

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 3928

(SENATE AUTHORS: NELSON)

DATE	D-PG	OFFICIAL STATUS
04/12/2018	7288	Introduction and first reading
		Referred to E-12 Finance
04/19/2018		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to education finance; providing funding for prekindergarten through grade

1.3 12 education, including general education, education excellence, special education,

1.4 facilities and technology, libraries, early childhood and family support,

1.5 self-sufficiency and lifelong learning, and state agencies; appropriating money;

1.6 amending Minnesota Statutes 2016, sections 120B.30, subdivision 1a; 122A.63,

1.7 subdivisions 1, 4, 5, 6, by adding a subdivision; 123B.595, by adding a subdivision;

1.8 123B.61; 124D.151, subdivision 2; 125A.76, subdivisions 1, 2a; 125A.79,

1.9 subdivision 5; 126C.10, subdivisions 2d, 2e, 24; 126C.126; 126C.17, subdivisions

1.10 1, 2, 5, 6, 7, 7a; 126C.44; 134.355, subdivision 10; 245C.02, by adding a

1.11 subdivision; 245C.12; Minnesota Statutes 2017 Supplement, sections 120B.30,

1.12 subdivision 1; 122A.415, subdivision 4; 124D.151, subdivisions 5, 6; 124D.165,

1.13 subdivisions 2, 3; 124D.55; 124D.83, subdivision 2; 126C.05, subdivision 1;

1.14 126C.10, subdivision 13a; 245C.08, subdivision 1; Laws 2017, First Special Session

1.15 chapter 5, article 1, section 19, subdivision 2; article 2, section 57, subdivisions

1.16 25, 26; article 4, section 12, subdivision 2, as amended; article 8, section 9,

1.17 subdivisions 2, 5, 6; article 10, section 6, subdivision 3; article 11, sections 9,

1.18 subdivision 2; 12; proposing coding for new law in Minnesota Statutes, chapters

1.19 124D; 245C; repealing Minnesota Statutes 2016, sections 122A.63, subdivisions

1.20 7, 8; 126C.17, subdivision 9a; Laws 2017, First Special Session chapter 5, article

1.21 8, section 8.

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

1.23 style="text-align:center">**ARTICLE 1**

1.24 style="text-align:center">**GENERAL EDUCATION**

1.25 Section 1. Minnesota Statutes 2016, section 126C.10, subdivision 2e, is amended to read:

1.26 Subd. 2e. **Local optional revenue.** (a) For fiscal year 2019, local optional revenue for

1.27 a school district equals \$424 times the adjusted pupil units of the district for that school

1.28 year. For fiscal year 2020 and later, local optional revenue for a school district equals the

1.29 sum of the district's first tier local optional revenue and second tier local optional revenue.

1.30 A district's first tier local optional revenue equals \$300 times the adjusted pupil units of the

2.1 district for that school year. A district's second tier local optional revenue equals \$424 times
 2.2 the adjusted pupil units of the district for that school year.

2.3 (b) For fiscal year 2019, a district's local optional levy equals its local optional revenue
 2.4 times the lesser of one or the ratio of its referendum market value per resident pupil unit to
 2.5 \$510,000. For fiscal year 2020 and later, a district's local optional levy equals the sum of
 2.6 the first tier local optional levy and the second tier local optional levy. A district's first tier
 2.7 local optional levy equals the district's first tier local optional revenue times the lesser of
 2.8 one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.
 2.9 A district's second tier local optional levy equals the district's second tier local optional
 2.10 revenue times the lesser of one or the ratio of the district's referendum market value per
 2.11 resident pupil unit to \$510,000. The local optional revenue levy must be spread on referendum
 2.12 market value. A district may levy less than the permitted amount.

2.13 (c) A district's local optional aid equals its local optional revenue less its local optional
 2.14 ~~levy, times the ratio of the actual amount levied to the permitted levy.~~ If a district's actual
 2.15 levy for first or second tier local optional revenue is less than its maximum levy limit for
 2.16 that tier, aid shall be proportionately reduced.

2.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

2.18 Sec. 2. Minnesota Statutes 2017 Supplement, section 126C.10, subdivision 13a, is amended
 2.19 to read:

2.20 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district may
 2.21 levy an amount not more than the product of its operating capital revenue for the fiscal year
 2.22 times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to
 2.23 the operating capital equalizing factor. The operating capital equalizing factor equals ~~\$15,740~~
 2.24 ~~for fiscal year 2017, \$20,548 for fiscal year 2018, \$24,241 for fiscal year 2019, and \$22,912~~
 2.25 \$23,953 for fiscal year 2020, and \$24,005 for fiscal year 2021 and later.

2.26 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

2.27 Sec. 3. Minnesota Statutes 2016, section 126C.10, subdivision 24, is amended to read:

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

2.29 (1) the school district's adjusted pupil unit amount of basic revenue, transition revenue,
 2.30 first tier local optional revenue, and referendum revenue is less than the value of the school
 2.31 district at or immediately above the 95th percentile of school districts in its equity region
 2.32 for those revenue categories; and

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

3.3 (b) Equity revenue ~~for a qualifying district that receives referendum revenue under~~
3.4 ~~section 126C.17, subdivision 4,~~ equals the product of (1) the district's adjusted pupil units
3.5 for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's equity
3.6 index computed under subdivision 27.

3.7 (e) ~~Equity revenue for a qualifying district that does not receive referendum revenue~~
3.8 ~~under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil units~~
3.9 ~~for that year times \$14.~~

3.10 ~~(d)~~ (c) A school district's equity revenue is increased by the greater of zero or an amount
3.11 equal to the district's adjusted pupil units times the difference between ten percent of the
3.12 statewide average amount of referendum revenue and first tier local optional revenue per
3.13 adjusted pupil unit for that year and the sum of the district's referendum revenue and first
3.14 tier local optional revenue per adjusted pupil unit. A school district's revenue under this
3.15 paragraph must not exceed \$100,000 for that year.

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

3.18 ~~(f)~~ (e) For fiscal years 2017, 2018, and 2019 for a school district not included in paragraph
3.19 ~~(e)~~ (d), a district's equity revenue equals the amount computed in paragraphs (b); and (c);
3.20 ~~and (d)~~ multiplied by 1.16. For fiscal year 2020 and later for a school district not included
3.21 in paragraph ~~(e)~~ (d), a district's equity revenue equals the amount computed in paragraphs
3.22 (b); and (c); ~~and (d)~~ multiplied by 1.25.

3.23 ~~(g)~~ (f) A school district's additional equity revenue equals \$50 times its adjusted pupil
3.24 units.

3.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

3.26 Sec. 4. Minnesota Statutes 2016, section 126C.17, subdivision 1, is amended to read:

3.27 Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance for
3.28 fiscal year 2020 and later equals the result of the following calculations:

3.29 ~~(1) multiply the referendum allowance the district would have received for fiscal year~~
3.30 ~~2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on elections~~
3.31 ~~held before July 1, 2013, by the resident marginal cost pupil units the district would have~~
3.32 ~~counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;~~

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

4.4 ~~(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year~~
 4.5 ~~2015;~~

4.6 ~~(4) add to the result of clause (3) any additional referendum allowance per adjusted pupil~~
 4.7 ~~unit authorized by elections held between July 1, 2013, and December 31, 2013;~~

4.8 ~~(5) add to the result in clause (4) any additional referendum allowance resulting from~~
 4.9 ~~inflation adjustments approved by the voters prior to January 1, 2014;~~

4.10 ~~(6) subtract from the result of clause (5), the sum of a district's actual local optional levy~~
 4.11 ~~and local optional aid under section 126C.10, subdivision 2e, divided by the adjusted pupil~~
 4.12 ~~units of the district for that school year; and~~

4.13 (1) subtract \$424 from the district's allowance under Minnesota Statutes 2017, section
 4.14 126C.17, subdivision 1, paragraph (a), clause (5);

4.15 (2) if the result of clause (1) is less than zero, set the allowance to zero;

4.16 (3) add to the result in clause (2) any new referendum allowance authorized between
 4.17 July 1, 2013, and December 31, 2013, under Minnesota Statutes 2013, section 126C.17,
 4.18 subdivision 9a;

4.19 (4) add to the result in clause (3) any additional referendum allowance per adjusted pupil
 4.20 unit authorized between January 1, 2014, and June 30, 2018;

4.21 (5) subtract from the result in clause (4) any allowances expiring in fiscal year 2016,
 4.22 2017, 2018, or 2019;

4.23 (6) subtract \$300 from the result in clause (5); and

4.24 (7) if the result of clause (6) is less than zero, set the allowance to zero.

4.25 (b) A district's referendum allowance equals the sum of the district's initial referendum
 4.26 allowance, plus any new referendum allowance authorized ~~between July 1, 2013, and~~
 4.27 ~~December 31, 2013, under subdivision 9a, plus any additional referendum allowance per~~
 4.28 ~~adjusted pupil unit authorized after December 31, 2013,~~ after July 1, 2018, minus any
 4.29 allowances expiring in fiscal year ~~2016~~ 2020 or later, plus any inflation adjustments for
 4.30 fiscal year 2020 and later approved by the voters prior to July 1, 2018, provided that the
 4.31 allowance may not be less than zero. ~~For a district with more than one referendum allowance~~
 4.32 ~~for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated~~

5.1 ~~under paragraph (a), clause (3), must be divided into components such that the same~~
 5.2 ~~percentage of the district's allowance expires at the same time as the old allowances would~~
 5.3 ~~have expired under Minnesota Statutes 2012, section 126C.17.~~ For a district with more than
 5.4 one allowance for fiscal year 2015 that expires in the same year, the reduction under
 5.5 paragraph (a), ~~clause~~ clauses (1) and (6), ~~to offset local optional revenue~~ shall be made first
 5.6 from any allowances that do not have an inflation adjustment approved by the voters.

5.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

5.8 Sec. 5. Minnesota Statutes 2016, section 126C.17, subdivision 2, is amended to read:

5.9 Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal
 5.10 year ~~2015~~ 2020 and later, a district's referendum allowance must not exceed the annual
 5.11 inflationary increase as calculated under paragraph (b) times the ~~greatest~~ greater of:

5.12 (1) ~~\$1,845~~ \$1,712.53;

5.13 (2) the sum of the referendum revenue the district would have received for fiscal year
 5.14 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections
 5.15 held before July 1, 2013, and the adjustment the district would have received under Minnesota
 5.16 Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections
 5.17 held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015,
 5.18 minus \$300; or

5.19 ~~(3) the product of the referendum allowance limit the district would have received for~~
 5.20 ~~fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the~~
 5.21 ~~resident marginal cost pupil units the district would have received for fiscal year 2015 under~~
 5.22 ~~Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district~~
 5.23 ~~would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7,~~
 5.24 ~~paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the~~
 5.25 ~~district's adjusted pupil units for fiscal year 2015; minus \$424; or~~

5.26 ~~(4)~~ (3) for a newly reorganized district created after July 1, 2013, the referendum revenue
 5.27 authority for each reorganizing district in the year preceding reorganization divided by its
 5.28 adjusted pupil units for the year preceding reorganization.

5.29 (b) For purposes of this subdivision, for fiscal year ~~2016~~ 2021 and later, "inflationary
 5.30 increase" means one plus the percentage change in the Consumer Price Index for urban
 5.31 consumers, as prepared by the United States Bureau of Labor Standards, for the current
 5.32 fiscal year to fiscal year ~~2015~~ 2020. ~~For fiscal year 2016 and later, for purposes of paragraph~~

6.1 ~~(a), clause (3), the inflationary increase equals one-fourth of the percentage increase in the~~
 6.2 ~~formula allowance for that year compared with the formula allowance for fiscal year 2015.~~

6.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

6.4 Sec. 6. Minnesota Statutes 2016, section 126C.17, subdivision 5, is amended to read:

6.5 Subd. 5. **Referendum equalization revenue.** (a) A district's referendum equalization
 6.6 revenue equals the sum of the first tier referendum equalization revenue and the second tier
 6.7 referendum equalization revenue, ~~and the third tier referendum equalization revenue.~~

6.8 (b) A district's first tier referendum equalization revenue equals the district's first tier
 6.9 referendum equalization allowance times the district's adjusted pupil units for that year.

6.10 (c) A district's first tier referendum equalization allowance equals the lesser of the
 6.11 district's referendum allowance under subdivision 1 or ~~\$300~~ \$460.

6.12 (d) A district's second tier referendum equalization revenue equals the district's second
 6.13 tier referendum equalization allowance times the district's adjusted pupil units for that year.

6.14 (e) A district's second tier referendum equalization allowance equals the lesser of the
 6.15 district's referendum allowance under subdivision 1 or ~~\$760, minus the district's first tier~~
 6.16 ~~referendum equalization allowance.~~

6.17 ~~(f) A district's third tier referendum equalization revenue equals the district's third tier~~
 6.18 ~~referendum equalization allowance times the district's adjusted pupil units for that year.~~

6.19 ~~(g) A district's third tier referendum equalization allowance equals the lesser of the~~
 6.20 ~~district's referendum allowance under subdivision 1 or 25 percent of the formula allowance,~~
 6.21 ~~minus the sum of \$300 and the district's first tier referendum equalization allowance and~~
 6.22 ~~second tier referendum equalization allowance.~~

6.23 ~~(h) (f)~~ Notwithstanding paragraph ~~(g)~~ (e), the ~~third~~ second tier referendum allowance
 6.24 for a district qualifying for secondary sparsity revenue under section 126C.10, subdivision
 6.25 7, or elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's
 6.26 referendum allowance under subdivision 1 minus the ~~sum of the~~ district's first tier referendum
 6.27 equalization allowance ~~and second tier referendum equalization allowance.~~

6.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

7.1 Sec. 7. Minnesota Statutes 2016, section 126C.17, subdivision 6, is amended to read:

7.2 Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy
7.3 equals the sum of the first tier referendum equalization levy; and the second tier referendum
7.4 equalization levy; ~~and the third tier referendum equalization levy.~~

7.5 (b) A district's first tier referendum equalization levy equals the district's first tier
7.6 referendum equalization revenue times the lesser of one or the ratio of the district's
7.7 referendum market value per resident pupil unit to ~~\$880,000~~ \$510,000.

7.8 (c) A district's second tier referendum equalization levy equals the district's second tier
7.9 referendum equalization revenue times the lesser of one or the ratio of the district's
7.10 referendum market value per resident pupil unit to ~~\$510,000~~ \$290,000.

7.11 ~~(d) A district's third tier referendum equalization levy equals the district's third tier
7.12 referendum equalization revenue times the lesser of one or the ratio of the district's
7.13 referendum market value per resident pupil unit to \$290,000.~~

7.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

7.15 Sec. 8. Minnesota Statutes 2016, section 126C.17, subdivision 7, is amended to read:

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

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

7.20 (c) Notwithstanding paragraph (a), the referendum equalization aid for a district, where
7.21 the referendum equalization aid under paragraph (a) exceeds 90 percent of the referendum
7.22 revenue, must not exceed 25 percent of the difference between the formula allowance and
7.23 \$300 times the district's adjusted pupil units. A district's referendum levy is increased by
7.24 the amount of any reduction in referendum aid under this paragraph.

7.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

7.26 Sec. 9. Minnesota Statutes 2016, section 126C.17, subdivision 7a, is amended to read:

7.27 Subd. 7a. **Referendum tax base replacement aid.** For each school district that had a
7.28 referendum allowance for fiscal year 2002 exceeding \$415, for each separately authorized
7.29 referendum levy, the commissioner of revenue, in consultation with the commissioner of
7.30 education, shall certify the amount of the referendum levy in taxes payable year 2001
7.31 attributable to the portion of the referendum allowance exceeding \$415 levied against

8.1 property classified as class 2, noncommercial 4c(1), or 4c(4), under section 273.13, excluding
 8.2 the portion of the tax paid by the portion of class 2a property consisting of the house, garage,
 8.3 and surrounding one acre of land. The resulting amount must be used to reduce the district's
 8.4 referendum levy or first tier local optional levy amount otherwise determined, and must be
 8.5 paid to the district each year that the referendum or first tier local optional authority remains
 8.6 in effect, is renewed, or new referendum authority is approved. The aid payable under this
 8.7 subdivision must be subtracted from the district's referendum equalization aid under
 8.8 subdivision 7. The referendum equalization aid and the first tier local optional aid after the
 8.9 subtraction must not be less than zero.

8.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

8.11 Sec. 10. Minnesota Statutes 2016, section 126C.44, is amended to read:

8.12 **126C.44 SAFE SCHOOLS LEVY REVENUE.**

8.13 **Subdivision 1. Safe schools revenue.** (a) ~~Each district may make a levy on all taxable~~
 8.14 ~~property located within the district for the purposes specified in this section. The maximum~~
 8.15 ~~amount which may be levied for all costs under this section shall be equal to \$36 multiplied~~
 8.16 ~~by~~ For fiscal year 2019 only, the initial safe schools revenue for a school district equals the
 8.17 greater of \$54 times the district's adjusted pupil units for the school year, or \$22,500.

8.18 (b) For fiscal year 2019 only, the cooperative safe schools revenue for a school district
 8.19 that is a member of an intermediate school district equals \$22.50 times the district's adjusted
 8.20 pupil units for the school year. For fiscal year 2019 only, the cooperative safe schools
 8.21 revenue for a school district that is a member of a cooperative unit other than an intermediate
 8.22 district that enrolls students equals \$7.50 times the district's adjusted pupil units for the
 8.23 school year.

8.24 (c) For fiscal year 2020 and later, the initial safe schools revenue for a school district
 8.25 equals the greater of \$72 times the district's adjusted pupil units for the school year, or
 8.26 \$30,000.

8.27 (d) For fiscal year 2020 and later, the cooperative safe schools revenue for a school
 8.28 district that is a member of an intermediate school district equals \$30 times the district's
 8.29 adjusted pupil units for the school year. For fiscal year 2020 and later, the cooperative safe
 8.30 schools revenue for a school district that is a member of a cooperative unit other than an
 8.31 intermediate district that enrolls students equals \$15 times the district's adjusted pupil units
 8.32 for the school year. Revenue raised under this paragraph and paragraph (b) must be
 8.33 transferred to the intermediate school district or other cooperative unit of which the district

9.1 is a member and used only for costs associated with safe schools activities authorized under
9.2 subdivision 5, paragraph (a), clauses (1) to (9). If the district is a member of more than one
9.3 cooperative unit that enrolls students, the revenue must be allocated among the cooperative
9.4 units.

9.5 (e) For fiscal year 2019 and later, the safe schools revenue for a school district equals
9.6 the sum of the district's initial safe schools revenue and the district's cooperative safe schools
9.7 revenue.

9.8 Subd. 2. **Safe schools levy.** (a) For fiscal year 2019 only, a district's safe schools levy
9.9 equals \$36 times the district's adjusted pupil units for the school year.

9.10 (b) For fiscal year 2019 only, the safe schools levy for a school district that is a member
9.11 of an intermediate school district is increased by an amount equal to \$15 times the district's
9.12 adjusted pupil units for the school year.

9.13 (c) To obtain safe schools revenue for fiscal year 2020 and later, a district may levy an
9.14 amount not more than the product of its safe schools revenue for the fiscal year times the
9.15 lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the safe
9.16 schools equalizing factor. The safe schools equalizing factor equals 60 percent of the state
9.17 average net tax capacity per adjusted pupil unit for all school districts.

9.18 Subd. 3. **Safe schools aid.** A district's safe schools aid equals its safe schools revenue
9.19 minus its safe schools levy, times the ratio of the actual amount levied to the permitted levy.

9.20 Subd. 4. **Safe schools revenue for a charter school.** (a) For fiscal year 2019, safe
9.21 schools revenue for a charter school equals \$18 times the adjusted pupil units for the school
9.22 year. For fiscal year 2020 and later, safe schools revenue for a charter school equals \$36
9.23 times the adjusted pupil units for the school year.

9.24 (b) The revenue must be reserved and used only for costs associated with safe schools
9.25 activities authorized under subdivision 5, paragraph (a), clauses (1) to (9), or for building
9.26 lease expenses not funded by charter school building lease aid that are attributable to facility
9.27 security enhancements made by the landlord after March 1, 2018.

9.28 Subd. 5. **Uses of safe schools revenue.** (a) The ~~proceeds of the levy~~ revenue must be
9.29 reserved and used for directly funding the following purposes or for reimbursing the cities
9.30 and counties who contract with the district for the following purposes:

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

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

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

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

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

10.9 (6) to pay costs for licensed school counselors, licensed school nurses, licensed school
 10.10 social workers, licensed school psychologists, and licensed alcohol and chemical dependency
 10.11 counselors to help provide early responses to problems;

10.12 (7) to pay for facility security enhancements including laminated glass, public
 10.13 announcement systems, emergency communications devices, and equipment and facility
 10.14 modifications related to violence prevention and facility security;

10.15 (8) to pay for costs associated with improving the school climate; ~~or~~

10.16 (9) to pay costs for collocating and collaborating with mental health professionals who
 10.17 are not district employees or contractors; or

10.18 (10) by board resolution, to transfer money into the debt redemption fund to pay the
 10.19 amounts needed to meet, when due, principal and interest payments on obligations issued
 10.20 under sections 123B.61 and 123B.62 for purposes included in clause (7).

10.21 (b) For expenditures under paragraph (a), clause (1), the district must initially attempt
 10.22 to contract for services to be provided by peace officers or sheriffs with the police department
 10.23 of each city or the sheriff's department of the county within the district containing the school
 10.24 receiving the services. If a local police department or a county sheriff's department does
 10.25 not wish to provide the necessary services, the district may contract for these services with
 10.26 any other police or sheriff's department located entirely or partially within the school district's
 10.27 boundaries.

10.28 ~~(c) A school district that is a member of an intermediate school district may include in~~
 10.29 ~~its authority under this section the costs associated with safe schools activities authorized~~
 10.30 ~~under paragraph (a) for intermediate school district programs. This authority must not exceed~~
 10.31 ~~\$15 times the adjusted pupil units of the member districts. This authority is in addition to~~
 10.32 ~~any other authority authorized under this section. Revenue raised under this paragraph must~~
 10.33 ~~be transferred to the intermediate school district.~~

11.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

11.2 Sec. 11. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 2,
11.3 is amended to read:

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

11.6 ~~7,032,051,000~~
11.7 \$ 7,078,769,000 2018

11.8 ~~7,227,809,000~~
11.9 \$ 7,239,364,000 2019

11.10 The 2018 appropriation includes \$686,828,000 for 2017 and ~~\$6,345,223,000~~
11.11 \$6,391,941,000 for 2018.

11.12 The 2019 appropriation includes ~~\$705,024,000~~ \$683,110,000 for 2018 and
11.13 ~~\$6,522,785,000~~ \$6,556,254,000 for 2019.

11.14 Sec. 12. **APPROPRIATION.**

11.15 Subdivision 1. Department of Education. The sum indicated in this section is
11.16 appropriated from the general fund to the Department of Education for the fiscal year
11.17 designated.

11.18 Subd. 2. Safe schools revenue. For safe schools revenue under Minnesota Statutes,
11.19 section 126C.44, subdivision 1:

11.20 \$ 19,814,000 2019

11.21 Sec. 13. **REPEALER.**

11.22 Minnesota Statutes 2016, section 126C.17, subdivision 9a, is repealed effective for
11.23 revenue for fiscal year 2020 and later.

11.24 **ARTICLE 2**

11.25 **EDUCATION EXCELLENCE**

11.26 Section 1. Minnesota Statutes 2017 Supplement, section 120B.30, subdivision 1, is amended
11.27 to read:

11.28 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with
11.29 appropriate technical qualifications and experience and stakeholders, consistent with
11.30 subdivision 1a, shall include in the comprehensive assessment system, for each grade level

12.1 to be tested, state-constructed tests developed as computer-adaptive reading and mathematics
12.2 assessments for students that are aligned with the state's required academic standards under
12.3 section 120B.021, include multiple choice questions, and are administered annually to all
12.4 students in grades 3 through 8. State-developed high school tests aligned with the state's
12.5 required academic standards under section 120B.021 and administered to all high school
12.6 students in a subject other than writing must include multiple choice questions. The
12.7 commissioner shall establish one or more months during which schools shall administer
12.8 the tests to students each school year.

12.9 (1) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be
12.10 assessed under (i) the graduation-required assessment for diploma in reading, mathematics,
12.11 or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (c),
12.12 clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii) the Compass
12.13 college placement test, (iv) the ACT assessment for college admission, (v) a nationally
12.14 recognized armed services vocational aptitude test.

12.15 (2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible
12.16 to be assessed under (i) the graduation-required assessment for diploma in reading,
12.17 mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1,
12.18 paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the Compass
12.19 college placement test, (iv) the ACT assessment for college admission, (v) a nationally
12.20 recognized armed services vocational aptitude test.

12.21 (3) For students under clause (1) or (2), a school district may substitute a score from an
12.22 alternative, equivalent assessment to satisfy the requirements of this paragraph.

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

12.25 (1) mathematics;

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

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

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

12.30 (3) language arts and reading; grades 3 through 8 and high school level beginning in the
12.31 2012-2013 school year.

12.32 (c) For students enrolled in grade 8 in the 2012-2013 school year and later, students'
12.33 state graduation requirements, based on a longitudinal, systematic approach to student

13.1 education and career planning, assessment, instructional support, and evaluation, include
13.2 the following:

13.3 (1) achievement and career and college readiness in mathematics, reading, and writing,
13.4 consistent with paragraph (k) and to the extent available, to monitor students' continuous
13.5 development of and growth in requisite knowledge and skills; analyze students' progress
13.6 and performance levels, identifying students' academic strengths and diagnosing areas where
13.7 students require curriculum or instructional adjustments, targeted interventions, or
13.8 remediation; and, based on analysis of students' progress and performance data, determine
13.9 students' learning and instructional needs and the instructional tools and best practices that
13.10 support academic rigor for the student; and

13.11 (2) consistent with this paragraph and section 120B.125, age-appropriate exploration
13.12 and planning activities and career assessments to encourage students to identify personally
13.13 relevant career interests and aptitudes and help students and their families develop a regularly
13.14 reexamined transition plan for postsecondary education or employment without need for
13.15 postsecondary remediation.

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

13.19 (d) Expectations of schools, districts, and the state for career or college readiness under
13.20 this subdivision must be comparable in rigor, clarity of purpose, and rates of student
13.21 completion.

13.22 A student under paragraph (c), clause (1), must receive targeted, relevant, academically
13.23 rigorous, and resourced instruction, which may include a targeted instruction and intervention
13.24 plan focused on improving the student's knowledge and skills in core subjects so that the
13.25 student has a reasonable chance to succeed in a career or college without need for
13.26 postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091, 124D.49,
13.27 and related sections, an enrolling school or district must actively encourage a student in
13.28 grade 11 or 12 who is identified as academically ready for a career or college to participate
13.29 in courses and programs awarding college credit to high school students. Students are not
13.30 required to achieve a specified score or level of proficiency on an assessment under this
13.31 subdivision to graduate from high school.

13.32 (e) Though not a high school graduation requirement, students are encouraged to
13.33 participate in a nationally recognized college entrance exam. To the extent state funding
13.34 for college entrance exam fees is available, a district must pay the cost, one time, for an

14.1 interested student in grade 11 or 12 who is eligible for a free or reduced-price meal, to take
14.2 a nationally recognized college entrance exam before graduating. A student must be able
14.3 to take the exam under this paragraph at the student's high school during the school day and
14.4 at any one of the multiple exam administrations available to students in the district. A district
14.5 may administer the ACT or SAT or both the ACT and SAT to comply with this paragraph.
14.6 If the district administers only one of these two tests and a free or reduced-price meal eligible
14.7 student opts not to take that test and chooses instead to take the other of the two tests, the
14.8 student may take the other test at a different time or location and remains eligible for the
14.9 examination fee reimbursement. Notwithstanding sections 123B.34 to 123B.39, a school
14.10 district may require a student that is not eligible for a free or reduced-price meal to pay the
14.11 cost of taking a nationally recognized college entrance exam. The district must waive the
14.12 cost for a student unable to pay.

14.13 (f) The commissioner and the chancellor of the Minnesota State Colleges and Universities
14.14 must collaborate in aligning instruction and assessments for adult basic education students
14.15 and English learners to provide the students with diagnostic information about any targeted
14.16 interventions, accommodations, modifications, and supports they need so that assessments
14.17 and other performance measures are accessible to them and they may seek postsecondary
14.18 education or employment without need for postsecondary remediation. When administering
14.19 formative or summative assessments used to measure the academic progress, including the
14.20 oral academic development, of English learners and inform their instruction, schools must
14.21 ensure that the assessments are accessible to the students and students have the modifications
14.22 and supports they need to sufficiently understand the assessments.

14.23 (g) Districts and schools, on an annual basis, must use career exploration elements to
14.24 help students, beginning no later than grade 9, and their families explore and plan for
14.25 postsecondary education or careers based on the students' interests, aptitudes, and aspirations.
14.26 Districts and schools must use timely regional labor market information and partnerships,
14.27 among other resources, to help students and their families successfully develop, pursue,
14.28 review, and revise an individualized plan for postsecondary education or a career. This
14.29 process must help increase students' engagement in and connection to school, improve
14.30 students' knowledge and skills, and deepen students' understanding of career pathways as
14.31 a sequence of academic and career courses that lead to an industry-recognized credential,
14.32 an associate's degree, or a bachelor's degree and are available to all students, whatever their
14.33 interests and career goals.

14.34 (h) A student who demonstrates attainment of required state academic standards, which
14.35 include career and college readiness benchmarks, on high school assessments under

15.1 subdivision 1a is academically ready for a career or college and is encouraged to participate
15.2 in courses awarding college credit to high school students. Such courses and programs may
15.3 include sequential courses of study within broad career areas and technical skill assessments
15.4 that extend beyond course grades.

15.5 (i) As appropriate, students through grade 12 must continue to participate in targeted
15.6 instruction, intervention, or remediation and be encouraged to participate in courses awarding
15.7 college credit to high school students.

15.8 (j) In developing, supporting, and improving students' academic readiness for a career
15.9 or college, schools, districts, and the state must have a continuum of empirically derived,
15.10 clearly defined benchmarks focused on students' attainment of knowledge and skills so that
15.11 students, their parents, and teachers know how well students must perform to have a
15.12 reasonable chance to succeed in a career or college without need for postsecondary
15.13 remediation. The commissioner, in consultation with local school officials and educators,
15.14 and Minnesota's public postsecondary institutions must ensure that the foundational
15.15 knowledge and skills for students' successful performance in postsecondary employment
15.16 or education and an articulated series of possible targeted interventions are clearly identified
15.17 and satisfy Minnesota's postsecondary admissions requirements.

15.18 (k) For students in grade 8 in the 2012-2013 school year and later, a school, district, or
15.19 charter school must record on the high school transcript a student's progress toward career
15.20 and college readiness, and for other students as soon as practicable.

15.21 (l) The school board granting students their diplomas may formally decide to include a
15.22 notation of high achievement on the high school diplomas of those graduating seniors who,
15.23 according to established school board criteria, demonstrate exemplary academic achievement
15.24 during high school.

15.25 (m) The 3rd through 8th grade computer-adaptive assessment results and high school
15.26 test results shall be available to districts for diagnostic purposes affecting student learning
15.27 and district instruction and curriculum, and for establishing educational accountability. ~~The~~
15.28 ~~commissioner must establish empirically derived benchmarks on adaptive assessments in~~
15.29 ~~grades 3 through 8.~~ The commissioner, in consultation with the chancellor of the Minnesota
15.30 State Colleges and Universities, must establish empirically derived benchmarks on the high
15.31 school tests that reveal a trajectory toward career and college readiness consistent with
15.32 section 136F.302, subdivision 1a. The commissioner must disseminate to the public the
15.33 ~~computer-adaptive assessments and high school test results upon receiving those results.~~

16.1 (n) The grades 3 through 8 computer-adaptive assessments and high school tests must
16.2 be aligned with state academic standards. The commissioner shall determine the testing
16.3 process and the order of administration. The statewide results shall be aggregated at the site
16.4 and district level, consistent with subdivision 1a.

16.5 (o) The commissioner shall include the following components in the statewide public
16.6 reporting system:

16.7 (1) uniform statewide computer-adaptive assessments of all students in grades 3 through
16.8 8 and testing at the high school levels that provides appropriate, technically sound
16.9 accommodations or alternate assessments;

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

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

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

16.18 (p) For purposes of statewide accountability, "career and college ready" means a high
16.19 school graduate has the knowledge, skills, and competencies to successfully pursue a career
16.20 pathway, including postsecondary credit leading to a degree, diploma, certificate, or
16.21 industry-recognized credential and employment. Students who are career and college ready
16.22 are able to successfully complete credit-bearing coursework at a two- or four-year college
16.23 or university or other credit-bearing postsecondary program without need for remediation.

16.24 (q) For purposes of statewide accountability, "cultural competence," "cultural
16.25 competency," or "culturally competent" means the ability of families and educators to
16.26 interact effectively with people of different cultures, native languages, and socioeconomic
16.27 backgrounds.

16.28 Sec. 2. Minnesota Statutes 2016, section 120B.30, subdivision 1a, is amended to read:

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

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

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

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

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

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

17.17 ~~(b) The commissioner must use fully adaptive mathematics and reading assessments for~~
 17.18 ~~grades 3 through 8.~~

17.19 ~~(e)~~ (a) For purposes of conforming with existing federal educational accountability
 17.20 requirements, the commissioner must develop and implement computer-adaptive reading
 17.21 and mathematics assessments for grades 3 through 8, state-developed high school reading
 17.22 and mathematics tests aligned with state academic standards, a high school writing test
 17.23 aligned with state standards when it becomes available, and science assessments under
 17.24 clause (2) that districts and sites must use to monitor student growth toward achieving those
 17.25 standards. The commissioner must not develop statewide assessments for academic standards
 17.26 in social studies, health and physical education, and the arts. The commissioner must require:

17.27 (1) annual computer-adaptive reading and mathematics assessments in grades 3 through
 17.28 8, and high school reading, writing, and mathematics tests; and

17.29 (2) annual science assessments in one grade in the grades 3 through 5 span, the grades
 17.30 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the
 17.31 commissioner must not require students to achieve a passing score on high school science
 17.32 assessments as a condition of receiving a high school diploma.

17.33 ~~(d)~~ (b) The commissioner must ensure that for annual computer-adaptive assessments:

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

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

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

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

18.14 ~~(e)~~ (c) The commissioner must ensure that all state tests administered to elementary and
18.15 secondary students measure students' academic knowledge and skills and not students'
18.16 values, attitudes, and beliefs.

18.17 ~~(f)~~ (d) Reporting of state assessment results must:

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

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

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

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

18.25 ~~(h)~~ (f) A school, school district, and charter school must administer statewide assessments
18.26 under this section, as the assessments become available, to evaluate student progress toward
18.27 career and college readiness in the context of the state's academic standards. A school,
18.28 school district, or charter school may use a student's performance on a statewide assessment
18.29 as one of multiple criteria to determine grade promotion or retention. A school, school
18.30 district, or charter school may use a high school student's performance on a statewide
18.31 assessment as a percentage of the student's final grade in a course, or place a student's
18.32 assessment score on the student's transcript.

19.1 Sec. 3. Minnesota Statutes 2017 Supplement, section 122A.415, subdivision 4, is amended
19.2 to read:

19.3 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative teacher
19.4 compensation aid for a school with a plan approved under section 122A.414, subdivision
19.5 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1.
19.6 The basic alternative teacher compensation aid for a charter school with a plan approved
19.7 under section 122A.414, subdivisions 2a and 2b, equals \$260 times the number of pupils
19.8 enrolled in the school on October 1 of the previous year, or on October 1 of the current year
19.9 for a charter school in the first year of operation, times the ratio of the sum of the alternative
19.10 teacher compensation aid and alternative teacher compensation levy for all participating
19.11 school districts to the maximum alternative teacher compensation revenue for those districts
19.12 under subdivision 1.

19.13 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative
19.14 teacher compensation aid entitlement must not exceed ~~\$75,840,000 for fiscal year 2016 and~~
19.15 ~~\$88,118,000 for fiscal year 2017 and later, except that if the aid for fiscal year 2019 and~~
19.16 ~~later exceeds this limit for participants approved before January 1, 2018, due to an increase~~
19.17 ~~in enrollment or number of licensed teachers for existing participants, the limit is increased~~
19.18 ~~by the amount needed to fully fund the basic alternative compensation aid for the existing~~
19.19 ~~participants.~~ The commissioner must limit the amount of alternative teacher compensation
19.20 aid approved under this section so as not to exceed ~~these limits~~ this limit by not approving
19.21 new participants or by prorating the aid among participating districts, intermediate school
19.22 districts, school sites, and charter schools. The commissioner may also reallocate a portion
19.23 of the allowable aid for the biennium from the second year to the first year to meet the needs
19.24 of approved participants.

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

19.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

19.29 Sec. 4. Minnesota Statutes 2016, section 122A.63, subdivision 1, is amended to read:

19.30 Subdivision 1. **Establishment.** (a) A grant program is established to assist American
19.31 Indian people to become teachers and to provide additional education for American Indian
19.32 teachers. The commissioner may award a joint grant to each of the following:

20.1 (1) the Duluth campus of the University of Minnesota and Independent School District
20.2 No. 709, Duluth;

20.3 (2) Bemidji State University and Independent School District No. 38, Red Lake;

20.4 (3) Moorhead State University and one of the school districts located within the White
20.5 Earth Reservation; and

20.6 (4) Augsburg College, Independent School District No. 625, St. Paul, and Special School
20.7 District No. 1, Minneapolis.

20.8 (b) If additional funds are available, the commissioner may award additional joint grants
20.9 to other postsecondary institutions and school districts.

20.10 (c) Grantees may enter into contracts with tribal, technical, and community colleges and
20.11 four-year postsecondary institutions to identify and provide grants to students at those
20.12 institutions interested in the field of education. Each grantee is eligible to and may contract
20.13 with partner institutions to provide professional development and supplemental services to
20.14 a tribal, technical, or community college or four-year postsecondary institution, including
20.15 identification of prospective students, provision of instructional supplies and materials, and
20.16 provision of grant money to students. A contract with a tribal, technical, or community
20.17 college or four-year postsecondary institution includes coordination of student identification,
20.18 professional development, and mentorship services.

20.19 Sec. 5. Minnesota Statutes 2016, section 122A.63, subdivision 4, is amended to read:

20.20 Subd. 4. **Grant amount.** The commissioner may award a joint grant in the amount it
20.21 determines to be appropriate. The grant shall include money for the postsecondary institution,
20.22 school district, and student scholarships, and student loans grants.

20.23 Sec. 6. Minnesota Statutes 2016, section 122A.63, subdivision 5, is amended to read:

20.24 Subd. 5. **Information to student applicants.** At the time a student applies for a
20.25 scholarship and loan grant, the student shall be provided information about the fields of
20.26 licensure needed by school districts in the part of the state within which the district receiving
20.27 the joint grant is located. The information shall be acquired and periodically updated by the
20.28 recipients of the joint grant and their contracted partner institutions. Information provided
20.29 to students shall clearly state that scholarship and loan decisions are not based upon the
20.30 field of licensure selected by the student.

21.1 Sec. 7. Minnesota Statutes 2016, section 122A.63, subdivision 6, is amended to read:

21.2 Subd. 6. **Eligibility for ~~scholarships and loans~~ student grants.** The following Indian
21.3 people are eligible for ~~scholarships~~ student grants:

21.4 (1) a student having origins in any of the original peoples of North America and
21.5 maintaining cultural identification through tribal affiliation or community recognition;

21.6 ~~(1)~~ (2) a student, including a teacher aide employed by a district receiving a joint grant
21.7 or their contracted partner school, who intends to become a teacher or who is interested in
21.8 the field of education and who is enrolled in a postsecondary institution or their contracted
21.9 partner institutions receiving a joint grant;

21.10 ~~(2)~~ (3) a licensed employee of a district receiving a joint grant or a contracted partner
21.11 school, who is enrolled in a master of education program; and

21.12 ~~(3)~~ (4) a student who, after applying for federal and state financial aid and an Indian
21.13 scholarship according to section 136A.126, has financial needs that remain unmet. Financial
21.14 need shall be determined according to the congressional methodology for needs determination
21.15 or as otherwise set in federal law.

21.16 ~~A person who has actual living expenses in addition to those addressed by the~~
21.17 ~~congressional methodology for needs determination, or as otherwise set in federal law, may~~
21.18 ~~receive a loan according to criteria established by the commissioner. A contract shall be~~
21.19 ~~executed between the state and the student for the amount and terms of the loan. Priority~~
21.20 ~~shall be given to a student who is tribally enrolled and then to first- and second-generation~~
21.21 ~~descendants.~~

21.22 Sec. 8. Minnesota Statutes 2016, section 122A.63, is amended by adding a subdivision to
21.23 read:

21.24 Subd. 9. **Eligible programming.** (a) The grantee institutions and the contracted partner
21.25 institutions may provide grants to students progressing toward educational goals in any area
21.26 of teacher licensure, including an associate of arts, bachelor's, master's, or doctoral degree
21.27 in the following:

21.28 (1) any educational certification necessary for employment;

21.29 (2) early childhood family education or prekindergarten licensure;

21.30 (3) elementary and secondary education;

21.31 (4) school administration; or

22.1 (5) any educational program that provides services to American Indian students in
 22.2 prekindergarten through grade 12.

22.3 (b) For purposes of recruitment, the grantees or their partner contracted institutions shall
 22.4 agree to work with their respective organizations to hire an American Indian work-study
 22.5 student or other American Indian staff to conduct initial information queries and to contact
 22.6 persons working in schools to provide programming regarding education professions to a
 22.7 high school student who may be interested in education as a profession.

22.8 (c) At least 80 percent of the grants awarded under this section must be used for student
 22.9 grants. No more than 20 percent of the grants awarded under this section may be used for
 22.10 recruitment or administration of the student grants.

22.11 Sec. 9. Minnesota Statutes 2017 Supplement, section 124D.83, subdivision 2, is amended
 22.12 to read:

22.13 Subd. 2. **Revenue amount.** An American Indian-controlled tribal contract or grant school
 22.14 that is located on a reservation within the state and that complies with the requirements in
 22.15 subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is
 22.16 derived by:

22.17 (1) multiplying the formula allowance under section 126C.10, subdivision 2, less \$170,
 22.18 times the difference between (i) the resident pupil units as defined in section 126C.05,
 22.19 subdivision 6, in average daily membership, excluding section 126C.05, subdivision 13,
 22.20 and (ii) the number of pupils for the current school year, weighted according to section
 22.21 126C.05, subdivision 1, receiving benefits under section 123B.42 or 123B.44 or for which
 22.22 the school is receiving reimbursement under section 124D.69;

22.23 (2) adding to the result in clause (1) an amount equal to the product of the formula
 22.24 allowance under section 126C.10, subdivision 2, less \$300 times the tribal contract
 22.25 compensation revenue pupil units;

22.26 (3) subtracting from the result in clause (2) the amount of money allotted to the school
 22.27 by the federal government through Indian School Equalization Program of the Bureau of
 22.28 Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E,
 22.29 for the basic program as defined by ~~section~~ part 39.11, paragraph (b), for the base rate as
 22.30 applied to kindergarten through twelfth grade, excluding small school adjustments and
 22.31 additional weighting, but not money allotted through subparts F to L for contingency funds,
 22.32 school board training, student training, interim maintenance and minor repair, interim

23.1 administration cost, prekindergarten, and operation and maintenance, and the amount of
23.2 money that is received according to section 124D.69;

23.3 (4) dividing the result in clause (3) by the sum of the resident pupil units in average daily
23.4 membership, excluding section 126C.05, subdivision 13, plus the tribal contract compensation
23.5 revenue pupil units; and

23.6 (5) multiplying the sum of the resident pupil units, including section 126C.05, subdivision
23.7 13, in average daily membership plus the tribal contract compensation revenue pupil units
23.8 by the lesser of \$3,230 for fiscal years 2016 to 2019 and \$1,500 for fiscal year 2020 and
23.9 later or the result in clause (4).

23.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

23.11 Sec. 10. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 25,
23.12 is amended to read:

23.13 Subd. 25. **College entrance examination reimbursement.** To reimburse districts for
23.14 students who qualify under Minnesota Statutes, section 120B.30, subdivision 1, paragraph
23.15 (e), for payment of their college entrance examination fee:

23.16	\$	1,511,000	.....	2018
23.17	\$	1,511,000	.....	2019

23.18 The commissioner must reimburse school districts for their costs for free or reduced-price
23.19 meal eligible students who take the ACT or SAT test under Minnesota Statutes, section
23.20 120B.30, subdivision 1.

23.21 Any balance in the first year does not cancel but is available in the second year. Any
23.22 balance in the second year does not cancel and may be carried forward until October 31 of
23.23 the following fiscal year.

23.24 Sec. 11. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 26,
23.25 is amended to read:

23.26 Subd. 26. **Alternative teacher compensation aid.** For alternative teacher compensation
23.27 aid under Minnesota Statutes, section 122A.415, subdivision 4:

23.28		89,863,000		
23.29	\$	<u>90,131,000</u>	.....	2018
23.30		89,623,000		
23.31	\$	<u>90,636,000</u>	.....	2019

24.1 The 2018 appropriation includes \$8,917,000 for 2017 and ~~\$80,946,000~~ \$81,214,000 for
24.2 2018.

24.3 The 2019 appropriation includes ~~\$8,994,000~~ \$9,023,000 for 2018 and ~~\$80,629,000~~
24.4 \$81,613,000 for 2019.

24.5 Sec. 12. **REPEALER.**

24.6 Minnesota Statutes 2016, section 122A.63, subdivisions 7 and 8, are repealed.

24.7 ARTICLE 3

24.8 SPECIAL EDUCATION

24.9 Section 1. Minnesota Statutes 2016, section 125A.76, subdivision 1, is amended to read:

24.10 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,
24.11 the definitions in this subdivision apply.

24.12 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the
24.13 purposes of computing basic revenue pursuant to this section, each child with a disability
24.14 shall be counted as prescribed in section 126C.05, subdivision 1.

24.15 (c) "Essential personnel" means teachers, cultural liaisons, related services, and support
24.16 services staff providing services to students. Essential personnel may also include special
24.17 education paraprofessionals or clericals providing support to teachers and students by
24.18 preparing paperwork and making arrangements related to special education compliance
24.19 requirements, including parent meetings and individualized education programs. Essential
24.20 personnel does not include administrators and supervisors.

24.21 (d) "Average daily membership" has the meaning given it in section 126C.05.

24.22 (e) "Program growth factor" means ~~1.046 for fiscal years 2012 through 2015, 1.0 for~~
24.23 ~~fiscal year 2016, 1.046 for fiscal year 2017, and~~ the product of 1.046 and the program growth
24.24 factor for the previous year for fiscal year 2018 and later.

24.25 (f) "Nonfederal special education expenditure" means all direct expenditures that are
24.26 necessary and essential to meet the district's obligation to provide special instruction and
24.27 services to children with a disability according to sections 124D.454, 125A.03 to 125A.24,
24.28 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by the
24.29 department under section 125A.75, subdivision 4, excluding expenditures:

24.30 (1) reimbursed with federal funds;

24.31 (2) reimbursed with other state aids under this chapter;

25.1 (3) for general education costs of serving students with a disability;

25.2 (4) for facilities;

25.3 (5) for pupil transportation; and

25.4 (6) for postemployment benefits.

25.5 (g) "Old formula special education expenditures" means expenditures eligible for revenue
25.6 under Minnesota Statutes 2012, section 125A.76, subdivision 2.

25.7 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy
25.8 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and fringe
25.9 benefits of one-to-one instructional and behavior management aides and one-to-one licensed,
25.10 certified professionals assigned to a child attending the academy, if the aides or professionals
25.11 are required by the child's individualized education program.

25.12 ~~(i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014 and~~
25.13 ~~2.27 percent for fiscal year 2015.~~

25.14 ~~(j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48 for fiscal~~
25.15 ~~year 2015.~~

25.16 ~~(k)~~ (i) "Special education aid increase limit" means ~~\$80 for fiscal year 2016, \$100~~ \$210
25.17 for fiscal year ~~2017~~ 2019, and, for fiscal year ~~2018~~ 2020 and later, the sum of the special
25.18 education aid increase limit for the previous fiscal year and \$40.

25.19 ~~(l)~~ (j) "District" means a school district, a charter school, or a cooperative unit as defined
25.20 in section 123A.24, subdivision 2. Notwithstanding section 123A.26, cooperative units as
25.21 defined in section 123A.24, subdivision 2, are eligible to receive special education aid under
25.22 this section and section 125A.79.

25.23 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

25.24 Sec. 2. Minnesota Statutes 2016, section 125A.76, subdivision 2a, is amended to read:

25.25 Subd. 2a. **Special education initial aid.** For fiscal year ~~2016~~ 2019 and later, a district's
25.26 special education initial aid equals the sum of:

25.27 (1) the ~~least~~ lesser of ~~62 percent of the district's old formula special education~~
25.28 ~~expenditures for the prior fiscal year, excluding pupil transportation expenditures,~~ 50 percent
25.29 of the district's nonfederal special education expenditures for the prior year, excluding pupil
25.30 transportation expenditures, or 56 percent of the product of the sum of the following amounts,
25.31 computed using prior fiscal year data, and the program growth factor:

26.1 (i) the product of the district's average daily membership served and the sum of:

26.2 (A) \$450; plus

26.3 (B) \$400 times the ratio of the sum of the number of pupils enrolled on October 1 who
26.4 are eligible to receive free lunch plus one-half of the pupils enrolled on October 1 who are
26.5 eligible to receive reduced-price lunch to the total October 1 enrollment; plus

26.6 (C) .008 times the district's average daily membership served; plus

26.7 (ii) ~~\$10,400~~ \$13,300 times the December 1 child count for the primary disability areas
26.8 of autism spectrum disorders, developmental delay, and severely multiply impaired; plus

26.9 (iii) ~~\$18,000~~ \$19,200 times the December 1 child count for the primary disability areas
26.10 of deaf and hard-of-hearing and emotional or behavioral disorders; plus

26.11 (iv) ~~\$27,000~~ \$25,200 times the December 1 child count for the primary disability areas
26.12 of developmentally cognitive mild-moderate, developmentally cognitive severe-profound,
26.13 physically impaired, visually impaired, and deafblind; plus

26.14 (2) the cost of providing transportation services for children with disabilities under
26.15 section 123B.92, subdivision 1, paragraph (b), clause (4).

26.16 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

26.17 Sec. 3. Minnesota Statutes 2016, section 125A.79, subdivision 5, is amended to read:

26.18 Subd. 5. **Excess cost aid.** For fiscal year ~~2016~~ 2019 and later, a district's excess cost
26.19 aid equals the greater of:

26.20 (1) 56 percent of the difference between (i) the district's unreimbursed nonfederal special
26.21 education expenditures and (ii) 7.0 percent of the product of the ratio of \$5,831 to the formula
26.22 allowance for the prior year and the district's general revenue;

26.23 (2) 62 percent of the difference between (i) the district's unreimbursed old formula special
26.24 education expenditures and (ii) ~~2.5~~ 2.3 percent of the product of the ratio of \$5,831 to the
26.25 formula allowance for the prior year and the district's general revenue; or

26.26 (3) zero.

26.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

27.1 Sec. 4. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 2, as
27.2 amended by Laws 2017, First Special Session chapter 7, section 12, is amended to read:

27.3 Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes,
27.4 section 125A.75:

27.5		1,341,161,000		
27.6	\$	<u>1,366,903,000</u>	.....	2018
27.7		1,426,827,000		
27.8	\$	<u>1,484,860,000</u>	.....	2019

27.9 The 2018 appropriation includes \$156,403,000 for 2017 and ~~\$1,184,758,000~~
27.10 \$1,210,500,000 for 2018.

27.11 The 2019 appropriation includes ~~\$166,667,000~~ \$170,291,000 for 2018 and
27.12 ~~\$1,260,160,000~~ \$1,314,569,000 for 2019.

27.13 ARTICLE 4

27.14 FACILITIES AND TECHNOLOGY

27.15 Section 1. Minnesota Statutes 2016, section 123B.595, is amended by adding a subdivision
27.16 to read:

27.17 Subd. 13. **Allocation from districts participating in agreements for secondary**
27.18 **education or interdistrict cooperation.** For purposes of this section, a district with revenue
27.19 authority under subdivision 1 for indoor air quality, fire alarm and suppression, and asbestos
27.20 abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000
27.21 or more per site and that participates in an agreement under section 123A.30 or 123A.32
27.22 may allocate the revenue authority among participating districts.

27.23 Sec. 2. Minnesota Statutes 2016, section 123B.61, is amended to read:

27.24 123B.61 PURCHASE OF CERTAIN EQUIPMENT.

27.25 (a) The board of a district may issue general obligation certificates of indebtedness or
27.26 capital notes subject to the district debt limits to:

27.27 ~~(a)~~ (1) purchase vehicles, computers, telephone systems, cable equipment, photocopy
27.28 and office equipment, technological equipment for instruction, public announcement systems,
27.29 emergency communications devices, other equipment related to violence prevention and
27.30 facility security, and other capital equipment having an expected useful life at least as long
27.31 as the terms of the certificates or notes;

28.1 ~~(b)~~ (2) purchase computer hardware and software, without regard to its expected useful
28.2 life, whether bundled with machinery or equipment or unbundled, together with application
28.3 development services and training related to the use of the computer; and

28.4 ~~(e)~~ (3) prepay special assessments.

28.5 (b) The certificates or notes must be payable in not more than ten years and must be
28.6 issued on the terms and in the manner determined by the board, except that certificates or
28.7 notes issued to prepay special assessments must be payable in not more than 20 years. The
28.8 certificates or notes may be issued by resolution and without the requirement for an election.
28.9 The certificates or notes are general obligation bonds for purposes of section 126C.55.

28.10 (c) A tax levy must be made for the payment of the principal and interest on the
28.11 certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum
28.12 of the tax levies under this section and section 123B.62 for each year must not exceed the
28.13 lesser of the sum of the amount of the district's total operating capital revenue and safe
28.14 schools revenue or the sum of the district's levy in the general and community service funds
28.15 excluding the adjustments under this section for the year preceding the year the initial debt
28.16 service levies are certified.

28.17 (d) The district's general fund levy for each year must be reduced by the sum of:

28.18 (1) the amount of the tax levies for debt service certified for each year for payment of
28.19 the principal and interest on the certificates or notes issued under this section as required
28.20 by section 475.61₂;

28.21 (2) the amount of the tax levies for debt service certified for each year for payment of
28.22 the principal and interest on bonds issued under section 123B.62₂; and

28.23 (3) any excess amount in the debt redemption fund used to retire bonds, certificates, or
28.24 notes issued under this section or section 123B.62 after April 1, 1997, other than amounts
28.25 used to pay capitalized interest.

28.26 (e) If the district's general fund levy is less than the amount of the reduction, the balance
28.27 shall be deducted first from the district's community service fund levy, and next from the
28.28 district's general fund or community service fund levies for the following year.

28.29 (f) A district using an excess amount in the debt redemption fund to retire the certificates
28.30 or notes shall report the amount used for this purpose to the commissioner by July 15 of the
28.31 following fiscal year. A district having an outstanding capital loan under section 126C.69
28.32 or an outstanding debt service loan under section 126C.68 must not use an excess amount
28.33 in the debt redemption fund to retire the certificates or notes.

29.1 **EFFECTIVE DATE.** This section is effective July 1, 2018.

29.2 **ARTICLE 5**

29.3 **LIBRARIES**

29.4 Section 1. Minnesota Statutes 2016, section 134.355, subdivision 10, is amended to read:

29.5 Subd. 10. **Award of funds.** The commissioner of education shall develop an application
 29.6 and a reporting form and procedures for regional library telecommunications aid. Aid shall
 29.7 be based on actual costs including, but not limited to, connections, as documented in e-rate
 29.8 funding commitment decision letters for category one services and acceptable documentation
 29.9 for category two services and funds available for this purpose. The commissioner shall make
 29.10 payments directly to the regional public library system. Any unspent funds must be
 29.11 transferred to telecommunications equity aid under section 125B.26 and made available to
 29.12 districts or charter schools that employ a licensed media specialist or licensed librarian.

29.13 **ARTICLE 6**

29.14 **EARLY CHILDHOOD AND FAMILY SUPPORT**

29.15 Section 1. Minnesota Statutes 2016, section 124D.151, subdivision 2, is amended to read:

29.16 Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program provider
 29.17 must:

29.18 (1) provide instruction through play-based learning to foster children's social and
 29.19 emotional development, cognitive development, physical and motor development, and
 29.20 language and literacy skills, including the native language and literacy skills of English
 29.21 learners, to the extent practicable;

29.22 (2) measure each child's cognitive and social skills using a formative measure aligned
 29.23 to the state's early learning standards when the child enters and again before the child leaves
 29.24 the program, screening and progress monitoring measures, and ~~others~~ other age-appropriate
 29.25 versions from the state-approved menu of kindergarten entry profile measures;

29.26 (3) provide comprehensive program content including the implementation of curriculum,
 29.27 assessment, and instructional strategies aligned with the state early learning standards, and
 29.28 kindergarten through grade 3 academic standards;

29.29 (4) provide instructional content and activities that are of sufficient length and intensity
 29.30 to address learning needs including offering a program with at least 350 hours of instruction
 29.31 per school year for a prekindergarten student;

30.1 (5) provide voluntary prekindergarten instructional staff salaries comparable to the
30.2 salaries of local kindergarten through grade 12 instructional staff;

30.3 (6) coordinate appropriate kindergarten transition with families, community-based
30.4 prekindergarten programs, and school district kindergarten programs;

30.5 (7) involve parents in program planning and transition planning by implementing parent
30.6 engagement strategies that include culturally and linguistically responsive activities in
30.7 prekindergarten through third grade that are aligned with early childhood family education
30.8 under section 124D.13;

30.9 (8) coordinate with relevant community-based services, including health and social
30.10 service agencies, to ensure children have access to comprehensive services;

30.11 (9) coordinate with all relevant school district programs and services including early
30.12 childhood special education, homeless students, and English learners;

30.13 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

30.14 (11) provide high-quality coordinated professional development, training, and coaching
30.15 for both school district and community-based early learning providers that is informed by
30.16 a measure of adult-child interactions and enables teachers to be highly knowledgeable in
30.17 early childhood curriculum content, assessment, native and English language development
30.18 programs, and instruction; and

30.19 (12) implement strategies that support the alignment of professional development,
30.20 instruction, assessments, and prekindergarten through grade 3 curricula.

30.21 (b) A voluntary prekindergarten program must have teachers knowledgeable in early
30.22 childhood curriculum content, assessment, native and English language programs, and
30.23 instruction.

30.24 (c) Districts and charter schools must include their strategy for implementing and
30.25 measuring the impact of their voluntary prekindergarten program under section 120B.11
30.26 and provide results in their world's best workforce annual summary to the commissioner of
30.27 education.

30.28 Sec. 2. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 5, is amended
30.29 to read:

30.30 Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for~~
30.31 ~~program approval for fiscal year 2017, a district or charter school must submit an application~~
30.32 ~~to the commissioner by July 1, 2016.~~ To qualify for program approval for fiscal year 2018

31.1 ~~and later~~ voluntary prekindergarten under this section or school readiness plus under section
 31.2 124D.152, a district or charter school must submit an application to the commissioner by
 31.3 January 30 of the fiscal year prior to the fiscal year in which the program will be
 31.4 implemented. The application must include:

31.5 (1) a description of the proposed program, including the number of hours per week the
 31.6 program will be offered at each school site or mixed-delivery location;

31.7 (2) an estimate of the number of eligible children to be served in the program at each
 31.8 school site or mixed-delivery location; and

31.9 (3) a statement of assurances signed by the superintendent or charter school director that
 31.10 the proposed program meets the requirements of subdivision 2 or section 124D.152,
 31.11 subdivision 2.

31.12 (b) The commissioner must review all applications submitted ~~for fiscal year 2017 by~~
 31.13 ~~August 1, 2016, and must review all applications submitted for fiscal year 2018 and later~~
 31.14 by March 1 of the fiscal year in which the applications are received and determine whether
 31.15 each application meets the requirements of paragraph (a).

31.16 (c) The commissioner must divide all applications for new or expanded voluntary
 31.17 prekindergarten programs under this section and school readiness plus programs under
 31.18 section 124D.152 meeting the requirements of paragraph (a) ~~and school readiness plus~~
 31.19 ~~programs~~ into ~~four~~ five groups as follows: the Minneapolis ~~and school district;~~ the St. Paul
 31.20 ~~school districts district;~~ other school districts located in the metropolitan equity region as
 31.21 defined in section 126C.10, subdivision 28; school districts located in the rural equity region
 31.22 as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the
 31.23 applications must be ordered by rank using a sliding scale based on the following criteria:

31.24 (1) concentration of kindergarten students eligible for free or reduced-price lunches by
 31.25 school site on October 1 of the previous school year. A school site may contract to partner
 31.26 with a community-based provider or Head Start under subdivision 3 or establish an early
 31.27 childhood center and use the concentration of kindergarten students eligible for free or
 31.28 reduced-price meals from a specific school site as long as those eligible children are
 31.29 prioritized and guaranteed services at the mixed-delivery site or early education center. For
 31.30 school district programs to be operated at locations that do not have free and reduced-price
 31.31 lunch concentration data for kindergarten programs for October 1 of the previous school
 31.32 year, including mixed-delivery programs, the school district average concentration of
 31.33 kindergarten students eligible for free or reduced-price lunches must be used for the rank
 31.34 ordering;

32.1 (2) presence or absence of a three- or four-star Parent Aware rated program within the
32.2 school district or close proximity of the district. School sites with the highest concentration
32.3 of kindergarten students eligible for free or reduced-price lunches that do not have a three-
32.4 or four-star Parent Aware program within the district or close proximity of the district shall
32.5 receive the highest priority, and school sites with the lowest concentration of kindergarten
32.6 students eligible for free or reduced-price lunches that have a three- or four-star Parent
32.7 Aware rated program within the district or close proximity of the district shall receive the
32.8 lowest priority; and

32.9 (3) whether the district has implemented a mixed delivery system.

32.10 (d) The limit on participation for the programs as specified in subdivision 6 must initially
32.11 be allocated among the ~~four~~ five groups based on each group's percentage share of the
32.12 statewide kindergarten enrollment on October 1 of the previous school year. Within each
32.13 group, the participation limit ~~for fiscal years 2018 and 2019~~ must first be allocated to school
32.14 sites approved for aid in the previous year to ensure that those sites are funded for the same
32.15 number of participants as approved for the previous year. The remainder of the participation
32.16 limit for each group must be allocated among school sites in priority order until that region's
32.17 share of the participation limit is reached. If the participation limit is not reached for all
32.18 groups, the remaining amount must be allocated to the highest priority school sites, as
32.19 designated under this section, not funded in the initial allocation on a statewide basis. ~~For~~
32.20 ~~fiscal year 2020 and later, the participation limit must first be allocated to school sites~~
32.21 ~~approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year~~
32.22 ~~2018 based on the statewide rankings under paragraph (e).~~

32.23 (e) Once a school site or a mixed delivery site under subdivision 3 is approved for aid
32.24 under this subdivision, it shall remain eligible for aid if it continues to meet program
32.25 requirements, regardless of changes in the concentration of students eligible for free or
32.26 reduced-price lunches.

32.27 (f) If the total number of participants approved based on applications submitted under
32.28 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must
32.29 notify all school districts and charter schools of the amount that remains available within
32.30 30 days of the initial application deadline under paragraph (a), and complete a second round
32.31 of allocations based on applications received within 60 days of the initial application deadline.

32.32 (g) Procedures for approving applications submitted under paragraph (f) shall be the
32.33 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the
32.34 highest priority school sites not funded in the initial allocation on a statewide basis.

33.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

33.2 Sec. 3. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 6, is amended
33.3 to read:

33.4 Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1,
33.5 paragraph ~~(d)~~ (c), the pupil units for a voluntary prekindergarten program for an eligible
33.6 school district or charter school must not exceed 60 percent of the kindergarten pupil units
33.7 for that school district or charter school under section 126C.05, subdivision 1, paragraph
33.8 ~~(e)~~ (d).

33.9 (b) In reviewing applications under subdivision 5, ~~the commissioner must limit the~~
33.10 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~
33.11 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~
33.12 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

33.13 ~~(e) The commissioner must limit the total number of funded participants in the voluntary~~
33.14 ~~prekindergarten program under this section to not more than 3,160.~~

33.15 ~~(d) Notwithstanding paragraph (e),~~ the commissioner must limit the total number of
33.16 participants in the voluntary prekindergarten and school readiness plus programs to not
33.17 more than 6,160 participants for fiscal year 2018 and 7,160 participants for fiscal year 2019.
33.18 For fiscal year 2020 and later, the commissioner must limit the total number of participants
33.19 in the voluntary prekindergarten and school readiness plus programs to not more than 105
33.20 percent of the participation limit for the previous fiscal year.

33.21 **EFFECTIVE DATE.** The changes to paragraph (a) of this subdivision are effective for
33.22 revenue for fiscal year 2019 and later. The changes to paragraphs (b) to (d) are effective
33.23 for revenue for fiscal year 2020 and later.

33.24 Sec. 4. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 2, is amended
33.25 to read:

33.26 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
33.27 parents or guardians must meet the following eligibility requirements:

33.28 (1) have an eligible child; and

33.29 (2) have income equal to or less than 185 percent of federal poverty level income in the
33.30 current calendar year, or be able to document their child's current participation in the free
33.31 and reduced-price lunch program or Child and Adult Care Food Program, National School
33.32 Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution

34.1 Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections
 34.2 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act
 34.3 of 2007; Minnesota family investment program under chapter 256J; child care assistance
 34.4 programs under chapter 119B; the supplemental nutrition assistance program; or placement
 34.5 in foster care under section 260C.212.

34.6 (b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

34.7 (1) ~~at least three but~~ not yet five years of age on September 1 of the current school year;

34.8 ~~(2) a sibling from birth to age five of a child who has been awarded a scholarship under~~
 34.9 ~~this section provided the sibling attends the same program as long as funds are available;~~

34.10 ~~(3)~~ (2) the child of a parent under age 21 who is pursuing a high school degree or a
 34.11 course of study for a high school equivalency test; or

34.12 ~~(4)~~ (3) homeless, in foster care, or in need of child protective services.

34.13 (c) A child who has received a scholarship under this section must continue to receive
 34.14 a scholarship each year until that child is eligible for kindergarten under section 120A.20
 34.15 and as long as funds are available.

34.16 (d) Early learning scholarships may not be counted as earned income for the purposes
 34.17 of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota
 34.18 family investment program under chapter 256J, child care assistance programs under chapter
 34.19 119B, or Head Start under the federal Improving Head Start for School Readiness Act of
 34.20 2007.

34.21 (e) A child from an adjoining state whose family resides at a Minnesota address as
 34.22 assigned by the United States Postal Service, who has received developmental screening
 34.23 under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,
 34.24 and whose family meets the criteria of paragraph (a) is eligible for an early learning
 34.25 scholarship under this section.

34.26 Sec. 5. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 3, is amended
 34.27 to read:

34.28 Subd. 3. **Administration.** (a) The commissioner shall establish application timelines
 34.29 and determine the schedule for awarding scholarships that meets operational needs of eligible
 34.30 families and programs. The commissioner must give highest priority to applications from
 34.31 children who:

35.1 (1) have a parent under age 21 who is pursuing a high school diploma or a course of
35.2 study for a high school equivalency test;

35.3 (2) are in foster care or otherwise in need of protection or services; or

35.4 (3) have experienced homelessness in the last 24 months, as defined under the federal
35.5 McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

35.6 The commissioner may prioritize applications on additional factors including family
35.7 income, geographic location, and whether the child's family is on a waiting list for a publicly
35.8 funded program providing early education or child care services.

35.9 (b) The commissioner shall establish a target for the average scholarship amount per
35.10 child based on the results of the rate survey conducted under section 119B.02.

35.11 (c) A four-star rated program that has children eligible for a scholarship enrolled in or
35.12 on a waiting list for a program beginning in July, August, or September may notify the
35.13 commissioner, in the form and manner prescribed by the commissioner, each year of the
35.14 program's desire to enhance program services or to serve more children than current funding
35.15 provides. The commissioner may designate a predetermined number of scholarship slots
35.16 for that program and notify the program of that number. For fiscal year 2018 and later, the
35.17 statewide amount of funding directly designated by the commissioner must not exceed the
35.18 funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district
35.19 or Head Start program qualifying under this paragraph may use its established registration
35.20 process to enroll scholarship recipients and may verify a scholarship recipient's family
35.21 income in the same manner as for other program participants.

35.22 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not
35.23 been accepted and subsequently enrolled in a rated program within ten months of the
35.24 awarding of the scholarship, the scholarship cancels and the recipient must reapply in order
35.25 to be eligible for another scholarship. A child may not be awarded more than one scholarship
35.26 in a 12-month period.

35.27 (e) A child who receives a scholarship who has not completed development screening
35.28 under sections 121A.16 to 121A.19 must complete that screening within 90 days of first
35.29 attending an eligible program.

35.30 (f) For fiscal year 2017 and later, a school district or Head Start program enrolling
35.31 scholarship recipients under paragraph (c) may apply to the commissioner, in the form and
35.32 manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of
35.33 the application, the commissioner must pay each program directly for each approved

36.1 scholarship recipient enrolled under paragraph (c) according to the metered payment system
36.2 or another schedule established by the commissioner.

36.3 (g) Any balance in the first year does not cancel but is available in the second year. Any
36.4 balance in the second year does not cancel and may be carried forward until October 1 of
36.5 the following fiscal year.

36.6 **Sec. 6. [124D.176] HELP ME GROW PROGRAM.**

36.7 Subdivision 1. **Purpose.** The purpose of this section is to develop and implement a
36.8 comprehensive and collaborative access, information, referral, and follow-up system for
36.9 pregnant and parenting families with children from birth to age 8.

36.10 Subd. 2. **Establishment and administration.** The commissioner of education shall
36.11 provide funding and shall work cooperatively through interagency agreements with the
36.12 commissioners of human services and health to implement this section.

36.13 Subd. 3. **Duties.** (a) The Help Me Grow program shall facilitate collaboration across
36.14 sectors, including child health, early learning and education, and family supports by:

36.15 (1) providing child health care provider outreach to support early detection, intervention,
36.16 and knowledge about local resources;

36.17 (2) identifying and providing access to detection tools used to identify young children
36.18 at risk for developmental and behavioral problems; and

36.19 (3) linking children and families to appropriate community-based services, including
36.20 those that promote family economic stability.

36.21 (b) The Help Me Grow program shall provide community outreach that includes support
36.22 for, and participation in, the Help Me Grow program, including disseminating information
36.23 on the program and compiling and maintaining a resource directory consistent with section
36.24 256.975, subdivision 7, paragraph (b), clauses (1) and (2), that includes but is not limited
36.25 to:

36.26 (1) primary and specialty medical care providers;

36.27 (2) early childhood education and child care programs;

36.28 (3) developmental disabilities assessment and intervention programs;

36.29 (4) mental health services;

36.30 (5) family and social support programs;

36.31 (6) child advocacy and legal services;

37.1 (7) public health services and resources; and

37.2 (8) other appropriate early childhood information.

37.3 (c) The Help Me Grow program shall develop a centralized access point for parents and
37.4 professionals to obtain information, resources, and other support services.

37.5 (d) The Help Me Grow program shall collect data to increase understanding of all aspects
37.6 of the current and ongoing system under this section, including identification of gaps in
37.7 service, barriers to finding and receiving appropriate service, and lack of resources.

37.8 Subd. 4. Review. The Departments of Education, Health, and Human Services must
37.9 annually review the following:

37.10 (1) outcomes achieved by the Help Me Grow program;

37.11 (2) alignment with overall early childhood goals and objectives; and

37.12 (3) impacts on young children.

37.13 Sec. 7. Minnesota Statutes 2017 Supplement, section 126C.05, subdivision 1, is amended
37.14 to read:

37.15 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age
37.16 of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in
37.17 average daily membership enrolled in the district of residence, in another district under
37.18 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
37.19 chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22,
37.20 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03
37.21 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

37.22 (a) A prekindergarten pupil with a disability who is enrolled in a program approved by
37.23 the commissioner and has an individualized education program is counted as the ratio of
37.24 the number of hours of assessment and education service to 825 times 1.0 with a minimum
37.25 average daily membership of 0.28, but not more than 1.0 pupil unit.

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

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

38.1 ~~(d)~~ (c) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled
 38.2 in an approved voluntary prekindergarten program under section 124D.151 is counted as
 38.3 the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil
 38.4 units.

38.5 ~~(e)~~ (d) A kindergarten pupil ~~who is not included in paragraph (e)~~ is counted as 1.0 pupil
 38.6 unit if the pupil is enrolled in a free all-day, every day kindergarten program available to
 38.7 all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
 38.8 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
 38.9 every day kindergarten program available to all kindergarten pupils at the pupil's school.

38.10 ~~(f)~~ (e) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

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

38.12 ~~(h)~~ (g) A pupil who is in the postsecondary enrollment options program is counted as
 38.13 1.2 pupil units.

38.14 ~~(i)~~ (h) ~~For fiscal years 2018 and 2019 only,~~ A prekindergarten pupil who:

38.15 (1) is not included in paragraph (a), (b), or (d);

38.16 (2) is enrolled in a school readiness plus program; and

38.17 (3) has one or more of the risk factors specified by the eligibility requirements for a
 38.18 school readiness plus program,

38.19 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more
 38.20 than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same
 38.21 manner as a voluntary prekindergarten student for all general education and other school
 38.22 funding formulas.

38.23 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

38.24 Sec. 8. Minnesota Statutes 2016, section 126C.10, subdivision 2d, is amended to read:

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

38.29 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil
 38.30 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the
 38.31 district or charter school in which the pupil was last counted in average daily membership.

39.1 (c) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only,
 39.2 prekindergarten pupil units under section 126C.05, subdivision 1, paragraph ~~(d)~~ (c), must
 39.3 be excluded from the calculation of declining enrollment revenue.

39.4 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

39.5 Sec. 9. Minnesota Statutes 2016, section 126C.126, is amended to read:

39.6 **126C.126 USE OF GENERAL EDUCATION REVENUE FOR ALL-DAY**
 39.7 **KINDERGARTEN AND PREKINDERGARTEN.**

39.8 A school district may spend general education revenue on extended time kindergarten
 39.9 and prekindergarten programs. At the school board's discretion, the district may use revenue
 39.10 generated by the all-day kindergarten pupil count under section 126C.05, subdivision 1,
 39.11 paragraph ~~(d)~~ (c), to meet the needs of three- and four-year-olds in the district. A school
 39.12 district may not use these funds on programs for three- and four-year-old children while
 39.13 maintaining a fee-based all-day kindergarten program.

39.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

39.15 Sec. 10. Minnesota Statutes 2016, section 245C.02, is amended by adding a subdivision
 39.16 to read:

39.17 **Subd. 5a. National criminal history record check.** (a) "National criminal history record
 39.18 check" means a check of records maintained by the Federal Bureau of Investigation through
 39.19 submission of fingerprints through the Minnesota Bureau of Criminal Apprehension to the
 39.20 Federal Bureau of Investigation when specifically required by law.

39.21 (b) For purposes of this chapter, "national crime information database," "national criminal
 39.22 records repository," "criminal history with the Federal Bureau of Investigation," and "national
 39.23 criminal record check" mean a national criminal history record check defined in paragraph
 39.24 (a).

39.25 Sec. 11. Minnesota Statutes 2017 Supplement, section 245C.08, subdivision 1, is amended
 39.26 to read:

39.27 Subdivision 1. **Background studies conducted by Department of Human Services.**

39.28 (a) For a background study conducted by the Department of Human Services, the
 39.29 commissioner shall review:

40.1 (1) information related to names of substantiated perpetrators of maltreatment of
40.2 vulnerable adults that has been received by the commissioner as required under section
40.3 626.557, subdivision 9c, paragraph (j);

40.4 (2) the commissioner's records relating to the maltreatment of minors in licensed
40.5 programs, and from findings of maltreatment of minors as indicated through the social
40.6 service information system;

40.7 (3) information from juvenile courts as required in subdivision 4 for individuals listed
40.8 in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

40.9 (4) information from the Bureau of Criminal Apprehension, including information
40.10 regarding a background study subject's registration in Minnesota as a predatory offender
40.11 under section 243.166;

40.12 (5) except as provided in clause (6), information received as a result of submission of
40.13 fingerprints for a national criminal history record check, when the commissioner has
40.14 reasonable cause as defined under section 245C.05, subdivision 5, or as required under
40.15 section 144.057, subdivision 1, clause (2);

40.16 (6) for a background study related to a child foster care application for licensure, a
40.17 transfer of permanent legal and physical custody of a child under sections 260C.503 to
40.18 260C.515, or adoptions, and for a background study required for family child care, certified
40.19 license-exempt child care, child care centers, ~~and~~ legal nonlicensed child care authorized
40.20 under chapter 119B, and Head Start programs the commissioner shall also review:

40.21 (i) information from the child abuse and neglect registry for any state in which the
40.22 background study subject has resided for the past five years; and

40.23 (ii) when the background study subject is 18 years of age or older, information received
40.24 following submission of fingerprints for a national criminal history record check; and

40.25 (7) for a background study required for family child care, certified license-exempt child
40.26 care centers, licensed child care centers, ~~and~~ legal nonlicensed child care authorized under
40.27 chapter 119B, and Head Start programs, the background study shall also include a name
40.28 and date-of-birth search of the National Sex Offender Public Web site.

40.29 (b) Notwithstanding expungement by a court, the commissioner may consider information
40.30 obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice
40.31 of the petition for expungement and the court order for expungement is directed specifically
40.32 to the commissioner.

41.1 (c) The commissioner shall also review criminal case information received according
41.2 to section 245C.04, subdivision 4a, from the Minnesota court information system that relates
41.3 to individuals who have already been studied under this chapter and who remain affiliated
41.4 with the agency that initiated the background study.

41.5 (d) When the commissioner has reasonable cause to believe that the identity of a
41.6 background study subject is uncertain, the commissioner may require the subject to provide
41.7 a set of classifiable fingerprints for purposes of completing a fingerprint-based record check
41.8 with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph
41.9 shall not be saved by the commissioner after they have been used to verify the identity of
41.10 the background study subject against the particular criminal record in question.

41.11 (e) The commissioner may inform the entity that initiated a background study under
41.12 NETStudy 2.0 of the status of processing of the subject's fingerprints.

41.13 Sec. 12. Minnesota Statutes 2016, section 245C.12, is amended to read:

41.14 **245C.12 BACKGROUND STUDY; TRIBAL ORGANIZATIONS.**

41.15 (a) For the purposes of background studies completed by tribal organizations performing
41.16 licensing activities otherwise required of the commissioner under this chapter, after obtaining
41.17 consent from the background study subject, tribal licensing agencies shall have access to
41.18 criminal history data in the same manner as county licensing agencies and private licensing
41.19 agencies under this chapter.

41.20 (b) Tribal organizations may contract with the commissioner to obtain background study
41.21 data on individuals under tribal jurisdiction related to adoptions according to section 245C.34.
41.22 Tribal organizations may also contract with the commissioner to obtain background study
41.23 data on individuals under tribal jurisdiction related to child foster care according to section
41.24 245C.34.

41.25 (c) For the purposes of background studies completed to comply with a tribal
41.26 organization's licensing requirements for individuals affiliated with a tribally licensed nursing
41.27 facility, the commissioner shall obtain criminal history data from the National Criminal
41.28 Records Repository in accordance with section 245C.32.

41.29 (d) Tribal organizations may contract with the commissioner to conduct background
41.30 studies or obtain background study data on individuals affiliated with a child care program
41.31 sponsored, managed, or licensed by a tribal organization. Studies conducted under this
41.32 paragraph require the commissioner to conduct a national criminal history record check as
41.33 defined in section 245C.02, subdivision 5a. Any tribally affiliated child care program that

42.1 does not contract with the commissioner to conduct background studies is exempt from the
 42.2 relevant requirements in this chapter. A study conducted under this paragraph must include
 42.3 all components of studies for certified license-exempt child care centers under this chapter
 42.4 to be transferable to other child care entities.

42.5 Sec. 13. **[245C.121] BACKGROUND STUDY; HEAD START PROGRAMS.**

42.6 Head Start programs that receive funding disbursed under section 119A.52 may contract
 42.7 with the commissioner to conduct background studies and obtain background study data
 42.8 on individuals affiliated with a Head Start program. Studies conducted under this paragraph
 42.9 require the commissioner to conduct a national criminal history record check as defined in
 42.10 section 245C.02, subdivision 5a. Any Head Start program site that does not contract with
 42.11 the commissioner, is not licensed, and is not registered to receive funding under chapter
 42.12 119B is exempt from the relevant requirements in this chapter. Nothing in this paragraph
 42.13 supersedes requirements for background studies in this chapter, chapter 119B, or child care
 42.14 centers under chapter 245H that are related to licensed child care programs or programs
 42.15 registered to receive funding under chapter 119B. A study conducted under this paragraph
 42.16 must include all components of studies for certified license-exempt child care centers under
 42.17 this chapter to be transferable to other child care entities.

42.18 Sec. 14. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 2, is
 42.19 amended to read:

42.20 Subd. 2. **Program requirements.** A school readiness plus program provider must:

42.21 (1) assess each child's cognitive and language skills with a an age-appropriate
 42.22 comprehensive child assessment instrument when the child enters and again before the child
 42.23 leaves the program to improve program planning and implementation, communicate with
 42.24 parents, and promote kindergarten readiness;

42.25 (2) provide comprehensive program content and intentional instructional practice aligned
 42.26 with the state early childhood learning guidelines and kindergarten standards and based on
 42.27 early childhood research and professional practice that is focused on children's cognitive,
 42.28 social, emotional, and physical skills and development and prepares children for the transition
 42.29 to kindergarten, including early literacy and language skills;

42.30 (3) coordinate appropriate kindergarten transition with parents and kindergarten teachers;

42.31 (4) involve parents in program planning and decision making;

42.32 (5) coordinate with relevant community-based services;

43.1 (6) cooperate with adult basic education programs and other adult literacy programs;

43.2 (7) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children
43.3 with at least one licensed teacher;

43.4 (8) have teachers knowledgeable in early childhood curriculum content, assessment,
43.5 native and English language development programs, and instruction; and

43.6 (9) provide instructional content and activities that are of sufficient length and intensity
43.7 to address learning needs including offering a program with at least 350 hours of instruction
43.8 per school year.

43.9 Sec. 15. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 5, is
43.10 amended to read:

43.11 Subd. 5. **Application process; priority for high poverty schools.** ~~(a) For 2017-2018~~
43.12 ~~school year, a school district or charter school that did not apply to participate in a voluntary~~
43.13 ~~prekindergarten program under Minnesota Statutes, section 124D.151, may apply to the~~
43.14 ~~commissioner by July 1, 2017, to participate in a school readiness plus program in the form~~
43.15 ~~and manner specified by the commissioner. By June 15, 2017, the commissioner must notify~~
43.16 ~~districts and charter schools of the availability of additional money for voluntary~~
43.17 ~~prekindergarten and school readiness plus programs. A school district or charter school that~~
43.18 ~~previously applied to participate in a voluntary prekindergarten program may amend its~~
43.19 ~~application by July 1, 2017, to apply instead for school readiness plus. The commissioner~~
43.20 ~~must review all applications for school readiness plus and notify applicant districts and~~
43.21 ~~charter schools by August 1, 2017, whether they have been selected for participation.~~

43.22 ~~(b) For the 2018-2019 school year, a school district or charter school may apply to the~~
43.23 ~~commissioner by January 30, 2018, to participate in school readiness plus in the form and~~
43.24 ~~manner specified by the commissioner.~~

43.25 ~~(c) A district or charter school submitting an application under this section must include:~~
43.26 ~~(1) a description of the proposed program, including the number of hours per week the~~
43.27 ~~program will be offered at each school site or mixed-delivery location; (2) an estimate of~~
43.28 ~~the number of eligible children to be served in the program at each school site or~~
43.29 ~~mixed-delivery location; (3) the number of children being served that will be new to the~~
43.30 ~~program; and (4) a statement of assurances signed by the superintendent or charter school~~
43.31 ~~director that the proposed program meets the requirements of subdivision 2.~~

44.1 ~~(d) The commissioner must award funding for school readiness plus programs across~~
 44.2 ~~school districts and charter schools in the same manner as for the voluntary prekindergarten~~
 44.3 ~~program.~~

44.4 ~~(e) A school site or mixed-delivery site approved for aid under this subdivision remains~~
 44.5 ~~eligible for aid if the site continues to meet program requirements, regardless of changes in~~
 44.6 ~~the concentration of students eligible for free or reduced-price lunches. Applications for~~
 44.7 ~~school readiness plus must be submitted according to Minnesota Statutes, section 124D.151,~~
 44.8 ~~subdivision 5.~~

44.9 Sec. 16. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 6, is
 44.10 amended to read:

44.11 Subd. 6. **No supplanting.** For a site first qualifying in fiscal year 2018 or 2019 later,
 44.12 ~~mixed-delivery revenue, including~~ voluntary prekindergarten and school readiness plus
 44.13 program revenue, must be used to supplement not supplant existing state, federal, and local
 44.14 revenue for prekindergarten activities.

44.15 Sec. 17. **REVISOR'S INSTRUCTION.**

44.16 The revisor of statutes shall codify Laws 2017, First Special Session chapter 5, article
 44.17 8, section 9, as amended, as Minnesota Statutes, section 124D.152.

44.18 Sec. 18. **REPEALER.**

44.19 Laws 2017, First Special Session chapter 5, article 8, section 8, the effective date, is
 44.20 repealed.

44.21 **ARTICLE 7**

44.22 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

44.23 Section 1. Minnesota Statutes 2017 Supplement, section 124D.55, is amended to read:

44.24 **124D.55 COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY TEST** 44.25 **FEES.**

44.26 The commissioner shall pay ~~60~~ 100 percent of the fee that is charged to an eligible
 44.27 individual for the full battery of the commissioner-selected high school equivalency tests,
 44.28 but not more than ~~\$40~~ the lesser of \$120 or the cost of one full battery of tests per year for
 44.29 an eligible individual.

45.1 ~~For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee charged to~~
 45.2 ~~an eligible individual for the full battery of general education development (GED) tests, but~~
 45.3 ~~not more than the cost of one full battery of tests per year for any individual.~~

45.4 Sec. 2. Laws 2017, First Special Session chapter 5, article 10, section 6, subdivision 3, is
 45.5 amended to read:

45.6 Subd. 3. **High school equivalency tests.** (a) For payment of ~~60~~ 100 percent of the costs
 45.7 of the commissioner-selected high school equivalency tests under Minnesota Statutes,
 45.8 section 124D.55:

45.9 \$ 125,000 2018

45.10 ~~125,000~~

45.11 \$ 528,000 2019

45.12 (b) The base for fiscal year 2020 and later is \$528,000.

45.13 ARTICLE 8

45.14 STATE AGENCIES

45.15 Section 1. Laws 2017, First Special Session chapter 5, article 11, section 9, subdivision
 45.16 2, is amended to read:

45.17 Subd. 2. **Department.** (a) For the Department of Education:

45.18 \$ 27,158,000 2018

45.19 ~~24,874,000~~

45.20 \$ 26,578,000 2019

45.21 Of these amounts:

45.22 (1) \$231,000 each year is for the Board of School Administrators, and beginning in fiscal
 45.23 year 2020, the amount indicated is from the educator licensure account in the special revenue
 45.24 fund;

45.25 (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes,
 45.26 section 120B.115;

45.27 (3) \$500,000 each year is for the school safety technical assistance center under Minnesota
 45.28 Statutes, section 127A.052;

45.29 (4) \$250,000 each year is for the School Finance Division to enhance financial data
 45.30 analysis;

46.1 (5) \$720,000 each year is for implementing Minnesota's Learning for English Academic
46.2 Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;

46.3 (6) \$2,750,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are for the Department
46.4 of Education's mainframe update;

46.5 (7) \$1,500,000 in fiscal year 2019 is for the Help Me Grow program under Minnesota
46.6 Statutes, section 124D.176;

46.7 ~~(7)~~ (8) \$123,000 each year is for a dyslexia specialist; and

46.8 ~~(8)~~ (9) \$2,000,000 each year is for legal fees and costs associated with litigation.

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

46.10 (c) None of the amounts appropriated under this subdivision may be used for Minnesota's
46.11 Washington, D.C. office.

46.12 (d) The expenditures of federal grants and aids as shown in the biennial budget document
46.13 and its supplements are approved and appropriated and shall be spent as indicated.

46.14 (e) This appropriation includes funds for information technology project services and
46.15 support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing
46.16 information technology costs will be incorporated into the service level agreement and will
46.17 be paid to the Office of MN.IT Services by the Department of Education under the rates
46.18 and mechanism specified in that agreement.

46.19 (f) The agency's base is ~~\$22,054,000~~ \$23,758,000 for fiscal year 2020 and ~~\$21,965,000~~
46.20 \$23,669,000 for 2021.

46.21 Sec. 2. Laws 2017, First Special Session chapter 5, article 11, section 12, is amended to
46.22 read:

46.23 **Sec. 12. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

46.24 (a) The sums in this section are appropriated from the general fund to the Perpich Center
46.25 for Arts Education for the fiscal years designated:

46.26		8,173,000		
46.27	\$	<u>7,573,000</u>	.....	2018
46.28		6,973,000		
46.29	\$	<u>7,573,000</u>	.....	2019

46.30 (b) Of the amounts appropriated in paragraph (a), \$370,000 is for fiscal years 2018 or
46.31 2019 only for arts integration and Turnaround Arts programs.

47.1 (c) ~~\$1,200,000~~ \$600,000 in fiscal year 2018 is for severance payments related to the
47.2 closure of Crosswinds school and is available until June 30, 2019.

47.3 (d) \$600,000 in fiscal year 2019 only is for technology enhancements and may be used
47.4 for the following:

47.5 (1) computer hardware;

47.6 (2) computer software;

47.7 (3) connectivity, communications, and infrastructure;

47.8 (4) assistive technology;

47.9 (5) access to electronic books and other online materials, licenses, and subscriptions;

47.10 and

47.11 (6) technology staff and training costs.

47.12 (e) The base in fiscal year 2020 is \$6,973,000.

APPENDIX
Article locations in SF3928-0

ARTICLE 1	GENERAL EDUCATION.....	Page.Ln 1.23
ARTICLE 2	EDUCATION EXCELLENCE.....	Page.Ln 11.24
ARTICLE 3	SPECIAL EDUCATION.....	Page.Ln 24.7
ARTICLE 4	FACILITIES AND TECHNOLOGY.....	Page.Ln 27.13
ARTICLE 5	LIBRARIES.....	Page.Ln 29.2
ARTICLE 6	EARLY CHILDHOOD AND FAMILY SUPPORT.....	Page.Ln 29.13
ARTICLE 7	SELF-SUFFICIENCY AND LIFELONG LEARNING.....	Page.Ln 44.21
ARTICLE 8	STATE AGENCIES.....	Page.Ln 45.13

122A.63 GRANTS TO PREPARE INDIAN TEACHERS.

Subd. 7. **Loan forgiveness.** The loan may be forgiven if the recipient is employed as a teacher, as defined in section 122A.40 or 122A.41, in an eligible school or program in Minnesota. One-fourth of the principal of the outstanding loan amount shall be forgiven for each year of eligible employment, or a pro rata amount for eligible employment during part of a school year, part-time employment as a substitute teacher, or other eligible part-time teaching. Loans for \$2,500 or less may be forgiven at the rate of up to \$1,250 per year. The following schools and programs are eligible for the purposes of loan forgiveness:

- (1) a school or program operated by a school district;
 - (2) a tribal contract school eligible to receive aid according to section 124D.83;
 - (3) a Head Start program;
 - (4) an early childhood family education program;
 - (5) a program providing educational services to children who have not entered kindergarten;
- or
- (6) a program providing educational enrichment services to American Indian students in grades kindergarten through 12.

If a person has an outstanding loan obtained through this program, the duty to make payments of principal and interest may be deferred during any time period the person is enrolled at least one-half time in an advanced degree program in a field that leads to employment by a school district. To defer loan obligations, the person shall provide written notification to the commissioner of education and the recipients of the joint grant that originally authorized the loan. Upon approval by the commissioner and the joint grant recipients, payments shall be deferred.

The Minnesota Office of Higher Education shall approve the loan forgiveness program, loan deferral, and procedures to administer the program.

Subd. 8. **Revolving fund.** The Indian teacher preparation loan repayment revolving account is established in the state treasury. Any amounts repaid or contributed by a teacher who received a scholarship or loan under this program shall be deposited in the account. All money in the account is annually appropriated to the commissioner of education and shall be used to enable Indian students to participate in the program.

126C.17 REFERENDUM REVENUE.

Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority from voter approved to board approved by a board vote. A district with less than \$300 per adjusted pupil unit of referendum authority after the local optional revenue subtraction under subdivision 1 may authorize new referendum authority up to the difference between \$300 per adjusted pupil unit and the district's referendum authority. The board may authorize this levy for up to five years and may subsequently reauthorize that authority in increments of up to five years.

APPENDIX
Repealed Minnesota Session Laws: SF3928-0

Laws 2017, First Special Session chapter 5, article 8, section 8

Sec. 8. Minnesota Statutes 2016, section 126C.05, subdivision 1, is amended to read:

EFFECTIVE DATE. Paragraph (i) of this section expires at the end of fiscal year 2019.