The University of Minnesota is encouraged  
14.32 to award students foreign language academic credits consistent with this paragraph.

15.1 Sec. 4. Minnesota Statutes 2016, section 120B.12, is amended to read:

15.2 **120B.12 READING PROFICIENTLY NO LATER THAN THE END OF GRADE**

15.3 **3.**

15.4 Subdivision 1. **Literacy goal.** The legislature seeks to have every child reading at or  
15.5 above grade level no later than the end of grade 3, including English learners, students  
15.6 receiving literacy interventions under section 125A.56, and students in an approved program  
15.7 under section 125A.50, and that teachers provide comprehensive, scientifically based reading  
15.8 instruction consistent with section 122A.06, subdivision 4.

15.9 Subd. 1a. **Definitions.** (a) For the purposes of this section, the terms defined in this  
15.10 subdivision have the meanings given them.

15.11 (b) "Core reading instruction" means the curriculum, assessments, materials, and  
15.12 instructional practices with which all students are actively engaged to achieve and exceed  
15.13 proficiency standards.

15.14 (c) "Diagnostic" means assessment intended to identify students' specific areas of need  
15.15 related to literacy to inform instructional decisions.

15.16 (d) "Evidence-based" means demonstrating a statistically significant effect on improving  
15.17 student outcomes or other relevant outcomes based on strong evidence from one or more  
15.18 quality experimental studies, moderate evidence from one or more quasi-experimental  
15.19 studies, or promising evidence from one or more correlational studies with statistical controls  
15.20 for selection bias.

15.21 (e) "Fidelity" means the extent to which a practice, program, or strategy is implemented  
15.22 as designed.

15.23 (f) "Multisensory instruction" means instruction that incorporates opportunities to practice  
15.24 that include seeing, hearing, saying, and physically doing.

15.25 (g) "Multitiered system of supports" means a framework to improve outcomes for all  
15.26 students that organizes district-level resources to address each individual student's needs,  
15.27 such as academic or behavior needs or both, that includes: screening of all students using  
15.28 valid and reliable measures; tiers of instruction that vary in intensity; collaborative teams  
15.29 that review data, problem solve, and organize instruction; frequent progress monitoring  
15.30 using valid and reliable measures to determine the impact of evidence-based interventions;  
15.31 and a system to ensure that instruction including interventions are evidence-based and  
15.32 implemented with fidelity. For the purposes of this section, the multitiered system applies

16.1 to the development of literacy to increase the number of students meeting proficiency  
 16.2 standards.

16.3 (h) "Progress monitoring" means frequent assessment to examine a student's rate of  
 16.4 progress on specific skills in order to guide decisions regarding the effectiveness of  
 16.5 intervention programs, as well as assisting in making additional instructional decisions for  
 16.6 a student.

16.7 (i) "Screening" means systematically assessing all students on literacy indicators for the  
 16.8 purpose of identifying students who may require additional support and who are at risk of  
 16.9 poor learning outcomes. Screening assessments are typically brief, conducted with all  
 16.10 students at a grade level, and followed by additional testing or short-term progress monitoring  
 16.11 to corroborate students' risk status.

16.12 (j) "Supplemental and intensive instruction" means instruction that increases the intensity  
 16.13 and practice of an activity, which is accomplished primarily by increasing the instructional  
 16.14 time, reducing the size of the group, and focusing the instruction.

16.15 (k) "Systematic and explicit instruction" means instruction that logically builds from  
 16.16 the smallest to more complex concepts such that there is no confusion or doubt and includes  
 16.17 specific design and delivery procedures.

16.18 **Subd. 2. Identification; report.** (a) Each school district shall identify before the end of  
 16.19 kindergarten, grade 1, and grade 2 students who are not reading at grade level before the  
 16.20 end of the current school year. ~~Reading~~ The district must use locally adopted,  
 16.21 developmentally appropriate, and culturally responsive screening and diagnostic assessments  
 16.22 in English, and in the predominant languages of district students, where practicable, must  
 16.23 to identify and evaluate students' areas of academic need related to literacy. The district  
 16.24 also must monitor the progress and provide reading instruction appropriate to the specific  
 16.25 needs of English learners. The district must use a locally adopted, developmentally  
 16.26 appropriate, and culturally responsive assessment and annually report each of the following  
 16.27 to the commissioner by July 1:

16.28 (1) a summary of assessment results to the commissioner by July 1; and

16.29 (2) The district also must annually report a summary of the district's efforts to screen  
 16.30 and identify students with dyslexia consistent with section 125A.01 or convergence  
 16.31 insufficiency disorder to the commissioner by July 1.

16.32 (b) A student identified under this subdivision, including English learners, students with  
 16.33 identified reading disorders, and students with disabilities, must be provided with alternate



17.1 ~~instruction under section 125A.56, subdivision 1~~ additional evidence-based literacy practices  
 17.2 such as through a system of multitiered supports or specially designed instructional services  
 17.3 as identified in an individualized education program.

17.4 Subd. 2a. **Parent notification and involvement.** Schools, at least annually, must give  
 17.5 the parent of each student who is not reading at or above grade level timely information  
 17.6 about:

17.7 (1) the student's reading proficiency as measured by a locally adopted assessment;

17.8 (2) reading-related services currently being provided to the student and the student's  
 17.9 progress; and

17.10 (3) strategies for parents to use at home in helping their student succeed in becoming  
 17.11 grade-level proficient in reading in English and in their native language.

17.12 A district may not use this section to deny a student's right to a special education  
 17.13 evaluation.

17.14 Subd. 3. **Intervention.** (a) For each student identified under subdivision 2, the district  
 17.15 shall provide reading intervention, such as through a multitiered system of supports, to  
 17.16 accelerate student growth and reach the goal of reading at or above grade level by the end  
 17.17 of the current grade and school year consistent with sections 125A.50 and 125A.56,  
 17.18 subdivision 2. Reading instruction and interventions must be appropriate to the specific  
 17.19 needs of English learners.

17.20 (b) District intervention methods shall encourage family engagement and, where possible,  
 17.21 collaboration with appropriate school and community programs.

17.22 (c) Intervention ~~methods~~ delivery options may include, but are not limited to, requiring  
 17.23 attendance in summer school, intensified reading instruction that may require that the student  
 17.24 be removed from the regular classroom for part of the school day, specially designed  
 17.25 instruction for students who qualify for special education services, extended-day programs,  
 17.26 or programs that strengthen students' cultural connections.

17.27 (d) Intervention methods matched to the needs, stage of development, and culture of the  
 17.28 students engaging with the instruction must include, but are not limited to:

17.29 (1) evidence-based practices delivered with fidelity;

17.30 (2) systematic, explicit, multisensory instruction with sufficient practice;

17.31 (3) provision of timely error correction and positive feedback to students;

17.32 (4) use of progress monitoring data for decision making; and

18.1 (5) supplemental and intensive instruction.

18.2 (e) A student, other than a student under an individualized education program (IEP),  
18.3 who is unable to demonstrate grade-level proficiency as measured by the statewide reading  
18.4 assessment in grade 3 shall receive a personal learning plan in a format determined by the  
18.5 school or school district in consultation with classroom teachers, and developed and updated  
18.6 as needed in consultation, to the extent practicable, with the student and the student's parents  
18.7 by the classroom teachers and other qualified school professionals involved with the student's  
18.8 elementary school progress. A personal learning plan shall address knowledge gaps and  
18.9 skill deficiencies through strategies such as specific exercises and practices during and  
18.10 outside of the regular school day, periodic assessments and timelines, and may include grade  
18.11 retention, if necessary, to meet the student's best interests. Intervention must continue after  
18.12 grade 3 until the student is reading at grade level.

18.13 Subd. 4. **Staff development.** Each district shall use the data under subdivision 2 to  
18.14 identify the staff development needs so that:

18.15 (1) elementary teachers are able to implement comprehensive, scientifically based reading  
18.16 and oral language instruction in the five reading areas of phonemic awareness, phonics,  
18.17 fluency, vocabulary, and comprehension as defined in section 122A.06, subdivision 4, and  
18.18 other literacy-related areas including writing until the student achieves grade-level reading  
18.19 proficiency;

18.20 (2) elementary teachers have sufficient training to provide comprehensive, scientifically  
18.21 based reading and oral language instruction that meets students' developmental, linguistic,  
18.22 and literacy needs using the intervention methods or programs selected by the district for  
18.23 the identified students;

18.24 (3) licensed teachers employed by the district have regular opportunities to improve  
18.25 reading and writing instruction;

18.26 (4) licensed teachers recognize students' diverse needs in cross-cultural settings and are  
18.27 able to serve the oral language and linguistic needs of students who are English learners by  
18.28 maximizing strengths in their native languages in order to cultivate students' English language  
18.29 development, including oral academic language development, and build academic literacy;  
18.30 and

18.31 (5) licensed teachers are well trained in culturally responsive pedagogy that enables  
18.32 students to master content, develop skills to access content, and build relationships.

19.1 Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must  
 19.2 adopt a local literacy plan to have every child reading at or above grade level no later than  
 19.3 the end of grade 3, including English learners. The plan must be consistent with section  
 19.4 122A.06, subdivision 4, and include the following:

19.5 (1) a process to assess students' level of reading proficiency and data to support the  
 19.6 effectiveness of an assessment used to screen and identify a student's level of reading  
 19.7 proficiency;

19.8 (2) a process to notify and involve parents;

19.9 (3) a description of how schools in the district will determine the proper reading  
 19.10 intervention strategy for a student and the process for intensifying or modifying the reading  
 19.11 strategy in order to obtain measurable reading progress;

19.12 (4) evidence-based intervention methods for students who are not reading at or above  
 19.13 grade level and progress monitoring to provide information on the effectiveness of the  
 19.14 intervention; and

19.15 (5) identification of staff development needs, including a program to meet those needs.

19.16 (b) The district must post its literacy plan on the official school district Web site.

19.17 Subd. 5. **Commissioner.** The commissioner shall recommend to districts multiple  
 19.18 assessment tools to assist districts and teachers with identifying students under subdivision  
 19.19 2. The commissioner shall also make available examples of nationally recognized and  
 19.20 research-based instructional methods or programs to districts to provide comprehensive,  
 19.21 scientifically based reading instruction and intervention under this section.

19.22 **EFFECTIVE DATE.** This section is effective for fiscal year 2018 and later.

19.23 Sec. 5. Minnesota Statutes 2016, section 120B.125, is amended to read:

19.24 **120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION TO**  
 19.25 **POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL LEARNING**  
 19.26 **PLANS.**

19.27 (a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15, 120B.30,  
 19.28 subdivision 1, paragraph (c), 125A.08, and other related sections, school districts, beginning  
 19.29 in the 2013-2014 school year, must assist all students by no later than grade 9 to explore  
 19.30 their educational, college, and career interests, aptitudes, and aspirations and develop a plan  
 19.31 for a smooth and successful transition to postsecondary education or employment. All  
 19.32 students' plans must:

20.1 (1) provide a comprehensive plan to prepare for and complete a career and college ready  
20.2 curriculum by meeting state and local academic standards and developing career and  
20.3 employment-related skills such as team work, collaboration, creativity, communication,  
20.4 critical thinking, and good work habits;

20.5 (2) emphasize academic rigor and high expectations and inform the student and their  
20.6 parent or guardian, if the student is a minor, of the student's achievement level score on the  
20.7 Minnesota Comprehensive Assessments that are administered during high school;

20.8 (3) help students identify interests, aptitudes, aspirations, and personal learning styles  
20.9 that may affect their career and college ready goals and postsecondary education and  
20.10 employment choices;

20.11 (4) set appropriate career and college ready goals with timelines that identify effective  
20.12 means for achieving those goals;

20.13 (5) help students access education and career options;

20.14 (6) integrate strong academic content into career-focused courses and applied and  
20.15 experiential learning opportunities and integrate relevant career-focused courses and applied  
20.16 and experiential learning opportunities into strong academic content;

20.17 (7) help identify and access appropriate counseling and other supports and assistance  
20.18 that enable students to complete required coursework, prepare for postsecondary education  
20.19 and careers, and obtain information about postsecondary education costs and eligibility for  
20.20 financial aid and scholarship;

20.21 (8) help identify collaborative partnerships among prekindergarten through grade 12  
20.22 schools, postsecondary institutions, economic development agencies, and local and regional  
20.23 employers that support students' transition to postsecondary education and employment and  
20.24 provide students with applied and experiential learning opportunities; and

20.25 (9) be reviewed and revised at least annually by the student, the student's parent or  
20.26 guardian, and the school or district to ensure that the student's course-taking schedule keeps  
20.27 the student making adequate progress to meet state and local academic standards and high  
20.28 school graduation requirements and with a reasonable chance to succeed with employment  
20.29 or postsecondary education without the need to first complete remedial course work.

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

21.1 (c) Educators must possess the knowledge and skills to effectively teach all English  
 21.2 learners in their classrooms. School districts must provide appropriate curriculum, targeted  
 21.3 materials, professional development opportunities for educators, and sufficient resources  
 21.4 to enable English learners to become career and college ready.

21.5 (d) When assisting students in developing a plan for a smooth and successful transition  
 21.6 to postsecondary education and employment, districts must recognize the unique possibilities  
 21.7 of each student and ensure that the contents of each student's plan reflect the student's unique  
 21.8 talents, skills, and abilities as the student grows, develops, and learns.

21.9 (e) If a student with a disability has an individualized education program (IEP) or  
 21.10 standardized written plan that meets the plan components of this section, the IEP satisfies  
 21.11 the requirement and no additional transition plan is needed.

21.12 (f) Students who do not meet or exceed Minnesota academic standards, as measured by  
 21.13 the Minnesota Comprehensive Assessments that are administered during high school, shall  
 21.14 be informed that admission to a public school is free and available to any resident under 21  
 21.15 years of age or who meets the requirements of section 120A.20, subdivision 1, paragraph  
 21.16 (c). A student's plan under this section shall continue while the student is enrolled.

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

21.18 Sec. 6. Minnesota Statutes 2016, section 120B.30, subdivision 1a, is amended to read:

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

21.21 (1) "Computer-adaptive assessments" means ~~fully~~ adaptive assessments.

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

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

21.26 (4) ~~"Above-grade level" test items contain subject area content that is above the grade~~  
 21.27 ~~level of the student taking the assessment and is considered aligned with state academic~~  
 21.28 ~~standards to the extent it is aligned with content represented in state academic standards~~  
 21.29 ~~above the grade level of the student taking the assessment. Notwithstanding the student's~~  
 21.30 ~~grade level, administering above-grade level test items to a student does not violate the~~  
 21.31 ~~requirement that state assessments must be aligned with state standards.~~

22.1 ~~(5) "Below-grade level" test items contain subject area content that is below the grade~~  
22.2 ~~level of the student taking the test and is considered aligned with state academic standards~~  
22.3 ~~to the extent it is aligned with content represented in state academic standards below the~~  
22.4 ~~student's current grade level. Notwithstanding the student's grade level, administering~~  
22.5 ~~below-grade level test items to a student does not violate the requirement that state~~  
22.6 ~~assessments must be aligned with state standards.~~

22.7 (b) The commissioner must use fully adaptive mathematics and reading assessments for  
22.8 grades 3 through 8.

22.9 (c) For purposes of conforming with existing federal educational accountability  
22.10 requirements, the commissioner must develop and implement computer-adaptive reading  
22.11 and mathematics assessments for grades 3 through 8, state-developed high school reading  
22.12 and mathematics tests aligned with state academic standards, a high school writing test  
22.13 aligned with state standards when it becomes available, and science assessments under  
22.14 clause (2) that districts and sites must use to monitor student growth toward achieving those  
22.15 standards. The commissioner must not develop statewide assessments for academic standards  
22.16 in social studies, health and physical education, and the arts. The commissioner must require:

22.17 (1) annual computer-adaptive reading and mathematics assessments in grades 3 through  
22.18 8, and high school reading, writing, and mathematics tests; and

22.19 (2) annual science assessments in one grade in the grades 3 through 5 span, the grades  
22.20 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the  
22.21 commissioner must not require students to achieve a passing score on high school science  
22.22 assessments as a condition of receiving a high school diploma.

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

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

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

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

22.32 (4) useful diagnostic information about areas of students' academic strengths and  
22.33 weaknesses is available to teachers and school administrators for improving student

23.1 instruction and indicating the specific skills and concepts that should be introduced and  
23.2 developed for students at given performance levels, organized by strands within subject  
23.3 areas, and aligned to state academic standards.

23.4 (e) The commissioner must ensure that all state tests administered to elementary and  
23.5 secondary students measure students' academic knowledge and skills and not students'  
23.6 values, attitudes, and beliefs.

23.7 (f) Reporting of state assessment results must:

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

23.10 (2) include a growth indicator of student achievement; and

23.11 (3) determine whether students have met the state's academic standards.

23.12 (g) Consistent with applicable federal law, the commissioner must include appropriate,  
23.13 technically sound accommodations or alternative assessments for the very few students with  
23.14 disabilities for whom statewide assessments are inappropriate and for English learners.

23.15 (h) A school, school district, and charter school must administer statewide assessments  
23.16 under this section, as the assessments become available, to evaluate student progress toward  
23.17 career and college readiness in the context of the state's academic standards. A school,  
23.18 school district, or charter school may use a student's performance on a statewide assessment  
23.19 as one of multiple criteria to determine grade promotion or retention. A school, school  
23.20 district, or charter school may use a high school student's performance on a statewide  
23.21 assessment as a percentage of the student's final grade in a course, or place a student's  
23.22 assessment score on the student's transcript.

23.23 Sec. 7. Minnesota Statutes 2016, section 120B.31, is amended by adding a subdivision to  
23.24 read:

23.25 Subd. 3a. **Rollout sites; report.** The commissioner of education shall designate up to  
23.26 six school districts or charter schools as rollout sites.

23.27 (a) The rollout sites should represent urban school districts, suburban school districts,  
23.28 nonurban school districts, and charter schools. The commissioner shall designate rollout  
23.29 sites and notify the schools by August 1, 2017, and the designated school districts or charter  
23.30 schools will have the right to opt-out or opt-in as rollout sites by September 1, 2017.

24.1 (b) The commissioner must consult stakeholders and review the American Community  
24.2 Survey to develop recommendations for best practices for disaggregated data. Stakeholders  
24.3 consulted under this paragraph include at least:

24.4 (1) the rollout sites;

24.5 (2) parent groups; and

24.6 (3) community representatives.

24.7 (c) The commissioner shall report to the legislative committees having jurisdiction over  
24.8 kindergarten through grade 12 education policy and finance by February 1, 2018. The  
24.9 commissioner may research best practices from other states that have disaggregated data  
24.10 beyond the requirements of the most recent reauthorization of the Elementary and Secondary  
24.11 Education Act. The commissioner must consult the stakeholders on how to measure a  
24.12 student's background as an immigrant or a refugee and provide a recommendation in the  
24.13 report on how to include the data in the statewide rollout. The recommendations may address:

24.14 (1) the most meaningful use of disaggregated data, including but not limited to which  
24.15 reports should include further disaggregated data;

24.16 (2) collection of additional student characteristics, including but not limited to ensuring  
24.17 enhanced enrollment forms:

24.18 (i) provide context and the objective of additional data;

24.19 (ii) are designed to convey respect and acknowledgment of the sensitive nature of the  
24.20 additional data; and

24.21 (iii) are designed to collect data consistent with user feedback;

24.22 (3) efficient data-reporting approaches when reporting additional information to the  
24.23 department;

24.24 (4) the frequency by which districts and schools must update enrollment forms to meet  
24.25 the needs of the state's changing racial and ethnic demographics; and

24.26 (5) the criteria for determining additional data. This recommendation should include a  
24.27 recommendation for frequency of reviews and updates of the additional data and should  
24.28 also identify the approach of updating any additional census data and data on new enrollees.  
24.29 This recommendation must consider additional student groups that may face education  
24.30 disparities and must take into account maintaining student privacy and providing  
24.31 nonidentifiable student level data.

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



25.1 Sec. 8. Minnesota Statutes 2016, section 120B.31, subdivision 4, is amended to read:

25.2 Subd. 4. **Student performance data.** In developing policies and assessment processes  
 25.3 to hold schools and districts accountable for high levels of academic standards under section  
 25.4 120B.021, the commissioner shall aggregate and disaggregate student data over time to  
 25.5 report summary student performance and growth levels and, under section 120B.11,  
 25.6 subdivision 2, clause (2), student learning and outcome data measured at the school, school  
 25.7 district, and statewide level. The commissioner shall use the student categories identified  
 25.8 under the federal Elementary and Secondary Education Act, as most recently reauthorized,  
 25.9 and student categories of homelessness, ethnicity under section 120B.35, subdivision 3,  
 25.10 paragraph (a), clause (2), race under section 120B.35, subdivision 3, paragraph (a), clause  
 25.11 (2), home language, ~~immigrant, refugee status,~~ English learners under section 124D.59, free  
 25.12 or reduced-price lunch, and other categories designated by federal law to organize and report  
 25.13 the data so that state and local policy makers can understand the educational implications  
 25.14 of changes in districts' demographic profiles over time as data are available. Any report the  
 25.15 commissioner disseminates containing summary data on student performance must integrate  
 25.16 student performance and the demographic factors that strongly correlate with that  
 25.17 performance.

25.18 **EFFECTIVE DATE.** This section is effective for the 2019-2020 school year and later.

25.19 Sec. 9. Minnesota Statutes 2016, section 120B.35, subdivision 3, is amended to read:

25.20 Subd. 3. **State growth target; other state measures.** (a)(1) The state's educational  
 25.21 assessment system measuring individual students' educational growth is based on indicators  
 25.22 of achievement growth that show an individual student's prior achievement. Indicators of  
 25.23 achievement and prior achievement must be based on highly reliable statewide or districtwide  
 25.24 assessments.

25.25 (2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and  
 25.26 report separate categories of information using the student categories identified under the  
 25.27 federal Elementary and Secondary Education Act, as most recently reauthorized, and, in  
 25.28 addition to "other" for each race and ethnicity and the Karen community, ~~other student~~  
 25.29 categories as determined by the total Minnesota population at or above the 1,000-person  
 25.30 threshold based on the most recent decennial census, including ethnicity; race; refugee status  
 25.31 seven of the most populous Asian and Pacific Islander groups, three of the most populous  
 25.32 Native groups, seven of the most populous Hispanic/Latino groups, and five of the most  
 25.33 populous Black and African Heritage groups as determined by the total Minnesota population  
 25.34 based on the most recent state demographer's report; English learners under section 124D.59;

26.1 home language; free or reduced-price lunch; ~~immigrant~~; and all students enrolled in a  
26.2 Minnesota public school who are currently or were previously in foster care, except that  
26.3 such disaggregation and cross tabulation is not required if the number of students in a  
26.4 category is insufficient to yield statistically reliable information or the results would reveal  
26.5 personally identifiable information about an individual student.

26.6 (b) The commissioner, in consultation with a stakeholder group that includes assessment  
26.7 and evaluation directors, district staff, experts in culturally responsive teaching, and  
26.8 researchers, must implement a model that uses a value-added growth indicator and includes  
26.9 criteria for identifying schools and school districts that demonstrate medium and high growth  
26.10 under section 120B.299, subdivisions 8 and 9, and may recommend other value-added  
26.11 measures under section 120B.299, subdivision 3. The model may be used to advance  
26.12 educators' professional development and replicate programs that succeed in meeting students'  
26.13 diverse learning needs. Data on individual teachers generated under the model are personnel  
26.14 data under section 13.43. The model must allow users to:

26.15 (1) report student growth consistent with this paragraph; and

26.16 (2) for all student categories, report and compare aggregated and disaggregated state  
26.17 student growth and, under section 120B.11, subdivision 2, clause (2), student learning and  
26.18 outcome data using the student categories identified under the federal Elementary and  
26.19 Secondary Education Act, as most recently reauthorized, and other student categories under  
26.20 paragraph (a), clause (2).

26.21 The commissioner must report measures of student growth and, under section 120B.11,  
26.22 subdivision 2, clause (2), student learning and outcome data, consistent with this paragraph,  
26.23 including the English language development, academic progress, and oral academic  
26.24 development of English learners and their native language development if the native language  
26.25 is used as a language of instruction, and include data on all pupils enrolled in a Minnesota  
26.26 public school course or program who are currently or were previously counted as an English  
26.27 learner under section 124D.59.

26.28 (c) When reporting student performance under section 120B.36, subdivision 1, the  
26.29 commissioner annually, beginning July 1, 2011, must report two core measures indicating  
26.30 the extent to which current high school graduates are being prepared for postsecondary  
26.31 academic and career opportunities:

26.32 (1) a preparation measure indicating the number and percentage of high school graduates  
26.33 in the most recent school year who completed course work important to preparing them for  
26.34 postsecondary academic and career opportunities, consistent with the core academic subjects

27.1 required for admission to Minnesota's public colleges and universities as determined by the  
27.2 Office of Higher Education under chapter 136A; and

27.3 (2) a rigorous coursework measure indicating the number and percentage of high school  
27.4 graduates in the most recent school year who successfully completed one or more  
27.5 college-level advanced placement, international baccalaureate, postsecondary enrollment  
27.6 options including concurrent enrollment, other rigorous courses of study under section  
27.7 120B.021, subdivision 1a, or industry certification courses or programs.

27.8 When reporting the core measures under clauses (1) and (2), the commissioner must also  
27.9 analyze and report separate categories of information using the student categories identified  
27.10 under the federal Elementary and Secondary Education Act, as most recently reauthorized,  
27.11 and other student categories under paragraph (a), clause (2).

27.12 (d) When reporting student performance under section 120B.36, subdivision 1, the  
27.13 commissioner annually, beginning July 1, 2014, must report summary data on school safety  
27.14 and students' engagement and connection at school, consistent with the student categories  
27.15 identified under paragraph (a), clause (2). The summary data under this paragraph are  
27.16 separate from and must not be used for any purpose related to measuring or evaluating the  
27.17 performance of classroom teachers. The commissioner, in consultation with qualified experts  
27.18 on student engagement and connection and classroom teachers, must identify highly reliable  
27.19 variables that generate summary data under this paragraph. The summary data may be used  
27.20 at school, district, and state levels only. Any data on individuals received, collected, or  
27.21 created that are used to generate the summary data under this paragraph are nonpublic data  
27.22 under section 13.02, subdivision 9.

27.23 (e) For purposes of statewide educational accountability, the commissioner must identify  
27.24 and report measures that demonstrate the success of learning year program providers under  
27.25 sections 123A.05 and 124D.68, among other such providers, in improving students'  
27.26 graduation outcomes. The commissioner, beginning July 1, 2015, must annually report  
27.27 summary data on:

27.28 (1) the four- and six-year graduation rates of students under this paragraph;

27.29 (2) the percent of students under this paragraph whose progress and performance levels  
27.30 are meeting career and college readiness benchmarks under section 120B.30, subdivision  
27.31 1; and

27.32 (3) the success that learning year program providers experience in:

27.33 (i) identifying at-risk and off-track student populations by grade;

28.1 (ii) providing successful prevention and intervention strategies for at-risk students;

28.2 (iii) providing successful recuperative and recovery or reenrollment strategies for off-track  
28.3 students; and

28.4 (iv) improving the graduation outcomes of at-risk and off-track students.

28.5 The commissioner may include in the annual report summary data on other education  
28.6 providers serving a majority of students eligible to participate in a learning year program.

28.7 (f) The commissioner, in consultation with recognized experts with knowledge and  
28.8 experience in assessing the language proficiency and academic performance of all English  
28.9 learners enrolled in a Minnesota public school course or program who are currently or were  
28.10 previously counted as an English learner under section 124D.59, must identify and report  
28.11 appropriate and effective measures to improve current categories of language difficulty and  
28.12 assessments, and monitor and report data on students' English proficiency levels, program  
28.13 placement, and academic language development, including oral academic language.

28.14 (g) When reporting four- and six-year graduation rates, the commissioner or school  
28.15 district must disaggregate the data by student categories according to paragraph (a), clause  
28.16 (2).

28.17 (h) A school district must inform parents and guardians that volunteering information  
28.18 on student categories not required by the most recent reauthorization of the Elementary and  
28.19 Secondary Education Act is optional and will not violate the privacy of students or their  
28.20 families, parents, or guardians. The notice must state the purpose for collecting the student  
28.21 data.

28.22 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later  
28.23 for rollout sites under Minnesota Statutes, section 120B.31, subdivision 3a. This section is  
28.24 effective for the 2019-2020 school year and later for all other schools.

28.25 Sec. 10. Minnesota Statutes 2016, section 124D.09, subdivision 3, is amended to read:

28.26 Subd. 3. **Definitions.** For purposes of this section, the following terms have the meanings  
28.27 given to them.

28.28 (a) "Eligible institution" means a Minnesota public postsecondary institution, a private,  
28.29 nonprofit two-year trade and technical school granting associate degrees, an opportunities  
28.30 industrialization center accredited by the North Central Association of Colleges and Schools,  
28.31 or a private, residential, two-year or four-year, liberal arts, degree-granting college or  
28.32 university located in Minnesota.

29.1 (b) "Course" means a course or program.

29.2 (c) "Concurrent enrollment" means nonsectarian courses in which an eligible pupil under  
 29.3 subdivision 5 enrolls to earn both secondary and postsecondary credits, are taught by a  
 29.4 secondary teacher or a postsecondary faculty member, and are offered at a high school for  
 29.5 which the district is eligible to receive concurrent enrollment program aid under section  
 29.6 124D.091.

29.7 Sec. 11. Minnesota Statutes 2016, section 124D.09, subdivision 5, is amended to read:

29.8 Subd. 5. **Authorization; notification.** Notwithstanding any other law to the contrary,  
 29.9 an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal  
 29.10 contract or grant school eligible for aid under section 124D.83, except a foreign exchange  
 29.11 pupil enrolled in a district under a cultural exchange program, may apply to an eligible  
 29.12 institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that  
 29.13 postsecondary institution. ~~Notwithstanding any other law to the contrary, a 9th or 10th grade~~  
 29.14 ~~pupil enrolled in a district or an American Indian-controlled tribal contract or grant school~~  
 29.15 ~~eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district~~  
 29.16 ~~under a cultural exchange program, may apply to enroll in nonsectarian courses offered~~  
 29.17 ~~under subdivision 10, if (1) the school district and the eligible postsecondary institution~~  
 29.18 ~~providing the course agree to the student's enrollment or (2) the course is a world language~~  
 29.19 ~~course currently available to 11th and 12th grade students, and consistent with section~~  
 29.20 ~~120B.022 governing world language standards, certificates, and seals.~~ If an institution  
 29.21 accepts a secondary pupil for enrollment under this section, the institution shall send written  
 29.22 notice to the pupil, the pupil's school or school district, and the commissioner ~~within ten~~  
 29.23 ~~days of acceptance.~~ The notice must indicate the course and hours of enrollment of that  
 29.24 pupil. If the pupil enrolls in a course for postsecondary credit, the institution must notify  
 29.25 the pupil about payment in the customary manner used by the institution.

29.26 Sec. 12. Minnesota Statutes 2016, section 124D.09, is amended by adding a subdivision  
 29.27 to read:

29.28 Subd. 5b. **Authorization; 9th or 10th grade pupil.** Notwithstanding any other law to  
 29.29 the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled  
 29.30 tribal contract or grant school eligible for aid under section 124D.83, except a foreign  
 29.31 exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll  
 29.32 in nonsectarian courses offered under subdivision 10, if: (1) the school district and the  
 29.33 eligible postsecondary institution providing the course agree to the student's enrollment; or

30.1 (2) the course is a world language course currently available to 11th and 12th grade students,  
30.2 and consistent with section 120B.022 governing world language standards, certificates, and  
30.3 seals.

30.4 Sec. 13. Minnesota Statutes 2016, section 124D.09, subdivision 13, is amended to read:

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

30.8 The department must not make payments to a school district or postsecondary institution  
30.9 for a course taken for postsecondary credit only. The department must not make payments  
30.10 to a postsecondary institution for a course from which a student officially withdraws during  
30.11 the first 14 days of the quarter or semester or who has been absent from the postsecondary  
30.12 institution for the first 15 consecutive school days of the quarter or semester and is not  
30.13 receiving instruction in the home or hospital.

30.14 A postsecondary institution shall receive the following:

30.15 (1) for an institution granting quarter credit, the reimbursement per credit hour shall be  
30.16 an amount equal to 88 percent of the product of the formula allowance minus \$425, multiplied  
30.17 by 1.2, and divided by 45; or

30.18 (2) for an institution granting semester credit, the reimbursement per credit hour shall  
30.19 be an amount equal to 88 percent of the product of the general revenue formula allowance  
30.20 minus \$425, multiplied by 1.2, and divided by 30.

30.21 The department must pay to each postsecondary institution 100 percent of the amount  
30.22 in clause (1) or (2) within ~~30~~45 days of receiving initial enrollment information each quarter  
30.23 or semester. If changes in enrollment occur during a quarter or semester, the change shall  
30.24 be reported by the postsecondary institution at the time the enrollment information for the  
30.25 succeeding quarter or semester is submitted. At any time the department notifies a  
30.26 postsecondary institution that an overpayment has been made, the institution shall promptly  
30.27 remit the amount due.

30.28 Sec. 14. Minnesota Statutes 2016, section 124E.02, is amended to read:

30.29 **124E.02 DEFINITIONS.**

30.30 (a) For purposes of this chapter, the terms defined in this section have the meanings  
30.31 given them.

31.1 (b) "Affidavit" means a written statement the authorizer submits to the commissioner  
 31.2 for approval to establish a charter school under section 124E.06, subdivision 4, attesting to  
 31.3 its review and approval process before chartering a school.

31.4 (c) "Affiliate" means a person that directly or indirectly, through one or more  
 31.5 intermediaries, controls, is controlled by, or is under common control with another person.

31.6 (d) "Control" means the ability to affect the management, operations, or policy actions  
 31.7 or decisions of a person, whether by owning voting securities, by contract, or otherwise.

31.8 (e) "Immediate family" means an individual whose relationship by blood, marriage,  
 31.9 adoption, or partnership is no more remote than first cousin.

31.10 (f) "Person" means an individual or entity of any kind.

31.11 (g) "Related party" means an affiliate or immediate relative of the other interested party,  
 31.12 an affiliate of an immediate relative who is the other interested party, or an immediate  
 31.13 relative of an affiliate who is the other interested party.

31.14 (h) "Charter management organizations" (CMO) means any nonprofit entity that contracts  
 31.15 with a charter school board of directors to provide, manage, or oversee all or substantially  
 31.16 all of the school's educational design or implementation, or the charter school's administrative,  
 31.17 financial, business, or operational functions.

31.18 (i) "Education management organization" (EMO) means any for-profit entity that  
 31.19 provides, manages, or oversees all or substantially all of the educational design or  
 31.20 implementation, or the charter school's administrative, financial, business, or operational  
 31.21 functions.

31.22 (j) "Online education service provider" means an organization that provides the online  
 31.23 learning management system, virtual learning environment, or online student management  
 31.24 system and services for the implementation and operation of the online education program.

31.25 (k) For purposes of this chapter, the terms defined in section 120A.05 have the same  
 31.26 meanings.

31.27 Sec. 15. Minnesota Statutes 2016, section 124E.03, subdivision 2, is amended to read:

31.28 Subd. 2. **Certain federal, state, and local requirements.** (a) A charter school shall  
 31.29 meet all federal, state, and local health and safety requirements applicable to school districts.

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

32.1 (c) A charter school must comply with the Minnesota Public School Fee Law, sections  
32.2 123B.34 to 123B.39.

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

32.4 (e) A charter school must comply with the Pledge of Allegiance requirement under  
32.5 section 121A.11, subdivision 3.

32.6 (f) A charter school and charter school board of directors must comply with chapter 181  
32.7 governing requirements for employment.

32.8 (g) A charter school must comply with continuing truant notification under section  
32.9 260A.03.

32.10 (h) A charter school must develop and implement a teacher evaluation and peer review  
32.11 process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and  
32.12 paragraph (d). The teacher evaluation process in this paragraph does not create any additional  
32.13 employment rights for teachers.

32.14 (i) A charter school must adopt a policy, plan, budget, and process, consistent with  
32.15 section 120B.11, to review curriculum, instruction, and student achievement and strive for  
32.16 the world's best workforce.

32.17 (j) A charter school is subject to and must comply with the Pupil Fair Dismissal Act,  
32.18 sections 121A.40 to 121A.56.

32.19 Sec. 16. Minnesota Statutes 2016, section 124E.05, is amended by adding a subdivision  
32.20 to read:

32.21 Subd. 2a. **Role, responsibilities, and requirements of authorizers.** (a) The role of an  
32.22 authorizer is to ensure that the schools it authorizes fulfill the purposes for chartered public  
32.23 schools and the agreed upon terms of the charter contract in order to safeguard quality  
32.24 educational opportunities for students and maintain public trust and confidence.

32.25 (b) An authorizer has the following responsibilities:

32.26 (1) to review applications for new schools and grade and site expansions of current  
32.27 schools, and determine whether to approve or deny the applications based on sound criteria  
32.28 and needs;

32.29 (2) to negotiate and execute performance charter contracts with the schools it authorizes;



33.1 (3) to conduct ongoing monitoring and oversight of the school's academic, operational,  
 33.2 and financial performance commensurate with the school's circumstances during the term  
 33.3 of the charter contract; and

33.4 (4) to evaluate the academic, operational, and financial performance of the school as  
 33.5 defined in the charter contract prior to the end of the contract to determine the renewal status  
 33.6 or termination of the contract.

33.7 (c) The commissioner shall not require an authorizer to undertake any role or  
 33.8 responsibility beyond those in statute or the charter contract, or perform any oversight  
 33.9 function which the department exercises in relation to any other public school.

33.10 (d) The authorizer shall document in the annual income and expenditure report under  
 33.11 subdivision 8 the training its staff and consultants participated in during the previous school  
 33.12 year relative to chartering and authorizer role and responsibilities.

33.13 (e) The authorizer must participate in annual department approved training.

33.14 Sec. 17. Minnesota Statutes 2016, section 124E.05, subdivision 4, is amended to read:

33.15 Subd. 4. **Application content.** (a) To be approved as an authorizer, an applicant must  
 33.16 include in its application to the commissioner at least the following:

33.17 (1) how the organization carries out its mission by chartering schools;

33.18 (2) a description of the capacity of the organization to serve as an authorizer, including  
 33.19 the positions allocated to authorizing duties, the qualifications for those positions, the  
 33.20 full-time equivalencies of those positions, and the financial resources available to fund the  
 33.21 positions;

33.22 (3) the application and review process the authorizer uses to decide whether to grant  
 33.23 charters;

33.24 (4) the type of contract it arranges with the schools it charters to meet the provisions of  
 33.25 section 124E.10;

33.26 (5) the process for overseeing the school, consistent with clause (4), to ensure that the  
 33.27 schools chartered comply with applicable law and rules and the contract;

33.28 (6) the criteria and process the authorizer uses to approve applications adding grades or  
 33.29 sites under section 124E.06, subdivision 5; and

33.30 (7) the process for renewing or terminating the school's charter based on evidence  
 33.31 showing the academic, organizational, and financial competency of the school, including

34.1 its success in increasing student achievement and meeting the goals of the charter school  
 34.2 agreement; and.

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

34.5 (b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy the  
 34.6 requirements of paragraph (a), clauses (1) and (2), and any requirement governing a conflict  
 34.7 of interest between an authorizer and its charter schools or ongoing evaluation or continuing  
 34.8 education of an administrator or other professional support staff by submitting to the  
 34.9 commissioner a written promise to comply with the requirements.

34.10 Sec. 18. Minnesota Statutes 2016, section 124E.05, subdivision 7, is amended to read:

34.11 Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to withdraw  
 34.12 as an approved authorizer for a reason unrelated to any cause under section 124E.10,  
 34.13 subdivision 4, the authorizer must notify all its chartered schools and the commissioner in  
 34.14 writing by March 1 of its intent to withdraw as an authorizer on June 30 in the next calendar  
 34.15 year, regardless of when the authorizer's five-year term of approval ends. Upon notification  
 34.16 of the schools and commissioner, the authorizer must provide a letter to the school for  
 34.17 distribution to families of students enrolled in the school that explains the decision to  
 34.18 withdraw as an authorizer and outlines the process the authorizer will undertake to assist  
 34.19 the school's transfer to another authorizer. The commissioner may approve the transfer of  
 34.20 a charter school to a new authorizer under section 124E.10, subdivision ~~5~~ 5a.

34.21 Sec. 19. Minnesota Statutes 2016, section 124E.06, subdivision 7, is amended to read:

34.22 Subd. 7. **Merger.** (a) Two or more charter schools may merge under chapter 317A. The  
 34.23 effective date of a merger must be July 1. The merged school must continue under the  
 34.24 identity of one of the merging schools. The authorizer and the merged school must execute  
 34.25 a new charter contract under section 124E.10, subdivision 1, by July 1. The authorizer must  
 34.26 submit to the commissioner a copy of the new signed charter contract within ten business  
 34.27 days of executing the contract.

34.28 (b) Each merging school must submit a separate year-end report for the previous fiscal  
 34.29 year for that school only. After the final fiscal year of the premerger schools is closed out,  
 34.30 each of those schools must transfer the fund balances and debts to the merged school.

34.31 (c) For its first year of operation, the merged school is eligible to receive aid from  
 34.32 programs requiring approved applications equal to the sum of the aid of all of the merging

35.1 schools. For aids based on prior year data, the merged school is eligible to receive aid for  
 35.2 its first year of operation based on the combined data of all of the merging schools.

35.3 (d) A charter school notified that its contract is not being renewed or terminated under  
 35.4 section 124E.10, subdivision 4, may merge with another school only if the school proposing  
 35.5 to take over the school:

35.6 (1) has a compatible academic or learning program;

35.7 (2) had, as of June 30 of the previous year, a net positive unreserved general fund balance  
 35.8 for at least three fiscal years; and

35.9 (3) submits a plan for the assimilation of the schools into a merged school that is approved  
 35.10 by the authorizers of the schools involved in the merger.

35.11 After approving the school's plan for the assimilation of the schools into a merged school,  
 35.12 the authorizer shall submit an affidavit in the form and manner prescribed by the  
 35.13 commissioner at least 60 business days prior to contract nonrenewal or contract termination.

35.14 Sec. 20. Minnesota Statutes 2016, section 124E.07, subdivision 3, is amended to read:

35.15 Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors shall  
 35.16 have at least five nonrelated members and include: (1) at least one licensed teacher who is  
 35.17 employed as a teacher ~~at~~ by the school or provides instruction under contract between the  
 35.18 charter school and a cooperative; (2) at least one parent or legal guardian of a student enrolled  
 35.19 in the charter school who is not an employee of the charter school; and (3) at least one  
 35.20 interested community member who resides in Minnesota, is not employed by the charter  
 35.21 school, and does not have a child enrolled in the school. The board structure may include  
 35.22 a majority of teachers under this paragraph or parents or community members, or it may  
 35.23 have no clear majority. ~~The chief financial officer and the chief administrator may only~~  
 35.24 ~~serve as ex-officio nonvoting board members.~~ No charter school employees shall serve on  
 35.25 the board other than teachers under clause (1). Contractors providing facilities, goods, or  
 35.26 services to a charter school shall not serve on the board of directors of the charter school.

35.27 (b) An individual is prohibited from serving as a member of the charter school board of  
 35.28 directors if: (1) the individual, an immediate family member, or the individual's partner is  
 35.29 a full or part owner or principal with a for-profit or nonprofit entity or independent contractor  
 35.30 with whom the charter school contracts, directly or indirectly, for professional services,  
 35.31 goods, or facilities; or (2) an immediate family member is an employee of the school. An  
 35.32 individual may serve as a member of the board of directors if no conflict of interest exists  
 35.33 under this paragraph, consistent with this section.

36.1 (c) A violation of paragraph (b) renders a contract voidable at the option of the  
 36.2 commissioner or the charter school board of directors. A member of a charter school board  
 36.3 of directors who violates paragraph (b) is individually liable to the charter school for any  
 36.4 damage caused by the violation.

36.5 (d) Any employee, agent, or board member of the authorizer who participates in initially  
 36.6 reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school  
 36.7 is ineligible to serve on the board of directors of a school chartered by that authorizer.

36.8 Sec. 21. Minnesota Statutes 2016, section 124E.07, subdivision 4, is amended to read:

36.9 Subd. 4. **Board structure.** Board bylaws shall outline the process and procedures for  
 36.10 changing the board's governance structure, consistent with chapter 317A. A board may  
 36.11 change its governance structure only:

36.12 (1) by a majority vote of the board of directors ~~and~~;

36.13 (2) a majority vote of the licensed teachers employed by the school as teachers, including  
 36.14 licensed teachers providing instruction under a contract between the school and a cooperative;  
 36.15 and

36.16 ~~(2)~~ (3) with the authorizer's approval.

36.17 Any change in board governance structure must conform with the board composition  
 36.18 established under this section.

36.19 Sec. 22. Minnesota Statutes 2016, section 124E.07, subdivision 7, is amended to read:

36.20 Subd. 7. **Training.** Every charter school board member, including voting and nonvoting  
 36.21 ex-officio members, shall attend annual training throughout the member's term. All new  
 36.22 board members shall attend initial training on the board's role and responsibilities,  
 36.23 employment policies and practices, and financial management. A new board member who  
 36.24 does not begin the required initial training within ~~six~~ three months after being seated and  
 36.25 complete that training within ~~12~~ nine months after being seated is automatically ineligible  
 36.26 to continue to serve as a board member. The school shall include in its annual report the  
 36.27 training each board member attended during the previous year.

36.28 Sec. 23. Minnesota Statutes 2016, section 124E.10, is amended by adding a subdivision  
 36.29 to read:

36.30 Subd. 5a. **School transfer of authorizers.** (a) If the authorizer and the charter school  
 36.31 board mutually agree to not renew the contract for a reason unrelated to any cause under

37.1 subdivision 4, the authorizer and charter school must jointly submit to the commissioner a  
37.2 written and signed letter of their intent to mutually not renew the contract. The authorizer  
37.3 that is a party to the existing contract must inform the proposed authorizer about the fiscal,  
37.4 operational, and student performance status of the school, including unmet contract outcomes  
37.5 and other contractual obligations. The charter contract between the proposed authorizers  
37.6 and the school must identify and provide a plan to address any outstanding obligations. If  
37.7 the commissioner does not approve the transfer of authorizer, the current authorizer and the  
37.8 school may withdraw their letter of nonrenewal and enter into a new contract. If the  
37.9 commissioner does not approve the transfer and the authorizer and school enter into a new  
37.10 contract without withdrawing their letter of nonrenewal, the school must be dissolved  
37.11 according to applicable law and the terms of the contract.

37.12 (b) If, at the end of a contract, a charter school board votes to not renew its contract with  
37.13 the authorizer, is not subject to action under an authorizer's established corrective action or  
37.14 intervention plan as defined in their current contract, and is not subject to action of the  
37.15 authorizer under subdivision 4, the charter school board must notify the authorizer and  
37.16 commissioner that it does not plan to renew the relationship with the authorizer. The  
37.17 authorizer that is party to the existing contract must inform the proposed authorizer about  
37.18 the fiscal, operational, and student performance status of the school. The charter contract  
37.19 between the proposed authorizer and the school must identify and provide a plan to address  
37.20 any performance issues identified by the current authorizer. If the commissioner does not  
37.21 approve the transfer of authorizers and the current authorizer and school do not enter into  
37.22 a new contract, the school must be dissolved according to applicable law and the terms of  
37.23 the contract.

37.24 (c) If the governing board of an approved authorizer votes to withdraw as an authorizer  
37.25 under section 124E.05, subdivision 7, the proposed authorizer may submit a transfer request  
37.26 to the commissioner at any time after the withdrawing authorizer has given proper notice  
37.27 to the commissioner and the schools it authorizes. The authorizer and school board of  
37.28 directors must, in a joint letter, notify families of students enrolled in the school the date of  
37.29 the withdrawal, outline the process to change authorizers, and the possible outcomes of that  
37.30 process. The commissioner shall have 20 business days to review the transfer request and  
37.31 notify the proposed authorizer and the school of the commissioner's decision. The proposed  
37.32 authorizer and the school have 15 business days to address any issues identified by the  
37.33 commissioner's review. The commissioner shall have 20 business days after the proposed  
37.34 authorizer and the school address any issues identified by the commissioner's initial review  
37.35 to make a final determination.

38.1 (d) If the commissioner withdraws the authority of the authorizer to authorize schools  
38.2 under section 124E.05, subdivision 6, the commissioner shall develop a transfer of authorizer  
38.3 plan with the authorizer, the charter school, and the proposed authorizer. This paragraph  
38.4 applies to schools not subject to nonrenewal for any cause under subdivision 4.

38.5 (e) Transfer requests with the proposed contracts under paragraphs (a) and (b) shall be  
38.6 submitted to the commissioner at least 105 business days before the end of an existing  
38.7 contract. The commissioner shall have 30 business days to review the transfer request and  
38.8 notify the proposed authorizer and the school of the commissioner's decision. The proposed  
38.9 authorizer and the school shall have 15 business days to address any issues identified by  
38.10 the commissioner's review. The commissioner shall make a final determination of the transfer  
38.11 request not later than 45 business days before the end of the current contract.

38.12 Sec. 24. Minnesota Statutes 2016, section 124E.11, is amended to read:

38.13 **124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.**

38.14 (a) A charter school, including its free preschool or prekindergarten program established  
38.15 under section 124E.06, subdivision 3, paragraph (b), may limit admission to:

38.16 (1) pupils within an age group or grade level;

38.17 (2) pupils who are eligible to participate in the graduation incentives program under  
38.18 section 124D.68; or

38.19 (3) residents of a specific geographic area in which the school is located when the  
38.20 majority of students served by the school are members of underserved populations.

38.21 (b) A charter school, including its free preschool or prekindergarten program established  
38.22 under section 124E.06, subdivision 3, paragraph (b), shall enroll an eligible pupil who  
38.23 submits a timely application, unless the number of applications exceeds the capacity of a  
38.24 program, class, grade level, or building. In this case, pupils must be accepted by lot. The  
38.25 charter school must develop and publish, including on its Web site, a lottery policy and  
38.26 process that it must use when accepting pupils by lot.

38.27 (c) A charter school shall give enrollment preference to a sibling of an enrolled pupil  
38.28 and to a foster child of that pupil's parents and may give preference for enrolling children  
38.29 of the school's staff before accepting other pupils by lot. A charter school that is located in  
38.30 Duluth township in St. Louis County and admits students in kindergarten through grade 6  
38.31 must give enrollment preference to students residing within a five-mile radius of the school  
38.32 and to the siblings of enrolled children. A charter school may give enrollment preference  
38.33 to children currently enrolled in the school's free preschool or prekindergarten program

39.1 under section 124E.06, subdivision 3, paragraph (a), who are eligible to enroll in kindergarten  
39.2 in the next school year.

39.3 (d) A person shall not be admitted to a charter school (1) as a kindergarten pupil, unless  
39.4 the pupil is at least five years of age on September 1 of the calendar year in which the school  
39.5 year for which the pupil seeks admission commences; or (2) as a first grade student, unless  
39.6 the pupil is at least six years of age on September 1 of the calendar year in which the school  
39.7 year for which the pupil seeks admission commences or has completed kindergarten; except  
39.8 that a charter school may establish and publish on its Web site a policy for admission of  
39.9 selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b)  
39.10 and (c).

39.11 (e) Except as permitted in paragraph (d), a charter school, including its free preschool  
39.12 or prekindergarten program established under section 124E.06, subdivision 3, paragraph  
39.13 (b), may not limit admission to pupils on the basis of intellectual ability, measures of  
39.14 achievement or aptitude, or athletic ability and may not establish any criteria or requirements  
39.15 for admission that are inconsistent with this section.

39.16 (f) The charter school or any agent of the school shall not distribute any services or,  
39.17 goods, payments, or other incentives of value to students, parents, or guardians as an  
39.18 inducement, term, or condition of enrolling a student in a charter school.

39.19 (g) Once a student is enrolled in the school, the student is considered enrolled in the  
39.20 school until the ~~student formally withdraws~~ school receives a request for the transfer of  
39.21 educational records from another school, or a written election by the parent or guardian of  
39.22 the student withdrawing the student, or is expelled under the Pupil Fair Dismissal Act in  
39.23 sections 121A.40 to 121A.56. A charter school is subject to and must comply with the Pupil  
39.24 Fair Dismissal Act, sections 121A.40 to 121A.56.

39.25 (h) A charter school with at least 90 percent of enrolled students who are eligible for  
39.26 special education services and have a primary disability of deaf or hard-of-hearing may  
39.27 enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1,  
39.28 paragraph (a), and must comply with the federal Individuals with Disabilities Education  
39.29 Act under Code of Federal Regulations, title 34, section 300.324, subsection (2), clause  
39.30 (iv).

39.31 Sec. 25. Minnesota Statutes 2016, section 124E.16, is amended to read:

39.32 **124E.16 REPORTS.**

40.1 Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial audits,  
40.2 audit procedures, and audit requirements as a district, except as required under this  
40.3 subdivision. Audits must be conducted in compliance with generally accepted governmental  
40.4 auditing standards, the federal Single Audit Act, if applicable, and section 6.65 governing  
40.5 auditing procedures. A charter school is subject to and must comply with sections 15.054;  
40.6 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06 governing government property  
40.7 and financial investments; and sections 471.38; 471.391; 471.392; and 471.425 governing  
40.8 municipal contracting. The audit must comply with the requirements of sections 123B.75  
40.9 to 123B.83 governing school district finance, except when the commissioner and authorizer  
40.10 approve a deviation made necessary because of school program finances. The commissioner,  
40.11 state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance  
40.12 audits. A charter school in statutory operating debt under sections 123B.81 to 123B.83 must  
40.13 submit a plan under section 123B.81, subdivision 4.

40.14 (b) The charter school must submit an audit report to the commissioner and its authorizer  
40.15 annually by December 31.

40.16 (c) The charter school, with the assistance of the auditor conducting the audit, must  
40.17 include with the audit report, as supplemental information: (1) a copy of a new management  
40.18 ~~agreements~~ agreement or an amendment to a current agreement with a ~~charter management~~  
40.19 ~~organization~~ CMO or EMO signed during the audit year; or ~~an educational management~~  
40.20 ~~organization~~ and (2) service agreements or contracts over the lesser of \$100,000 or ten  
40.21 ~~percent of the school's most recent annual audited expenditures~~ a copy of a new agreement  
40.22 or amendment to a current contract with an online education service provider; and (3) a  
40.23 copy of a service agreement or contract with a company or individual totalling over ten  
40.24 percent of the audited expenditures for the most recent audit year. The agreements must  
40.25 detail the terms of the agreement, including the services provided and the annual costs for  
40.26 those services. ~~If the entity that provides the professional services to the charter school is~~  
40.27 ~~exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity~~  
40.28 ~~must file with the commissioner by February 15 a copy of the annual return required under~~  
40.29 ~~section 6033 of the Internal Revenue Code of 1986.~~

40.30 (d) A charter school independent audit report shall include audited financial data of an  
40.31 affiliated building corporation under section 124E.13, subdivision 3, or other component  
40.32 unit.

40.33 (e) If the audit report finds that a material weakness exists in the financial reporting  
40.34 systems of a charter school, the charter school must submit a written report to the  
40.35 commissioner explaining how the charter school will resolve that material weakness. An



41.1 auditor, as a condition of providing financial services to a charter school, must agree to  
 41.2 make available information about a charter school's financial audit to the commissioner and  
 41.3 authorizer upon request.

41.4 Subd. 2. **Annual public reports.** (a) A charter school must publish an annual report  
 41.5 approved by the board of directors. The annual report must at least include information on  
 41.6 school enrollment, student attrition, governance and management, staffing, finances,  
 41.7 management agreements with a CMO, EMO, or online education service provider, academic  
 41.8 performance, innovative practices and implementation, and future plans. A charter school  
 41.9 may combine this report with the reporting required under section 120B.11 governing the  
 41.10 world's best workforce. A charter school must post the annual report on the school's official  
 41.11 Web site. A charter school also must distribute the annual report by publication, mail, or  
 41.12 electronic means to its authorizer, school employees, and parents and legal guardians of  
 41.13 students enrolled in the charter school. The reports are public data under chapter 13.

41.14 (b) An authorizer must submit an annual public report in a manner specified by the  
 41.15 commissioner by January 15 for the previous school year ending June 30 that shall at least  
 41.16 include key indicators of school academic, operational, and financial performance. The  
 41.17 report is part of the system to evaluate authorizer performance under section 124E.05,  
 41.18 subdivision 5.

41.19 Subd. 3. **Public accountability and reporting of education management and online**  
 41.20 **education service provider agreements.** (a) A charter school that enters into a management  
 41.21 agreement with a CMO, EMO, or an online education service provider must:

41.22 (1) publish on its Web site for at least 20 business days the proposed final agreement  
 41.23 for public review and comment before the school board may adopt the contract or agreement.  
 41.24 Any changes made to the posted agreement during the public review period or any proposed  
 41.25 amendments to the agreement once adopted must be posted for 20 business days before the  
 41.26 board may adopt the amendments to the contract;

41.27 (2) annually publish on its Web site a statement of assurance that no member of the  
 41.28 school board, employee, or any agent of the school has been promised or received any form  
 41.29 of compensation or gifts from the CMO, EMO, or online education service provider and  
 41.30 that no person involved as a board member, employee, or agent of the CMO, EMO, or online  
 41.31 education service provider or any of the affiliates of these organizations or providers serve  
 41.32 on the charter school board; and

42.1 (3) conduct an independent review and evaluation of the services provided by the CMO,  
42.2 EMO, or online education service provider and publish the evaluation on the school's Web  
42.3 site at least 60 business days before the end of the current contract.

42.4 (b) All management agreements with a CMO, EMO, or online education service provider  
42.5 must contain the following provisions:

42.6 (1) the term of the contract, which may not be longer than five years;

42.7 (2) the total dollar value of the contract, including the annual projected costs of services;

42.8 (3) the description and terms of the services to be provided during the term of the contract;

42.9 (4) a statement that if the charter school closes during the term of the contract by action  
42.10 of the authorizer or the school's board, the balance of the current contract becomes null and  
42.11 void;

42.12 (5) an annual statement of assurance to the school board that the CMO, EMO, or online  
42.13 education service provider provided no compensation or gifts to any school board member,  
42.14 staff member, or agent of the school;

42.15 (6) an annual statement of assurance that no board member, employee, contractor, or  
42.16 agent of the CMO, EMO, or online education service provider or any affiliated organization  
42.17 is a board member of the school;

42.18 (7) the policies and protocols that meet federal and state laws regarding student and  
42.19 personnel data collection, usage, access, retention, disclosure and destruction, and  
42.20 indemnification and warranty provisions in case of data breaches by the CMO, EMO, or  
42.21 online education service provider;

42.22 (8) the CMO, EMO, or online education service provider must annually provide the  
42.23 school board a financial report that details revenue and expenses attributed to the contract  
42.24 by July 31 for the previous fiscal year that accounts for using the account categories in the  
42.25 uniform financial accounting and reporting standards; and

42.26 (9) an annual assurance that all assets purchased on behalf of the charter school using  
42.27 public funds remain assets of the school.

42.28 (c) Any agreement with a CMO, EMO, or an online education service provider containing  
42.29 any of the following provisions is null and void:

42.30 (1) restrictions on the charter school's ability to operate a school upon termination of  
42.31 the agreement;

43.1 (2) restrictions on the annual or total amount of the school's operating surplus or fund  
 43.2 balance;

43.3 (3) authorization to allow a CMO, EMO, or online education service provider to withdraw  
 43.4 funds from a charter school account; or

43.5 (4) authorization to allow a CMO, EMO, or online education service provider to loan  
 43.6 funds to the school.

43.7 Sec. 26. Minnesota Statutes 2016, section 124E.17, subdivision 1, is amended to read:

43.8 Subdivision 1. **Charter school information.** (a) Charter schools must disseminate  
 43.9 information about how to use the charter school offerings to targeted groups, among others.  
 43.10 Targeted groups include low-income families and communities, students of color, and  
 43.11 students who are at risk of academic failure.

43.12 (b) Authorizers and the commissioner must disseminate information to the public on  
 43.13 how to form and operate a charter school. Authorizers, operators, and the commissioner  
 43.14 also may disseminate information to interested stakeholders about the successful best  
 43.15 practices in teaching and learning demonstrated by charter schools.

43.16 (c) A charter school must document its dissemination efforts in its annual report.

43.17 Sec. 27. **FEDERAL EVERY STUDENT SUCCEEDS ACT FUNDING FOR**  
 43.18 **SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM) ACTIVITIES.**

43.19 School districts are encouraged to use the funding provided for activities to support the  
 43.20 effective use of technology under Title IV, Part A, of the federal Every Student Succeeds  
 43.21 Act for:

43.22 (1) mentor-led, hands-on STEM education and engagement with materials that support  
 43.23 inquiry-based and active learning;

43.24 (2) student participation in STEM competitions, including robotics competitions; and

43.25 (3) mentor-led, classroom-based, after-school activities with informal STEM instruction  
 43.26 and education.

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

43.28 Sec. 28. **REPEALER.**

43.29 Minnesota Statutes 2016, section 124E.10, subdivision 5, is repealed.

44.1 **ARTICLE 3**

44.2 **TEACHERS**

44.3 Section 1. Minnesota Statutes 2016, section 122A.415, subdivision 4, is amended to read:

44.4 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative teacher  
 44.5 compensation aid for a school with a plan approved under section 122A.414, subdivision  
 44.6 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1.  
 44.7 The basic alternative teacher compensation aid for a charter school with a plan approved  
 44.8 under section 122A.414, subdivisions 2a and 2b, equals \$260 times the number of pupils  
 44.9 enrolled in the school on October 1 of the previous year, or on October 1 of the current year  
 44.10 for a charter school in the first year of operation, times the ratio of the sum of the alternative  
 44.11 teacher compensation aid and alternative teacher compensation levy for all participating  
 44.12 school districts to the maximum alternative teacher compensation revenue for those districts  
 44.13 under subdivision 1.

44.14 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative  
 44.15 teacher compensation aid entitlement must not exceed \$75,840,000 for fiscal year 2016 and  
 44.16 \$88,118,000 for fiscal year 2017 and later. The commissioner must limit the amount of  
 44.17 alternative teacher compensation aid approved under this section so as not to exceed these  
 44.18 limits by not approving new participants or by prorating the aid among participating districts,  
 44.19 intermediate school districts, school sites, and charter schools. The commissioner may also  
 44.20 reallocate a portion of the allowable aid for the biennium from the second year to the first  
 44.21 year to meet the needs of approved participants.

44.22 (c) Basic alternative teacher compensation aid for an intermediate district or other  
 44.23 cooperative unit equals \$3,000 times the number of licensed teachers employed by the  
 44.24 intermediate district or cooperative unit on October 1 of the previous school year.

44.25 **Sec. 2. 122A.417] ALTERNATIVE TEACHER COMPENSATION REVENUE**  
 44.26 **FOR ST. CROIX RIVER EDUCATION DISTRICT.**

44.27 Notwithstanding section 122A.415, subdivision 4, paragraph (c), the St. Croix River  
 44.28 Education District, No. 6009-61, is eligible to receive alternative teacher compensation  
 44.29 revenue based on its staffing as of October 1 of the previous fiscal year. To qualify for  
 44.30 alternative teacher compensation revenue, the St. Croix River Education District must meet  
 44.31 all of the requirements of sections 122A.414 and 122A.415 that apply to cooperative units,  
 44.32 must report its staffing as of October 1 of each year to the department in a manner determined  
 44.33 by the commissioner, and must annually report by November 30 its expenditures for the

45.1 alternative teacher professional pay system consistent with the uniform financial accounting  
 45.2 and reporting standards to the department.

45.3 **Sec. 3. [122A.627] POSITIVE BEHAVIORAL INTERVENTIONS AND SUPPORTS.**

45.4 "Positive behavioral interventions and supports" or "PBIS" means an evidence-based  
 45.5 framework for preventing problem behavior, providing instruction and support for positive  
 45.6 and prosocial behaviors, and supporting social, emotional, and behavioral needs for all  
 45.7 students. Schoolwide implementation of PBIS requires training, coaching, and evaluation  
 45.8 for school staff to consistently implement the key components that make PBIS effective for  
 45.9 all students, including:

45.10 (1) establishing, defining, teaching, and practicing three to five positively stated  
 45.11 schoolwide behavioral expectations that are representative of the local community and  
 45.12 cultures;

45.13 (2) developing and implementing a consistent system used by all staff to provide positive  
 45.14 feedback and acknowledgment for students who display schoolwide behavioral expectations;

45.15 (3) developing and implementing a consistent and specialized support system for students  
 45.16 who do not display behaviors representative of schoolwide positive expectations;

45.17 (4) developing a system to support decisions based on data related to student progress,  
 45.18 effective implementation of behavioral practices, and screening for students requiring  
 45.19 additional behavior supports;

45.20 (5) using a continuum of evidence-based interventions that is integrated and aligned to  
 45.21 support academic and behavioral success for all students; and

45.22 (6) using a team-based approach to support effective implementation, monitor progress,  
 45.23 and evaluate outcomes.

#### 45.24 **ARTICLE 4**

#### 45.25 **SPECIAL EDUCATION**

45.26 Section 1. Minnesota Statutes 2016, section 125A.0941, is amended to read:

#### 45.27 **125A.0941 DEFINITIONS.**

45.28 (a) The following terms have the meanings given them.

45.29 (b) "Emergency" means a situation where immediate intervention is needed to protect  
 45.30 a child or other individual from physical injury. Emergency does not mean circumstances  
 45.31 such as: a child who does not respond to a task or request and instead places his or her head

46.1 on a desk or hides under a desk or table; a child who does not respond to a staff person's  
46.2 request unless failing to respond would result in physical injury to the child or other  
46.3 individual; or an emergency incident has already occurred and no threat of physical injury  
46.4 currently exists.

46.5 (c) "Physical holding" means physical intervention intended to hold a child immobile  
46.6 or limit a child's movement, where body contact is the only source of physical restraint, and  
46.7 where immobilization is used to effectively gain control of a child in order to protect a child  
46.8 or other individual from physical injury. The term physical holding does not mean physical  
46.9 contact that:

46.10 (1) helps a child respond or complete a task;

46.11 (2) assists a child without restricting the child's movement;

46.12 (3) is needed to administer an authorized health-related service or procedure; or

46.13 (4) is needed to physically escort a child when the child does not resist or the child's  
46.14 resistance is minimal.

46.15 (d) "Positive behavioral interventions and supports" means interventions and strategies  
46.16 to improve the school environment and teach children the skills to behave appropriately,  
46.17 including the key components under section 122A.627.

46.18 (e) "Prone restraint" means placing a child in a face down position.

46.19 (f) "Restrictive procedures" means the use of physical holding or seclusion in an  
46.20 emergency. Restrictive procedures must not be used to punish or otherwise discipline a  
46.21 child.

46.22 (g) "Seclusion" means confining a child alone in a room from which egress is barred.  
46.23 Egress may be barred by an adult locking or closing the door in the room or preventing the  
46.24 child from leaving the room. Removing a child from an activity to a location where the  
46.25 child cannot participate in or observe the activity is not seclusion.

46.26 Sec. 2. Minnesota Statutes 2016, section 125A.515, is amended to read:

46.27 **125A.515 PLACEMENT OF STUDENTS; APPROVAL OF EDUCATION**  
46.28 **PROGRAM.**

46.29 Subdivision 1. **Approval of on-site education programs.** The commissioner shall  
46.30 approve on-site education programs for placement of children and youth in residential  
46.31 facilities including detention centers, before being licensed by the Department of Human  
46.32 Services or the Department of Corrections. Education programs in these facilities shall

47.1 conform to state and federal education laws including the Individuals with Disabilities  
 47.2 Education Act (IDEA). This section applies only to placements in children's residential  
 47.3 facilities licensed by the Department of Human Services or the Department of Corrections.  
 47.4 For purposes of this section, "on-site education program" means the educational services  
 47.5 provided directly on the grounds of the ~~care and treatment~~ children's residential facility to  
 47.6 children and youth placed for care and treatment.

47.7 Subd. 3. **Responsibilities for providing education.** (a) The district in which the children's  
 47.8 residential facility is located must provide education services, including special education  
 47.9 if eligible, to all students placed in a facility.

47.10 (b) For education programs operated by the Department of Corrections, the providing  
 47.11 district shall be the Department of Corrections. For students remanded to the commissioner  
 47.12 of corrections, the providing and resident district shall be the Department of Corrections.

47.13 Subd. 3a. **Students without a disability from other states.** A school district is not  
 47.14 required to provide education services under this section to a student who:

47.15 (1) is not a resident of Minnesota;

47.16 (2) does not have an individualized education program; and

47.17 (3) does not have a tuition arrangement or agreement to pay the cost of education from  
 47.18 the placing authority.

47.19 Subd. 4. **Education services required.** (a) Education services must be provided to a  
 47.20 student beginning within three business days after the student enters the ~~care and treatment~~  
 47.21 children's residential facility. The first four days of the student's placement may be used to  
 47.22 screen the student for educational and safety issues.

47.23 (b) If the student does not meet the eligibility criteria for special education, regular  
 47.24 education services must be provided to that student.

47.25 Subd. 5. **Education programs for students placed in children's residential facilities.**

47.26 (a) When a student is placed in a children's residential facility ~~approved~~ under this section  
 47.27 that has an on-site education program, the providing district, upon notice from the ~~care and~~  
 47.28 ~~treatment~~ children's residential facility, must contact the resident district within one business  
 47.29 day to determine if a student has been identified as having a disability, and to request at  
 47.30 least the student's transcript, and for students with disabilities, the most recent individualized  
 47.31 education program (IEP) and evaluation report, ~~and to determine if the student has been~~  
 47.32 ~~identified as a student with a disability~~. The resident district must send a facsimile copy to  
 47.33 the providing district within two business days of receiving the request.

48.1 (b) If a student placed under this section has been identified as having a disability and  
48.2 has an individualized education program in the resident district:

48.3 (1) the providing agency must conduct an individualized education program meeting to  
48.4 reach an agreement about continuing or modifying special education services in accordance  
48.5 with the current individualized education program goals and objectives and to determine if  
48.6 additional evaluations are necessary; and

48.7 (2) at least the following people shall receive written notice or documented phone call  
48.8 to be followed with written notice to attend the individualized education program meeting:

48.9 (i) the person or agency placing the student;

48.10 (ii) the resident district;

48.11 (iii) the appropriate teachers and related services staff from the providing district;

48.12 (iv) appropriate staff from the children's residential facility;

48.13 (v) the parents or legal guardians of the student; and

48.14 (vi) when appropriate, the student.

48.15 (c) For a student who has not been identified as a student with a disability, a screening  
48.16 must be conducted by the providing districts as soon as possible to determine the student's  
48.17 educational and behavioral needs and must include a review of the student's educational  
48.18 records.

48.19 **Subd. 6. Exit report summarizing educational progress.** If a student has been placed  
48.20 in a facility under this section for 15 or more business days, the providing district must  
48.21 prepare an exit report summarizing the regular education, special education, evaluation,  
48.22 educational progress, and service information and must send the report to the resident district  
48.23 and the next providing district if different, the parent or legal guardian, and any appropriate  
48.24 social service agency. For students with disabilities, this report must include the student's  
48.25 IEP.

48.26 **Subd. 7. Minimum educational services required.** When a student is placed in a  
48.27 children's residential facility ~~approved~~ under this section, at a minimum, the providing  
48.28 district is responsible for:

48.29 (1) the education necessary, including summer school services, for a student who is not  
48.30 performing at grade level as indicated in the education record or IEP; and



49.1 (2) a school day, of the same length as the school day of the providing district, unless  
 49.2 the unique needs of the student, as documented through the IEP or education record in  
 49.3 consultation with treatment providers, requires an alteration in the length of the school day.

49.4 **Subd. 8. Placement, services, and due process.** When a student's treatment and  
 49.5 educational needs allow, education shall be provided in a regular educational setting. The  
 49.6 determination of the amount and site of integrated services must be a joint decision between  
 49.7 the student's parents or legal guardians and the treatment and education staff. When  
 49.8 applicable, educational placement decisions must be made by the IEP team of the providing  
 49.9 district. Educational services shall be provided in conformance with the least restrictive  
 49.10 environment principle of the Individuals with Disabilities Education Act. The providing  
 49.11 district and ~~care and treatment~~ children's residential facility shall cooperatively develop  
 49.12 discipline and behavior management procedures to be used in emergency situations that  
 49.13 comply with the Minnesota Pupil Fair Dismissal Act and other relevant state and federal  
 49.14 laws and regulations.

49.15 **Subd. 9. Reimbursement for education services.** (a) Education services provided to  
 49.16 students who have been placed under this section are reimbursable in accordance with  
 49.17 special education and general education statutes.

49.18 (b) Indirect or consultative services provided in conjunction with regular education  
 49.19 prereferral interventions and assessment provided to regular education students suspected  
 49.20 of being disabled and who have demonstrated learning or behavioral problems in a screening  
 49.21 are reimbursable with special education categorical aids.

49.22 (c) Regular education, including screening, provided to students with or without  
 49.23 disabilities is not reimbursable with special education categorical aids.

49.24 **Subd. 10. Students unable to attend school but not covered under this section.**  
 49.25 Students who are absent from, or predicted to be absent from, school for 15 consecutive or  
 49.26 intermittent days, and placed at home or in facilities not licensed by the Departments of  
 49.27 Corrections or Human Services are entitled to regular and special education services  
 49.28 consistent with this section or Minnesota Rules, part 3525.2325. These students include  
 49.29 students with and without disabilities who are home due to accident or illness, in a hospital  
 49.30 or other medical facility, or in a day treatment center.

## 49.31 **ARTICLE 5**

### 49.32 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

49.33 Section 1. Minnesota Statutes 2016, section 124D.52, subdivision 7, is amended to read:

50.1 Subd. 7. **Performance tracking system.** (a) By July 1, 2000, each approved adult basic  
 50.2 education program must develop and implement a performance tracking system to provide  
 50.3 information necessary to comply with federal law and serve as one means of assessing the  
 50.4 effectiveness of adult basic education programs. For required reporting, longitudinal studies,  
 50.5 and program improvement, the tracking system must be designed to collect data on the  
 50.6 following core outcomes for learners, including English learners, who have completed  
 50.7 participating in the adult basic education program:

50.8 (1) demonstrated improvements in literacy skill levels in reading, writing, speaking the  
 50.9 English language, numeracy, problem solving, English language acquisition, and other  
 50.10 literacy skills;

50.11 (2) placement in, retention in, or completion of postsecondary education, training,  
 50.12 unsubsidized employment, or career advancement;

50.13 (3) receipt of a secondary school diploma or its recognized equivalent; and

50.14 (4) reduction in participation in the diversionary work program, Minnesota family  
 50.15 investment program; and food support education and training program.

50.16 (b) A district, group of districts, state agency, or private nonprofit organization providing  
 50.17 an adult basic education program may meet this requirement by developing a tracking system  
 50.18 based on either or both of the following methodologies:

50.19 (1) conducting a reliable follow-up survey; or

50.20 (2) submitting student information, including collected Social Security numbers for data  
 50.21 matching.

50.22 ~~Data related to obtaining employment must be collected in the first quarter following~~  
 50.23 ~~program completion or can be collected while the student is enrolled, if known. Data related~~  
 50.24 ~~to employment retention must be collected in the third quarter following program exit. Data~~  
 50.25 related to any ~~other~~ of the specified outcome outcomes may be collected at any time during  
 50.26 a program year.

50.27 (c) When a student in a program is requested to provide the student's Social Security  
 50.28 number, the student must be notified in a written form easily understandable to the student  
 50.29 that:

50.30 (1) providing the Social Security number is optional and no adverse action may be taken  
 50.31 against the student if the student chooses not to provide the Social Security number;

50.32 (2) the request is made under section 124D.52, subdivision 7;

51.1 (3) if the student provides the Social Security number, it will be used to assess the  
51.2 effectiveness of the program by tracking the student's subsequent career; and

51.3 (4) the Social Security number will be shared with the Department of Education;  
51.4 Minnesota State Colleges and Universities; Office of Higher Education; Department of  
51.5 Human Services; and Department of Employment and Economic Development in order to  
51.6 accomplish the purposes described in paragraph (a) and will not be used for any other  
51.7 purpose or reported to any other governmental entities.

51.8 (d) Annually a district, group of districts, state agency, or private nonprofit organization  
51.9 providing programs under this section must forward the tracking data collected to the  
51.10 Department of Education. For the purposes of longitudinal studies on the employment status  
51.11 of former students under this section, the Department of Education must forward the Social  
51.12 Security numbers to the Department of Employment and Economic Development to  
51.13 electronically match the Social Security numbers of former students with wage detail reports  
51.14 filed under section 268.044. The results of data matches must, for purposes of this section  
51.15 and consistent with the requirements of the ~~United States Code, title 29, section 2871, of~~  
51.16 ~~the Workforce Investment Act of 1998~~ Workforce Innovation and Opportunity Act, be  
51.17 compiled in a longitudinal form by the Department of Employment and Economic  
51.18 Development and released to the Department of Education in the form of summary data  
51.19 that does not identify the individual students. The Department of Education may release  
51.20 this summary data. State funding for adult basic education programs must not be based on  
51.21 the number or percentage of students who decline to provide their Social Security numbers  
51.22 or on whether the program is evaluated by means of a follow-up survey instead of data  
51.23 matching.

51.24 Sec. 2. Minnesota Statutes 2016, section 124D.549, is amended to read:

51.25 **~~124D.549 GENERAL EDUCATION DEVELOPMENT (GED) TESTS RULES;~~**  
51.26 **~~COMMISSIONER COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY~~**  
51.27 **TEST.**

51.28 The commissioner ~~may amend rules to reflect changes in the national minimum standard~~  
51.29 ~~score for passing the general education development (GED) tests,~~ in consultation with the  
51.30 adult basic education stakeholders, must select a high school equivalency test. The  
51.31 commissioner may issue a high school equivalency diploma to a Minnesota resident 19  
51.32 years of age or older who has not earned a high school diploma, who has not previously  
51.33 been issued a GED, and who has exceeded or achieved a minimum passing score on the  
51.34 equivalency test established by the publisher. The commissioner of education may waive

52.1 the minimum age requirement if supportive evidence is provided by an employer or a  
 52.2 recognized education or rehabilitation provider.

52.3 Sec. 3. Minnesota Statutes 2016, section 124D.55, is amended to read:

52.4 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED)**

52.5 **COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY TEST FEES.**

52.6 The commissioner shall pay 60 percent of the fee that is charged to an eligible individual  
 52.7 for the full battery of ~~general education development (GED)~~ the commissioner-selected  
 52.8 high school equivalency tests, but not more than \$40 for an eligible individual.

52.9 For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee charged to  
 52.10 an eligible individual for the full battery of ~~general education development (GED)~~ the  
 52.11 commissioner-selected high school equivalency tests, but not more than the cost of one full  
 52.12 battery of tests per year for any individual.

52.13 Sec. 4. Minnesota Statutes 2016, section 256J.08, subdivision 38, is amended to read:

52.14 Subd. 38. **Full-time student.** "Full-time student" means a person who is enrolled in a  
 52.15 graded or ungraded primary, intermediate, secondary, ~~GED~~ commissioner of  
 52.16 education-selected high school equivalency preparatory, trade, technical, vocational, or  
 52.17 postsecondary school, and who meets the school's standard for full-time attendance.

52.18 Sec. 5. Minnesota Statutes 2016, section 256J.08, subdivision 39, is amended to read:

52.19 Subd. 39. ~~General educational development or GED~~ **Commissioner of**  
 52.20 **education-selected high school equivalency.** "~~General educational development~~" or "~~GED~~"  
 52.21 "Commissioner of education-selected high school equivalency" means the ~~general educational~~  
 52.22 ~~development~~ high school equivalency certification issued by the commissioner of education  
 52.23 as an equivalent to a secondary school diploma ~~under Minnesota Rules, part 3500.3100,~~  
 52.24 ~~subpart 4.~~

52.25 Sec. 6. **REVISOR'S INSTRUCTION.**

52.26 In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall substitute the  
 52.27 term "commissioner-selected high school equivalency" or similar term for "general education  
 52.28 development," "GED," or similar terms for wherever the term refers to the tests or programs  
 52.29 leading to a certification issued by the commissioner of education as an equivalency to a  
 52.30 secondary diploma.

53.1 Sec. 7. **REPEALER.**

53.2 Minnesota Rules, part 3500.3100, subpart 4, is repealed.

53.3 **ARTICLE 6**

53.4 **LIBRARIES**

53.5 Section 1. Minnesota Statutes 2016, section 134.31, subdivision 2, is amended to read:

53.6 Subd. 2. **Advice and instruction.** The Department of Education shall give advice and  
53.7 instruction to the managers of any public library or to any governing body maintaining a  
53.8 library or empowered to do so by law upon any matter pertaining to the organization,  
53.9 maintenance, or administration of libraries. The department may also give advice and  
53.10 instruction, as requested, to postsecondary educational institutions, public school districts  
53.11 or charter schools, state agencies, governmental units, nonprofit organizations, or private  
53.12 entities. It shall assist, to the extent possible, in the establishment and organization of library  
53.13 service in those areas where adequate services do not exist, and may aid in improving  
53.14 previously established library services. The department shall also provide assistance to  
53.15 school districts, regional library systems, and member libraries interested in offering joint  
53.16 library services at a single location.

APPENDIX  
Article locations in S1222-1

ARTICLE 1	GENERAL EDUCATION .....	Page.Ln 1.19
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ARTICLE 5	SELF-SUFFICIENCY AND LIFELONG LEARNING .....	Page.Ln 49.31
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**124D.73 DEFINITIONS.**

Subd. 2. **American Indian child.** "American Indian child" means any child, living on or off a reservation, who is enrolled or eligible for enrollment in a federally recognized tribe.

**124E.10 CHARTER CONTRACT.**

Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of directors mutually agree not to renew the contract, or if the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 4, a change in authorizers is allowed. The authorizer and the school board must jointly submit a written and signed letter of their intent to the commissioner to mutually not renew the contract. The authorizer that is a party to the existing contract must inform the proposed authorizer about the fiscal, operational, and student performance status of the school, including unmet contract outcomes and other outstanding contractual obligations. The charter contract between the proposed authorizer and the school must identify and provide a plan to address any outstanding obligations from the previous contract. The proposed authorizer must submit the proposed contract at least 105 business days before the end of the existing charter contract. The commissioner has 30 business days to review and make a determination on the change in authorizer. The proposed authorizer and the school have 15 business days to respond to the determination and address any issues identified by the commissioner. The commissioner must make a final determination no later than 45 business days before the end of the current charter contract. If the commissioner does not approve a change in authorizer, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the commissioner does not approve a change in authorizer and the current authorizer and the school do not withdraw their letter and enter into a new contract, the school must be dissolved according to applicable law and the terms of the contract.

**3500.3100 ISSUANCE OF GENERAL EDUCATIONAL DEVELOPMENT (GED) DIPLOMA.**

Subp. 4. **General Educational Development (GED) diploma.** The commissioner of education may issue a General Educational Development (GED) diploma to a Minnesota resident 19 years of age or over who has not earned a high school diploma and who has not previously been issued a GED if:

A. the person makes written application through any of the approved GED testing centers located in Minnesota; and

B. the person obtains a minimum standard score of 410 on each of the five GED tests and an average standard score of at least 450 on all five tests or the minimum standard scores required by the GED testing service, whichever is greater.

GED tests must be administered only by official agencies established by the American Council on Education and approved by the commissioner of education.

The commissioner of education may waive the minimum age requirement if supportive evidence is provided by an employer or a recognized education or rehabilitation provider.