

**Summary of 2013 Omnibus E-12 Education Act (Chapter 116)**  
**ROUGH DRAFT – May 29, 2013 10:30AM**  
 Chapter 116 was signed into law May 22, 2013.

This summary has been prepared by the Minnesota Department of Education, Office of Government Relations (651) 582-8407 and Division of Program Finance (651) 582-8828. Unless otherwise noted, changes are effective July 1, 2013.  
 Note: Portions of this summary are taken from the summary prepared by House and Senate education staff on 5/18/13.

**Overview of Fiscal Impact**

**State Aid Appropriations**

Total appropriations from the state general fund for E-12 education, are \$7.6 billion for FY 2014 and \$8.0 billion for FY 2015, or a total of \$15.6 billion for the biennium. The total increase in state aid appropriations over the February forecast is \$485 million. Details of appropriation changes from the February forecast are shown in the table below, prepared by the House of Representatives Fiscal Analysis Department:

Education Finance Committee									
2013 Session Appropriation Tracking - CHAPTER 116									
(\$ in thousands)									
	Feb.	Feb.	Feb.	Chapter 116	Chapter 116	Chapter 116	Chapter 116	Chapter 116	Chapter 116
Program (Italics = changes)	Forecast	Forecast	Forecast	Final	Final	Final	Vs Base	Vs Base	Vs Base
	FY 2014	FY 2015	FY 14-15	FY 2014	FY 2015	FY 14-15	FY 2014	FY 2015	FY 14-15
1									
2	<b>K-12 EDUCATION PROGRAMS</b>								
3	<b>General Education Program</b>								
4									
5	Basic Formula Amount	5,224	5,224	5,302	5,806				
6	Actual Increase			78	80				
8	% Increase over prior year or biennium (Actual \$)			1.5%	1.5%	1.5% / 1.5%			
9									
10									
12	General Education	5,981,321	6,074,132	12,055,453	5,981,321	6,074,132	12,055,453		
13									
14	<i>Basic Formula Allowance Increase</i>	0	0	0	73,104	165,116	238,220	73,104	165,116
15	<i>Optional All Day Kindergarten</i>	0	0	0	0	133,875	133,875	0	133,875
16	<i>Clarification of Kindergarten Early Entrance Requirements</i>	0	0	0	(1,331)	(1,540)	(2,871)	(1,331)	(1,540)
17	<i>Grade Level Acceleration Changes</i>	0	0	0	(1,238)	(1,238)	(2,476)	(1,238)	(1,238)
20	<i>Early Graduation Scholarship Program Eliminated</i>	0	0	0	(150)	(265)	(415)	(150)	(265)
21	<i>Shared Time Impact Formula Change</i>	0	0	0	59	59	118	59	59
22	<i>Small Schools Change</i>	0	0	0	0	500	500	0	500
23	<i>Alternative Compensation (Q-Comp) Roll Out</i>	0	0	0	0	(59,223)	(59,223)	0	(59,223)
29	<i>Compulsory Attendance</i>	0	0	0	0	77	77	0	77
37									
38									
39	General Education subtotal	5,981,321	6,074,132	12,055,453	6,051,765	6,311,493	12,363,258	70,444	237,361

	Feb.	Feb.	Feb.	Chapter 116	Chapter 116	Chapter 116	Chapter 116	Chapter 116	Chapter 116
	Forecast	Forecast	Forecast	Final	Final	Final	Vs Base	Vs Base	Vs Base
Program (Italics = changes)	FY 2014	FY 2015	FY 14-15	FY 2014	FY 2015	FY 14-15	FY 2014	FY 2015	FY 14-15
41 Other General Education Program									
42 Enrollment Options Transportation	44	48	92	44	48	92	0	0	0
43 Abatement Aid	2,747	3,136	5,883	2,747	3,136	5,883	0	0	0
44 Consolidation Transition Revenue	472	480	952	472	480	952	0	0	0
45 Nonpublic Pupil Revenue	15,383	15,725	31,108	15,582	16,169	31,751	199	444	643
46 <i>Nonpublic Pupil Revenue (linked to formula incr.)</i>	0	0	0	0	0	0	0	0	0
47 Nonpublic Pupil Trans. Revenue	18,330	18,426	36,756	18,565	18,946	37,511	235	520	755
48 <i>Nonpublic Pupil Trans. Revenue (linked to formula incr.)</i>	0	0	0	0	0	0	0	0	0
49 Warroad Angle Inlet School	65	65	130	65	65	130	0	0	0
53 Compensatory Pilot Grants	2,325	2,325	4,650	7,325	7,325	14,650	5,000	5,000	10,000
54 Compensatory Pilot Formula Aid	2,109	0	2,109	2,109	0	2,109	0	0	0
56							0	0	0
57 Other General Education Program subtotal	41,475	40,205	81,680	46,909	46,169	93,078	5,434	5,964	11,398
58							0	0	0
59 <b>General Education Program Total</b>	<b>6,022,796</b>	<b>6,114,337</b>	<b>12,137,133</b>	<b>6,098,674</b>	<b>6,357,662</b>	<b>12,456,336</b>	<b>75,878</b>	<b>243,325</b>	<b>319,203</b>
60									
61 <b>Education Excellence</b>									
62 <i>Charter School Building Lease Aid</i>	54,484	59,533	114,017	54,484	59,533	114,017	0	0	0
64 Integration Revenue	17,197	0	17,197	17,197	0	17,197	0	0	0
65 <i>New Integration Program</i>	58,911	68,623	127,534	58,911	68,623	127,534	0	0	0
66 Literacy Incentive Aid	52,514	53,818	106,332	52,514	53,818	106,332	0	0	0
69 Interdistrict Desegregation Transportation	13,968	14,712	28,680	13,968	14,712	28,680	0	0	0
70 Success for the Future	2,137	2,137	4,274	2,137	2,137	4,274	0	0	0
71 Indian Teacher Preparation Grants	190	190	380	190	190	380	0	0	0
72 Tribal Contract Schools	2,053	2,169	4,222	2,080	2,230	4,310	27	61	88
73 <i>Tribal Contract Schools Change (linked to formula incr.)</i>	0	0	0	0	0	0	0	0	0
74 Early Childhood Programs at Tribal Schools	68	68	136	68	68	136	0	0	0
75 <i>Statewide Testing</i>	15,150	15,150	30,300	15,150	15,150	30,300	0	0	0
76 <i>Student Assessments</i>	0	0	0	805	5,851	6,656	805	5,851	6,656
77 <i>Get Ready Get Credit Ed Planning and Assessment</i>	829	829	1,658	829	0	829	0	(829)	(829)
78 <i>Teacher Development &amp; Evaluation</i>	0	0	0	683	0	683	683	0	683
79 Adv. Placement / International Baccalaureate Program	4,500	4,500	9,000	4,500	4,500	9,000	0	0	0
80 Concurrent Enrollment	2,000	2,000	4,000	2,000	2,000	4,000	0	0	0
81 <i>Collaborative Urban Educator</i>	528	528	1,056	780	780	1,560	252	252	504
82 <i>ServeMinnesota (Youth Works)</i>	900	900	1,800	900	900	1,800	0	0	0
83 <i>Minnesota Reading Corps / Early Childhood Literacy</i>	4,125	4,125	8,250	4,125	4,125	8,250	0	0	0
84 MN Foundation for Student Organizations	725	725	1,450	725	725	1,450	0	0	0
85 <i>Minneapolis Urban League</i>	0	0	0	600	0	600	600	0	600
86 <i>Civics Education</i>	0	0	0	125	125	250	125	125	250
87 <i>Minnesota Math Corps</i>	0	0	0	250	250	500	250	250	500
88 <i>Innovation Grants</i>	0	0	0	200	0	200	200	0	200
90 <i>Regional Centers of Excellence</i>	0	0	0	1,000	1,000	2,000	1,000	1,000	2,000
91 <i>Bullying Prevention: School Climate Center</i>	0	0	0	500	500	1,000	500	500	1,000
92 <i>Alternative Compensation (Q-Comp)</i>	0	0	0	0	59,223	59,223	0	59,223	59,223
93 <i>Career and Technical Aid</i>	0	0	0	4,320	5,680	10,000	4,320	5,680	10,000
94 <i>Starbase</i>	0	0	0	500	500	1,000	500	500	1,000
95							0	0	0
96 <b>Education Excellence Total</b>	<b>230,279</b>	<b>230,007</b>	<b>460,286</b>	<b>239,541</b>	<b>302,620</b>	<b>542,161</b>	<b>9,262</b>	<b>72,613</b>	<b>81,875</b>
97									
98 <b>Special Programs</b>									
99 <i>Special Education - Regular</i>	910,153	959,018	1,869,171	997,725	1,108,211	2,105,936	87,572	149,193	236,765
100 <i>Special Education - Excess Cost</i>	118,639	121,919	240,558	42,030	0	42,030	(76,609)	(121,919)	(198,528)
101 <i>Special Ed Paperwork Reduction</i>	0	0	0	1,763	0	1,763	1,763	0	1,763
102 <i>Special Education - Children with a Disability</i>	1,655	1,752	3,407	1,655	1,752	3,407	0	0	0
103 <i>Travel for Home-Based Services</i>	345	355	700	345	355	700	0	0	0
104 <i>Court Placed Special Education Revenue</i>	54	55	109	54	55	109	0	0	0
105 <i>Special Education Out of State Tuition</i>	250	250	500	250	250	500	0	0	0
106							0	0	0
107 <b>Special Programs Total</b>	<b>1,031,096</b>	<b>1,083,349</b>	<b>2,114,445</b>	<b>1,043,822</b>	<b>1,110,623</b>	<b>2,154,445</b>	<b>12,726</b>	<b>27,274</b>	<b>40,000</b>
108									
109 <b>Facilities &amp; Technology</b>									
110 <i>Health and Safety Aid</i>	463	434	897	463	434	897	0	0	0
111 <i>Debt Service Equalization Aid</i>	19,083	25,046	44,129	19,083	25,060	44,143	0	14	14
113 <i>Alternative Facilities Aid</i>	19,287	19,287	38,574	19,287	19,287	38,574	0	0	0
114 <i>Telecommunications Access</i>	3,750	3,750	7,500	3,750	3,750	7,500	0	0	0
115 <i>Deferred Maintenance Equalization Aid</i>	3,564	3,731	7,295	3,564	3,730	7,294	0	(1)	(1)
117 <b>Facilities and Technology Total</b>	<b>46,147</b>	<b>52,248</b>	<b>98,395</b>	<b>46,147</b>	<b>52,261</b>	<b>98,408</b>	<b>0</b>	<b>13</b>	<b>13</b>
118							0	0	0
119 <b>DEBT SERVICE APPROPRIATION</b>	<b>19,083</b>	<b>25,046</b>	<b>44,129</b>	<b>19,083</b>	<b>25,060</b>		<b>0</b>	<b>14</b>	<b>14</b>



## Article 1 – General Education Revenue

Contact	Summary of Provisions
Sharon Peck 651-582-8811	<p><b>PUPIL ACCOUNTING</b></p> <p><b>Pupil Unit Weights (Sections 2, 15).</b> Changes pupil unit weights as follows, beginning in FY 2015:</p> <ul style="list-style-type: none"> <li>• Prekindergarten Disabled: from 1.25 to 1.0</li> <li>• Part-time Kindergarten: from .612 to .55</li> <li>• All-Day Kindergarten: from .612 to 1.0</li> <li>• Grades 1-3: from 1.115 to 1.0</li> <li>• Grades 4-6: from 1.06 to 1.0</li> <li>• Grades 7-12: from 1.3 to 1.2</li> <li>• To qualify for the higher all-day every day kindergarten weight, a pupil must be enrolled in a free all- day every day kindergarten program that is available to all kindergarten students at the pupil’s school, and the annual school calendar for kindergarten program must include at least 850 hours of instruction.</li> </ul>
	<p><b>Marginal Cost Pupil Units (Section 16, 17).</b> Eliminates “marginal cost” calculations from the definition of pupil units. (Note: Beginning in FY 2015, establishes a new component of general education revenue, “declining enrollment revenue,” to replace funding previously provided to districts with declining enrollment through marginal cost pupil units –see section 24 below).</p>
Sharon Peck 651-582-8811	<p><b>Learning Year Pupil Units (Section 18).</b> Clarifies that a kindergarten pupil is considered to be a full-time pupil if that pupil receives at least 850 hours of instruction during the year for purposes of calculating extended time revenue.</p>
Debbykay Peterson 651-582-8426	<p><b>Early Admission to Kindergarten (Sections 1, 12).</b> Requires that board-adopted policies for early admission be based on a comprehensive evaluation to determine the child’s ability to meet kindergarten expectations and progress to first grade in the subsequent year. Requires a school board that has adopted a policy to allow a child under the age of five to enroll in kindergarten to establish a comprehensive evaluation to be used to determine the kindergarten pupil’s cognitive, social, and emotional development. Requires parents and the commissioner to have access to the board’s early kindergarten admission policy.</p>
Sharon Peck 651-582-8811	<p><b>Length of School Year (Section 2).</b> Requires a school district to have at least 165 days of instruction for grades 1 through 12 in each school year unless the commissioner of education has approved a four-day week schedule under MS 124D.26</p>
	<p><b>District Reorganization Pupil Unit References (Sections 3-5).</b> Replaces references to resident marginal cost pupil units with references to adjusted pupil units in school district reorganization statutes, to align with pupil accounting changes made in other sections of the bill.</p>
	<p><b>Extended Time Revenue for Grade Level Acceleration (Section 13).</b> Eliminates the ability of school districts and charter schools to generate extended time revenue for programs designed to accelerate grade level advancement so that students graduate before their peers.</p>

<p>Terri Yetter 651-582-8868</p> <p>Bob Porter 651-582-8851</p>	<p><b>GENERAL EDUCATION REVENUE</b></p> <p><b>General Education Revenue (Section 19 and Tax Bill, Article 3, Section 2).</b> For FY 2015 and later, changes alternative teacher compensation revenue (Q Comp) from a component of general education revenue to a separate categorical revenue, and adds declining enrollment revenue, pension adjustment revenue and location equity revenue as new components of general education revenue.</p>
	<p><b>Basic Revenue (Section 20).</b></p> <ul style="list-style-type: none"> <li>• For FY 2014, increases the formula allowance by \$78 (1.5 percent), from \$5,224 to \$5,302</li> <li>• For FY 2015 and later, sets the formula allowance at \$5,806, which is a 1.5% increase over FY 2014 after adjusting for the change in pupil unit weights and the elimination of the aid subtraction for pension rate changes.</li> <li>• Beginning in FY 2015, basic revenue is calculated using adjusted pupil units with the new pupil weights rather than adjusted marginal cost pupil units, and declining enrollment costs are funded through the new declining enrollment revenue formula.</li> </ul>
	<p><b>Extended Time Revenue (Section 21).</b> Beginning in FY 2015, increases the extended time revenue allowance from \$4,601 to \$5,017 to adjust for the change in pupil weights.</p>
	<p><b>Gifted and Talented Revenue (Section 22).</b> Beginning in FY 2015, increases the gifted and talented allowance from \$12 to \$13 to adjust for the change in pupil weights.</p>
	<p><b>Small Schools Revenue (Section 23).</b> Includes small high schools in geographically isolated school districts with more than one high school in the small schools revenue formula. Adjusted the small schools revenue formula for the new pupil weights by increasing the maximum allowance from \$522.40 to \$544 and reducing the maximum pupil units to qualify from 1,000 to 960.</p>
	<p><b>Declining Enrollment Revenue (Section 24).</b> Establishes a new component of general education revenue called “declining enrollment revenue,” designed to replace funding previously provided to districts with declining enrollment through marginal cost pupil units. Sets declining enrollment revenue equal to the decline in adjusted pupil units between the prior year and the current year times 28 percent of the formula allowance.</p>
	<p><b>Compensatory Revenue (Sections 25, 47, 48).</b></p> <ul style="list-style-type: none"> <li>• Adjusts the compensatory revenue formula for fiscal year 2015 and later to neutralize the impact of the change in pupil unit weights by deducting \$839 from the formula allowance for compensatory revenue calculations instead of \$415.</li> <li>• Allows a district to use up to 5% of its compensatory revenue for programs designed to prepare children for entry into school including early education programs, parent-training programs, school readiness programs, early kindergarten programs for four-year olds, and voluntary home visits and other outreach.</li> <li>• This is in addition to the 5 percent that districts currently have flexibility with. (The remaining 90 percent of compensatory revenue must be spent at the site where the revenue is generated).</li> </ul>
	<p><b>Sparsity Revenue (Sections 26 and 27).</b> Deducts \$530 from the formula allowance used in calculating elementary and secondary sparsity revenue for FY 2015 and later to neutralize the impact of pupil unit weighting changes.</p>

	<p><b>Operating Capital Revenue (Sections 28-30).</b></p> <ul style="list-style-type: none"> <li>Beginning in FY 2015, adjusts the operating capital allowances to compensate for the elimination of marginal cost pupil units and the new pupil unit weights. The basic rate increases from \$73 to \$79; the sliding scale rate based on building age increases from \$100 to \$109, and the learning year rate increases from \$30 to \$31.</li> <li>Beginning in FY 2015, increases the equalizing factor for operating capital from \$10,194 to \$14,500 to adjust for the change in pupil unit weights and reduce the property tax share of operating capital revenue to offset the new general education levy.</li> <li>Clarifies the allowable uses of operating capital revenue by including computer hardware, software, and annual licensing fees, and cross referencing the definition of textbooks in the nonpublic pupil aid statute.</li> </ul>
	<p><b>Transportation Sparsity Revenue (Section 31).</b> Beginning in FY 2015, adjusts the transportation sparsity formula to account for the removal of marginal cost pupil unit accounting and the new pupil weights. This includes a change in the deduction factor from 4.85% to 4.66% of basic revenue.</p>
	<p><b>Equity Revenue (Sections 32-33).</b></p> <ul style="list-style-type: none"> <li>Beginning in FY 2015, adjusts the equity revenue allowances to account for new pupil unit weights. The maximum sliding scale allowance increases from \$75 to \$80; the basic allowance for a district with no referendum revenue increases from \$13 to \$14, and the flat rate that applies to all districts increases from \$46 to \$50.</li> <li>Beginning in FY 2015, increases the equalizing factor for equity revenue from \$476,000 to \$510,000 to adjust for the change in pupil unit weights.</li> </ul>
	<p><b>Transition Revenue (Sections 34-35, 59).</b></p> <ul style="list-style-type: none"> <li>For FY 2015 and later, increases transition revenue to hold districts and charter schools harmless against certain changes in revenue calculations under the bill in comparison to current law. Rolls the existing transition revenue into the amount, eliminating the separate subcategories for prekindergarten revenue and South Dakota tuition reciprocity, and eliminates the reserve requirement for prekindergarten transition revenue.</li> <li>Beginning in FY 2015, increases the equalizing factor for transition revenue from \$476,000 to \$510,000 to adjust for the change in pupil unit weights.</li> </ul>
	<p><b>Alternative Teacher Compensation (Q Comp) Revenue (Sections 36-38).</b> Strikes obsolete language. Removes the Alternative Teacher Compensation program from General Education revenue to a categorical revenue program beginning in FY 2015.</p>
	<p><b>Pension Adjustment Revenue (Sections 39, 59).</b></p> <ul style="list-style-type: none"> <li>Beginning in FY 2015, repeals the adjustment to general education aid for changes in employer pension contribution rates under MS 127A.50; (primarily a 1997 change in employer contribution rates for the Teachers Retirement Association that creates a negative adjustment).</li> <li>Establishes a new component of general education revenue for districts with a below average reduction for changes in employer pension contributions under section 127A.50 for FY 2014. Sets the revenue per pupil unit equal to the difference between the district's FY 2014 pension adjustment per pupil unit and the state average FY 2014 aid reduction per pupil unit.</li> </ul>

**Location Equity Revenue (Tax Bill, Article 3, Sections 3, 5).**

- Beginning in FY 2015, establishes location equity revenue as a new component of general education revenue.
- For a district with any of its area in the seven-county metropolitan area, the revenue equals \$424 times the adjusted pupil units (APU) for that school year.
- For all other school districts with more than 2,000 pupils in average daily membership, for the fiscal year ending in the year before the levy is certified (FY 2012 for FY 2015 revenue), the revenue equals \$212 times the APU for the school year.
- Location equity is an equalized levy spread on referendum market value (RMV); the equalizing factor is \$510,000.
- If a district levies less than the maximum amount, the aid is reduced proportionately.
- A district may opt out of the revenue by adopting a board resolution prior to September 1 of the fiscal year prior to the fiscal year for which the decision to opt out becomes effective (September 1, 2013 for FY 2015 revenue).
- For participating districts, the location equity allowance is subtracted from the referendum allowance.

**Referendum Revenue (Section 49 and Tax Bill, Article 3, Section 4).**

- Converts referendum revenue from a rate per resident marginal cost pupil unit to a rate per adjusted pupil unit. Builds the alternative attendance adjustment into the rate per pupil rather than calculating a separate adjustment. The new rate per pupil unit will generate the same revenue for each district for FY 2015 as the sum of the old rate per pupil unit and the old alternative attendance adjustment.
- Recalculates the standard and grandfather referendum caps to reflect the pupil unit weighting changes and conversion to a rate per adjusted pupil unit. The new standard cap is \$1,845 per new pupil unit for FY 2015, and is adjusted for inflation using the consumer price index in later years. For a district receiving location equity revenue, the grandfather cap is reduced by the location equity allowance.
- Establishes a three-tiered equalization formula with increased equalization for Tier 1:
  - Tier 1 is the first \$300 per APU; equalized at \$880,000.
  - Tier 2 is revenue between \$300 and \$760 per APU, equalized at \$510,000.
  - Tier 3 is revenue between \$760 per APU and 25% of the formula allowance, equalized at \$290,000; however, Tier 3 applies to all referendum revenue over \$760 per APU for districts receiving sparsity revenue.
- Allows a district to convert up to \$300 per APU of voter-approved referendum revenue to board-approved referendum revenue by board vote. For a district with less than \$300 per APU of referendum revenue, allows the school board to authorize new referendum revenue up to the difference between \$300 per APU and the district's referendum allowance. (Note: MDE is seeking clarification from the legislature and the Governor on whether the authority to add new revenue is calculated before or after the referendum allowance is reduced for location equity revenue.)
- **Operating referendum freeze: FY 2015.** Prohibits a district from conducting a referendum election to increase its referendum allowance for FY 2015. Exceptions include:

	<ul style="list-style-type: none"> <li>○ A district may renew an expiring referendum at the same allowance as the expiring referendum;</li> <li>○ A district is exempt from the freeze if it adopted a board resolution prior to June 30 to conduct a referendum in 2013.</li> <li>○ A district is exempt if it did not authorize an operating referendum in fiscal year 2014.</li> <li>○ A district is exempt if it is in statutory operating debt as of June 30, 2013.</li> <li>● Adjusts the grandfather cap for pupil unit weighting changes and conversion to a rate per adjusted pupil unit, and further guarantees that a district's cap will not be less than the amount needed to ensure that a district will not receive less referendum revenue for FY 2015 after the conversion than under current law.</li> <li>● Sets the upper limit for Tier 3 referendum equalization at 25 percent of the formula allowance and adjusts referendum equalization factors for the pupil unit weighting change. Uses resident pupil units rather than RMCPU for purposes of calculating district property value per pupil for referendum equalization purposes.</li> <li>● Guarantees that a district's referendum equalization aid for FY 2015 will not be less than the sum of the referendum equalization aid and the alternative attendance adjustment the district would have received for FY 2015 under current law. For FY 2016 and later, adjusts the referendum equalization aid guarantee for any future reductions in a district's referendum allowance and for change in referendum market value.</li> </ul>
	<p><b>GENERAL EDUCATION LEVY AND AID (Sections 43-46).</b></p> <ul style="list-style-type: none"> <li>● Establishes a new uniform general education levy called the "Student Achievement Levy" imposed on ANTC. All districts may levy up to the general education rate. If a district levies less than the permitted rate, its general education aid is reduced proportionally.</li> <li>● Requires the commissioner to set a uniform student achievement levy rate at the amount that raises \$20 million for FY 2015 and later.</li> <li>● If the student achievement levy for a district exceeds the district's general education revenue excluding operating capital revenue, equity revenue, and transition revenue, the levy is reduced to the amount of those revenues.</li> <li>● Adjusts general education aid calculation to reflect new revenue components and student achievement levy.</li> </ul>
	<p><b>OTHER GENERAL EDUCATION CHANGES</b></p> <p><b>Learning and Development Revenue (Sections 40-41).</b> Beginning in FY 2015, converts the current class size reduction set aside from an amount based on pupil unit weights to an equivalent amount per student in Average Daily Membership (ADM) -- \$299 per kindergarten student plus \$459 per student in grades 1-6). Deletes additional revenue use language to account for expansion of all- day kindergarten.</p>
	<p><b>General Education Revenue Usage Expansion (Section 42).</b></p> <ul style="list-style-type: none"> <li>● Allows school districts to use general education revenue generated for all-day kindergarten to meet the needs of three- and four-year olds in the district. Does not apply to a district with a fee-based all-day kindergarten program.</li> </ul>

<p>Sharon Peck 651-582-8811</p>	<p><b>Early Graduation Scholarships (Section 50, 59).</b> Repeals the early graduation scholarships and military service awards programs and removes them from the general education appropriation beginning in FY 2014.</p>
<p>Daniel Smith 651-582-8330</p>	<p><b>CAREER AND TECHNICAL REVENUE (Section 14).</b></p> <ul style="list-style-type: none"> <li>• Beginning in FY 2014, converts the career and technical education (CTE) levy to an equalized aid and levy, with an equalizing factor of \$7,612.</li> <li>• Increases the statewide revenue limit for career and technical revenue for fiscal year 2014 from \$15,393,000 to \$20,657,000.</li> <li>• Note: Revenue for FY 2014 continues to be based on the old CTE formula, with the proration factor adjusted to hit the statewide revenue target. Beginning in FY 2015, the statewide revenue limit expires, and revenue is computed using the new formula enacted in 2012 that bases funding on 35 percent of approved program expenditures.</li> <li>• Clarifies the expenditure calculations for career and technical programs offered jointly by school districts –costs for reimbursing another district for CTE instructional salaries is included in the revenue calculations for the districts paying the reimbursement and deducted from the revenue calculation for the district receiving the reimbursement.</li> </ul>
<p>Kelly Wosika 651-582-8855</p>	<p><b>PUPIL TRANSPORTATION</b></p> <p><b>PSEO Pupil Transportation (Section 8).</b> Allows school districts to transport PSEO pupils to and from the postsecondary institution or if the pupil is participating in an articulated program.</p> <p><b>Pupil Transportation Definitions (Section 9).</b> (b) For purposes of calculating the cost to a school district of providing transportation to children with disabilities and computing special education initial aid, allows a school district to transport a child who does not have a school of origin to the same school attended by that child’s sibling if the siblings are homeless.</p> <p><b>District Reports; Transportation Data (Section 10).</b> Allows a school district that contracts for transportation services to allocate certain transportation expenses based on contract rates under certain circumstances.</p>
<p>Greg Sogaard 651-582-8858</p>	<p><b>NONPUBLIC PUPIL AIDS</b></p> <p><b>Elementary Pupils (Section 6).</b> Clarifies that all-day kindergarten pupils are counted as 1.0 pupils for purposes of nonpublic pupil aid.</p> <p><b>Inflation Adjustment for Nonpublic Pupil Aids (Sections 7, 11).</b> Modifies the inflation adjustments for nonpublic pupil aid and nonpublic pupil transportation aid to neutralize the impact of the formula allowance change for the new pupil unit weights.</p>
	<p><b>MISCELLANEOUS LEVIES</b></p> <p><b>Building Lease Levy (Section 51).</b> Changes the maximum rate for the building lease levy from \$150 to \$162 per pupil unit for districts and from \$43 to \$46 for intermediate district members to adjust for the pupil unit weighting changes.</p>

	<p><b>Lease Purchase Levy; Integration Programs (Section 52).</b> Authorizes the four school districts that are associated with first-class cities (Minneapolis, St. Paul, Duluth, and Rochester) to continue to use the lease purchase levy under MS 126C.40, subdivision 6, if their desegregation plans have been approved by the commissioner and the acquisition of property is determined by the commissioner to contribute to the implementation of the desegregation plan. Allows other districts eligible for achievement and integration revenue to use the lease purchase levy for projects that are primarily used for interdistrict desegregation effort</p>
	<p><b>Safe Schools Levy (Section 53).</b> Increases the safe schools levy unit for taxes payable in 2014 and later from \$30 to \$36 per pupil unit -- \$4 of the increase is new revenue and the other \$2 is to adjust for pupil unit weighting changes. Expands the uses of the levy to include facility security enhancements, efforts to improve the school climate, and costs associated with mental health services.</p>
George Holt 651-582-8889	<p><b>ALTERNATIVE ATTENDANCE ADJUSTMENTS (Section 54).</b></p> <ul style="list-style-type: none"> <li>• Beginning in FY 2015, strikes language related to alternative attendance adjustments for referendum revenue, which are rolled into referendum allowances.</li> <li>• Beginning in FY 2015, requires the serving district or charter school to cover 10 percent of unfunded special education costs, reducing the amount borne by the resident district from 100 percent to 90 percent. Intermediate districts, cooperatives and charter schools where at least 70 percent of students are eligible for special education are exempt from this provision and continue to be able to recover 100% of unfunded special education costs from the resident district.</li> <li>• Adjusts the transportation adjustment for charter schools to reflect the change in the transportation sparsity formula for the pupil unit calculation changes.</li> </ul>
	<p><b>OTHER</b></p> <p><b>Statewide Average Revenue (Section 56).</b> Adjusts for pupil unit calculation changes, deletes obsolete language and corrects cross references.</p> <p><b>School District Levy Adjustments (Section 57).</b> Adjusts school district tax rates and equalizing factors for any adjustments to class rates made in the tax bill.</p> <p><b>Appropriations.</b> Appropriates money for the following general education programs (see the fiscal analyst tracking spreadsheet at <a href="http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf">http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf</a> for financial details):</p>
	<p><b>Appropriations (Section 58)</b> See fiscal tracking worksheets at link below for financial details: <a href="http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf">http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf</a></p>

**Article 2 – Student Accountability**

<b>Contact</b>	<b>Summary of Provisions</b>
<p>Beth Aune 582-8795</p> <p>Daniel Smith 651-582-8330</p>	<p><b>ALIGNMENT AND CLARIFICATION OF STUDENT EDUCATIONAL EXPECTATIONS (SECTIONS 1-5, 14, 21)</b></p> <p>Creates a statutory definition for “academic standard” and moves the existing definitions of “benchmark,” “credit,” “elective standard,” “required standard,” and “school site” into a new definitions section.</p> <p>Clarifies that satisfactorily completing state credit requirements sufficient to satisfy all academic standards, and demonstrating understanding of academic standards on a nationally normed college entrance exam are among the state graduation requirements.</p> <p>Strikes obsolete language from past standards review cycles and makes technical and conforming changes to the benchmarks statute.</p> <p>Creates a 10-year standards and benchmarks review and revision cycle.</p> <p><b>Credit Equivalencies.</b></p> <ul style="list-style-type: none"> <li>• Allows a one-half credit of economics taught in an agriculture education or business department to fulfill a one-half credit in social studies if the credit satisfies all of the standards in economics.</li> <li>• Allows a career and technical education (CTE) or agriculture science credit that includes the standards in chemistry, physics, biology, or a combination of those standards to fulfill the credit requirement but clarifies that all students must complete all of either the chemistry or physics academic standards in addition to the rest of the science standards.</li> <li>• Exempts an agriculture education instructor from subject area licensure requirements when teaching an agriculture course for science credit other than the biology credit.</li> </ul>
<p>Cammy Lehr 651-582-8563</p>	<p><b>SCHOOL DISTRICT PROCESS FOR REVIEWING CURRICULUM, INSTRUCTION, AND STUDENT ACHIEVEMENT; STRIVING FOR THE WORLD’S BEST WORKFORCE. (Section 6)</b></p> <p><b>Subd. 1. Definitions.</b> Defines the “world’s best workforce” as striving to meet school readiness goals, achieve third grade literacy for all students, close the academic achievement gap among racial, ethnic, and economic categories of students, attain career and college readiness, and have all students graduate from high school.</p> <p><b>Subd. 1a. Performance Measures.</b> Lists measures used determine district and school progress in striving to create the world’s best workforce, including the NAEP, students’ academic achievement gap, the MCAs, high school graduation rates, and career and college readiness.</p> <p><b>Subd. 2. Adopting Plans and Budgets.</b> Directs a school board to publicly adopt a comprehensive long-term plan that is aligned with the world’s best workforce and includes: clearly defined goals and benchmarks for instruction and student achievement; a process for assessing and evaluating student progress and growth toward college and career readiness; a system to periodically review and evaluate the effectiveness of instruction and curriculum; education effectiveness practices that integrate instruction, curriculum, technology, teacher quality, performance, and effectiveness; and an annual budget for continuing to implement the district plan.</p> <p><b>Subd. 3. District Advisory Committee.</b> Directs the district advisory committee to recommend state student performance measures. Allows school sites to expand upon district evaluations.</p> <p><b>Subd. 5. Report.</b> Directs the school board to publish a school performance report. Requires the board to hold an annual public meeting to review and revise goals, assessment outcomes,</p>

	<p>strategies, and practices for improving curriculum and instruction and to review district success in realizing goals, benchmarks, and improvement plans leading to the world's best workforce. Directs the board to transmit a summary of its report to the commissioner.</p> <p><b>Subd. 7. Periodic Report.</b> Directs school districts to periodically survey affected constituencies about school satisfaction and connectedness. Requires the district to publish a summary of the report.</p> <p><b>Subd. 9. Annual Evaluation.</b> (a) Directs the commissioner to identify and help implement effective strategies, practices, and use of resources by districts and school sites striving for the world's best workforce.</p> <p>(b) Directs the commissioner to identify those districts in any consecutive three-year period not making sufficient progress toward improving teaching and learning and striving for the world's best workforce. Allows the commissioner, in consultation with the affected district, to require the district to set aside up to two percent of its basic general education revenue per fiscal year during the following three school years to implement commissioner-specified strategies to improve progress in realizing its education goals. Directs the commissioner to consider districts' budget constraints and legal obligations when implementing this section.</p>
<p>Cammy Lehr 651-582-8563</p>	<p><b>REGIONAL CENTERS OF EXCELLENCE. (Section 7)</b></p> <p>Expands regional centers of excellence to support school districts and charter schools in implementing research-based interventions to increase student achievement, close achievement gaps, and increase graduation rates in the region. Directs the centers to develop partnerships with local or regional entities interested in providing a cohesive system to serve schools. Requires centers to assist school districts and charter schools in developing similar partnerships throughout the region. Allows center support to include using common principles of effective practice.</p> <p>Directs MDE to assist the centers with staff, facilities, technical needs, and programmatic support and to work with the centers to provide a statewide system of regional support.</p>
<p>Jennifer Dugan 651-582-8654</p> <p>Daniel Smith 651-582-8330 (for Postsecondary Planning)</p>	<p><b>ASSESSMENTS (Sections 8-9, 12)</b></p> <p><b>Postsecondary Planning.</b> Requires school districts, beginning in the 2013-2014 school year, to assist all students by no later than grade 9 to explore college and career interest and aspirations and develop a transition plan to postsecondary education or employment.</p> <p><b>Educational Planning and Assessment System (EPAS).</b> (c) Allows students enrolled in grade 8 through the 2011-2012 school year who have not demonstrated proficiency on the MCAs, the GRAD tests, or the basic skills tests before high school graduation to satisfy state high school graduation requirements in reading, math, and writing by taking the reading, math, or writing GRAD test, the WorkKeys job skills assessment, the Compass computer-adaptive college placement test, a nationally recognized armed services vocational aptitude test, or the ACT assessment for college admission. Directs the state to pay the test costs for public school students to participate in these assessments. Effective immediately.</p> <p><b>Statewide Testing.</b> (a) Directs the education commissioner to make computer-adaptive reading and math assessments for students in grades 3 through 7 part of Minnesota's comprehensive assessment system. Requires 8th grade reading and math assessments to be aligned with state standards, administered annually, and include multiple choice questions.</p> <p>For students in grade 8 through the 2009-2010 school year, their state graduation requirements include the requirements under</p> <ul style="list-style-type: none"> <li>• section 9 of this article, paragraph (c) (referenced above)</li> <li>• paragraph (c) of this section, or</li> </ul>

- current law governing the GRAD tests. Allows a district to substitute a score from an alternative, equivalent assessment to satisfy state graduation requirements.

(c) For students in grade 8 in the 2012-2013 school year and later:

Declares that students are not required to achieve a specific score or level of proficiency on a high school assessment in order to graduate from high school.

Requires the expectations of schools, districts, and the state for career or college readiness to be comparable in rigor, clarity of purpose, and rates of student completion.

Directs schools and school districts to actively encourage a student in grade 11 or 12 who is identified as academically ready for a career or college to participate in courses and programs awarding college credit to high school students.

Allows students with an individualized education program to satisfy state graduation requirements by achieving an individual score on the state-identified alternative assessments

(d) Directs the education commissioner, after consulting with the Minnesota State Colleges and Universities chancellor and using a request for proposal process, to contract for a series of assessments that are consistent with this subdivision, are aligned with state academic standards, and include career and college benchmarks. Requires math, reading, and writing assessments for students in grades 8 and 10 to be predictive of a nationally normed assessment for career and college readiness. Requires students in grade 11 to be given a nationally recognized college entrance exam. Requires the series of assessments to include a nationally normed and a college placement diagnostic exam and contain career exploration elements.

(1) Directs districts and schools to annually use the career exploration elements in the assessments to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations.

(2) Requires students in grades 10 or 11 who are not yet ready for career or college to be given the college placement diagnostic exam before taking the college entrance exam. Expects students and parents, the school, and the district to use the results of the student's college placement diagnostic exam for targeted intervention.

(3) Requires all students in grade 11, except those eligible for alternative assessments, to be given the college placement diagnostic exam. Declares students who demonstrate attainment of required academic standards to be academically ready for a career or college. Encourages such students to participate in courses awarding college credit.

(4) Requires students through grade 12 to continue to participate in targeted intervention as appropriate.

(5) Requires a study to determine the alignment between these assessments and state academic standards. Where alignment exists, requires the commissioner to seek federal approval to, and immediately upon receiving that approval replace Minnesota's federally required MCAs with the assessments under this paragraph.

(e) Requires schools, districts, and the state to have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for post-secondary remediation.

(f) For students in grade 8 in the 2012-2013 school year and later, requires a school, district, or charter school to record a student's progress toward career and college readiness on the student's high school transcript.

	<p>(h) Requires third through seventh grade computer-adaptive assessment results and grade 8 and high school test results to be available to districts for diagnostic purposes and to be disseminated to the public. Directs the commissioner to establish empirically derived benchmarks on adaptive assessments in grades 3 through 7 that reveal a trajectory toward career and college readiness.</p> <p>(i) Requires third through seventh grade computer-adaptive assessments and 8th grade and high school tests to be aligned with state academic standards.</p> <p>(j) Makes computer-adaptive assessment results for students in grades 3 through 7 and testing at the grade 8 and high school levels part of the statewide public reporting system.</p> <p>Makes this section effective immediately and applicable to the 2013-2014 school year and later except that paragraph (a) applies immediately and the requirements for computer- adaptive reading and math assessments in grades 3 through 7 apply in the 2015-2016 school year and later.</p> <p><b>Statewide and Local Assessments; Results.</b> (a) Defines computer-adaptive assessments, fully-adaptive assessments, on- grade level, above-grade level, and below-grade level.</p> <p>(b) Directs the commissioner to use fully adaptive tests math and reading assessments for grades 3 through 7 beginning in the 2015-2016 school year.</p> <p>(c) Directs the commissioner to implement computer-adaptive reading and math assessments for grades 3 through 7 and grade 8 and high school reading and math tests.</p> <p>(d) Directs the commissioner to ensure that: (1) individual student performance data and achievement and summary reports are available within three school days; (2) individual student growth data are available from the student's first test to each proximate assessment using a constant measurement scale; (3) parents and educators are able to use elementary and middle school student performance data to project student secondary and postsecondary achievement; and (4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to improve student instruction.</p> <p>(f), (g), (h) Make conforming and technical changes.</p> <p>Makes this section effective for the 2013-2014 school year and later except the requirements governing computer-adaptive reading and math assessments for grades 3 through 7 apply in the 2015-2016 school year and later.</p>
<p>Wendy Behrens 651-582-8786</p>	<p><b>GIFTED AND TALENTED PROGRAM. (Section 10)</b></p> <p>Permits schools to address the instructions and affective needs of gifted learners. Requires schools to adopt guidelines for assessing and identifying gifted and talented learners and expands guidance on identification to include traditionally underrepresented groups. Requires districts to adopt procedures for early admission to kindergarten or first grade for gifted and talented learners.</p>
<p>Deb Loy 651-582-8306</p>	<p><b>MENTAL HEALTH EDUCATION. (Section 11)</b></p> <p>Encourages school districts and charter schools to provide mental health instruction in grades 6 to 12 aligned with local health standards. Encourages the education commissioner, in consultation with the human services commissioner and mental health organizations, to provide school districts and charter schools with models and resources.</p>
<p>Cammy Lehr 651-582-8563</p>	<p><b>STATE GROWTH TARGET, OTHER STATE MEASURES (Section 15)</b></p> <p>(e) Requires the commissioner to identify and report measures that demonstrate the success of learning year providers in improving the graduation outcomes of at-risk and off-track students and report this data annually beginning July 1, 2015</p>

<p>Jennifer Dugan 651-582-8654</p>	<p><b>SCHOOL PERFORMANCE REPORTS (Section 16)</b></p> <p>Changes reference from "report cards" to "reports". Includes as part of the report percentage of students making progress toward college and career readiness benchmarks and data on district and school progress in reducing academic disparities, and racial and economic integration.</p>
<p>Todd Wagner 651-582-8466</p>	<p><b>STANDARD HIGH SCHOOL DIPLOMA FOR ADULTS (Sections 17, 19)</b></p> <p><b>Standard Adult High School Diploma for Adults.</b> (a) Directs the education commissioner to adopt rules for providing a standard adult high school diploma to adults who are not eligible for K-12 services, do not have a high school diploma, and successfully complete a commissioner-approved adult basic education program of instruction needed to earn an adult high school diploma.</p> <p>(b) Requires adult basic education program participants to demonstrate proficiency in a standard set of competencies sufficient to ensure that postsecondary programs and institutions and potential employers regard persons holding a standard high school diploma and persons holding a standard adult high school diploma to be equally well prepared and qualified graduates. Requires approved adult basic education programs to issue a standard adult high school diploma to qualified persons.</p> <p><b>Standard Adult High School Diploma Advisory Task Force.</b> (a) Directs the education commissioner to appoint a nine-member advisory task force to recommend programmatic requirements for adult basic education programs leading to a standard adult high school diploma.</p> <p>Directs the task force by February 1, 2014 to submit to the commissioner its recommendations on providing a standard adult high school diploma to qualified persons. Directs the commissioner to consider these recommendations when adopting rules.</p>
<p>Daniel Smith 651-582-8330</p>	<p><b>CAREER PATHWAYS AND TECHNICAL EDUCATION ADVISORY TASK FORCE (Section 18)</b></p> <p>Establishes an advisory task force to recommend to the legislature how to structurally redesign secondary and postsecondary education to improve outcomes for students and adult learners, align secondary and postsecondary programs to Minnesota's workforce needs, and measure and evaluate the combined efficacy of public K-12 and postsecondary education programs.</p> <p>(b) Directs task force members to seek how to:</p> <ol style="list-style-type: none"> <li>1. better inform students about career options and ensure a skilled Minnesota workforce;</li> <li>2. develop and revise an education and work plan for each student;</li> <li>3. improve monitoring of students' progress with targeted interventions and support and remove the need for remedial instruction;</li> <li>4. increase and accelerate high school students' opportunities to earn postsecondary credits leading to a certificate, license, or degree;</li> <li>5. better align secondary and postsecondary courses and expectations;</li> <li>6. better align high school standards and assessments, postsecondary readiness measures and entrance requirements, and the expectations of Minnesota employers;</li> <li>7. increase postsecondary completion rates; and</li> <li>8. provide postsecondary graduates with the skills needed for civic engagement, ongoing employment, and continuous learning.</li> </ol> <p>Directs the task force to submit a written report with its recommendations to the legislature by February 15, 2014.</p>
	<p><b>Appropriations (Section 20)</b></p> <p>See fiscal tracking worksheets at link below for financial details: <a href="http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf">http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf</a></p>

Beth Aune 651-582-8795	<b>Repealer. (Section 22)</b>  (a) Repeals rules governing K-12 English language arts standards made obsolete by the revised English language arts standards adopted in 2012.  (b) Repeals rule requirements related to the state reading, math, and writing GRAD tests.
Jennifer Dugan 651-582-8654	

### Article 3: Educational Excellence

Contact	Summary of Provisions
Cammy Lehr 651-582-8563	<b>Compulsory Attendance.</b> Increases age of compulsory attendance to age 17 <ul style="list-style-type: none"> <li>• Allows a 16 year or older student to be assigned to an area learning center</li> <li>• Updates process of withdrawing from school to age 17</li> <li>• Aligns assessment requirements to homeschooled children who are 17</li> </ul>
Deb Loy 651-582-8306	<b>Epinephrine Auto-injectors.</b> Requires an annual plan for a student-prescribed epinephrine auto-injectors to allow the student to possess or have access <ul style="list-style-type: none"> <li>• Encourages non-public schools to have similar plan or process</li> <li>• Allows districts and schools to maintain and administer epinephrine auto-injectors</li> <li>• Allows third parties to purchase a school supply</li> <li>• Requires district policies to be developed for administration of epinephrine auto-injectors</li> <li>• Provides immunity from liability to schools and its employees</li> </ul>
Al Hauge 651-582-8409	<b>School Counselors.</b> Directs school counselors to assist students with college and career planning and transition into college and/or career
Richard Wassen 651-582-8807	<b>MTLE.</b> Allows Board of Teaching to issue up to two temporary one year teaching licenses to a candidate who has not passed the college level basic skills exam. <ul style="list-style-type: none"> <li>• Provision applies to candidates in the classroom and from out of state applicants</li> <li>• Allows districts to provide remedial assistance to those who did not pass exam</li> <li>• Establishes a Teacher Licensure Advisory Task Force to be convened jointly between MDE and BOT</li> </ul>
Richard Wassen 651-582-8807	<b>Deaf and Hard of Hearing.</b> Requires teachers who are licensed to teach deaf and hard of hearing students to complete 30 hours of continuing education as a condition of renewing their license
Minnesota High School League 763-560-2262	<b>Notice of Nonrenewal.</b> Prohibits a school board from declining to renew a coach's contract based solely on parent complaints
Greg Keith 651-582-8316	<b>Teacher Evaluation.</b> Amends the teacher evaluation statute by basing 35 percent of a teacher evaluation on data aligned to state and local standards and no longer mandates that the 35 percent be a value added model.
Tom Melcher 651-582-8828	<b>Basic Alternative Compensation.</b> Removes the basic alternative compensation aid and levy from general education  <b>Staff Development Revenue.</b> Districts may use the two percent of basic revenue set aside for staff development for teacher evaluation.
Sally Wherry 651-582-8768	<b>Online and Digital Advisory Council.</b> Extends the council's expiration date until June 30, 2016 <ul style="list-style-type: none"> <li>• Increase participation on the council by two members and must include two members from the technology business community</li> <li>• Directs council to bring digital learning issues to the attention of the commissioner</li> <li>• Directs council to make annual policy recommendations</li> </ul>

Cindy Jackson 651-582-8572	<b>Flexible Learning Year.</b> Allows a consortium of districts to jointly apply for a flexible learning year program
Daniel Smith	<b>Reading and Math Corps.</b> Changes the name of ServeMinnesota Innovation to ServeMinnesota Americorps <ul style="list-style-type: none"> <li>• Establishes a math corps program to provide instructional support to elementary and middle schools</li> <li>• Directs Commissioner to submit a biennial evaluation on the program</li> </ul>
Dennis Olson 651-582-8300	<b>American Indian Programs.</b> Requires Commissioner to hold an annual field hearing to gather input from the American Indian community on the state of American Indian Education and submit information to Minnesota’s American Indian Tribes for review and comment. <ul style="list-style-type: none"> <li>• Directs Commissioner to consult with the Tribal Nations Education Committee</li> <li>• Establishes an Indian Education Director in MDE</li> <li>• Directs that a school district may receive a success for the future grant if the district postmarks an application before the deadline for submission.</li> </ul>
Anne Parks 651-582-8337	<b>Achievement and Integration.</b> Establishes a program to promote diversity, racial and economic integration, and increase academic achievement <ul style="list-style-type: none"> <li>• Directs the school board of each eligible district to develop and implement a long term plan, which should be incorporated into its comprehensive plan under the World’s Best Workforce.</li> <li>• Requires eligible districts to create efficiencies and eliminate duplication of programs and services</li> <li>• Requires a school board to hold at least one formal hearing to publicly report its progress on reaching its goals.</li> <li>• Directs the district to submit a detailed budget to the Commissioner by March 15 in the year prior to implementation. Commissioner must review, approve and/or disapprove by June 1<sup>st</sup> of the same year</li> <li>• Requires board to approve and submit a three year plan to the Commissioner for review by March 15</li> <li>• For the 2013-14 school year only, an eligible district may implement its current integration plan</li> <li>• Directs the commissioner to evaluate the efficacy of district plans and report results to the legislature every odd numbered year.</li> </ul> <p><b>Achievement and Integration Formula.</b> Establishes new formula</p> <ul style="list-style-type: none"> <li>• Makes an eligible district’s maximum incentive revenue equal to \$10/pupil</li> <li>• Requires at least 80% of a district’s revenue to be used for innovative and integrated learning environments.</li> <li>• Allows up to 20% of revenue to be used for professional and staff development</li> <li>• Restricts administration expenditures to no more than 10%</li> <li>• Directs Commissioner to determine after three years if a district has met its goals</li> <li>• Allows districts who have met goals to submit another three year plan</li> <li>• For districts not meeting goals, districts must work in consultation with Commissioner to develop a new plan and strategies</li> <li>• Allows Commissioner to use up to 20% of district’s revenue to implement plan</li> </ul>

## Article 4 – Charter Schools

Contact	Summary of Provisions
Cindy Murphy 651-582-8217	<p><b>Primary Purpose (Section 1, subdivisions 1, 6)</b></p> <p>Makes improving learning and student achievement the primary purpose of a charter school</p>
	<p><b>Board of Directors (Section 1, subdivision 4)</b></p> <p>(f) Requires charter school board members to attend annual training. Makes a new board member who does not receive initial board training within six months of being seated on the board and does not complete the initial training within 12 months of being seated automatically ineligible to continue board service.</p> <p>(g) Includes on the charter school board of directors at least one licensed teacher employed as a teacher at the charter school, one parent of an enrolled student who is not a charter school employee, and at least one community member who is a Minnesota resident. Allows the board to have a majority of teachers, parents, or community members or to have no clear majority. Allows only teachers employed as teachers at the school to serve on the board as the teacher representative. Allows a board to change its governance structure only by a majority vote of the board of directors and a majority vote of the licensed teachers teaching at the school.</p>
	<p><b>Conflict of interest. (Subdivision 4a)</b></p> <p>(14) Prohibits an individual from serving as a board member if an immediate family member is a school employee or is an individual with whom the school contracts.</p> <p>€ Exempts teachers teaching at a school and serving as a member of the charter school board of directors from conflict of interest provisions related to teacher compensation.</p>
	<p><b>Charter Contract (Subdivision 6)</b></p> <p>(13) Requires charter contracts to include specific conditions for contract renewal that identify performance under the primary purpose of subdivision 1 (pupil learning and student achievement) as the most important factor in determining contract renewal.</p> <p>(14) Requires closure plans in a charter contract include a provision regarding information and assistance that will be provided to enable students to re-enroll in another school</p>
Audrey Bomstad 651-582-8793	<p><b>Audit Report (Subdivision 6a)</b></p> <p>(b) Requires charter schools to include supplemental information in the charter school audit report.</p> <p>(c) Requires a charter school independent audit to include audited financial data of an affiliated building corporation.</p>
Marikay Litzau 651-582-8459	<p><b>Charter school students subject to truancy and compulsory instruction (Section 1, Subdivisions 8, Sections 5, 8)</b></p> <p>(s) Clarifies that all charter school pupils are subject to the state compulsory instruction and truancy laws.</p>
Gregory Keith 651-582-8316 (for Teacher Evaluation)  Cammy Lehr 651-582-8563 (for World's Best Workforce)	<p><b>Teacher evaluation and world's best workforce (Section 1, Subdivision 8)</b></p> <p>(t) Requires charter schools to implement a teacher evaluation and peer review process.</p> <p>(u) Makes charter schools subject to the requirements for creating the world's best workforce.</p>

<p>Cindy Murphy 651-582-8217</p>	<p><b>Charter School Admissions (Section 1, Subdivision 9)</b></p> <p>(b) Requires a charter school to publish its lottery admissions process on its Web site.</p> <p>(d) Limits kindergarten and first grade enrollment to students who are eligible under the compulsory instruction statute, same as traditional school districts. Allows a charter school to enroll students earlier according to prescribed enrollment procedures if notice is published on the charter school Web site, and the enrollment policy conforms with kindergarten early admissions policies applicable to school boards generally</p>
	<p><b>Employment and Other Operating Matters. (Section 1, Subdivision 11)</b></p> <p>(c) Directs the board of directors to decide policy matters, including programming and personnel issues. Directs the board to adopt a policy on nepotism in employment. Directs the board to adopt personnel evaluation policies and practices that meet specified criteria.</p>
	<p><b>Annual Public Reports. (Section 1, Subdivision 14)</b></p> <p>(a) Requires a charter school to post its annual report on the school's official website.</p> <p>(b) Directs the commissioner to establish specifications for an authorizer's annual public report. Requires the report to include key indicators of school academic, operational, and financial performance.</p>
<p>Audrey Bomstad 651-582-8793</p>	<p><b>Lease Aid. (Section 1, Subdivision 17, Section 4)</b></p> <p>Requires the department to review and approve or disapprove leases to determine their eligibility for lease aid.</p> <p>Allows the commissioner to approve facility lease aid only if the lease has a sum certain annual cost and an escape clause the charter school may exercise if its charter contract is terminated or not renewed.</p>
<p>Cindy Murphy 651-582-8217</p> <p>Audrey Bomstad 651-582-8793</p>	<p><b>Affiliated Nonprofit Building Corporation. (Section 1, Subdivision 17a)</b></p> <p>(a) Requires an authorizer to submit an affidavit to the commissioner before a charter school may organize an affiliated nonprofit building corporation to expand an existing building.</p>
<p>Cindy Murphy 651-582-8217</p>	<p><b>Causes for Nonrenewal or Termination of Charter School Contracts. (Section 1, Subdivision 23)</b></p> <p>(b) Allows a charter school contract to be terminated or not renewed for failing to demonstrate satisfactory academic achievement for all students.</p> <p>(c) Establishes an alternate process for changing authorizers when an authorizer and the charter school board of directors mutually agree to not renew a contract. Establishes a review and approval process and related time lines. Requires a charter school to dissolve if no change in authorizer is approved.</p>
<p>Kelly Wosika 651-582-8855</p>	<p><b>General Education Revenue; Transportation Revenue. (Sections 2 and 3)</b></p> <p>Amends charter school general education revenue to align with the changes to the general education revenue and pupil weights.</p>
<p>Daron Korte 651-582-8407</p>	<p><b>Revisor's Instruction. (Section 10)</b></p> <p>Directs the Revisor of Statutes to undertake a technical recodification of the statutory sections governing charter schools.</p>

**Article 5 – Special Education**

**Contact**

**Summary of Provisions**

<p>George Holt 651-582-8889</p>	<p><b>SPECIAL EDUCATION AID</b></p> <p><b>Definitions; Regular Special Education Aid (Section 17).</b></p> <ul style="list-style-type: none"> <li>• Modifies the special education program annual growth factor for FY 2016 and later. The growth factor is 1.0 for FY 2016, and increases by 4.6% each year thereafter.</li> <li>• Defines “nonfederal special education expenditures” as all necessary and essential direct expenditures on special education programming excluding: (1) expenditures reimbursed with federal funds; (2) expenditures reimbursed with other state aid; (3) general education costs of serving the student; (4) facilities costs; (5) pupil transportation costs; and (6) postemployment benefit costs.</li> <li>• Defines “old formula special education expenditures” as the expenditures that were counted under the prior law.</li> <li>• Defines the eligible expenditures of the Minnesota State Academies for the Deaf and Blind as salary and fringe benefits of one-to-one instructional and behavior management aides (most of the Minnesota State Academies’ budget is funded through a line item appropriation in the state budget).</li> <li>• Defines “cross-subsidy reduction aid percentage,” as 1.0% for FY 2014 and 2.27% for FY 2015; defines. “cross-subsidy reduction aid limit,” as \$20 per ADM served for FY 2014 and \$48 per ADM served for FY 2015. These factors are used in calculating cross subsidy reduction aid for FY 2014 and FY 2015 only as part of the transition to a new special education formula in FY 2016.</li> <li>• Defines “special education aid increase limit” as \$80 for FY 2016, \$100 for FY 2017, and the prior year’s limit plus \$40 for FY 2018 and later.</li> </ul>
	<p><b>Special Education Initial Aid -- FY 2016 and Later (Section 18).</b> For FY 2016 and later, defines special education initial aid as the least of:</p> <p>(1) 62 percent of the district’s old formula special expenditures for the prior fiscal year;</p> <p>(2) 50 percent of the district’s nonfederal special education expenditures for the prior year; or</p> <p>(3) 56 percent of the product of the program growth factor and the sum of the following, computed using prior year data:</p> <p>(i) the product of the district’s average daily membership served and the sum of:</p> <p style="padding-left: 40px;">(A) \$450;</p> <p style="padding-left: 40px;">(B) \$400 times the ratio of the sum of the number of enrolled pupils who are eligible for free lunch plus 50 percent of the number of pupils eligible for reduced-price meals; and</p> <p style="padding-left: 40px;">(C) .008 times the district’s average daily membership served;</p> <p>(ii) \$10,400 times the district’s number of students who are autistic, developmentally delayed, or severely multiply impaired;</p> <p>(iii) \$18,000 times the district’s number of students who are deaf, hard of hearing, or have emotional or behavioral disorders; and</p> <p style="padding-left: 40px;">(iv) \$27,000 times the number of students in the disability area of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, or deafblind.</p>

	<p><b>Cross Subsidy Reduction Aid – FY 2014 and FY 2015 Only (Section 19).</b> Cross-subsidy reduction aid for FY 2014 and FY 2015 only equals the lesser of:</p> <ul style="list-style-type: none"> <li>(i) The product of the cross subsidy reduction aid limit (\$20 for FY 2014 and \$48 for FY 2015) times the district’s average daily membership served or</li> <li>•</li> <li>(ii) the product of cross-subsidy reduction aid percentage (1% for FY 2014 and 2.27% for FY 2015), the district’s average daily membership, and the sum of: <ul style="list-style-type: none"> <li>(A) \$450;</li> <li>(B) \$400 times the ratio of free and reduced price meal students; and</li> <li>(C) .008 times the district’s average daily membership, plus;</li> </ul> </li> <li>(ii) \$10,100 times the district’s number of students who are autistic, developmentally delayed, or severely multiply impaired;</li> <li>(iii) \$17,500 times the district’s number of students who are deaf, hard of hearing, or have emotional or behavioral disorders; and</li> <li>(iv) \$26,000 times the number of students in the disability area of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, or deafblind.</li> </ul> <ul style="list-style-type: none"> <li>• Cross subsidy reduction aid applies only to school districts; charter schools and cooperatives are not eligible.</li> </ul>
	<p><b>Special Education Aid (Section 20).</b></p> <ul style="list-style-type: none"> <li>• For FY 2014 and FY 2015, special education aid equals the sum of the capped regular special education aid under the old law formula, plus the cross subsidy reduction aid, plus the capped excess cost aid.</li> <li>• Beginning in fiscal year 2016, special education aid equals the sum of the new formula initial aid plus the new formula excess cost aid.</li> </ul>
	<p><b>Statewide Average Expenditure (Section 21).</b> Requires the commissioner to annually report to the education finance committees of the legislature on the average special education expenditures by type of disability by January 15, beginning in 2016.</p>
	<p><b>Adjustments for Tuition Reciprocity with Adjoining States (Section 22).</b> Beginning in FY 2016, eliminates the need to make adjustments under the statewide special education cap for interstate tuition reciprocity payments.</p>
	<p><b>Special Education Forecast; Maintenance of Effort (Section 23).</b> Beginning in FY 2016, requires that if an aid adjustment is necessary for the state to meet federal special education maintenance of effort requirements, the aid adjustment must be made by adjusting the reimbursement percentages in the excess cost aid formula.</p>
	<p><b>Alternative Delivery of Specialized Instructional Services (ADSIS) (Section 24).</b> Conforms a cross-reference for FY 2016 and later so that approved expenditures under this program will continue to be eligible for special education aid.</p>
	<p><b>Definitions – Excess Cost Aid (Section 25).</b></p> <ul style="list-style-type: none"> <li>• Defines “unreimbursed old formula special education expenditures” as: <ul style="list-style-type: none"> <li>○ Old formula special education expenditures for the prior fiscal year, minus</li> <li>○ special education initial aid, minus the instructional portion of general education revenue and referendum equalization aid attributable to pupils receiving special instruction and services outside the regular classroom</li> </ul> </li> </ul>

	<p>more than 60% of the day, for the portion of time outside the regular classroom.</p> <ul style="list-style-type: none"> <li>• Defines “unreimbursed nonfederal special education expenditures as: <ul style="list-style-type: none"> <li>○ Nonfederal special education expenditures for the prior fiscal year, minus</li> <li>○ special education initial aid, minus the instructional portion of general education revenue and referendum equalization aid attributable to pupils receiving special instruction and services outside the regular classroom more than 60% of the day, for the portion of time outside the regular classroom.</li> </ul> </li> <li>• Excludes tuition revenues and expenditures from the calculation of excess cost aid to eliminate circularity in the aid calculations.</li> <li>• The changes to use of prior year data, exclusion of tuition revenues and expenditures, and inclusion of general education aid attributable to special education students served outside the regular classroom more than 60% of the school day are effective for FY 2014.</li> </ul>
	<p><b>Excess Cost Aid (Section 26).</b> Beginning in FY 2016, changes the excess cost aid formula to the greater of:</p> <ol style="list-style-type: none"> <li>(1) 56 percent of the difference between the district’s unreimbursed nonfederal special education cost and 7 percent of the district’s general education revenue, or</li> <li>(2) 62 percent of the difference between the district’s unreimbursed old formula special education cost and 2.5 percent of the district’s general education revenue.</li> </ol>
	<p><b>Out-of-state Tuition (Section 27).</b> Eliminates an unnecessary cross-reference.</p>
	<p><b>Special Education Case Loads Task Force (Section 28).</b></p> <p><b>Subd. 1. Members.</b> Directs the education commissioner to establish a ten-member task force with equal representation from school districts, including special education teachers, and advocacy organizations.</p> <p><b>Subd. 2. Duties.</b> Directs the task force to develop recommendations for the appropriate numbers of students with disabilities assigned to a classroom teacher with and without paraprofessional support and for cost effective and efficient strategies and structures for improving student outcomes. Also directs the task force to identify state rules that should be revised to align with state statute.</p> <p><b>Subd. 3. Report.</b> Directs the task force to submit a report to the legislature by February 15, 2014, recommending appropriate caseloads for teachers in all federal settings including educational service alternatives, and proposed state rule revisions.</p> <p><b>Subd. 4. Expiration.</b> Causes the task force to expire February 16, 2014.</p>
<p>Barbara Case 651-582-8247</p>	<p><b>Rulemaking Authority (Section 29).</b> Directs the education commissioner to amend special education rules using the expedited rule making process to conform the rules with federal law governing IDEA, Part C, to the extent needed to avoid loss of federal funds. Causes the rulemaking authority to expire on July 1, 2014.</p>
<p>Lisa Backer 651-582-8888</p>	<p><b>Report on Homeless Children Served (Section 30).</b> Directs the commissioner to collect statistics on the number of homeless children who have received Part C services, and report those results to the Legislature.</p>

	<p><b>IDEA Part C (Sections 1, 6-16, 29-30)</b>          Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.</p> <p><b>Mediation Procedure.</b> Requires a parent and the district to complete the Part C mediation process to be completed within 30 days of when the education department, instead of the Office of Dispute Resolution, receives a parent’s mediation request unless the district declines mediation. Makes written, signed mediation agreement binding on both parties and enforceable in court.</p>
<p>Barbara Case          651-582-8247</p>	<p><b>RESTRICTIVE PROCEDURES (Sections 3, 4)</b></p> <p><b>Definitions.</b> (b) Provides examples of circumstances not within the definition of “emergency” for purposes of using restrictive procedures.</p> <p>(c) Makes technical changes.</p> <p>(f) Prohibits use of restrictive procedures to punish or otherwise discipline a child.</p> <p>(g) Qualifies the definition of “seclusion” by identifying when an adult may bar a child from leaving a room.</p> <p><b>Standards for Restrictive Procedures.</b></p> <p><b>Subd. 1. Restrictive procedures plan.</b> (a) Requires schools intending to use restrictive procedures to make public a plan that: lists the procedures the school will use; describes the positive behavior strategies the school will use and provides links to mental health services; describes how the school will monitor and review use of these procedures, including post-use debriefings and oversight by a committee undertaking a quarterly review of the use of the procedures; and describes and documents staff training.</p> <p>(b) Requires schools to annually identify the membership of the oversight committee, which must include a mental health professional, a positive behavior strategies expert, general education administrator, and a special education administrator.</p> <p><b>Subd. 2. Restrictive Procedures.</b></p> <p>(c) Requires a district to hold an individualized education program team meeting: within 10 days after staff uses restrictive procedures on two separate school days within 30 calendar days or a pattern of use emerges and the child’s individualized education program or behavior intervention plan does not provide for using restrictive procedures in an emergency; or at the request of a parent or the district after restrictive procedures are used. Requires the district to review use of restrictive procedures at a child’s annual individualized education program meeting when the child’s individualized education program provides for use of restrictive procedures in an emergency.</p> <p>(d) Requires a child’s individualized education program team to consult with professionals or other experts when existing interventions or supports are ineffective in reducing the use of restrictive procedures or the district uses restrictive procedures on a child on ten or more school days during the same school year.</p> <p><b>Subd. 3. Physical Holding or Seclusion.</b> (a) Imposes requirements on a school using physical holding or seclusion including prohibiting the school from using physical holding or seclusion to discipline a child. Allows a district to use prone restraints until August 2015.</p> <p>(b) Requires stakeholders by March 1, 2014, to recommend to the education commissioner specific, measurable goals for reducing the use of restrictive procedures and directs the commissioner to report to the legislature on districts’ progress in reducing use of restrictive</p>

	<p>procedures and recommendations for further reducing and eliminating use of these procedures. Requires districts to annually report to the department summary data on district use of restrictive procedures.</p> <p><b>Subd. 5. Training for Staff.</b> (a) Requires staff that use restrictive procedures, including paraprofessionals, to receive training in: standards for using these procedures only in an emergency; district policies and procedures for reporting and documenting use of restrictive procedures; and school wide programs on positive behavior strategies, among other training.</p> <p>(b) Directs the commissioner to develop and maintain a list of experts to help individualized education program teams reduce the use of restrictive procedures.</p>
<p>Barbara Troolin 651-582-8590</p>	<p><b>Special Education Caseloads Task Force. (Section 28)</b> Directs the education commissioner to establish a ten-member task force with equal representation from school districts, including special education teachers, and advocacy organizations.</p> <p>Directs the task force to develop recommendations for the appropriate numbers of students with disabilities assigned to a classroom teacher with and without paraprofessional support and for cost effective and efficient strategies and structures for improving student outcomes. Also directs the task force to identify state rules that should be revised to align with state statute.</p> <p>Directs the task force to submit a report to the legislature by February 15, 2014, recommending appropriate caseloads for teachers in all federal settings including educational service alternatives, and proposed state rule revisions.</p>
	<p><b>Appropriations (Section 31).</b> See tracking spreadsheet.</p>
<p>Lisa Backer 651-582-8888</p>	<p><b>Repealer (Section 32).</b> Repeals the following effective for revenue for fiscal years 2016 and later:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 124D.454, subd. 3. – access to Minnesota’s transition system for children with a disability, initial aid</li> <li><input type="checkbox"/> 124D.454, subd. 10. – access to Minnesota’s transition system for children with a disability, exclusion</li> <li><input type="checkbox"/> 124D.454, subd. 11. – access to Minnesota’s transition system for children with a disability, revenue allocation from cooperative centers and intermediate districts</li> <li><input type="checkbox"/> 125A.35, subds. 4 and 5 – obsolete language on 1993 base year expenditures and costs</li> <li><input type="checkbox"/> 125A.76, subds. 2, 4, 5, and 7 – special education initial aid, state total special education aid, school district special education aid, and revenue allocation from cooperative centers and intermediates</li> <li><input type="checkbox"/> 125A.79, subds. 6 and 7 – state total special education excess cost aid and district special education excess cost aid</li> </ul>

## Article 6 – Facilities and Technology

Contact	Summary of Provisions
Chris Kubesh 651-582-8319	<p><b>Debt Service Aid (Sections 1, 2).</b></p> <ul style="list-style-type: none"> <li>• Adjusts the debt service equalization program equalizing factors for the new pupil weights, from \$3,049 for Tier 1 and \$7,622 for Tier 2 to \$3,550 for Tier 1 and \$7,900 for Tier 2.</li> <li>• Converts the fixed, standing appropriation for debt service equalization aid to an open and standing appropriation.</li> </ul>
	<p><b>Health and Safety Levy (Section 3).</b> Adjusts the health and safety equalizing factor to conform to the new pupil weights (From \$2,796 to \$3,165).</p>
	<p><b>Deferred Maintenance Revenue (Sections 4-5).</b></p> <ul style="list-style-type: none"> <li>• Adjusts the deferred maintenance allowance from \$60 to \$64 to conform to the new pupil weights.</li> <li>• Adjusts the deferred maintenance levy equalizing factor from \$5,621 to \$5,965 to conform to the new pupil weights.</li> </ul>
	<p><b>Telecommunications Aid (Section District Aid (Section 6).</b> Adjusts the telecommunication aid allowance from \$15 to \$16 to conform to the new pupil weights.</p>
	<p><b>Bonding authority; Minneapolis and St. Paul School Districts (Sections 7, 8).</b> Makes permanent the authority for the Minneapolis and St Paul school districts to annually issue and sell \$15 million in facility bonds without voter approval.</p>
	<p><b>School Facilities Financing Work Group (Section 9).</b> Directs the Commissioner to convene a working group to develop recommendations for reforming the financing of prekindergarten through grade 12 education facilities to create adequate, equitable, and sustainable financing of public school facilities.</p>
	<p><b>Cyrus and Morris School District Consolidation (Section 10).</b> Permits Independent School District No. 611, Cyrus, to issue general obligation bonds in an amount not to exceed \$1,000,000 in order to demolish the Cyrus school building. The bonded debt would remain payable by the taxable property located within the boundaries of the former Cyrus school district. This section is effective the day following final enactment.</p>
	<p><b>Elevator repair; Norman County West (Section 11).</b> Authorizes the Norman County West school district to levy \$27,500 in taxes payable in 2015 and 2016 for elevator repair.</p>
	<p><b>Appropriations (Section 12).</b> See tracking spreadsheet.</p>

**Article 7 – Nutrition; Libraries; Accounting**

<b>Contact</b>	<b>Summary of Provisions</b>
<p>Tom Melcher 651-582-8828</p>	<p><b>ACCOUNTING</b></p> <p><b>Levy Recognition. (Section 1)</b> Continues to forward shift the integration levy for school districts located in cities of the first class.</p> <p><b>Forward-shifted Aid Payments. (Section 4)</b> Eliminates the forward-shifting of the integration aid program.</p> <p><b>Aid Payment Percentage. (Section 5)</b> Adjusts the special education aid payment shift.</p> <p><b>Fund Transfer; Fiscal Years 2014 and 2015 only. (Section 19)</b> Authorizes a school district, upon approval of the commissioner, to transfer money from any fund or account to any other fund or account unless that transfer would have an impact on state aids or local levies. Prohibits transfers from the community service fund, food service fund, or the reserved account for staff development revenue.</p> <p><b>Accelerated Repayment of Education Aids. (Section 20)</b> Creates a onetime mechanism to use any surplus that accumulates prior to June 30, 2013, to repay the school aid payment shifts.</p> <p><b>Repealer. (Section 23)</b> Repeals forward shifts</p>
<p>Carol Thomas 651-582-8453</p>	<p><b>SCHOOL NUTRITION</b></p> <p><b>School Lunch Aid Computation. (Section 2)</b> Increases the state aid for each school lunch served from 12 to 12.5 cents beginning July 1, 2013.</p> <p><b>Summer Food Service Replacement Aid. (Section 3)</b> Requires that summer food service replacement aid be made on a pro-rata basis on December 15 to each sponsor based on their total meals served over the summer when school is not in session.</p>
<p>Nancy Walton 651-582-8881</p>	<p><b>LIBRARIES</b></p> <p><b>Grant Authorization; Type of Grants and Aid. (Sections 6-18)</b> Makes clear that library basic support aid and multicounty, multi-type aids are state aids, not grants, for purposes of administrative documentation.</p> <p><b>Revisor Instruction (Section 22)</b> Requires the Revisor of Statutes to rename certain library terms and services.</p>
	<p><b>Appropriations.</b> Appropriates money for the following nutrition programs (see the fiscal analyst tracking spreadsheet at <a href="http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf">http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf</a> for financial details):</p> <p>School lunch aid, School breakfast aid, Kindergarten milk, Summer school service replacement aid, Basic system support library grants, Multicounty, multitype library systems, Electronic library for Minnesota, and Regional library telecommunications aid</p>

## Article 8 – Early Childhood Education and Lifelong Learning

Contact	Summary of Provisions
Sally McShane 651-582-8209	<b>Minnesota Youth Council Committee.</b> Establishes a committee composed of 4 members from each congressional district and 4 at large members between the ages of 13 and 19 Requires the committee to provide advice and recommendations to the Legislature and Governor on issues impacting youth
Lisa Barnidge 651-582-8849	<b>Early Learning Scholarships.</b> Establishes an early learning scholarship program and directs the Commissioner to establish the program <ul style="list-style-type: none"> <li>• For a family to receive a scholarship it must have a child age 3 or 4 on September 1<sup>st</sup> of the current year and has income equal to or less than 185% of federal poverty level</li> <li>• Allows for a parent under the age of 21 who is pursuing a high school degree to be eligible for a scholarship for a child age zero to 5</li> <li>• Any sibling between zero and 5 has access to a scholarship to attend same program</li> <li>• Scholarships may be awarded up to \$5,000 per child per year</li> <li>• Commissioner may designate a predetermined number of slots for a 4-star rated program that has a waiting list</li> <li>• Commissioner must contract for an independent evaluation of the scholarship program</li> <li>• Clarifies that scholarship does not count as earned income</li> </ul>
Todd Wagner 651-582-8466	<b>Adult Basic Education.</b> Increases the growth factor for the adult basic education program from 1.02 to 1.025 for FY15 and later

## Article 9 – State Agencies

Contact	Summary of Provisions
Al Louismet 651-582-8683	<b>APPROPRIATIONS; DEPARTMENT OF EDUCATION.</b> See fiscal tracking sheets above.  Changes over base: <ul style="list-style-type: none"> <li>• \$200,000/year agency base adjustment</li> <li>• \$250,000/year for the School Finance Division to enhance financial data analysis.</li> <li>• \$750,000 in fiscal year 2014 only is for departmental costs associated with teacher development and evaluation. Any balance in the first year does not cancel and is available in the second year.</li> </ul>
MN State Academy for the Deaf 1-800-657-3996	Licensure by portfolio moved from Board of Teaching to MDE.  <b>APPROPRIATIONS; MINNESOTA STATE ACADEMIES.</b>  Changes over base: <ul style="list-style-type: none"> <li>• \$73,000/year base adjustment</li> <li>• \$85,000 in fiscal year 2014 appropriation for costs associated with upgrading kitchen facilities. Any balance in the first year does not cancel but is available in the second year.</li> </ul>
Perpich Center 763-279-4200	<b>APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.</b>  Change over base: \$45,000/year base adjustment

**Article 10 – Forecast Adjustments**

This article adjusts appropriations for fiscal year 2013 to reflect the February 2013 forecast changes.

**Summary of 2013 Omnibus Tax Act (Chapter xx)**

**Contact**

**Summary of Provisions**

Terri Yetter 651-582-8868	
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