



Summary of 2009 Omnibus E-12 Education Act (Chapter 96) and 2009 Omnibus Tax Policy Act (Chapter 88)

- June 8, 2009 Draft -

Chapters 88 and 96 were signed into law May 16, 2009.

This summary has been prepared by the Minnesota Department of Education, Office of Government Relations (651) 582-8666 and Division of Program Finance (651) 582-8828. Unless otherwise noted, changes will be effective August 1st, 2009. Note: Portions of this summary are taken from the House Research Summary of H.F. 2, prepared by House and Senate education staff on 5/18/09.

Overview of Fiscal Impact


State Aid Appropriations and Property Tax Levies

Total state aid appropriations for E-12 education are reduced by \$500 million for the 2010 – 2011 biennium, and replaced with an equal amount of federal state fiscal stabilization funds under the American Recovery and Reinvestment Act of 2009 (ARRA). There is almost no change in school district property tax levies for taxes payable in 2010 or 2011 (fiscal years 2011 and 2012). The appropriations reflect the state’s 90 percent current, 10 percent final payment schedule. A breakdown of the changes (shown in thousands), is shown in the table below:

	Program	FY 10 Appropriation	FY 11 Appropriation	Biennial Subtotal Aid	Pay 10 Levy	Biennial Total Approp. + Levy
1	Reduction of FY 2010 State General Educ. Aid	\$ (450,000)	\$ (50,000)	\$(500,000)	\$ -	\$ (500,000)
2	Federal State Fiscal Stabilization Funds under ARRA replacing state aid reduction	500,000		500,000		500,000
3	Minnesota Reading Corps	375	375	750		750
4	Math and Science Teacher Academy	750	0	750		750
5	Minnesota Department of Education	(750)	(750)	(1,500)		(1,500)
6	Referendum Levy Inflation – Consolidated districts				15	15
7	Fund Transfers (Ortonville, Mankato, Lac Qui Parle)				571	571
8	Total Change – State + Federal Stabilization	50,375	(50,375)	0	586	586
9						
10	Base Budget	6,902,076	6,992,023	13,894,099	2,275,562	16,169,661
11	Enacted Total Budget	6,952,451	6,941,648	13,894,099	2,276,148	16,170,247
12	Percent Increase Over Base (Cost to State)	0.7%	(0.7)%	0.0%	0.0%	0.0%

Article 1 – General Education Revenue

Contacts

<p>Terri Yetter 582-8868 or Bob Porter 582-8851</p>	<p>General Education Revenue</p> <p>FY 2010 One-Time General Education Aid Reduction Offset by Federal Fiscal Stabilization Funds (Sections 21, 22). Reduces the FY 2010 general education aid entitlement by \$500 million. The reduction is allocated among school districts and charter schools based on the district’s FY 2008 general education revenue from state aid and levy, excluding referendum revenue. The reduction amount equals 7.82 percent of this revenue. This one-time reduction in general education aid is offset on a dollar-for-dollar basis by federal funds from the fiscal stabilization account created in the state treasury to hold the federal stimulus money. The federal funds are appropriated in FY 2010 and are available for obligation until September 30, 2011.</p> <p>The amount of the state aid reduction and offsetting federal aid for each district and charter school are shown in the spreadsheet at the link below:</p> <p>One-time General Education Reduction and Allocation of State Fiscal Stabilization Fund  <i>IMb (5/20/2009)</i> May 20, 2009</p> <p>Minnesota’s preliminary application to the U.S. Department of Education for federal fiscal stabilization funds has been approved, but Minnesota will need to amend its application to reflect the results of the 2009 legislative session and receive approval of the amended application to qualify for the federal funds. School districts and charter schools must apply to MDE to receive the federal fiscal stabilization funds. The federal fiscal stabilization funds may be used for any activity that is authorized under the following federal education acts:</p> <ul style="list-style-type: none">⇒ The Elementary and Secondary Education Act of 1965 (ESEA);⇒ The Individuals with Disabilities Education Act (IDEA);⇒ The Adult Education and Family Literacy Act (AEFLA); or⇒ The Carl D. Perkins Career and Technical Education Act of 2006 (Perkins) <p>The ARRA also provides that, to the extent consistent with state law, a Local Education Agency (LEA) may use fiscal stabilization funds for modernization, renovation or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.</p> <p>For additional information regarding the federal fiscal stabilization funds, see the following link: http://education.state.mn.us/MDE/About_MDE/News_Center/013744</p>
<p>Colleen Leemon 582-8566</p>	<p>Sparsity Revenue Adjustment for Closed Schools (Sections 10, 20). Authorizes a district that closes a school facility to receive the greater of the sparsity revenue under current law or the sparsity revenue it received for the prior school year, if the district files a board resolution with the commissioner at least 60 days before the</p>

	<p>beginning of the fiscal year stating that it intends to close a school facility but cannot proceed with closure without the sparsity revenue adjustment. Authorizes ISD 2142, St Louis County, to receive this adjustment for FY 2010 and later if the resolution is adopted any time before the start of the 2009-10 school year. Chapter 177, section 8, includes the same exemption from the deadline for FY 2010 for ISD 317, Deer River. This is effective for revenue for fiscal year 2010 and later.</p>
<p>Bob Porter 582-8851</p>	<p>Reverse Referendum by Petition (Section 14). Amends M.S. 126C.17, removing the requirement of a school board to hold a referendum election or reverse referendum election based upon a petition from voters in the district. This section is effective for petitions filed after July 1st, 2009.</p>
<p>Bob Porter 582-8851</p>	<p>Referendum Revenue Inflation for Consolidated Districts (Sections 3-4): Adjusts the operating referendum authorities of newly consolidated districts to reflect any inflation adjustments that applied to the referendum authorities of the consolidating districts prior to the consolidation. This is effective for revenue for fiscal year 2010 and later.</p>
<p>Comp Revenue Colleen Leemon 582-8566</p>	<p>Compensatory Revenue Payments to Cooperatives (Sections 8, 12-13, 18). Amends M.S. 125A.11, 126C.15, and 127A.47 to direct MDE to pay compensatory revenue directly to cooperatives, and to exclude compensatory revenue from the special education tuition adjustment calculations for cooperatives, in order to simplify the tuition adjustments and avoid confusion regarding the allocation of compensatory revenue.</p>
<p>Tuition Billing George Holt 582-8889</p>	
<p>Terri Yetter 582-8868</p>	<p>Q Comp Aid/Levy Breakdown (Section 11). Clarifies that the change in the Q Comp formula enacted in 2007 which reduces the basic Q Comp aid from 73.1 percent to 65 percent of the revenue is effective for FY 2010 and later. This results in a decrease in the basic aid from \$190 to \$169 per pupil, with a corresponding increase in the equalized levy revenue (from \$70 to \$91 per pupil). This is effective following final enactment.</p>
<p>Colleen Leemon Health Benefits 582-8566</p>	<p>Other Post-Employment Benefits (OPEB) Bonding and Levies (Sections 16, 19).</p> <ul style="list-style-type: none"> • Amends the existing levy authority for certain retiree health benefits to reflect legislative intent of changes enacted in 2008. Clarifies that districts may only levy for costs of employees who retired between July 1, 1992, and July 1, 1998, if the district has a sunset clause in their current bargaining agreement.
<p>Chris Kubesh OPEB levy 582-8319</p>	<ul style="list-style-type: none"> • Creates a new levy for school districts to fund the annual costs associated with OPEB expenses. Requires a school district to: <ul style="list-style-type: none"> ○ create an actuarial liability to pay for the benefits; ○ have a sunset clause in effect for the current collective bargaining agreement; and ○ apply for the levy authority in the form and manner established by the commissioner • Limits the total amount of the new annual levy to not more than \$9.242 million for taxes payable in 2010, \$29.863 million for taxes payable in 2011 and an

	<p>amount equal to the previous year's levy plus \$14 million for taxes payable in 2012 and later.</p> <ul style="list-style-type: none"> • Amends M.S. 475.58 to require voter approval for any bonds to pay other postemployment benefits issued after October 1, 2009.
Colleen Leemon 582-8566	<p>Safe Schools Levy – Maintenance Of Effort (MOE) for Licensed School Support Staff (Section 17). Modifies the maintenance of effort language for licensed school support staff (counselors, nurses, social workers, psychologists, alcohol/chemical dependency counselors) included in the safe schools levy statute (M.S. 126C.44), which takes effect in FY 2010. Existing law required MOE to be calculated in terms of total spending. This provision adds a second option, allowing districts to meet the MOE requirement in terms of number of full-time equivalent staff instead.</p>
	<p>Permanent School Fund Report (Section 1). Amends M.S. 16A.06 to require the State Board of Investment, instead of the Department of Finance, to annually report to the legislature on permanent school fund investments, and how they maximized long-term economic return of the permanent school fund.</p>
Sharon Peck 582-8811	<p>Start of School Year Before Labor Day - Cooperating Districts (Section 2). Amends M.S. 120A.40 to allow all districts that have entered into an Agreement for Secondary Education under M.S. 123A.30 or Interdistrict Cooperation under M.S. 123A.32 to begin the school year on any day before Labor Day to accommodate a construction or remodeling project of \$400,000 or more affecting a school facility in any of the cooperating districts. The change codifies the existing practice of allowing school districts that have entered pairing and sharing agreements to adjust their calendars to accommodate a school construction project in one of the cooperating districts. These districts need to have common calendars to facilitate transportation and cooperative/combined programming.</p>
	<p>Wind Energy Conversion Systems (Section 5). Authorizes a school board, individually or as a member of a joint powers board, to become a partner, member, or shareholder in a company that is formed for the sole purpose of constructing, acquiring, owning or financing a wind energy conversion system. Prohibits a school board from selling, transmitting or distributing electrical energy at retail. This is effective following final enactment.</p>
Janna Duffy 582-8788	<p>MDE Reporting Deadlines (Sections 6, 7).</p> <ul style="list-style-type: none"> • Changes the deadline for MDE to post the school district Consolidated Financial Statements on its Website from January 15 to February 15 in order to allow MDE sufficient time to prepare an accurate report based on the final UFARS data • Changes the deadline for MDE to report to the legislature on districts in statutory operating debt from January 1 to February 15 to allow MDE sufficient time to prepare an accurate report based on final UFARS data

<p>Sharon Peck 582-8811</p>	<p>Cultural Exchange Program Registration (Section 9).- Amends M.S. 126C.05 to require that a cultural exchange organization be registered with the Secretary of State's Office for its students to be eligible to generate Minnesota state aid.</p>
<p>John Bulger 582-8781</p>	<p>Building Lease Levy for Desegregation Districts (Section 15). Updates language in M.S. 126C.40 to the building lease levy provision for desegregation districts to reflect changes in the desegregation rule and integration aid statute from a number of years ago, and reflects current administration of the program.</p>
<p>Terri Yetter 582-8868</p>	<p>Equalizing Factors (Section 23). Directs the commissioner to adjust the equalizing factors in M.S. 126C for changes enacted by the legislature to the definition of referendum market value. This would neutralize the affect of a tax base change on school district aid and levy revenues.</p>
<p>Judy Kuck 582-1613</p>	<p>Appropriations (Sections 24, 25).</p> <p>Section 24 State Appropriations</p> <p>Subd. 2: General Education Aid \$5,195,504,000 for FY 2010 \$5,626,994,000 for FY 2011</p> <p>Subd. 3: Enrollment Options Transportation \$48,000 for FY 2010 \$52,000 for FY 2010</p> <p>Subd. 54 Abatement Revenue \$1,175,000 for FY 2010 \$1,034,000 for FY 2011</p> <p>Subd. 5 Consolidation Transition \$854,000 for FY 2010 \$927,000 for FY 2011</p> <p>Subd. 6 Nonpublic Pupil Education Aid \$17,250,000 for FY 2010 \$17,889,000 for FY 2011</p> <p>Subd. 7: Nonpublic Pupil Transportation \$22,159,000 for FY 2010 \$22,712,000 for FY 2011</p> <p>Subd. 8: One Room Schoolhouse (Angle Inlet - Warroad) \$65,000 for FY 2010 \$65,000 for FY 2011</p> <p>Subd. 9: Independent School District No. 239, Rushford-Peterson \$158,000 for FY 2010</p>

Subd. 10: Lancaster

\$100,000 for FY 2010

\$100,000 for FY 2011

Subd. 11: Compensatory Revenue Pilot Project

\$2,175,000 for FY 2010

\$2,175,000 for FY 2011

Section 25 Federal Appropriations

Subd. 2: General Education Offset

\$500,000,000 for FY 2010

Any balance does not cancel but is available for obligation until September 30, 2011.

Minnesota House Fiscal Analysis fiscal worksheets for appropriations and tax levies are available online at:

<http://www.house.leg.state.mn.us/fiscal/files/k1209app.pdf>

<http://www.house.leg.state.mn.us/fiscal/files/k1209lv.pdf>

Article 2 – Education Excellence

Contact	Summary of Provisions
Amy Roberts 582-8482	Access to student records; school conferences (Section 1). Allows a child’s parent or guardian to designate a “significant individual” to participate in a school conference involving that child. Requires the parent or guardian to give prior written consent to allow the individual to participate in the conference and have access to data on the child that is needed for and relevant to the conference. This section is effective for the 2009-2010 school year and later.
Amy Roberts 582-8482	Legitimate exemptions (Section 2). Allows a student to be excused from school for mental health reasons with a note from a mental health professional.
Standards: Beth Aune 582-8795 Assessments: Dirk Mattson 582-1611	Educational Expectations For Minnesota’s Students (Section 3). Requires students to complete state and local standards and pass graduation exams in order to graduate. This section is effective August 1, 2012, and applies to students entering the 9 th grade in the 2012-2013 school year and later.
John Melick 582-8807	Elective standards (Section 4). Establishes a World Language Proficiency Certificates to recognize students who have achieved a to-be-determined level of both oral and written language proficiency in a language other than English as recommended by the 2007 Chinese Language Task Force, and the 2008 legislative report that set out a process and defined the proficiency level for statewide consistency. Participation is decided locally. The administration of a valid and reliable language proficiency assessment is done locally.
Assessment: Dirk Mattson 582-1611 Report Cards: Cathy Wagner 582-8688	<p>Assessments</p> <p>Revisions and reviews required (Section 5). Aligns the high school math test to the 2007 Academic Standards in Math in the 2013-2014 school year. Effective following final enactment.</p> <p>This alignment allows for the first cohort of students instructed in the full complement of 2007 Academic Standards in high school to take the assessment aligned to the appropriate standards.</p> <p>Statewide testing (Section 8).</p> <ul style="list-style-type: none"> • Prohibits state funding to be used for scoring constructed responses on all tests other than writing and English language proficiency; • Retires the Basic Skills Test (BST) after 2011-2012 school year; • Provides alignment schedule of tests to academic standards; • Provides a five-year alternative for the mathematics Graduation-Required Assessments for Diploma (GRAD) for students enrolled in grade 8 from the 2005-2006 school year to the 2009-2010 school year (thus the 2009-2010 through 2013-2014 school years):

1. Complete with a passing grade all state and local coursework and credits required for graduation;
 2. Participate in district-prescribed academic remediation in mathematics; and
 3. Fully participate in at least two retests of the mathematics GRAD test or until they pass the test, whichever comes first;
- Requires district to place a student's highest assessment scores on high school transcripts;
 - Permits districts to include a notation of high achievement on high school diplomas;
 - Prohibits the life science assessment test from being a requirement as a condition of graduating;
 - Eliminates obsolete language for testing students with disabilities; report results with growth model;
 - Reenacts GRAD requirement after 2013-2014 if legislature takes no action by July 1, 2010. Effective the day following final enactment.

High School Assessment; Recommendations (Section 62). Creates a workgroup on a comprehensive high school assessment system to make recommendations on the design of the system to ensure students are college and career ready, levels of accountability, implementation plan by 12/31/09.

Growth Model

Definition (Section 7). Codifies growth model released by MDE in December 2008. Effect the day following final enactment.

Educational accountability (Section 10). Technical revisions that relate to the codifying of the growth measure.

Statistical adjustments; student performance data (Section 11). Technical revisions that relate to the codifying of the growth measure.

School and student indicators of growth and achievement (Section 12).

- Technical revisions that relate to the codifying of the growth measure;
- When reporting student achievement the commissioner must study additional indicators and subsequently collect data on indicators that relate to college and career ready coursework:
 1. Identify schools making exceptional growth and applies to students in the 2008-09 school year and later;
 2. Report on two core measures indicating the extent to which current high school graduates are being prepared for college and career and applies to students in the 2010-2011 school year and later;
 - a. A preparation measure indicating the number and percent of graduates who completed course work important for college and career readiness;
 - b. A rigorous coursework measure indicating the number and percent of graduates who successfully completed one or more Advanced Placement (AP), International Baccalaureate (IB), Post Secondary Education Options (PSEO) or other rigorous course of study;

	<p>3. Report summary data on school safety and students' engagement and connection at school beginning July 1, 2014, and applies to data that are collected in the 2012-2013 school year and later;</p> <ul style="list-style-type: none"> • Requires the commissioner to report the organizational and curricular practices of schools that demonstrate medium and high growth and applies in the 2011-2012 school year and later. <p>School performance report cards (Section 13). Includes additional display requirements of the growth measure on the school report card. Effective following final enactment.</p> <p>Value-added assessment (Sections 18 and 55). Delete references to repealed statute 122A.32, which is the value-added assessment program.</p>
<p>Tom Melcher 582-8828</p>	<p>Report (Section 6). Permits school districts to publish just a summary of their report on the district's student achievement goals, local test results, annual school district improvement plan report, information on district learning progress, and revenue attributed to each education site. Districts no longer need to submit the report to the commissioner.</p>
<p>Beth Aune 582-8795</p>	<p>Educational accountability and public reporting (Section 9). Technical adjustments plus public reporting that promotes college and career readiness indicators.</p>
<p>Reading: Kari Ross 582-8455</p> <p>Licensure: Karen Balmer 582-8649</p>	<p>Reading Instruction</p> <p>Comprehensive, scientifically based reading instruction (Section 14). Clarifies what a comprehensive, scientifically-based reading instruction program includes and defines terms. Effective following final enactment.</p> <p>License and rules (Section 17). Requires that the board must also require a person to successfully complete a Minnesota reading instruction competence assessment, in addition to an already required examination of skills, before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten or elementary programs. Effective following final enactment and applies to teacher candidates beginning February 1, 2012.</p> <p>Reading strategies (Section 19). Makes an additional requirement on all colleges and universities approved by the Board of Teaching to prepare licensure candidates for the Minnesota reading instruction competence assessment. Effective the day following final enactment.</p> <p>Assessment of Reading Instructions (Section 66). Requires the Board of Teaching to administer an assessment of reading instruction for licensure specific teaching skills for all kindergarten initial licenses to teach prekindergarten or elementary students. Report to the legislature in 2011. Effective following final enactment and applies to teacher candidates beginning February 1, 2012.</p>

Karen Balmer 582-8649	Eligibility; board composition (Sections 15-16). Permits a Board of Teaching member who has recently retired to finish their term on the board.
Karen Balmer 582-8649	Expiration and renewal (Section 20). Requires educators applying to renew their licenses to present to their local licensing committees evidence of work that demonstrates professional reflection and growth in best teaching practices. Requires applicants to include a reflective statement of professional accomplishment and the applicants' own assessment of professional growth that shows evidence of (1) support for student learning, (2) use of best practices, (3) collaborative work with colleagues, and (4) continual professional development. Directs the board of teaching to ensure that its teacher relicensing requirements include the substance of this paragraph. Effective the day following final enactment and applies to licensees seeking relicensure beginning July 1, 2012.
Pat King 582-8655	Mentoring for probationary teachers (Sections 21 and 23). Allows school districts to have trained observers serve as mentors or coaches and to have probationary teachers participate in professional learning communities as part of the district's peer review process for probationary teachers. These sections are effective for the 2009-2010 school year and beyond.
Pat King 582-8655	Peer coaching for continuing contract teachers (Sections 22 and 24). Allows school districts to have trained observers serve as mentors or coaches and to have continuing contract teachers participate in professional learning communities as part of the district's peer review process for continuing contract teachers. These sections are effective for the 2009-2010 school year and later.
Pat King 582-8655	<p>Educational Improvement Plan</p> <p>Plan components (Section 25). Revises the required components for the Educational Improvement Plan so that the professional development system included is not only rigorous but research and practice-based. In addition, the changes clarify that the professional development must be based on national and state standards of effective teaching practice and designed to achieve ongoing school-wide progress and growth in teaching practice. Effective the day following final enactment and applies to plans developed in the 2009-2010 school year and beyond.</p> <p>Staff Development</p> <p>Contents of the plan (Section 28). Aligns the contents of the staff development plan with the changes to the re-licensure requirements. The plan must also include: professional communities achieved through ongoing progress and growth in teaching practice, emphasis on coaching and other job-embedded models, maintenance of subject matter focus premised on student goals, special preparation about issues related to special needs and LEP students, and reinforcement of national and state standards of effective teaching. This section is effective for the 2009-2010 school year and beyond.</p>

<p>Pat King 582-8655</p>	<p>Q Comp</p> <p>Approval process (Section 26). Per a recommendation of the Legislative Auditor, directs the commissioner to annually establish three dates as deadlines by which interested Q Comp applicants must submit an application. Retains the 30 day application review timeline but removes the external reviewers from the process. This section is effective the day following final enactment and applies to all applications submitted after that date.</p> <p>Alternative Compensation Rural District Application Assistance: Eligibility (Section 27). Creates a system of support for rural school districts wishing to apply for Q Comp. The section defines what districts are eligible, that technical assistance and model plans will be made available to these districts, and that eligible districts may form consortia to plan and implement collaborative Q Comp plans.</p>
<p>Marceline DuBose 582-8586</p>	<p>State Approved Alternative Programs (Sections 29-31, 43-44, 47-50, 56). Makes changes to provide consistency in language intent around State Approved Alternative Programs as other changes have been made to statutes that impact State Approved Alternative Programs.</p> <p>Major changes include:</p> <ul style="list-style-type: none"> • Re-titling 123A.05 from “Alternative Learning Center Organization” to “State Approved Alternative Program Organization.” This provides the opportunity to define and distinguish between the three types of SAAP’s -- Area Learning Center, Alternative Learning Program, and Contract Alternative; outline the differences in required and optional programming between the three; and make the statute consistent with the current and historical procedures for approving and monitoring alternative schools. This change required language updates within all other statutes that pertain to 123A.05. • Updating 124D.68 Subd. 2 (c)(2) to allow students who are behind in satisfactorily completing coursework or obtaining credits for graduation to begin make-up work immediately and not wait ‘at least one year.’ • Updating 124D.68 Subd. 3 (b) from “between the ages of 16 and 21” to “a junior or senior” to be consistent with postsecondary options statutory language.
<p>John Melick 582-8658</p>	<p>Background check required (Section 32). Allows a school hiring authority to pay the costs of conducting a discretionary criminal history background check on school volunteers, independent contractors and student employees. Effective following final enactment.</p>
<p>Morgan Brown 582-8627</p>	<p>District-Created Site-Governed Schools (Section 33). Authority. Subd. 1. Allows a school board to approve site-governed schools by requesting site-governing school proposals from groups of licensed professionals and parents from one or more school districts. For an approved proposal, requires that a district and the site council to enter into an agreement identifying the powers and duties, roles and responsibilities, revenue, and education performance standards to be delegated to the site.</p>

	<p>Roles and responsibilities of site-governed schools. Subd. 2. Outlines the roles and responsibilities of site-governed schools. To the extent a self-governed school is supervised by a principal, required the principal to be licensed.</p> <p>Revenue to site-governed schools. Subd. 3. Itemizes revenue allocated to the site. Allows the school district to retain an agreed-upon administrative fee for management services. Allows the school district to provide and charge for agreed-upon services to the school site. Allows the site to carry forward unspent revenue.</p> <p>Exemption from statutes and rules. Subd. 4. Exempts site-governed schools from the same laws and rules as charter schools, except that site-governed schools are subject to government data practices laws, the open meeting law, Public Employee Labor Relations Act (PELRA), teacher continuing contract and tenure laws, and teacher prep time and lunch requirements.</p> <p>Performance standards. Subd. 5. (a) Directs the school board and the site council to agree to performance standards and expectations that include student achievement targets premised on multiple indicators, criteria and process addressing school sites that fail to meet accountability requirements, and other agreed-upon performance terms. Requires agreements to be filed with the commissioner. Establishes initial three-year agreements and annual reviews and allows subsequent agreements of up to five years based on school performance.</p> <p>Board termination of self-governed school authority. Subd. 6. Allows a school board to terminate an agreement for cause. Allows site-governed schools terminated or not renew for reasons other than for cause to seek charter school status and to become owners of all resources the school purchased as a site-governed school.</p>
Tom Melcher 582-8828	<p>Contract; duties (Section 34). Strikes language requiring the school district superintendent to submit an annual report to the commissioner identifying expenditures needed to ensure that a specified percent of students pass the MCA-IIs. Effective the day following final enactment and applies to the 2009-2010 school year and later.</p>
Tom Melcher 582-8828	<p>Temporary closing (Section 35). Allows school districts to be exempt from Subd. 5 of M.S. 123B.51 when proposing to temporarily close a school or to lease the school to another entity to be used as a school for up to three years. Effective the day following final enactment.</p>
Karen Johnson 582-8733	<p>Online Learning (Sections 36-40). Requires supplemental online learning (OLL) providers to make available a course syllabus to the school district of an enrolling student. Clarifies that full-time OLL programs must be certified by MDE. Requires that an OLL provider's courses meet state academic standards and that its curriculum, instruction, assessment, expectations for teacher-contact time and academic support meet nationally recognized professional standards. Reestablishes the commissioner's Online Learning Advisory Council through 2013.</p>

Morgan Brown
582-8627

Charter Schools (Sections 41-42). Makes numerous revisions to state charter school laws (Minn. Stat. § 124D.10 and 124D.11), including those recommended by the Office of the Legislative Auditor in its 2008 report.

Major changes include:

- Clarifies that the purpose of a charter school is not to reestablish a district school that that would otherwise close or has been closed.
- Makes ineligible to authorize charter schools those nonprofit organizations that are sectarian or religious institutions or are not incorporated in Minnesota.
- Allows the commissioner to approve up to three nonprofit organizations to be “single-purpose sponsors” whose sole purpose is to authorize charter schools and sets criteria for approval.
- Establishes the process by which an eligible authorizer must apply to the commissioner for approval to be an authorizer and sets criteria the commissioner must consider. (Sets a deadline of June 30, 2011, for current authorizers to receive approval to continue authorizing schools.)
- Directs the commissioner to review an authorizer’s performance at least every five years and subject an authorizer that has not performed satisfactorily to corrective action.
- Requires charter school board members to begin attending MDE-approved training in four areas within six months of being seated on the board and complete the training within twelve months of being seated.
- Requires an ongoing board to be elected by the end of the third year of operation and that the board shall be composed of at least five nonrelated members, including at least one licensed teacher, one parent of an enrolled student and one community member. Allows a majority of a charter school’s board members to be teachers, but does not require it.
- Prohibits an authorizer from requiring a charter school to enter into a service contract with the authorizer as a condition of granting the charter contract. Requires disclosure of any service contracts to the commissioner.
- Strengthens prohibitions on conflicts of interest for charter school board members.
- Allows authorizers to renew a contract with a charter school for up to five years after the initial three year contract.
- Requires a charter school’s board to establish qualifications for persons that hold leadership roles in the school.
- Allows an increase in the fees that an authorizer may charge for the monitoring and evaluation of the fiscal, operational and academic performance of a school it authorizes.
- Establishes a process and criteria for a charter school to organize an affiliated nonprofit building corporation to renovate or purchase an existing facility or construct a new school facility after approval by the commissioner.
- Establishes requirements for paying and withholding state aid after a charter school ceases to operate.
- Allows the commissioner to withhold aid from a school to satisfy a directive to return federal or state funds.

<p>Kari Ross 582-8455</p>	<p>Program Training (Section 45). Removes a requirement that the commissioner provide additional training for evaluating early literacy skills and teaching reading to preschool children which may include training from the St. Croix River Education District.</p>
<p>Barbara O’Sullivan 582-8422</p>	<p>Minnesota reading corps program (Section 46). Establishes the Minnesota Reading Corps in statute.</p>
<p>Lisa DeRemee 582-8467</p>	<p>Early childhood family education revenue (Section 51). Aligns statutory language for Early Childhood Family Education (ECFE) aid to Tribal Contract School to practice. Allows eligible Tribal Contract Schools to apply to the commissioner for grants to provide early childhood family education programs for American Indian families.</p>
<p>Glory Kibbel 582-8695</p>	<p>Integration Aid (Section 52-54).</p> <p>Changes in use and plans - Requires that districts use integration revenue “for students to have increased and sustained interracial contacts and improved education opportunities and outcomes designed to close the academic achievement gap.” Requires that the annual integration revenue budgets for the Minneapolis, St. Paul and Duluth school districts be reviewed and approved by MDE. Establishes additional criteria to be included in each district’s integration plan, including longitudinal measures to evaluate the district’s progress toward the plan’s goals. These sections are effective for the 2010-2011 school year and later.</p> <p>Legislative Report on Districts’ Use of and Need for Integration Revenue (Section 63). Directs the education commissioner to analyze the substance of districts’ integration plans and the impact of demographic changes, immigration and housing patterns, and Interdistrict integration activities and report to the legislature by February 1, 2011. Effective following final enactment.</p>
<p>Program: Glory Kibbel 582-8695</p> <p>Finance: Sharon Peck 582-8811</p>	<p>Project-based average daily membership (Section 57). Clarifies language in M.S. 126C.05 that instructional programs that allow students to complete credits/projects at their own pace are considered project-based but that students will still make typical progress towards graduation and that programs be approved by the commissioner.</p>
<p>Beth Aune 582-8795</p>	<p>Minnesota P-20 Education Partnership (Section 58). Establishes a P-20 partnership to create a seamless education system that maximizes the achievement of all students from early childhood through postsecondary education and promotes the efficient use of resources. Lists partnership members, which include members of the P-16 Education Partnership and four legislators. Directs the current Minnesota partnership to recommend to the governor and the legislature how to maximize the achievement of all P-20 students and promote efficient use of resources and submit an annual report to the legislature and the governor by January 15 that summarizes the partnership’s progress and includes any</p>

	<p>recommendations the partnership has for maximizing student achievement and promoting efficient resource use. Causes the partnership to be permanent and not expire.</p>
<p>Karen Balmer 582-8649</p>	<p>May pay differential of reserve on active duty (Section 59). Clarifies payment of a pay differential for school district employees who are ordered into active military service. Effective the day following final enactment and applies to members of the National Guard and other reserve components of the United States armed forces serving in active military service on or after that date. Effective following final enactment and applies to members of the National Guard and other reserve components of the United States armed forces serving in active military service on or after that date.</p>
<p>Dirk Mattson 582-1611</p>	<p>Implementing Rigorous Coursework Measures Related To Student Performance (Section 60). Establishes a process for the commissioner and qualified experts and other stakeholders including parents and teachers to develop a model that projects anticipated high school performance on preparation and rigorous coursework measures and compares schools with similar schools. Causes the group to expire June 30, 2011. Effective following final enactment and applies to school report cards beginning July 1, 2011.</p>
<p>Jessie Montano 582-8615</p>	<p>Implementing Measures For Assessing School Safety And Students' Engagement And Connection At School (Section 61).</p> <p>a) Establishes a process for the commissioner and qualified experts and other stakeholders including parents and teachers to:</p> <ul style="list-style-type: none"> (1) identify highly reliable variables of student engagement and connection and (2) determine how to report student safety to comply with federal law. <p>b) Directs the commissioner to submit one report to the legislature in 2010 on the two topics in paragraph (a) and a second, related report in 2013 on the content and analysis of and format for reporting collected data. Causes the group to expire December 31, 2013.</p> <p>Effective following final enactment and applies to school report cards beginning July 1, 2014.</p>
<p>Policy Pat King 582-8655</p> <p>Finance Tom Melcher 582-8828</p>	<p>Reserved Revenue for Staff Development; Temporary Suspension (Section 64). Temporarily suspends the staff development reserve for FY 2010 and 2011. The staff development reserve is equal to two percent of the district's basic general education revenue.</p> <p>District and site staff development committees are still required to complete a staff development plan and submit an annual report of staff development activities and expenditures for each year.</p>

<p>Morgan Brown 582-8627</p>	<p>Innovative School Advisory Council (Section 65). Establishes a nine-member advisory council to advise and make recommendations to the commissioner on site-governed schools, innovation in new schools in both the charter and district sectors, improving information about fostering innovation, and learning from innovators in non-education sectors. The council expires June 30, 2011.</p>
	<p>Appropriations Article 2 (Section 67).</p> <p>Subd. 2: Charter School Building Lease Aid \$40,453,000 for FY 2010 \$44,775,000 for FY 2011</p> <p>Subd. 3: Charter School Startup Aid \$1,488,000 for FY 2010 \$1,064,000 for FY 2011</p> <p>Subd. 4: Integration Aid \$65,358,000 for FY 2010 \$65,484,000 for FY 2011</p> <p>Subd. 5: Magnet School Grants \$750,000 for FY 2010 \$750,000 for FY 2011</p> <p>Subd. 6: Interdistrict Desegregation or Integration Transportation Grants \$14,468,000 for FY 2010 \$17,582,000 for FY 2011</p> <p>Subd. 7: Success for the Future \$2,137,000 for FY 2010 \$2,137,000 for FY 2011</p> <p>Subd. 8: American Indian Teacher Preparation Grants \$190,000 for FY 2010 \$190,000 for FY 2011</p> <p>Subd. 9: Tribal Contract Schools \$2,030,000 for FY 2010 \$2,211,000 for FY 2011</p> <p>Subd. 10: Early Childhood Programs at Tribal Schools \$68,000 for FY 2010 \$68,000 for FY 2011</p> <p>Subd. 11: Statewide Testing and Reporting System \$15,150,000 for FY 2010 \$15,150,000 for FY 2011</p> <p>Any balance in the first year does not cancel but is available in the second year.</p>

Subd. 12: Examination Fees; Teacher Training and Support Programs

\$4,500,000 for FY 2010

\$4,500,000 for FY 2011

Allocations are specified

Subd. 13: Concurrent Enrollment Programs

\$2,000,000 for FY 2010

\$2,000,000 for FY 2011

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

Subd. 14: Collaborative Urban Educator

\$528,000 for FY 2010

\$528,000 for FY 2011

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

Subd. 15: Youth Works Program

\$900,000 for FY 2010

\$900,000 for FY 2011

Subd. 16: Student Organizations

\$725,000 for FY 2010

\$725,000 for FY 2011

Allocations to specified for each organization

- \$40,000 each year is for student organizations serving health occupations.
- \$38,000 each year is for student organizations serving service occupations.
- \$88,000 each year is for student organizations serving trade and industry occupations.
- \$84,000 each year is for student organizations serving business occupations.
- \$131,000 each year is for student organizations serving agriculture occupations.
- \$125,000 each year is for student organizations serving family and consumer science occupations.
- \$95,000 each year is for student organizations serving marketing occupations.

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

Subd. 17: Education Planning and Assessment (EPAS) Program

\$829,000 for FY 2010

\$829,000 for FY 2011

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

Subd. 18: Early Childhood Literacy Programs

\$1,375,000 for FY 2010

\$1,375,000 for FY 2011

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

	<p>Subd. 19: Mathematics and Science Teacher Centers \$750,000 for FY 2010 Any balance in the first year does not cancel but is available in the second. This is a one-time appropriation.</p>
	<p>Repealer (Section 68).</p> <ul style="list-style-type: none"> • 120B.362 – Assessment – Value added Assessment Program • 120B.39 – Assessment – MDE Supports repeal, statute is obsolete • 122A.32 – Assessment Professional requires a district with 10,000 pupils or more to employ a person to administer or interpret individual aptitude, intelligence or personality tests - MDE position is neutral • 122A.628 – Teacher Mentoring Programs – MDE supports repeal, results were limited and funding no longer exists. • 122A.75 – Administrator Training – MDE Supports repeal, an Institute for school principals already exists under M.S. 122A.74

Article 3 – Special Education

Contact	Summary of Provisions
Amy Roberts 582-8482	Pupil (Section 1). Amends the definition of pupil with a disability under the Pupil Fair Dismissal Act to a student under 21 years old or becomes 21 years old during the school year.
Amy Roberts 582-8482	<p>Suspension (Section 2). Strikes language pertaining to students with disabilities that is contained in the definition of suspension under the Pupil Fair Dismissal Act and moves the provisions to a different statute.</p> <p>Exclusion and Expulsion of Pupils with a Disability (Section 3). Consistent with federal law and state suspension procedures, allows school personnel to suspend children with disabilities.</p> <ul style="list-style-type: none"> • Team meeting required after 5 consecutive days of suspension or 10 cumulative days of suspension. • Alternative educational services required for suspensions beyond 5 consecutive days. • Manifestation determination required before expulsion. • Counts a dismissal of up to one school day as a day of suspension of children with disabilities. • Does not require notice for a one-day dismissal.
Carol Hokenson 582-8840	Reimbursement (Section 4). Corrects a reference in M.S. 122A.31 to an incorrect statute that should refer to M.S.125A.76. Special Education Revenue instead of M.S. 125A.78 which refers to the Alternative Delivery Initial Aid Adjustment.
Amy Roberts 582-8482	Child with a Disability Defined (Section 5). Changes to the definition of a child with a disability to bring into alignment with federal definition.
Amy Roberts 582-8482	Rulemaking (Section 6). Limits MDE rulemaking authority for children with disabilities: only under specific state legislative authority or when required by federal law.
Amy Roberts 582-8482	Individualized Education Program (Section 7). Requires districts to have Individual Education Plans (IEPs) for all students with a disability in effect at the beginning of each school year.
Amy Roberts 582-8482	<p>Alternative Dispute Resolution and Due Process Hearings (Section 8). Language duplicative of federal law stricken from Minn. Stat. § 125A.091.</p> <ul style="list-style-type: none"> • Written notice of parental objection to district’s proposal for special education required. • Conciliation conference must be held within 10 days of parent’s objection to prior written notice. • Mediation agreements required in writing and are enforceable in state or federal district court.

	<ul style="list-style-type: none"> • A copy of the hearing transcript will be given to parent and district at the state’s expense upon conclusion of a due process hearing. • MDE is required to maintain a list of qualified hearing officers. • Requirements for a request for hearing inserted. • Burden of proof in a due process hearing is upon the party seeking relief. • Expedited due process hearing and resolution meeting timeline changed to conform to federal law. • Federal timeline for due process hearing decisions inserted. • Reference to the right under federal law to appeal a due process hearing decision to federal district court within 90 days inserted.
Amy Roberts 582-8482	<p>Restrictive Procedures for Children with Disabilities (Section 9). Restrictive procedures for children with disabilities are laid out and require staff to be trained and the commissioner to maintain a list of trainings. Effective August 1, 2011.</p> <p>Definitions (Section 10). Defines the following terms in the context of using restrictive procedures for children with disabilities: emergency, physical holding, positive behavioral interventions and supports, restrictive procedures and seclusion. Effective August 1, 2011.</p> <p>Standards for restrictive procedures (Section 11). New requirements for using restrictive procedures on children with disabilities. “Physical holding” and “seclusion” are permitted in an emergency. Prohibited procedures listed. Training requirements listed. Effective August 1, 2011.</p>
Robyn Widley 582-1143	<p>Placement in another district; responsibility (Sections 12 and 14): Amends statute to provide for resident districts to be involved when a district other than the resident districts places a student in a care and treatment program. Effective following final enactment.</p>
Barbara O’Sullivan 582-8422	<p>State interagency coordinating council (Section 13): Provides for the continuation of the State Interagency Coordinating Council.</p>
Joan Breslin- Larson 582-1599	<p>Assistive technology device (Section 15): Definition of assistive technology device amended to conform to the federal definition. Surgically implanted medical devices do not meet the definition. Effective following final enactment.</p>
Joan Breslin- Larson 582-1599	<p>Programs (Section 16): Clarifies the authority of the resource center for the deaf and hard of hearing (Deaf/HOH) to offer training programs.</p>
Joan Breslin- Larson 582-1599	<p>Advisory committees (Section 17): Requires the Deaf/HOH resource center advisory council to meet 4 times a year and submit a report that identifies and reports outcomes data associated with Deaf/HOH students and develop a plan for improving educational outcomes.</p>

Carol Hokenson 582-8840	Implementation (Section 18): Increases Medicaid payment withholding for administrative costs from \$350,000 to \$450,000.
Carol Hokenson 582-8840	Definitions (Section 19). Clarifies that staff providing services to students through an indirect service model (e.g., OTs, PTs, Autism specialists) are eligible for state special education aid, and that administrators and supervisors are ineligible.
Carol Hokenson 582-8840	Notification of resident district (Section 20). Removes language in M.S. 127A.47 holding nonresident districts liable for tuition for not notifying the district of residence that they are serving a nonresident pupil.
	<p>Appropriations Article 3 (Section 21).</p> <p>Subd. 2: Special Education: Regular \$734,071,000 for FY 2010 \$781,497,000 for FY 2011</p> <p>Subd. 3: Aid for children with Disabilities \$1,717,000 for FY 2010 \$1,895,000 for FY 2011</p> <p>Subd. 4: Travel for Home-Based Services \$258,000 for 2010 \$282,000 for 2011</p> <p>Subd. 5: Special education; Excess Costs \$110,871,000 for 2010 \$110,877,000 for 2011</p> <p>Subd. 6: Court-Placed Special Education Revenue \$76,000 for 2010 \$78,000 for 2011</p> <p>Subd. 7: Special Education Out-of-State Tuition \$250,000 for 2010 \$250,000 for 2011</p>
Amy Roberts 582-8482	<p>Repealer (Section 22).</p> <ul style="list-style-type: none"> • 125A.05 - Children with disabilities – Method of special instruction and services for children with a disability. • 121A.66 – Children with Disabilities - Behavioral intervention definitions including locked and exclusionary time-out. Repeal effective August 1, 2011. • 121A.67, subdivision 1 – Children with Disabilities – Planning for and parent notification of use of aversive and deprivation procedures. Repeal effective August 1, 2011. • Minnesota Rules, part 3525.0210 (MDE Supports): Subp. 34. Parent and 43: Subp. 43. Surrogate parent.

- Minnesota Rules, part 3525.0400 – Children with Disabilities – Least restrictive environment for education – MDE position is neutral.
- Minnesota Rules, part 3525.2445 – Children with Disabilities - Consultation with County Social Services – MDE position is neutral.
- Minnesota Rules, part 3525.4220 – Children with Disabilities – Hearing Rights
- Minnesota Rules, part 3525.0210:
 - Subp. 5. Aversive procedure
 - Subp. 6. Aversive stimulus
 - Subp. 9. Conditional procedures
 - Subp. 13. Deprivation procedure
 - Subp. 17. Emergency
 - Subp. 29. Manual restraint
 - Subp. 30. Mechanical restraint
 - Subp. 46. Time out for exclusion
 - Subp. 47. Time out for seclusion
 - Repeal effective August 1, 2011.
- Minnesota Rules, part 3525.1100 Subp 2, item F – Children with Disabilities (STATE AND DISTRICT RESPONSIBILITY FOR TOTAL SPECIAL EDUCATION SYSTEM) Repeal effective August 1, 2011.
- Minnesota Rules, part 3525.2900 Subp 5 – Children with Disabilities (TRANSITION AND BEHAVIORAL INTERVENTION PLANNING) Repeal effective August 1, 2011.

Article 4 – Facilities, Accounting, and Technology

Contact	Summary of Provisions
<p>John Bulger 582-8781</p>	<p>Review and comment (Sections 6 - 9).</p> <ul style="list-style-type: none"> • Raises the cap on school construction projects that are subject to review and comment by the commissioner of education from \$500,000 to \$1.4 million for all school districts except those with outstanding capital loans. • Raises the review and comment consultation level from \$250,000 to \$500,000. • Specifies that the local school board retains the authority to determine the minimum acreage necessary to accommodate a new school and related facilities. Prohibits the commissioner from issuing a negative or unfavorable review and comment based solely on too little acreage of the proposed school site. • Specifies that the local school board retains the authority to determine whether to renovate an existing school or build a new school regardless of the acreage of the current school site or the cost of renovation relative to the cost of building a new school. Prohibits the commissioner from evaluating whether to replace a facility based solely on the ratio of renovation costs to replacement costs. • Expands the list of information that must be submitted to the commissioner of education as a part of the review and comment process to include a description of pedestrian, bicycle and transit connections between the school and nearby residential areas. Requires the review and comment to include a description of how the facility will maximize the opportunity for cooperative uses of existing parks, recreation and other public facilities. Requires the review and comment to provide information about the cumulative infrastructure costs (e.g. utilities, water and sewer, roads and sidewalks) associated with a proposed facility. • Allows districts to publish a summary of the commissioner’s review and comment, instead of publishing the full report. District is required to publish the full report on its Website.
<p>Chris Kubesh 582-8319</p>	<p>Alternative Facilities Program (Sections 3-5, 10). Effective July 1, 2009.</p> <ul style="list-style-type: none"> • Eliminates the requirement for a district eligible only for the health and safety portion of alternative facilities revenue to submit a separate five year facility plan to the commissioner of education prior to receiving the revenue. • Eliminates the requirement that a district publish the commissioner’s review and comment as a part of the notice preceding the sale of alternative facilities bonds. • Eliminates the requirement that a district publish the commissioner’s review and comment as a part of the notice prior to the district levying for alternative facilities projects. • Eliminates publication notice of the review and comment for alternative facility projects for bond and levy authorizations.

Chris Kubesh 582-8319	Telecommunications/Internet access equity aid (Section 11). Clarifies that intermediate school districts are eligible to receive telecommunications/Internet access equity aid. (Note -- this is accomplished by allowing a school district to include in its reported data a proportionate share of the costs and e-rate revenues of an intermediate district of which it is a member). Effective following final enactment.
Bill Kiesow 582-8801	Health and safety program (Section 2). Removes some obsolete references.
Chris Kubesh 582-8319	Debt service appropriation (Section 1). Amends M.S. 123B.54 Debt Service appropriations for FY 2010 and FY 2011 to align with February 2009 forecast. Sets the amount for 2012 and later.
Judy Kuck 582-1613	<p>Appropriations Article 4 (Section 12).</p> <p>Subd. 2: Health and Safety Revenue \$161,000 for 2010 \$160,000 for 2011</p> <p>Subd. 3: Debt Service Equalization \$7,948,000 for 2010 \$9,275,000 for 2011</p> <p>Subd. 4: Alternative Facilities Bonding Aid \$19,287,000 for 2010 \$19,287,000 for 2011</p> <p>Subd. 5: Equity in Telecommunications Access \$3,750,000 for 2010 \$3,750,000 for 2011</p> <p>Subd. 6: Deferred Maintenance Aid \$2,302,000 for 2010 \$2,073,000 for 2011</p>

Article 5 – Libraries, Nutrition, and Accounting

Contact	Summary of Provisions
	<p>Capital account transfers (Section 11). Allows districts to transfer \$51 per adjusted marginal cost pupil unit from operating capital account to the unreserved general fund for FY 2009 and FY 2010. This is in addition to the transfer already allowed for FY 2008. (Note: the authority to transfer \$51 from operating capital to the unreserved general fund includes only operating capital, Balance Sheet Code 424. Deferred Maintenance Revenue is a separate revenue and distinct from operating capital revenue. Revenue and expenditures are reported using FIN Code 385 and it has a separate Balance Sheet Code, 405.) Effective following final enactment.</p>
	<p>Account transfer for designated separation and retirement benefits (Section 3). Effective following final enactment.</p> <ul style="list-style-type: none"> • Based on a recommendation from the Department’s Advisory Committee on Financial Management, Accounting, and Reporting, MDE is eliminating Fund Balance Code 411, Reserved for Severance Pay, beginning in FY 2010. This was inconsistent with relevant Governmental Accounting Standards Board (GASB) statements, and was the only reserved fund balance account not authorized in statute. No law change was required for MDE to eliminate this account, since it was not authorized in law to begin with. • To go along with this change, MS 123B.79, subd. 7, which authorizes Balance Sheet 418, was amended to: <ul style="list-style-type: none"> ○ clarify that this is a designated account and not a reserve account; ○ remove language limiting the account balance to 50 percent of the amount needed for the portion of severance pay that constitutes compensation for accumulated sick leave to be used for the payment of group health insurance premiums, and ○ expand the uses to include separation and retirement benefits, including compensated absences, termination benefits, pension benefits and other post employment benefits not accounted for elsewhere. • This will enable districts to move the amounts that were in Bal Sheet 411 to Bal Sheet 418 to keep separate from the primary unreserved/undesigned account (Bal Sheet 422).
Janna Duffy 582-8788	<p>Budgets; form of notification (Section 1). Allows districts to publish a summary of its budget information in the newspaper instead of publishing the full document. The district is required to publish the full document on its Website.</p>
Colleen Leemon 582-8566	<p>Clerk Records (Section 2). Aligns reporting requirements in M.S.123B.14, subdivision 7, for school board clerks, to be consistent with other statutes (e.g., submission of unaudited financial data to the commissioner of education by September 15 each year, certification of proposed property tax levies to the county auditor by September 30 each year). Remove obsolete requirement for school districts to submit a report each year on the condition and value of school property.</p>

<p>Janna Duffy 582-8788</p>	<p>Debt verification (Sections 4-6). Removes obsolete language from M.S.123B.81 which was first written for districts in statutory operating debt as of June 30, 1977, when districts were given special levy authority to eliminate the debt. The levy authority has expired and the statutes authorizing the levy have been repealed. In addition, a cross-reference in subdivision 4 is corrected.</p>
<p>Catherine Durivage 507-384-6780</p>	<p>Service to people with visual and physical disabilities (Section 7). Amends M.S. 134.31 to change the name of the library and its purpose to a more inclusive language. Effective following final enactment.</p>
<p>Catherine Durivage 507-384-6780</p>	<p>Telephone or electronic meetings (Section 8). Amends M.S. 134.31 to allow for telephonic meetings of the Advisory Committee of the Minnesota Braille and Talking Book Library. This committee meets at least quarterly either at the Minnesota Department of Education in Roseville or at the library in Faribault. The committee consists of library patrons from all over the state who are visually or physically disabled. Transportation is generally an issue for this population and the need for telephonic meetings critical. Similar language currently exists for the State Rehabilitation Council for the Blind, Statewide Independent Living Council and Minnesota Veterans Homes Board of Directors. Effective following final enactment.</p>
<p>Libraries: Suzanne Miller 582-8251</p> <p>Finance: John Bulger 582-8781</p>	<p>Library maintenance of effort (Sections 9, 10). Changes the formula used for the distribution of the regional library basic system support state aid for FY 2009 and thereafter.</p> <p>Modifies the provision regarding the level of support to be calculated using the second preceding year and allows the level of support to be calculated using the average adjusted net tax capacity of the second, third and fourth preceding years.</p> <p>Modifies the library maintenance of effort calculation allowing the use of the lesser of the second or third preceding year level of local support.</p> <p>Allows the city or county to reduce its local support of libraries. In addition to any calendar year in which a city or county's aid under sections 477A.011 to 477A.014, or credits under section 273.1384 is reduced after the city or county has certified its levy payable in that year, it may reduce its local support by the lesser of (1) ten percent, or (2) a percent equal to the percent the aid or credit reduction is of the city or county's revenue base as defined in paragraph (e), based on aids certified for the current calendar year.</p> <p>Stating that notwithstanding any other provision of law to the contrary, any new maintenance of effort or matching fund requirement enacted after January 1, 2009, that will require spending by a political subdivision shall not be effective until January 1, 2011. Notwithstanding any other provision of law to the contrary, any changes to existing maintenance of effort or matching fund requirement enacted after January 1, 2009, that will require new spending by a political subdivision shall not be effective until January 1, 2011. The suspension of</p>

	<p>changes to existing maintenance of effort and matching fund requirements under paragraph (b) does not apply if the spending is required by federal law and there would be a cost to the state budget without the change.</p> <ul style="list-style-type: none"> • Allowing city or county libraries to choose the dollar amount provided for support for operating purposes of public library service below the amount provided by it for the first, second, or third preceding year, whichever is less adds to the complexity of the state-certified level of library support (“library MOE”) formula. • Requires the calculation of ratios based on state credits information. This is a new data requirement required by the new formula • Currently the Adjusted Net Tax Capacity (ANTC) and population data are received by the agency annually in Mid-July and are used to calculate maintenance of effort used to set city and county library levies. The cities and counties have a September 15 deadline for submitting levy information to the county auditors. The changes will require multiple reiterations of the formula to be completed throughout the year, including a preliminary calculation to be completed in mid-summer so that city and counties can make decisions on the level of support they want to provide and set levies by mid-September. The aid formula will have to be recalculated after mid-September and when cities and county boards have made decisions regarding the various options allowed under the proposed changes. No timelines are provided for submission of data of city and counties regarding the level of support that they have chosen. If changes are made mid-year to amend local budgets, additional recalculation of the formulas would have to occur.
<p>Janna Duffy 582-8788</p>	<p>Fund transfers (Section 12). Allows two districts to transfer funds from their debt redemption fund to the reserve for operating capital account. Allows one district to transfer funds from its debt redemption fund to the undesignated general fund. Allows one district to transfer funds from its reserve for operating capital account to the undesignated general fund. Effective following final enactment.</p>
	<p>Appropriations Article 5 (Section 13).</p> <p>Subd. 2: School Lunch \$12,688,000 for 2010 \$13,069,000 for 2011</p> <p>Subd. 3: School Breakfast \$4,978,000 for 2010 \$5,147,000 for 2011</p> <p>Subd. 4: Kindergarten Milk \$1,098,000 for 2010 \$1,120,000 for 2011</p>

	<p>Subd. 5: Summer School Service Replacement Aid \$150,000 for 2010 \$150,000 for 2011</p> <p>Subd. 6: Basic System Support \$13,570,000 for 2010 \$13,570,000 for 2011</p> <p>Subd. 7: Multi-county, Multi-type Library Systems \$1,300,000 for 2010 \$1,300,000 for 2011</p> <p>Subd. 8: Electronic Library for Minnesota \$900,000 for 2010 \$900,000 for 2011</p> <p>Subd. 9: Regional Library Telecommunications Aid \$2,300,000 for 2010 \$2,300,000 for 2011</p>
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Article 6 – Early Childhood Education, Prevention, Self-Sufficiency, And Lifelong Learning

Contact	Summary of Provisions
Michelle Weber 582-8880	Distribution of appropriation (Section 1). Provides a state average rate for Early Head Start for programs without federal rates, exempts programs that serve high-risk families from the commissioner payment procedures that are required for chronic under enrollment.
Barbara O’Sullivan 582-8422	Early Childhood Family Education (Sections 2 and 3). Removes language in M.S. 124D.135 to remove the Early Childhood Family Education program plan requirements due to lack of administrative funds to cover the cost of auditing the plans.
Barbara O’Sullivan 582-8422	Quality rating and improvement system (QRIS) (Section 4). Paragraph (a) establishes a quality rating and improvement system based on the goal that Minnesota’s children have access to high-quality early learning and care programs. Includes in the creation of the system: (1) common set of child outcome and program standards; (2) using the framework as a tool to ensure that publicly funded and regulated early learning and care services in both public and private market programs are high-quality and requires the state to establish a plan to link future state funding to the framework; and (3) using the framework to track progress toward statewide access to high-quality early learning and care programs. Paragraph (b) requires the state to use current evaluations, common standards, and plan to link future funding and align current resources in planning the QRIS. Paragraph (c) requires the state to employ the Minnesota quality rating system rating tool in use in fiscal year 2008 prior to the creation of a statewide quality rating and improvement system. Effective July 1, 2009.
Barbara O’Sullivan 582-8422	Program Requirements (Section 5). Requires school readiness programs to add research-based elements to the program including a comprehensive content and child assessment, intentional instruction aligned to the state early childhood guidelines and kindergarten standards, coordinate kindergarten transition, child staff ratios of 1 to 10 and class size of 20, and teachers knowledgeable in early childhood curriculum content, assessment and instruction.
Dan Smith 582-8330	Youth service programs (Section 6). Removes the requirement in M.S. 124D.19 that the commissioner maintain a list of acceptable youth service projects.
Dan Smith 582-8330	Community education; annual report (Section 7). Removes the requirement in M.S. 124.19 for the community education annual report that districts report on the cost per participant and cost per contact hour for participation in community education programs in an effort to minimize the reporting burden for community education programs while continuing to provide essential information regarding the operation of these programs in the state.

Barry Shaffer 582-8442	Adult basic education supplemental service grants (Section 8). Increases the cap on grants to supplemental service providers from \$100,000 to 20 percent of the total supplemental services award in order to maximize effectiveness of these funds by providing more services by fewer providers in specific, needed content areas.
Nancy Riestenberg 582-8433	School and Community Advisory Team (Section 9 and 12). Repeals M.S. 121A.27 for the School and Community Advisory Team that is not longer federally required.
Karen Carlson 582-8397	Early Learning Study (Section 10). Early Learning Study to move child care programs to MDE and create an early learning system.
	<p>Appropriations Article 6 (Section 11).</p> <p>Subd. 2: School Readiness \$10,095,000 for 2010 \$10,095,000 for 2011</p> <p>Subd. 3: Early Childhood Family Education Aid \$22,955,000 for 2010 \$22,547,000 for 2011</p> <p>Subd. 4: Health and Developmental Screening Aid \$3,694,000 for 2010 \$3,800,000 for 2011</p> <p>Subd. 5: Head Start Program \$20,100,000 for 2010 \$20,100,000 for 2011</p> <p>Subd. 6: Educate Parents Partnership \$50,000 for 2010 \$50,000 for 2011</p> <p>Subd. 7: Kindergarten Entrance Assessment Program \$287,000 for 2010 \$287,000 for 2011</p> <p>Subd. 8: Community Education Aid \$585,000 for 2010 \$467,000 for 2011</p> <p>Subd. 9: Adults with Disabilities Program Aid \$710,000 for 2010 \$710,000 for 2011</p>

Subd. 10: Hearing-Impaired Adults \$70,000 for 2010 \$70,000 for 2011
Subd. 11: School-Age Care Revenue \$1,000 for 2010 \$1,000 for 2011
Subd. 12: Adult Basic Education Aid \$42,975,000 for 2010 \$44,258,000 for 2011
Subd. 13: GED Tests \$125,000 for 2010 \$125,000 for 2011

Article 7 – State Agencies

Contact	Summary of Provisions
Linda Mitchell Academies' Administrator 507-332-5402	Grants and gifts (Section 1). Amends language to allow the Minnesota State Academies to accept grants and gifts.
Tammy McGlone 582-8835	Grants and gifts (Section 2). Amends language to allow the Minnesota Department of Education to accept grants and gifts.
	<p>Appropriations (Section 3).</p> <p>Subd. 2: Appropriates \$20.943 million each year to the Department of Education for agency operations. Includes the following riders: \$41,000 per year for the Minnesota Academy of Science; \$632,000 per year for the Board of Teaching plus an additional; \$171,000 per year for the Board of Administrators; \$260,000 per year for the Minnesota Children's Museum; \$50,000 per year for the Duluth Children's Museum; \$40,000 per year for an early hearing loss intervention coordinator</p> <p>Subd. 3: Board of Teaching; Licensure by Portfolio \$30,000 for FY 2010 \$30,000 for FY 1011</p> <p>Subd. 4: Appropriations; Minnesota State Academies \$11,912,000 for FY 2010 \$11,912,000 for FY 2011</p> <p>Subd. 5: Appropriations; Perpich Center for Arts Education \$7,087,000 for FY 2010 \$7,087,000 for FY 2011</p>
	Appropriations; Minnesota State Academies (Section 4). Appropriates \$11.912 million per year for the operation of the Minnesota State Academies for the Deaf and the Blind.
	Appropriations; Perpich Center for Arts Education (Section 5). Appropriates \$7.087 million per year for the operation of the Perpich Center for Arts Education.

Article 8 – Pupil Transportation

Contact	Summary of Provisions
<p>MDE: Kelly Wosika 582-8855</p> <p>Public Safety: Jared Jordal 651-201-7169</p>	<p>Definition (Section 1). Corrects a reference to type III buses. Effective for revenue for fiscal year 2010.</p>
	<p>School Bus (Section 2). Increases the maximum vehicle weight of a type A-1 school bus (these are the short, stubby school buses) from 10,000 to 14,500 pounds. Defines multifunction school activity bus. Effective July 1st, 2009.</p>
	<p>Personal cellular phone call prohibition (Section 3). Clarifies a cross-reference.</p>
	<p>National standards adopted (Section 4). Clarifies the terminology involved when referring to multifunction school activity buses.</p>
	<p>Seat and crash barriers (Section 5). Requires new school buses purchased after October 21, 2009, to conform to the higher seat back requirements specified in federal law (raising the seatback height to 24 inches).</p>
	<p>Tailpipe (Section 6). Allows the tailpipe to exit a school bus on either the passenger or driver side of the vehicle. Limits the exemption only through January 1, 2012. Effective following final enactment and applies retroactive to December 31, 2007 through January 1, 2012.</p>
	<p>Type III Vehicles (Sections 7-9). Clarifies cross-references.</p>
	<p>Driver’s license classification; endorsements; exemptions (Section 10). Clarifies the terminology involved when referring to multifunction school activity buses and conforms the type A-1 weight limits to the amounts specified in section 3. Makes technical changes to centralize requirements for operating type A-1 and multifunction school activity buses without a school bus endorsement.</p>
	<p>Exception for certain school bus drivers (Section 11). Regulates multifunction school activity buses when operated without a school bus endorsement, establishing the same requirements that apply to type A-1 school buses operated without the school bus endorsement. Clarifies a cross-reference, and recodes the type A-1 and multifunction school activity bus weight limit and limit of 15 passengers or less. Effective July 1, 2010.</p>
	<p>Endorsement (Section 12). Clarifies the circumstances under which a person can drive a school bus without a school bus endorsement.</p>
	<p>Training (Section 13). Moves a requirement (to a subdivision on training) that a school district, nonpublic school, or a private bus contractor provide annual in-service training to each school bus driver.</p>
	<p>Annual evaluation and license verification (Section 14). Extends the time for the annual evaluation and license verification by 15 days to accommodate the shifting start days in Minnesota’s school year. Effective July 1, 2010.</p>

Article 9 – Forecast Adjustments

Contact	Summary of Provisions
Audrey Bomstad 582-8793	Adjusts previous year's appropriation amounts to match the February 2009 Forecast amounts.

Article 10 – Technical Corrections

Contact	Summary of Provisions
Bob Porter 582-8851	Equity revenue (Section 1). Removes an obsolete cross-reference to supplemental revenue which no longer exists.
	Education records (Section 2). Corrects a reference

Summary of 2009 Omnibus Tax Policy Act Chapter 88

Article 2 – Property Taxes

Contact	Summary of Provisions
John Bulger 582-8781	<p>Allocation from districts participating in agreements for secondary education or interdistrict cooperation (Section 1). Requires a district participating in an agreement under Minn. Stat. § 123A.30 (agreements for secondary education) or Minn. Stat. § 123A.32 (interdistrict cooperation) to allocate its career technical levy authority among participating districts. This section is effective retroactively for taxes payable 2008</p>
Colleen Leemon 582-8566	<p>Retired employee health benefits (Section 2). Clarifies that districts without a sunset clause in their current contract agreement may levy for health benefits for employees who retired prior to July 1, 1992, if the benefits were in the master agreement as of March 30, 1992. Districts with a sunset clause in their current contract agreement may levy for health benefits for employees who retired prior to July 1, 1998, if the benefits were in the master agreement as of March 30, 1992. This section is effective for taxes payable 2010 and later.</p> <p style="text-align: center;"><i>Language also amended in Omnibus Education Bill, Chapter 96, Article 1, Section 16.</i></p> <p style="text-align: center;"><i>This makes statute conform with legislative intent (and MDE interpretation of) change enacted in 2008.</i></p>
Colleen Leemon 582-8566	<p>Distribution of wind energy revenues (Section 12). Redistributes to cities the six percent of wind energy production taxes that school districts currently receive, effective for tax distributions in 2010 and later.</p> <p style="text-align: center;"><i>Any wind energy production taxes school districts currently receive are reduced from the district’s general education aid so this change is revenue neutral to school districts.</i></p>
Chris Kubesh 582-8319	<p>OPEB Bonds (Section 36). Retains the authority of school districts to issue bonds for postemployment benefits without voter approval. The authority for other municipalities to issue bonds for postemployment benefits without voter approval is limited to certain circumstances. This section is effective for obligations sold after August 1, 2009.</p> <p style="text-align: center;"><i>Note: The Omnibus E-12 Education Bill, Chapter 96, Article 1, Section 19 eliminates the authority of school districts to issue OPEB bonds without voter approval. effective for obligations sold after August 1, 2009.</i></p>

Article 3 – Truth in Taxation

Contact	Summary of Provisions
Colleen Leemon 582-8566	<p>Budgets; form of notification (Section 1). Eliminates requirement for districts to present the budget notification information at the district’s truth in taxation hearing. This section is effective for taxes payable in 2010 and later.</p>
Colleen Leemon 582-8566	<p>Proposed levy (Section 2). Requires a school district to announce the time and place of its subsequent regularly scheduled meeting at which the budget and levy” will be discussed and at which the public will be allowed to speak. This announcement is to be made at the board meeting when the proposed property tax levy is certified and also included in the summary of these proceedings published in the official newspaper.</p> <p style="text-align: center;"><i>This provision requires school districts to discuss the levy and budget. Under current law school districts are only required to discuss the levy because districts are not required to set a budget for the next fiscal year until June 30th.</i></p>
Colleen Leemon 582-8566	<p>Notice of proposed property taxes (Section 3). Requires truth in taxation notices to state the date of the district’s regularly scheduled board meeting where the budget and levy will be discussed. The public must be allowed to speak at this meeting and the meeting may not be held before 6:00 p.m. This would be instead of stating the date of the district’s truth in taxation hearing. This section is effective for taxes payable 2010 and later.</p> <p style="text-align: center;"><i>This provision requires school districts to discuss the levy and budget. Under current law school districts are only required to discuss the levy because districts are not required to set a budget for the next fiscal year until June 30th.</i></p>
Colleen Leemon 582-8566	<p>Truth in Taxation Hearing (Section 4). Removes the requirement that school districts hold a separate truth in taxation hearing. Instead, section 2 of this article requires the district to discuss the levy and budget at a regularly scheduled board meeting and allow the public to speak. This section is effective for taxes payable 2010 and later.</p>
	<p>Repealer (Section 10). Repeals several sections of the Minn. Stat. § 275.065 which are no longer relevant when the truth in taxation hearing is no longer required. This section is effective for taxes payable 2010 and later.</p> <ul style="list-style-type: none"> • Subdivision 5a relating to advertising the public hearing in the newspaper. • Subdivisions 6b, 6c, 8, 9, and 10 allowing various governmental agencies to hold joint truth in taxation hearings.

Article 5 – Local Development

Contact	Summary of Provisions
Terri Yetter 582-8868	Duration limit (Section 10). Allows a five-year extension of JOBZ designation for a project in the city of Faribault involving a manufacturing facility for electrochromatics glass products. The extension will allow JOBZ benefits to be provided through 2021, rather than 2016.

Article 6 – Public Finance

Contact	Summary of Provisions
Chris Kubesh 582-8319	Pledge of district's full faith and credit (Section 3). Provides that if a school district defaults on payment of principal and interest on federal interest subsidy bonds (BABS) and the state makes the payment under the credit enhancement program in Minn. Stat. § 126C, the state is entitled to the annual interest subsidy payment unless and until the state is reimbursed.
Bob Porter 582-8851	Mail Elections; Questions (Section 4). Removes the limitation that no more than two questions may be included on the ballot in a mail election.

Article 12 - Miscellaneous

Contact	Summary of Provisions
Bill Kiesow 582-8801	Taconite Aid (Sections 8 and 9). Provides that the amount of a school district's taconite aid that would be used to offset state aid will instead be reallocated to the cities and towns within the school district, based on a formula with 50 percent allocated to the cities or towns where the mining occurs and 50 percent to the cities or towns where the processing occurs. This section is effective for distributions beginning in 2010.
Bill Kiesow 582-8801	Repealer (Section 23). Repeals Minn. Stat. § 126C.21, subdivision 4, which reduces state aid to school districts in the taconite area by a portion of the taconite aid received.