

2016 E-12 EDUCATION LEGISLATION
Supplemental Budget Bill
Tax Bill

(Preliminary - Not Yet Signed by Governor)

DRAFT
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E-12 Education Bills

STATE GENERAL FUND SPENDING TARGETS

(State Aid Appropriations - \$ Millions)

	Gov	House	Senate	Conf
<u>FY 2016-17 Biennium:</u>				
Incr. over Base- Initial	\$114	\$ 53	\$112	\$78
Early Capital Loan Repay	<u>(53)</u>	<u>(53)</u>	<u>(53)</u>	<u>(53)</u>
Increase – Net	\$61	\$ 0	\$59	\$25
Percent Increase	0.4%	0.0%	0.4%	0.2%
<u>FY 2018-19 Biennium:</u>				
Increase over Base	\$130	\$ 8	\$164	\$79
Percent Increase	0.7%	0.0%	0.9%	0.4%

E-12 Tax Bill – Education Provisions
STATE GENERAL FUND SPENDING TARGETS
(State Aid Appropriations - \$ Millions)

	FY 18	FY 19
School Building Bond Ag Credit	\$44.4	\$46.2
Maximum Effort Loan Aid	3.2	3.2

SCHOOL BUILDING BOND AG CREDIT (Tax Bill)

Eligible Property:

- All class 2a, 2b, and 2c property (agricultural land, rural vacant land, managed forest land), under section 273.13, Subdivision 23 other than property consisting of the house, garage, and immediately surrounding one acre of land of an agricultural homestead.

Credit amount:

- 40 percent of the property's eligible net tax capacity multiplied by the school general debt service tax rate (excludes OPEB Debt)
- District by district estimates available on MDE web site at:
School Support / School Finance / Funding Projections and Trends

SCHOOL BUILDING BOND AG CREDIT (Tax Bill)

Process:

- County auditor determines the tax reductions within the county and certifies the amounts to the Commissioner of Revenue as a part of the abstracts of tax lists.
- Commissioner of Revenue reviews for accuracy, and may make changes, or returns to the county auditor for correction.
- Commissioner of Revenue certifies the total tax reductions by school district to the Commissioner of Education, who makes the payments
- The credit must be used to reduce the school district net tax capacity-based property tax levy.

EARLY REPAYMENT OF MAXIMUM EFFORT LOANS

Provisions from Initial Bills

- Allows a district with an outstanding capital loan balance that received a capital loan before January 1, 2007 to close the loan by repaying the full outstanding original principal on the loan by November 30, 2016, without repaying the interest on the loan.
- 6 of the 11 districts with a capital loan outstanding are expected to pay off their loans: Cromwell, Caledonia, Laporte, Roseau, East Central and Littlefork.
- The repayments will increase the state's general fund balance as of June 30, 2017 by \$53.349 Million, but will decrease the receivables carried on the state's financial statements.
- Cash from the early loan repayment is used to finance a portion of PK-12 education spending increases

EARLY REPAYMENT OF MAXIMUM EFFORT LOANS

Provisions Added in Conference Committees

Education Portion of Supplemental Budget Bill:

- **Early Repayment Incentive Grants - \$2.2 M / year FY 17 – 21**

If full outstanding original principal on loan is paid by 11/30/2016, annual grant =

▪ Cromwell #95	\$180,000	Caledonia # 299	\$495,000
▪ Laporte #306	\$220,000	Littlefork # 362	\$150,000
▪ Roseau #682	\$650,000	East Central #2580	\$505,000

- The grant may be used for any school-related purpose.
- Excludes bonds issued after 11/30/16 or >3 years after loan issuance, whichever is later, from required debt service levy for purposes of calculating repayment to state; effectively ending ability of maximum effort districts to issue one-day bonds

Tax Bill: Maximum Effort Loan Aid - \$3.2 M / year FY 18 – 22

- For all districts with loan outstanding as of 6/30/2016
- Annual aid = one-fifth of the amount of interest paid on the loan between December 1, 1997, and June 30, 2016
- Must be used to reduce property taxes levied on net tax capacity

E - 12 SPENDING BY PROGRAM, FY 2016-17 (E-12 Education Bills - \$ in Thousands)

EARLY LEARNING:	Gov	House	Senate	Conf
Voluntary PreK	25,000	-	25,000	25,000
PK Facilities Grants (added 4/27)	40,249			
Early Childhood Rating System	-	2,000	500	2,000
Help Me Grow	1,000	-	1,000	-
Parent-Child Home Program	-	2,000	1,000	2,000
St. Cloud Early Learning Pilot	-	430	-	430
Early Learning Subtotal	66,249	4,430	27,500	29,430

VOLUNTARY PREKINDERGARTEN

- **Student Eligibility:** All children who are four years old on Sept. 1 of the school year in which they enroll.
- **Funding Model:**
 - Formula – Driven with Cap on State Total Aid Entitlement
 - Students at participating sites generate up to 0.6 pupil unit – all pupil-driven formulas apply
- **Program Requirements:**
 - Instruction through play-based learning to foster social, emotional, cognitive and physical/motor development, and language and literacy skills;
 - At least 350 hours of instruction must be provided for the school year;
 - Staff-to-child ratios of one-to-ten with a maximum class size of 20 children;
 - Instructional staff with salaries comparable to those of local K-12 staff;

VOLUNTARY PREKINDERGARTEN - 2

- **Program Requirements (continued):**
 - comprehensive program content, with curriculum, assessment and instructional strategies aligned with state early learning standards;
 - Formative measurement of child cognitive and social skills;
 - Coordination with relevant community-based services and district programs, including parent engagement strategies;
 - High-quality professional development provided;
 - Policies and practices aligned for prekindergarten through third grade.
 - Teachers knowledgeable in early childhood curriculum content, assessment, native and English language programs, and instruction
 - Same requirement as for school readiness program
 - Does not require early childhood licensure for classroom teachers by FY 2023 (which was in Governor & Senate bills)

VOLUNTARY PREKINDERGARTEN - 3

- **Aid entitlement capped at \$27,092,000 for FY 17, \$27,239,000 for FY 18 and \$26,399,000 for FY 19 and later**
- Funding is sufficient to include 6.2% of four year olds – about 3,700 participants in each of the three years
- Slightly less aid in FY 19 due to assumption that facilities costs will go down by the third year with the same districts and charter schools participating each year
- **Funding is broken down into four buckets, based on percentage of state total kindergarten enrollment:**
 - Minneapolis and St. Paul School Districts 10%
 - Metro Suburban School Districts 40%
 - Non-Metro School Districts 43%
 - Charter Schools 7%

VOLUNTARY PREKINDERGARTEN - 4

- **Within each bucket, funding is prioritized based on:**
 - Concentration of the prior year kindergarten students eligible for free and reduced-priced lunch by site and,
 - The proximity of three- and four-star rated Parent Aware programs to the district or charter.
- **Deadlines:**
 - July 1, 2016 Initial Application Deadline for FY 17
 - MDE must review and approve applications by August 1, 2016
 - If funds remain after initial round, MDE will provide notice of a second round by August 1, with second round applications due Sept 1
 - Once approved, a school site remains eligible for aid in later years
 - No schools / districts added for FY 18 unless there is room under the cap; if FY 18 applications are accepted, deadline would be 1/30/2017

VOLUNTARY PREKINDERGARTEN - 5

- **Participating students would be included in district / charter school enrollment, Average Daily Membership (ADM) and pupil units**
- ADM = ratio of program hours to 850, with a maximum of 0.6 ADM.
- Pupil weighting factor = 1.0, so the pupil units will be the same as the average daily membership.
 - Students enrolled in programs that provide the minimum of 350 hours of instruction will be counted as 0.412 pupil unit.
 - Students in programs that provide 425 hours will be counted as 0.5 pupil unit
 - Students in programs that provide 510 or more hours will be counted as 0.6 pupil unit.

HOME VISITING REVENUE

- Increases home visiting revenue from \$1.60 to \$3.00 times population under age 5 residing in the district on Sept 1 of the last school year, effective for FY 2018 (Pay 17 levy).
- Equalizes the levy with an equalizing factor of \$17,250 per Adjusted Pupil Unit.

E - 12 SPENDING BY PROGRAM, FY 2016-17
(E-12 Education Bills - \$ in Thousands)
Continued

GENERAL ED / SUPPORT STAFF	Gov	House	Senate	Conf
Equity Revenue - Nonmetro	-	7,701	-	4,929
Concurrent Enrollment	-	-	2,250	-
Graduation Incentives - Age 21	-	-	1,348	201
Support Staff Grants	13,100	-	13,100	12,133
Subtotal	13,100	7,701	16,698	17,263

EQUITY REVENUE

- For FY 2017 – FY 2019, makes nonmetro school districts eligible for a 16% increase in the sliding scale portion of equity revenue.
- Districts whose administrative headquarters are in the 7 county metro area continue to receive a 25% increase over the initial calculation for this revenue.
- Beginning in FY 2020, all districts, metro and nonmetro, will receive the same 25% increase over the initial calculation for this revenue.
- For FY 2017 only, the revenue increase is all paid in state aid.

GRADUATION INCENTIVES – AGE 21

For FY 2017 only, a pupil otherwise qualifying for the graduation incentives programs who is at least 21 and not yet 22, is an English language learner with an interrupted formal education, and was in an early middle college program during FY 2016 is eligible to participate in the graduation incentives program and in concurrent enrollment courses, and is funded in the same manner as other graduation incentives students.

SUPPORT STAFF GRANTS

- **\$12.133 Million appropriated in FY 2017; available until 6/30/2022**
 - 6 year matching grant -- \$1 to \$1 match first 4 years; \$3 local for \$1 state in last 2 years
 - No more than \$2.407 million may be allotted for FY 2017.
 - Would provide state match for about 60 - 65 positions for the 6 years.
- **Eligibility / Approval Criteria:**
 - School districts, charter schools, intermediates and coops are eligible
 - Priority to schools in which support service positions do not exist
 - Equal split between metro and nonmetro, to the extent practicable
 - Additional criteria must include:
 - Existing student support caseloads;
 - School demographics;
 - Title 1 revenue;
 - Minnesota student survey data;
 - Graduation rates; and
 - Postsecondary completion rates.

SUPPORT STAFF GRANTS – 2

- Grants must be used to hire new full-time or part-time professional support staff (counselors, school psychologists, school social workers, school nurses, chemical dependency counselors)
 - “New” is defined as not under contract at the start of the 2015-16 school year.
- Report to Commissioner required by February 1 following any FY in which a district received a grant, indicating how the new positions affected two or more of the following:
 - School climate
 - Attendance rates
 - Academic achievement
 - Career and college readiness
 - Postsecondary completion rates

GENERAL EDUCATION CHANGES

Revenue Disparity Report

- Moves deadline for MDE to send report on 95th and 5th percentiles of general revenue per pupil unit to districts from October 1 to December 1 to allow the most recent referendums to be included
- Moves the date for the report from MDE to the legislature on reducing disparities from January 15 to February 1
- Includes Local Optional Revenue in the revenue categories included in the report

GENERAL EDUCATION CHANGES

LOCAL BILLS

Glenville-Emmons

- The operating referendum approved by the voters in April 2015 is made effective for FY 2017, overriding an error in ballot language which made the referendum effective in FY 2018.
 - Requires unanimous local school board resolution
 - Requires documentation that the district's SOD plan is being followed
 - Allows the levy adjustment for FY 17 to be spread over 3 years

Moorhead and Dilworth-Glyndon-Felton

- Allows the two school boards to voluntarily realign their shared boundaries.

E - 12 SPENDING BY PROGRAM, FY 2016-17
(E-12 Education Bills - \$ in Thousands)
Continued

STAFF DEVELOPMENT:	Gov	House	Senate	Conf
Teacher Dev. and Eval.	10,000	-	10,000	-
Intermediate/Coop Staff Dev	-	6,000	1,493	4,500
Q Comp	240	240	13,581	240
Teacher Workforce Package	12,392	15,374	6,152	10,345
Staff Development Subtotal	22,632	21,614	31,226	15,085

INTERMEDIATE / COOP STAFF DEVELOPMENT GRANTS

Funding:

-- \$4.5 M appropriation for FY 17, 18 and 19 only (\$1.5 M / year)

Eligibility:

- Intermediate districts and other coops providing instruction in federal settings 4 or higher.

Revenue uses:

- Activities related to enhancing services to students who may have challenging behaviors or mental health issues or who are suffering from trauma.

Formula:

- $\$1,000 \times \text{FTE number of licensed instructional staff and nonlicensed classroom aides employed during the previous fiscal year.}$

Q COMP

FY 2016 Adjustment:

- Basic aid cap increased to \$75,840,000 for FY 16; \$240,000 added to appropriation to ensure that ROCORI and Buffalo (the last two districts to join Q Comp before the cap was reached) will not receive less Q Comp revenue in FY 2016 than expected due to changes in pupil units counted for other districts and charter schools ahead of these schools for funding priority.

MDE Flexibility in Administering Cap:

- To avoid issues similar to the FY 16 issue for the last districts in the program, allows MDE to prorate Q Comp aid, as well as not approve new participants, in order to keep the state total Q comp basic aid from exceeding the statewide cap.
- Also allows the commissioner to reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

TEACHER WORKFORCE PACKAGE

	Gov	House	Senate	Conf
Future Teachers Grants	10,000	4,500	2,750*	
Stepping Up for Kids- Financial Aid	2,000		2,750*	-
Grow Your Own- Aid to Districts	-		2,250	
Professional Pathway to Teacher	-	1,500	1,500*	1,500
CAPS- Certif. of Adv. Prof. Licensure	302	-	302	
Amer Indian Teacher Prep Grants	90	-	1,060	270
Collaborative Urban Educator	-	2,000	310	310
Teacher Loan Forgiveness	-	2,000	-	2,000
Student Teacher Support	-	1,000	2,000	2,800
Concurrent Enroll Training Grants	-	750	-	
Special Ed Para Licensing (SW State)	-	385	-	385
Statewide Educator Job Board (BOT)	-	239	80	80
Excellence in Teaching Grants (BOT)	-	-	150	
Northwest Regional Partnership	-	3,000	-	3,000
* Funded in Senate Equity Bill				

PROFESSIONAL PATHWAY TO TEACHER LICENSURE

- \$1.5 M in grants for FY 17; \$1 M per year for later years
- For a first class city school district or any other school district with more than 40 percent minority students to provide tuition scholarships or stipends to eligible employees for a nonconventional teacher residency pilot program.
- Tuition scholarships or stipends provided to enable education or teaching assistants or other nonlicensed employees who hold a bachelor's degree and who seek an education license to participate in a BOT-approved nonconventional teacher residency program. (a). Any funds not awarded by June.

TEACHER SHORTAGE LOAN FORGIVENESS

- Increases appropriation for the teacher shortage loan forgiveness program under MS 136A.1791 from \$200,000 to \$2.2 million for FY 2017. Any unexpended funds in FY 2017 remain available until June 30, 2019.
- Teachers teaching in a licensure field or in an economic development region with an identified teacher shortage are eligible for up to an annual \$1,000 of loan forgiveness for up to 5 years.
- Requires OHE to develop and distribute informational materials designed to increase awareness of federal public service loan forgiveness programs among Minnesota residents who are eligible for those programs and requires employers to provide employees with information about potential eligibility for the federal public service loan forgiveness program.

STUDENT TEACHER SUPPORT

- **\$2.8 Million spread over FY 17 – FY 19**
- For transfer to the commissioner of the Office of Higher Education for the purpose of providing student teaching stipends for low-income students enrolled in a Board of Teaching-approved teacher preparation program who are interested in teaching in a high needs subject area or region after graduating and receiving their teaching license.
- **Eligibility:**
 1. Enrolled in a program that requires at least 12 weeks of student teaching and results in the teacher candidate receiving a full professional teaching license to teach in a high needs subject area or region; and
 2. Demonstrates financial need based on criteria established by the commissioner

NORTHWEST REGIONAL PARTNERSHIP

- \$3 M one-time grant to Lakes Country Service Coop (LCSC), available through FY 19, in cooperation with NW Service Coop (NWSC), and MSU – Moorhead
- LCSC, in consultation with NWSC, may develop a continuing education program to allow eligible teachers to attain graduate credits necessary to be qualified to teach secondary courses eligible for postsecondary credit.
- MSU-Moorhead may develop an online education curriculum to enable eligible secondary teachers to attain graduate credit at a reduced rate
- The partnership must:
 - Provide funding for course development for up to 18 credits in applicable post secondary subject areas;
 - Provide scholarships for eligible teachers, and
 - Develop criteria for awarding educator stipends on a per credit basis to incentivize participation in the continuing education program.

SPECIAL EDUCATION

- **Reserve requirement added for third party revenue. Uses limited to those currently authorized in MS 125A.21, subd 3:**
 - Administrative costs of obtaining reimbursement;
 - Training to improve the district's ability to access third-party payments;
 - Other expenditures to benefit students with IEPs or IFSPs.
- Clarification that intermediates and special ed coops may charge member fees and nonmember access fees to recover unreimbursed costs of serving pupils with a disability.
- Clarification of several special education formula calculations, and related accounting requirements, consistent with current MDE practice.
 - Requirement to track third party billing revenue at the district level in UFARS; exclude this revenue from excess cost aid calculations and include it in cross subsidy calculations (inadvertently deleted from statutes in 2013 when new sp ed formula enacted)
 - Exclusion of local optional levies from sp ed tuition and excess cost aid calculations

SPECIAL EDUCATION – 2

MDE

- **Positive Behavioral Interventions and Supports:**
 - \$2,750,000 appropriated in FY 17 only for implementation of schoolwide PBIS in schools and districts throughout Minnesota to reduce the use of restrictive procedures and increase use of positive practices.
- **Paperwork:**
 - For FY 17 and FY 18, MDE must use existing budget resources to identify and remove 25% of the paperwork burden on Minnesota special ed teachers that results from state but not federally mandated special ed compliance reporting requirements. No funding provided for on-line IEP system.
- **Appropriation Cancelled:**
 - Remainder of FY 2014 appropriation for special ed paperwork reduction (\$1.686 million) that MDE transferred to an IT account is cancelled to the state general fund
 - The \$1.686 million is used to fund other expenditures in the education articles of the supplemental budget bill.

SPECIAL EDUCATION – 3

Charter Schools

- **Cash flow adjustment; charter schools.**
 - Removes the 200 maximum pupil limitation on an eligible special education charter school that requests an accelerated cash flow schedule.
- **Metro Deaf Charter School. (\$69,000)**
 - Allows prekindergarten deaf and hard-of-hearing pupils to enroll in a charter school beginning in the 2016-2017 school year and deletes a previously enacted condition allowing such enrollment only if the commissioner determined no added cost would be attributable to the pupil.

E - 12 SPENDING BY PROGRAM, FY 2016-17
(E-12 Education Bills - \$ in Thousands)
Continued

INFRASTRUCTURE	Gov	House	Senate	Conf
Generation Connect Grant	-	-	10,104	-
Broadband Innovation Grants	-	7,000	-	500
Subtotal	-	7,000	10,104	500

BROADBAND INNOVATION GRANTS

1. **\$500,000 for Broadband Wi-Fi hot spots:**

(FY 2017 only)

- A district is eligible for a broadband Wi-Fi hot spot grant not to exceed \$50,000 to enable students to access learning materials on the internet through a mobile broadband connection.
- A district eligible for transportation sparsity revenue may apply to the commissioner for a school bus internet access grant as part of its grant application. The commissioner must prioritize grants to districts with the longest bus routes. The grant may be used to make internet access available on the bus and for one to one devices for students.
- Allows the commissioner to give priority to applications that include local in-kind contributions

FACILITIES & TECHNOLOGY

Debt Service Equalization

- Beginning in FY 2018, indexes the equalizing factors for Tier 1 and Tier 2 equalization as follows:
 - Tier 1: Greater of \$4,430 or 55.33% of state average ANTC / APU
 - Tier 2: Greater of \$8,000 or 100%% of state average ANTC / APU

Contracts:

- Excludes school district contracts for information systems software from the uniform municipal contracting law and bidding process otherwise applicable for contracts over \$100,000.

Long-term Facilities Maintenance Revenue:

- Technical clarification of LTFM revenue, aid and levy calculations

ADULT BASIC EDUCATION

- For FY 2017 only, the Commissioner shall pay 100% of the fee charged to an eligible individual for the full battery of GED tests, but not more than the cost of one full battery of tests for any individual.
 - FY 2017 appropriation for GED tests increased by \$120,000
- Clarifies age of participation in ABE – strikes “over 16 years of age” and inserts “not subject to compulsory instruction”
- Clarifies that a consortium applying for ABE aid may consist of districts, nonprofit organizations or both.
- **ABE Grants:**
 - Appropriates \$400,000 for FY 17 only for three ABE programs for innovative programming. Allocates the money among the three programs based on the number of students served by each
 - Appropriates \$400,000 for ABE grants for a college readiness academy, a contextualized GED or Adult Diploma Program, and navigating and advising support services.

E - 12 SPENDING BY PROGRAM, FY 2016-17

(E-12 Education Bills - \$ in Thousands)

Continued

OTHER -- \$1 Million +	Gov	House	Senate	Conf
Reading Corps Grants	-	1,500	3,000	1,000
Full Service Community Schools	2,000	-	2,200	1,000
School-linked Mental Health Grants	-	5,000	-	-
Girls in Action Grants	-	1,500	-	1,500
Sanneh Foundation (Mentoring)	-	1,500	-	1,500
Restrictive Procedures Work Group	1,000	-	500	-
IT Enhancements and Security	4,385	-	2,750	1,000
CTE Certification Incentive	-	1,000	-	1,000
Subtotal	7,385	13,650	8,450	7,000

READING CORPS GRANT

- Increases the appropriation to ServeMinnesota for the Minnesota Reading Corps under MS124D.42, subdivision 8, from \$6.125 Million to \$7.125 Million for FY 2017 only.
- The funds for the current biennium are available until June 30, 2019.
- The base appropriation for fiscal year 2018 and later years is \$5,625,000.

FULL SERVICE COMMUNITY SCHOOLS

- New program this year; Enacted in 2015
- FY 17 Appropriation increased one-time by \$1 Million, from \$250,000 to \$1,250,000. Base for FY 18 is \$0.
- Up to \$50,000 of the appropriation is for administration of the program.
- Maximum annual grant for a school site increased from \$100,000 to \$150,000.
- Requires a site deciding not to use planning funds to submit their plan with the application.

GIRLS IN ACTION GRANT

- One-time appropriation of \$1.5 million; available until 6/30/19
- The grant will enable Girls in Action to continue to provide and to expand Twin Cities metropolitan area school and community-based programs that encourage and support low-income girls, including low-income girls of color, to graduate from high school on time, complete a postsecondary preparation program, become community leaders, and participate in service learning opportunities in their communities.
- Girls in Action must expend \$500,000 of this appropriation for community-based programs located in the Twin Cities metropolitan area:

SANNEH FOUNDATION GRANT

- One-time appropriation of \$1.5 million; available until 6/30/19
- To provide all-day, in-school, and after-school academic and behavioral interventions for low-performing and chronically absent students with a focus on low-income students and students of color throughout the school year and during the summer to decrease absenteeism, encourage school engagement, and improve grades and graduation rates.
- Funds may be used to hire and train staff in areas of youth mentorship, behavior support, and academic tutoring in group and individual settings and to promote pathways for teachers of color.

CTE CERTIFICATION INCENTIVE REVENUE

- Requires the commissioner to consult with the governor's workforce development council and the P-20 education partnership to compile a list of qualifying career and technical certificates.
- Provides funding to school districts equal to \$500 times the number of students in the district who earn one or more career and technical certificates.
- Caps the statewide revenue amount at \$1,000,000 and authorizes the education commissioner to spread the funding out over the next three fiscal years.
- Requires the commissioner to report to the legislature on the program by February 1, 2017, and again on February 1, 2018.

E - 12 SPENDING BY PROGRAM, FY 2016-17

(E-12 Education Bills - \$ in Thousands)

Continued

OTHER - Smaller Items Funded	Gov	House	Senate	Conf
Mobile Technology Lab	-	900	-	900
Educ. Innovation Partners Co-op Centers	-	-	500	500
Teacher Governed School Grants	-	-	500	500
Eden Prairie Grant	-	-	-	500
Economic Education Grant	-	250	250	250
Ag Educators	-	-	250	250
Vision Therapy Pilot	-	-	200	200
Race 2 Reduce Water Conservation Grants	-	-	150	150
Rock and Read / Singing Based Pilot	-	100	300	100
Museums and Education Centers	-	-	350	50
Gtr MN Educ Partnership			30	30
North Side Achievement Zone			10	10
St Paul Promise Neighborhood			10	10
Subtotal	-	1,250	2,550	3,450

E - 12 TAILS BY PROGRAM, FY 2018-19

(E-12 Education Bills - \$ in Thousands)

Tails (FY 2018 - FY 2019)	Gov	House	Senate	Conf
Voluntary PreK (Including Levy buydown cost)	100,000	-	73,000	55,000
Q Comp (Including Levy buydown cost)	-	-	63,605	-
Teacher Workforce Package	24,280	-	11,500	2,540
Intermediate/Coops Training	-	-	3,318	-
Equity Revenue - Nonmetro Increase	-	5,959	335	11,334
Concurrent Enrollment	-	-	2,000	-
Debt Service Equalization Aid	-	-	2,853	1,500
Max Effort Loan Repayment Incentive	2,100	2,100	2,300	5,576
Home Visiting Aid	-	-	1,118	1,118
Other	3,402	(558)	4,147	1,932
Total	129,782	7,501	164,176	79,000

Pay 2017 Levy Changes

FY 2018 + Adjustment for FY 2017

(\$ in Thousands -- E-12 Education Bills)

	Gov	House	Senate	Conf
Voluntary Prekindergarten:				
General Education -- Pre K PU	5,883		5,205	4,665
Achievement & Integ -- Pre K PU	139		123	110
Safe Schools - Pre K PU	185		163	147
Q Comp -Pre-K	253		224	201
LTFM -- Pre K PU	478		423	379
LTFM -- Remodeling Cost	4,843		4,285	3,839
Lease Levy	2,754		2,437	2,184
Subtotal	14,535	-	12,860	11,525

Pay 2017 Levy Changes

FY 2018 + Adjustment for FY 2017

(\$ in Thousands -- E-12 Education Bills - Continued)

	Gov	House	Senate	Conf
Q Comp Cap Lifted			13,125	-
Equity Revenue		5,870	582	4,162
Graduation Incentives			238	21
Glenville - Emmons Referendum		119		119
ECFE Home Visiting			(53)	(53)
General Debt Service				612
Operating Capital Eq to Offset Above	(14,535)	(100)	(26,752)	(16,408)
Grand Total	-	5,889	-	(22)

EDUCATION POLICY UPDATE

2016 Legislative Session

May 23, 2016

Adosh Unni
Government Relations

GENERAL EDUCATION

- **Special Education Cooperative is explicitly identified under the definition of cooperative unit.**
- **Food Providers:** MDE must post eligibility criteria and application information for nonprofits wanting to apply for approval as a provider under the federal child and adult care food program. Posting must include:
 - **Approval criteria and how an applicant shows financial viability**
 - **Process and timeline of decision and that MDE will provide explanation for denial.**
 - **Any appeal course available.**

EDUCATION EXCELLENCE

Assessments

- **Students are encouraged to take college entrance exam *to the extent funds are available.***
- **Districts may offer ACT and/or SAT.**
 - **If a student decides take the test that is not offered at the district, the student may take it at a different time or location and still get reimbursed.**
- **Districts or charters must publish online calendar of all standardized tests and rationale for each and whether it is a local option or state/federal requirement.**
- **If no agreement between the board and union on assessments, district must create assessment committee for local tests.**
 - **District can get advice from their WBWF committee instead**
- **Districts must provide teachers info on student performance**

EDUCATION EXCELLENCE

Assessments

- **MDE must develop online system for teachers, administrators, and students to report disruptions and interruptions**
 - A district employee who reports is protected from retaliation
- **Proposals for MDE professional and technical service contracts must have info on test administration monitoring practices and data to provide safeguards for student info transmission or use.**
- **MDE must create a form for parents if they opt out of state or locally required standardized testing. The form must**
 - Say what state standards are, which tests align with the standards
 - Say what consequences the student and school face if they don't participate
 - Ask parents to indicate their reason for refusal

GENERAL EDUCATION Assessments

- **MCA Benchmarks**
 - **In consultation with MnSCU, MDE must develop benchmarks on the high school MCAs.**
 - **MnSCU can't make a student take a remedial, noncredit course if they meet an MCA career and college ready benchmark**
 - Scores for MCA and ACT/SAT for this purpose only good for five years
 - MnSCU institutions must post notice of this on their Web site.
 - Commissioner must notify parents and students of this as well
 - **MnSCU must consider an MCA benchmark as one of multiple measures for purposes of admission.** (Higher education article)
 - **Chancellor may approve or disapprove benchmarks (by 12/31/16)**
 - Written reasons to MDE, and if rejected suggested revisions, which the commissioner must incorporate.
 - If the benchmarks are approved, they are effective in 16-17 school year if practicable but no later than 17-18.
 - If benchmarks denied, then must be revised and established no later than 18-19

EDUCATION EXCELLENCE

Student Survey

- **Districts and charters must develop policies in consultation with parents on conducting student surveys and using/distributing personal student info**
- **Districts must inform parents of the policies and dates of scheduled surveys at the beginning of the school year**
- **Districts must give parents timely notice of scheduled surveys and the opportunity to review the survey and allow students to opt out**
- **Districts cannot penalize a student for opting out.**

EDUCATION EXCELLENCE

Student Discipline

- **Board must report to MDE student-on-teacher assaults (and the intervention/resolution) within 30 days of dismissal or assault.**
- **MDE internal reporting must include these assaults and MDE must aggregate discipline and assault data in school performance reports.**
- **District policies must include a provision that a student must be removed from class immediately for violent behavior or assault. Assault defined as:**
 - **M.S. 609.02, subd 10:** "Assault" is: (1) an act done with intent to cause fear in another of immediate bodily harm or death; or (2) the intentional infliction of or attempt to inflict bodily harm upon another.
- **Teacher has a right to know if a student in their classroom has physically assaulted a district employee.**
- **Student Discipline Working Group to review Pupil Fair Dismissal Act and submit recommendations.**

EDUCATION EXCELLENCE

- **School Crisis Response Teams**
 - MDE must work with the MN School Safety Center in DPS to set up teams to create school crisis response teams in districts/counties, or cities where they do not exist.
- **The school lands trust director can:**
 - Enter into joint powers agreements
 - Evaluate and initiate real estate development projects on trust lands to generate returns to permanent school fund
 - Serve as a temporary trustee of trust land subject to eminent domain proceedings.

EDUCATION EXCELLENCE:

Civics Test

- **Students must answer 30 out of 50 questions correctly**
- **The Learning Law and Democracy Foundation, in consultation with MN civics teachers, must select 50 of 100 of the questions from the United States citizenship test each year.**
- **MDE and Legislative Coordinating Commission post questions**
- **District may record on a student's transcript if they answered 30 out of 50 questions correctly**
- **A district cannot prevent a student from graduating or deny a diploma for failing to correctly answer 30 out of 50 questions correctly.**
- **MDE and public schools cannot charge a fee for this**
- **Effective for those enrolling in 9th grade starting in 17-18 school year**

EDUCATION EXCELLENCE

Physical Education Standards

- **In 2016-17, MDE must adopt, and may adapt, the most recent PE standards from the National Association of Sport and Physical Education.**
- **MDE must make sample assessments available to districts by 2018-19.**
- **All other standards review are pushed back one year**
- **PE standards will be reviewed again in 2022-23 and then every ten years thereafter.**
- **A student may be exempted from PE for health issues, disabilities, or religious grounds.**
- **Strongly encourages districts to not punish K-5 students by removing them from recess.**

GENERAL EDUCATION

Data Disaggregation

- **MDE must provide disaggregated data in student performance data and school reports on a range of categories such as home language, refugee status, those who are and previously were ELs, and populations above 1,000 on the most recent census.**
- **Districts will have to collect and report this information**

EDUCATION EXCELLENCE

- **District duties improving instruction and curriculum**
 - **District advisory committee must recommend means to improve equitable student access to effective and diverse teachers**
 - **Schools must (not may) establish a site team to develop and implement strategies on improved instruction and cultural competencies. The team must have equal number of teachers and administrators and at least one parent.**
- **Character Development Education**
 - **Districts may incorporate the history and values of Congressional Medal of Honor recipients into curriculum.**

EDUCATION EXCELLENCE

- **Students not reading at grade level**
 - Districts must provide their report on students not reading at grade level to MDE by July 1.
 - Districts also must report summary of efforts to screen and identify students with dyslexia or convergence insufficiency disorder
 - All students identified under this section must be given alternate instruction
- **Open Enrollment**
 - Children of district staff have priority
- **Parental Rights**
 - Lists all parental rights in one location

EDUCATION EXCELLENCE

- **Removes the NAEP as a measure in WBWF**
- **Districts must put the following into their WBWF plans:**
 - **gifted and talented procedures**
 - **School readiness plan (no longer to commissioner)**
 - **Systems on student access to effective and diverse teachers**
 - **Process to examine equitable distribution of effective and experienced teachers to low-income and minority students.**
- **Clean up to statutes to reflect changes from federal ESSA**
- **Districts no longer have to submit short-term limited contract report.**

TEACHERS

Licensure

- Legislative Study Group on Educator Licensure
- Teachers renewing their license must receive an hour of suicide prevention best practices
- BoT may issue a one-year full license two times to certified Montessori teachers at Montessori programs
- Out-of-state teachers: BoT must issue an out-of-state licensed teacher up to four initial licenses, restricted in content or grade levels
- Standardization and cleanup of licensure statutes

TEACHERS

Career and Technical Education

- Board of Teaching may issue two one-year waivers to individuals with bachelor's degrees, three years' work history in area, and enrolled in an alternative licensure program for CTE instruction
- Board must strongly encourage prep programs to develop alt. pathways for CTE licensure
- MnSCU must provide CTE instructor alt. prep program
- Creation of the Career and Technical Educator Licensing Advisory Task Force

TEACHERS

Report Elimination

- Repeals the educational improvement plan, used for Q Comp applications, and moves under WBWF report.
 - Intermediates who do not have WBWF reports must demonstrate in the form and manner of the commissioner's choosing how it is using Q Comp aid.
- Moving the staff development report to WBWF report.

TEACHERS

- **Diverse and effective teachers**
 - Inserting language about diverse and effective teachers into the Teacher Development and Evaluation, Teacher Tenure Act, the teacher supply and demand report, and Achievement and Integration statute
- **Discipline**
 - The teacher of record shall have the general control and government of the school and classroom. The teacher may remove students from class under for violent or disruptive conduct.

SPECIAL EDUCATION

- Restrictive Procedure Work Group Recommendations
 - Moves prone restraint to the list of prohibited procedures.
 - Requires quarterly reporting on the use of seclusion
- MDE reports on blind and visually impaired and deaf and hard of hearing now biennial.

SPECIAL EDUCATION

Paperwork

- The department must certify if and when Schools Interoperability Framework software becomes available
 - MDE must report whether the system exists and list each vendor's system that meet the compliance criteria.
- A student with an IEP does not need a transition plan if their IEP meets the parameters of a transition plan
- Department must reduce by 25% state required special education paperwork
- Before an evaluation team determines another health disability, the team must seek written proof signed by a licensed provider

CHARTER SCHOOLS Authorizer Evaluation

- Districts that are charter school authorizers satisfy the requirements of authorizer evaluation by submitting a written promise to the commissioner.
- The department must use data they already have access to in order to reduce duplicative reporting when evaluating charter school authorizers.

CHARTER SCHOOLS

Charters that serve predominantly special education students

- Allowing the Metro Deaf School to accept pre-kindergarten students
- Minor adjustment to existing statute allowing to have a cash flow adjustment for special education payments for these charters

CHARTER SCHOOLS

Non-controversial/Technical Items

- Striking the requirement that charter schools be members of the MN Council of Nonprofits or the MN Council on Foundations
- Clarifying the process for mutual nonrenewal between authorizers and charter schools
- Clarifying submission of and timeline for charter school annual public reports to the department
- Clarifying the withdrawal process for charter schools and authorizers that elect a mutual nonrenewal
- Changing the “preoperational year” for charters to a “preoperational period”

FACILITIES AND TECHNOLOGY

- **Solar panels must conform with National Electrical Code**
- **Clarifies facility plans and sets a date for districts to report them to the commissioner**

SELF-SUFFICIENCY AND LIFELONG LEARNING

- **Clarifying language that the eligible age of participation in ABE is for those not subject to compulsory attendance.**
- **A consortium apply for ABE aid may consist of districts, nonprofits, or both.**

NOTABLE ITEMS NOT IN THE BILL

- **Last-In, First-Out elimination (House)**
- **Early Learning Scholarship changes (House)**
- **MDE publishing test preparation costs for districts (Senate)**
- **MDE distributes settlement funds from testing disruptions to affected districts (House)**
- **Innovation Zones (House, Senate)**
- **Integration Revenue changes (House)**
- **BoT endorsement for concurrent enrollment (Senate)**

NON E-12 ITEMS

Employee Contracts

The legislature passed a clean employee contracts bill, SF 2626.

The bill ratifies contracts for the following bargaining units:

- **AFSCME**
- **MAPE**
- **Middle Management Association**
- **Nurses**
- **Law Enforcement**
- **Corrections Officers**
- **Radio Operators**
- **Statewide Teachers**

As well as compensation plans for unrepresented employees:

- **Commissioners Plan**
- **Managers Plan**
- **Office of Higher Education Plan**

NON E-12 ITEMS

Pensions

- **Early session discussions about raising employer contribution for TRA by 1 percent.**
- **Many stakeholders opposed this increase without additional funding to offset the cost.**
- **The final bill included:**
 - **Lowering the investment return assumption for Teachers Retirement Association (TRA) to 8 percent,**
 - **TRA cost-of-living adjustment to be lowered to 1 percent for one year Minnesota State Retirement System (MSRS) COLA to be lowered to 1.75 percent for one year beginning Jan. 1, 2017.**
 - **A half-percent employer contribution rate increase for the St. Paul Teachers Retirement Fund Association (SPTRFA) This limited sustainability measure saves the systems \$81.5 million.**

NON E-12 ITEMS

School Board Elections

Omnibus Elections bill.

- **Allows a school board to appoint someone to a vacated seat,**
- **Requires a district to hold an election for the vacated seat during the next general election**
- **Allows for 5% of the general election voters to sign a petition to negate the appointed school candidate within the first 30 days.**

NON E-12 ITEMS

Bonding

There were a number of education related projects advanced in the bonding bill this year.*

Project (requests in thousands)	Submitted Request	Governor	Senate	House	HF 622
ISD 38 (Red Lake) Facility Projects (ME)	28,015	14,070	14,070	14,070	14,070
Library Construction (GO)	2,000	2,000	2,000	2,000	2,000
Early Childhood Facilities (GO & GF)	5,000	20,000	5,000		
Bagley - Library Furnishings (GF)			50		
Cambridge - East Central Regional Library (GF)	2,414		2,414		
Grand Rapids - Myles Reif Center (GF)			500		500
Olmsted County - Dyslexia Institute (GO)	1,500		1,500		1,500
Warroad - Northwest Angle School Expansion (GO)			700		
White Bear Lake - Community Achievement Center (GO)	17,225		1,000		

*Bonding bill not passed

Questions?

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