

SEVENTY-NINTH DAY

St. Paul, Minnesota, Wednesday, April 6, 2016

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Sieben imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Dennis Morreim.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Abeler	Dziedzic	Ingebrigtsen	Newman	Schmit
Bakk	Eaton	Jensen	Nienow	Senjem
Benson	Eken	Johnson	Osmek	Sieben
Bonoff	Franzen	Kent	Pappas	Skoe
Brown	Gazelka	Kiffmeyer	Pederson	Sparks
Carlson	Hall	Koenen	Pratt	Stumpf
Champion	Hann	Limmer	Rest	Tomassoni
Clausen	Hawj	Lourey	Rosen	Torres Ray
Dahle	Hayden	Marty	Ruud	Westrom
Dahms	Hoffman	Metzen	Saxhaug	Wiger
Dibble	Housley	Nelson	Scalze	Wiklund

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2613, 2956 and 3101.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 4, 2016

FIRST READING OF HOUSE BILLS

The following bills were read the first time:

H.F. No. 2613: A bill for an act relating to health; designating certain hospitals as ST segment elevation myocardial infarction receiving centers; requiring ST segment elevation myocardial infarction transport protocols; making technical changes to the Emergency Medical Services Regulatory Board audit and education provisions; amending Minnesota Statutes 2014, sections 144E.16, by adding a subdivision; 144E.50, subdivision 6; Minnesota Statutes 2015 Supplement, section 144E.275, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2480, now on General Orders.

H.F. No. 2956: A bill for an act relating to local government; amending the membership of the Dakota County Community Development Agency; deleting obsolete language; amending Minnesota Statutes 2014, section 383D.41, subdivision 5; repealing Minnesota Statutes 2014, section 383D.412.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2583, now on General Orders.

H.F. No. 3101: A bill for an act relating to military veterans; removing obsolete language related to the repealed commissioner of veterans affairs guardianship program; amending Minnesota Statutes 2014, section 196.05, subdivision 1.

Referred to the Committee on State and Local Government.

REPORTS OF COMMITTEES

Senator Bakk moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

Senator Wiger from the Committee on Education, to which was referred

S.F. No. 2744: A bill for an act relating to education; providing for early childhood and prekindergarten through grade 12 education, including general education, education excellence, charter schools, special education, facilities and technology, and self-sufficiency and lifelong learning; amending Minnesota Statutes 2014, sections 120B.11, subdivisions 1a, 2, 5; 120B.15; 120B.35, subdivisions 1, 2, 3, 4; 120B.36, as amended; 122A.16; 122A.245, subdivision 8; 122A.31, subdivision 3; 122A.4144; 122A.416; 122A.72, subdivision 5; 122A.74, subdivision 1; 123A.24, subdivision 2; 123B.571, subdivision 2; 123B.60, subdivision 1; 123B.71, subdivision 8; 123B.79, subdivisions 5, 8, 9; 124D.15, subdivision 15; 124D.52, subdivisions 1, 2; 125A.091, subdivision 11; 125A.0942, subdivision 4; 126C.40, subdivision 5; 126C.63, subdivision 7; 127A.095; 127A.51; Minnesota Statutes 2015 Supplement, sections 120B.125; 122A.30; 122A.414, subdivisions 1, 2, 2b; 122A.60, subdivision 4; 123B.53, subdivision 1; 123B.595, subdivisions 4, 7, 8, 9, 10, 11, by adding a subdivision; 124D.231, subdivision 2; 124D.73, subdivision 4; 124E.05, subdivision 7; 124E.10, subdivisions 1, 5; 124E.16, subdivision 2; 125A.08; 125A.0942, subdivision 3; 126C.48, subdivision 8; repealing Minnesota Statutes 2014, sections 120B.299, subdivision 5; 122A.413, subdivision 3; 123B.60, subdivision 2; 123B.79, subdivisions 2, 6; Minnesota Statutes 2015 Supplement, section 122A.413, subdivisions 1, 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**GENERAL EDUCATION**

Section 1. Minnesota Statutes 2014, section 123A.24, subdivision 2, is amended to read:

Subd. 2. **Cooperative unit defined.** For the purposes of this section, a cooperative unit is:

- (1) an education district organized under sections 123A.15 to 123A.19;
- (2) a cooperative vocational center organized under section 123A.22;
- (3) an intermediate district organized under chapter 136D;
- (4) a service cooperative organized under section 123A.21; or
- (5) a regional management information center organized under section 123A.23 or as a joint powers district according to section 471.59; or
- (6) a special education cooperative organized under section 471.59.

Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 24, is amended to read:

Sec. 24. COMPENSATORY REVENUE; INTERMEDIATE DISTRICT.

For the ~~2015-2016~~ 2016-2017 school year only, for an intermediate district formed under Minnesota Statutes, section 136D.41, the department must calculate compensatory revenue based on the October 1, ~~2014~~ 2015, enrollment counts for the ~~South~~ SouthWest Metro Educational Cooperative.

Sec. 3. VOLUNTARY BOUNDARY ALIGNMENT; MOORHEAD AND DILWORTH-GLYNDON-FELTON.

Subdivision 1. **Boundary realignment allowed.** The school boards of Independent School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may realign their shared district boundaries according to the provisions of this section.

Subd. 2. **Plan to establish new boundaries.** (a) The school boards of Independent School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may jointly develop a plan to realign their shared school district boundaries over a period of years.

(b) The plan must specify and identify each group of parcels that will be transferred and the method used to determine the year during which each set of parcels is transferred. The method of transfer may include an analysis of the relative tax base of the parcels to be transferred and may make the transfers of parcels effective upon the relationship in relative tax bases.

(c) The written plan must be adopted by each school board after the board has allowed public testimony on the plan.

(d) The plan must be filed with both the county auditor and the commissioner of education.

(e) After adopting the plan, each school board must publish notice of the plan realigning district boundaries. The notice must include a general description of the area that will be affected by the proposed boundary alignment and the method by which the boundaries will be realigned. The notice must also be mailed to each property owner of record in the area proposed for realignment.

Subd. 3. **Bonded debt.** As of the effective date of each exchange of parcels between the two school districts, for the next and subsequent tax years, the taxable property in the newly aligned parcel is taxable for a portion of the bonded debt of the school district to which the property is attached and is not taxable for the bonded debt from the school district from which the property is detached.

Subd. 4. **County auditor notified.** After adoption of the plan, each school board must provide a copy of the plan to the county auditor. The county auditor may request any other necessary information from the school districts to effect the transfer of parcels between the school districts. Each year, the school districts must notify the county auditor of what block of parcels, if any, will be transferred between the two school districts. The county auditor must notify each affected property owner of the boundary change.

Subd. 5. **Report to commissioner of education.** Upon adoption of the plan, the school boards must submit a copy of the plan to the commissioner of education. The districts must also provide any additional information necessary for computing school aids and levies to the commissioner of education in the form and manner requested by the department.

EFFECTIVE DATE. This section is effective the day after the school boards of Independent School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, and their respective chief clerical officers timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 4. **REPEALER.**

Minnesota Statutes 2014, section 127A.51, is repealed, effective July 1, 2016.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2014, section 120B.11, subdivision 1a, is amended to read:

Subd. 1a. **Performance measures.** Measures to determine school district and school site progress in striving to create the world's best workforce must include at least:

- ~~(1) student performance on the National Assessment of Education Progress where applicable;~~
- ~~(2) (1) the size of the academic achievement gap, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by student subgroup;~~
- ~~(3) (2) student performance on the Minnesota Comprehensive Assessments;~~
- ~~(4) (3) high school graduation rates; and~~
- ~~(5) (4) career and college readiness under section 120B.30, subdivision 1.~~

Sec. 2. Minnesota Statutes 2014, section 120B.11, subdivision 2, is amended to read:

Subd. 2. **Adopting plans and budgets.** A school board, at a public meeting, shall adopt a comprehensive, long-term strategic plan to support and improve teaching and learning that is aligned with creating the world's best workforce and includes:

(1) clearly defined district and school site goals and benchmarks for instruction and student achievement for all student subgroups identified in section 120B.35, subdivision 3, paragraph (b), clause (2);

(2) a process for assessing and evaluating each student's progress toward meeting state and local academic standards, assessing and identifying students for participation in gifted and talented programs and acceleration and early-admission procedures consistent with section 120B.15, and identifying the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students' progress and growth toward career and college readiness and leading to the world's best workforce;

(3) a system to periodically review and evaluate the effectiveness of all instruction and curriculum, taking into account strategies and best practices, student outcomes, school principal evaluations under section 123B.147, subdivision 3, and teacher evaluations under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

(4) strategies for improving instruction, curriculum, and student achievement, including the English and, where practicable, the native language development and the academic achievement of English learners;

(5) a process to examine the equitable distribution of teachers and strategies to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, ineffective, or out-of-field teachers, consistent with section 1111(b)(8)(C) of the Elementary and Secondary Education Act;

~~(5)~~ (6) education effectiveness practices that integrate high-quality instruction, rigorous curriculum, technology, and a collaborative professional culture that develops and supports teacher quality, performance, and effectiveness; and

~~(6)~~ (7) an annual budget for continuing to implement the district plan.

Sec. 3. Minnesota Statutes 2014, section 120B.11, subdivision 4, is amended to read:

Subd. 4. **Site team.** A school ~~may~~ must establish a site team to develop and implement strategies and education effectiveness practices to improve instruction, curriculum, cultural competencies, including cultural awareness and cross-cultural communication, and student achievement at the school site, consistent with subdivision 2. The site team must include an equal number of teachers and administrators, as well as at least one parent. The site team advises the board and the advisory committee about developing the annual budget and ~~revising~~ creates an instruction and curriculum improvement plan that aligns curriculum, assessment of student progress, and growth in meeting state and district academic standards and instruction.

Sec. 4. Minnesota Statutes 2014, section 120B.11, subdivision 5, is amended to read:

Subd. 5. **Report.** Consistent with requirements for school performance reports under section 120B.36, subdivision 1, the school board shall publish a report in the local newspaper with the largest circulation in the district, by mail, or by electronic means on the district Web site. The school board shall hold an annual public meeting to review, and revise where appropriate; (1) student achievement goals; (2) local assessment outcomes; (3) plans, strategies, and practices for improving curriculum and instruction and; (4) cultural competency; (5) the process to examine equitable distribution of effective, experienced, and in-field teachers; and to review (6) district

success in realizing the previously adopted student achievement goals and related benchmarks and the improvement plans leading to the world's best workforce. The school board must transmit an electronic summary of its report to the commissioner in the form and manner the commissioner determines.

Sec. 5. Minnesota Statutes 2014, section 120B.12, subdivision 2, is amended to read:

Subd. 2. **Identification; report.** For the 2011-2012 school year and later, each school district shall identify before the end of kindergarten, grade 1, and grade 2 students who are not reading at grade level before the end of the current school year. Reading assessments in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of English learners. The district must use a locally adopted, developmentally appropriate, and culturally responsive assessment and annually report summary assessment results and a summary of the district's efforts to evaluate and identify students with dyslexia or convergence insufficiency disorder to the commissioner by July 1.

Sec. 6. Minnesota Statutes 2014, section 120B.12, subdivision 3, is amended to read:

Subd. 3. **Intervention.** For each student identified under subdivision 2, the district shall provide reading intervention to accelerate student growth and reach the goal of reading at or above grade level by the end of the current grade and school year. District intervention methods shall encourage family engagement and, where possible, collaboration with appropriate school and community programs. Intervention methods may include, but are not limited to, requiring attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, evaluation for dyslexia or convergence insufficiency disorder, extended-day programs, or programs that strengthen students' cultural connections. A student, other than a student under an individualized education program (IEP), who is unable to demonstrate grade-level proficiency as measured by the statewide reading assessment in grade 3 shall receive a personal learning plan in a format determined by the school or school district in consultation with classroom teachers, and developed and updated as needed in consultation, to the extent practicable, with the student and the student's parents by the classroom teachers and other qualified school professionals involved with the student's elementary school progress. A personal learning plan shall address knowledge gaps and skill deficiencies through strategies such as specific exercises and practices during and outside of the regular school days, periodic assessments and timelines, and may include grade retention, if necessary, to meet the student's best interests.

Sec. 7. Minnesota Statutes 2015 Supplement, section 120B.125, is amended to read:

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

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

(1) provide a comprehensive plan to prepare for and complete a career and college ready curriculum by meeting state and local academic standards and developing career and

employment-related skills such as team work, collaboration, creativity, communication, critical thinking, and good work habits;

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

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

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

(5) help students access education and career options;

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

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

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

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

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

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

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

(e) Students who do not meet or exceed Minnesota academic standards, as measured by the Minnesota Comprehensive Assessments that are administered during high school, shall be informed

that admission to a public school is free and available to any resident under 21 years of age or who meets the requirements of section 120A.20, subdivision 1, paragraph (c). A student's plan under this section shall continue while the student is enrolled.

Sec. 8. Minnesota Statutes 2014, section 120B.15, is amended to read:

120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.

(a) School districts may identify students, locally develop programs addressing instructional and affective needs, provide staff development, and evaluate programs to provide gifted and talented students with challenging and appropriate educational programs.

(b) School districts must adopt guidelines for assessing and identifying students for participation in gifted and talented programs consistent with section 120B.11, subdivision 2, clause (2). The guidelines should include the use of:

(1) multiple and objective criteria; and

(2) assessments and procedures that are valid and reliable, fair, and based on current theory and research. Assessments and procedures should be sensitive to underrepresented groups, including, but not limited to, low-income, minority, twice-exceptional, and English learners.

(c) School districts must adopt procedures for the academic acceleration of gifted and talented students consistent with section 120B.11, subdivision 2, clause (2). These procedures must include how the district will:

(1) assess a student's readiness and motivation for acceleration; and

(2) match the level, complexity, and pace of the curriculum to a student to achieve the best type of academic acceleration for that student.

(d) School districts must adopt procedures consistent with section 124D.02, subdivision 1, for early admission to kindergarten or first grade of gifted and talented learners consistent with section 120B.11, subdivision 2, clause (2). The procedures must be sensitive to underrepresented groups.

Sec. 9. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision to read:

Subd. 6. Retaliation prohibited. A report to the commissioner concerning service disruptions and technical interruptions to the assessments under this section is subject to the protection of section 181.932, governing disclosure of information by employees.

Sec. 10. Minnesota Statutes 2015 Supplement, section 120B.301, is amended to read:

120B.301 LIMITS ON LOCAL TESTING.

(a) For students in grades 1 through 6, the cumulative total amount of time spent taking locally adopted districtwide or schoolwide assessments must not exceed ten hours per school year. For students in grades 7 through 12, the cumulative total amount of time spent taking locally adopted districtwide or schoolwide assessments must not exceed 11 hours per school year. For purposes of this paragraph, International Baccalaureate and Advanced Placement exams are not considered locally adopted assessments.

(b) A district or charter school is exempt from the requirements of paragraph (a), if the district or charter school, in consultation with the exclusive representative of the teachers or other teachers

if there is no exclusive representative of the teachers, decides to exceed a time limit in paragraph (a) and includes in the report required under section 120B.11, subdivision 5.

(c) A district or charter school must, prior to the first day of each school year, publish on its Web site a comprehensive calendar of standardized tests to be administered in the district or charter school for that school year. The calendar must provide the rationale for administering each assessment and indicate whether the assessment is a local option, or is required by state or federal law.

Sec. 11. [120B.304] SCHOOL DISTRICT ASSESSMENT COMMITTEE.

A school district that does not have an agreement between the school board and the exclusive representative of the teachers regarding the selection of assessments must establish a district assessment committee to advise the school board on the standardized assessments administered to students, in addition to the required assessments under section 120B.30 and applicable federal law. The committee must include an equal number of teachers and administrators and at least one parent of a student in the district. The committee makeup should include at least one representative from each school site in the district. The district advisory committee, under section 120B.11, subdivision 3, may provide advice to the school board in place of establishing an additional committee for this purpose.

Sec. 12. Minnesota Statutes 2014, section 120B.31, is amended by adding a subdivision to read:

Subd. 4a. **Student participation.** The commissioner shall create and publish a form for a parent or guardian to complete if they refuse for their child to participate in standardized testing. The form must state why there are academic standards, indicate which tests are aligned with those standards, and what consequences, if any, the school may face if students do not participate in standardized testing. This form must request a reason for the refusal.

Sec. 13. Minnesota Statutes 2014, section 120B.31, subdivision 5, is amended to read:

Subd. 5. **Parent Access to information.** To ensure the effective involvement of parents and to support a partnership between the school and parents, each district shall annually provide parents and teachers a timely written summary, in an electronic or other format, of their student's current and longitudinal performance and progress on the state's academic content standards as measured by state assessments. Providing parents with a summary prepared by the Department of Education fulfills the requirements of this subdivision.

Sec. 14. Minnesota Statutes 2014, section 120B.35, subdivision 1, is amended to read:

Subdivision 1. **School and student indicators of growth and achievement.** The commissioner must develop and implement a system for measuring and reporting academic achievement and individual student growth, consistent with the statewide educational accountability and reporting system. The system components must measure and separately report the ~~adequate yearly progress~~ federal expectations of schools and the growth of individual students: students' current achievement in schools under subdivision 2; and individual students' educational growth over time under subdivision 3. The system also must include statewide measures of student academic growth that identify schools with high levels of growth, and also schools with low levels of growth that need improvement. When determining a school's effect, the data must include both statewide measures of student achievement and, to the extent annual tests are administered, indicators of achievement growth that take into account a student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments. Indicators

that take into account a student's prior achievement must not be used to disregard a school's low achievement or to exclude a school from a program to improve low achievement levels.

Sec. 15. Minnesota Statutes 2014, section 120B.35, subdivision 2, is amended to read:

Subd. 2. **Federal expectations for student academic achievement.** (a) Each school year, a school district must determine if the student achievement levels at each school site meet federal expectations. If student achievement levels at a school site do not meet federal expectations ~~and the site has not made adequate yearly progress for two consecutive school years, beginning with the 2001-2002 school year,~~ the district must work with the school site to adopt a plan to raise student achievement levels to meet federal expectations. The commissioner of education shall establish student academic achievement levels to comply with this paragraph.

(b) School sites identified as not meeting federal expectations must develop continuous improvement plans in order to meet federal expectations for student academic achievement. The department, at a district's request, must assist the district and the school site in developing a plan to improve student achievement. The plan must include parental involvement components.

(c) The commissioner must:

- (1) assist school sites and districts identified as not meeting federal expectations; and
- (2) provide technical assistance to schools that integrate student achievement measures into the school continuous improvement plan.

(d) The commissioner shall establish and maintain a continuous improvement Web site designed to make data on every school and district available to parents, teachers, administrators, community members, and the general public.

Sec. 16. Minnesota Statutes 2014, section 120B.35, subdivision 3, is amended to read:

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

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

- (1) report student growth consistent with this paragraph; and
- (2) for all student categories, report and compare aggregated and disaggregated state growth data using the nine student categories identified under the federal 2001 No Child Left Behind Act the student categories identified under the federal Elementary and Secondary Education Act and

two student gender categories of male and female, respectively, following appropriate reporting practices to protect nonpublic student data.

The commissioner must report measures of student growth, consistent with this paragraph, including the English language development, academic progress, and oral academic development of English learners and their native language development if the native language is used as a language of instruction.

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

(1) a preparation measure indicating the number and percentage of high school graduates in the most recent school year who completed course work important to preparing them for postsecondary academic and career opportunities, consistent with the core academic subjects required for admission to Minnesota's public colleges and universities as determined by the Office of Higher Education under chapter 136A; and

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

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using ~~the nine student categories identified under the federal 2001 No Child Left Behind Act~~ the student categories identified under the federal Elementary and Secondary Education Act and two student gender categories of male and female, respectively, following appropriate reporting practices to protect nonpublic student data.

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

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

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

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

- (3) the success that learning year program providers experience in:
- (i) identifying at-risk and off-track student populations by grade;
 - (ii) providing successful prevention and intervention strategies for at-risk students;
 - (iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and
 - (iv) improving the graduation outcomes of at-risk and off-track students.

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

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of English learners, must identify and report appropriate and effective measures to improve current categories of language difficulty and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

Sec. 17. Minnesota Statutes 2014, section 120B.36, as amended by Laws 2015, First Special Session chapter 3, article 2, section 8, is amended to read:

120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.

Subdivision 1. **School performance reports.** (a) The commissioner shall report student academic performance under section 120B.35, subdivision 2; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance levels are meeting career and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in reducing disparities in students' academic achievement and realizing racial and economic integration under section 124D.861; the acquisition of English, and where practicable, native language academic literacy, including oral academic language, and the academic progress of English learners under section 124D.59, subdivisions 2 and 2a; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; student homelessness and district mobility; and extracurricular activities. The report also must indicate a school's ~~adequate yearly progress~~ status under applicable federal law; ~~and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.~~

(b) The commissioner shall develop, annually update, and post on the department Web site school performance reports.

(c) The commissioner must make available performance reports by the beginning of each school year.

(d) A school or district may appeal its ~~adequate yearly progress~~ status in writing to the commissioner within 30 days of receiving the notice of its status results in a form and manner

determined by the commissioner and consistent with federal law. The commissioner's decision to uphold or deny an appeal is final.

(e) School performance data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner shall annually post school performance reports to the department's public Web site no later than September 1, except that in years when the reports reflect new performance standards, the commissioner shall post the school performance reports no later than October 1.

Subd. 2. ~~Adequate yearly progress Federal expectations and other data.~~ All data the department receives, collects, or creates to determine ~~adequate yearly progress status federal expectations~~ under ~~Public Law 107-110, section 1116~~ the Elementary and Secondary Education Act, set state growth targets, and determine student growth are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. Districts must provide parents sufficiently detailed summary data to permit parents to appeal under ~~Public Law 107-110, section 1116(b)(2)~~ the federal Elementary and Secondary Education Act. The commissioner shall annually post ~~federal adequate yearly progress data~~ on federal expectations and state student growth data to the department's public Web site no later than September 1, except that in years when ~~adequate yearly progress data~~ on federal expectations reflects new performance standards, the commissioner shall post ~~federal adequate yearly progress data~~ on federal expectations and state student growth data no later than October 1.

Sec. 18. Minnesota Statutes 2014, section 122A.16, is amended to read:

122A.16 HIGHLY QUALIFIED TEACHER DEFINED.

(a) A qualified teacher is one holding a valid license, under this chapter, to perform the particular service for which the teacher is employed in a public school.

~~(b) For the purposes of the federal No Child Left Behind Act, a highly qualified teacher is one who holds a valid license under this chapter, including under section 122A.245, among other sections and is determined by local administrators as having highly qualified status according to the approved Minnesota highly qualified plan. Teachers delivering core content instruction must be deemed highly qualified at the local level and reported to the state via the staff automated reporting system.~~

Sec. 19. Minnesota Statutes 2015 Supplement, section 122A.30, is amended to read:

122A.30 EXEMPTION FOR TECHNICAL EDUCATION INSTRUCTORS.

(a) Notwithstanding section 122A.15, subdivision 1, and upon approval of the local employer school board, a person who teaches ~~in as a part-time vocational or career and technical education program~~ teacher is exempt from a license requirement. Nothing in this section shall exclude licensed career and technical educators from the definition of "teacher" in section 122A.40, 122A.41, or 179A.03.

(b) This section expires June 30, 2020.

Sec. 20. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 1, is amended to read:

Subdivision 1. **Restructured pay system.** A restructured alternative teacher professional pay system is established under subdivision 2 to provide incentives to encourage teachers to improve their knowledge and instructional skills in order to improve student learning and for school districts, intermediate school districts, cooperative units, as defined in section 123A.24, subdivision 2, and charter schools to recruit and retain highly qualified teachers, encourage highly qualified teachers to undertake challenging assignments, and support teachers' roles in improving students' educational achievement.

Sec. 21. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2, is amended to read:

Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have ~~an educational improvement plan under section 122A.413~~ a world's best workforce plan under section 120B.11 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must:

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student growth and literacy that may include value-added models or student learning goals, consistent with section 122A.40, subdivision 8, paragraph (b), clause (9), or 122A.41, subdivision 5, paragraph (b), clause (9), and other measures that include the academic literacy, oral academic language, and achievement of English learners under section 122A.40, subdivision 8, paragraph (b), clause (10), or 122A.41, subdivision 5, paragraph (b), clause (10); and

(iii) an objective evaluation program under section 122A.40, subdivision 8, paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

(4) provide for participation in job-embedded learning opportunities such as professional learning communities to improve instructional skills and learning that are aligned with student needs under section ~~122A.413~~ 120B.11, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

(c) The alternative teacher professional pay system may:

(1) include a hiring bonus or other added compensation for teachers who are identified as effective or highly effective under the local teacher professional review cycle and work in a hard-to-fill position or in a hard-to-staff school such as a school with a majority of students whose families meet federal poverty guidelines, a geographically isolated school, or a school identified by the state as eligible for targeted programs or services for its students; and

(2) include incentives for teachers to obtain a master's degree or other advanced certification in their content field of licensure, pursue the training or education necessary to obtain an additional licensure in shortage areas identified by the district or charter school, or help fund a "grow your own" new teacher initiative.

Sec. 22. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2b, is amended to read:

Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and sections ~~122A.413 and section~~ 122A.415, the department must prepare and transmit to interested school districts, intermediate school districts, cooperatives, school sites, and charter schools a standard form for applying to participate in the alternative teacher professional pay system. The commissioner annually must establish three dates as deadlines by which interested applicants must submit an application to the commissioner under this section. An interested school district, intermediate school district, cooperative, school site, or charter school must submit to the commissioner a completed application executed by the district superintendent and the exclusive bargaining representative of the teachers if the applicant is a school district, intermediate school district, or school site, or executed by the charter school board of directors if the applicant is a charter school or executed by the governing board if the applicant is a cooperative unit. The application must include the proposed alternative teacher professional pay system agreement under subdivision 2. The department must review a completed application within 30 days of the most recent application deadline and recommend to the commissioner whether to approve or disapprove the application. The commissioner must approve applications on a first-come, first-served basis. The applicant's alternative teacher professional pay system agreement must be legally binding on the applicant and the collective bargaining representative before the applicant receives alternative compensation revenue. The commissioner must approve or disapprove an application based on the requirements under subdivisions 2 and 2a.

(b) If the commissioner disapproves an application, the commissioner must give the applicant timely notice of the specific reasons in detail for disapproving the application. The applicant may revise and resubmit its application and related documents to the commissioner within 30 days of receiving notice of the commissioner's disapproval and the commissioner must approve or disapprove the revised application, consistent with this subdivision. Applications that are revised and then approved are considered submitted on the date the applicant initially submitted the application.

Sec. 23. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 3, is amended to read:

Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate school districts, cooperatives, school sites, and charter schools must report on the implementation and effectiveness of the alternative teacher professional pay system, particularly addressing each requirement under

subdivision 2 and make annual recommendations by June 15 to their school boards. ~~The school board, board of directors, or governing board shall transmit a copy of the report with a summary of the findings and recommendations of the district, intermediate school district, cooperative, school site, or charter school to the commissioner in the form and manner determined by the commissioner.~~

~~(b) If the commissioner determines that a school district, intermediate school district, cooperative, school site, or charter school that receives alternative teacher compensation revenue is not complying with the requirements of this section, the commissioner may withhold funding from that participant. Before making the determination, the commissioner must notify the participant of any deficiencies and provide the participant an opportunity to comply. A district must include the report required under paragraph (a) as part of the world's best workforce report under section 120B.11, subdivision 5.~~

Sec. 24. Minnesota Statutes 2014, section 122A.4144, is amended to read:

122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER PAY.

Notwithstanding section 179A.20 or other law to the contrary, a school board and the exclusive representative of the teachers may agree to reopen a collective bargaining agreement for the purpose of entering into an alternative teacher professional pay system agreement under sections ~~122A.413~~; 122A.414; and 122A.415. Negotiations for a contract reopened under this section must be limited to issues related to the alternative teacher professional pay system.

Sec. 25. Minnesota Statutes 2014, section 122A.416, is amended to read:

122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT INTEGRATION COLLABORATIVES.

Notwithstanding sections ~~122A.413~~; 122A.414, 122A.415, and 126C.10, multidistrict integration collaboratives and the Perpich Center for Arts Education are eligible to receive alternative teacher compensation revenue as if they were intermediate school districts. To qualify for alternative teacher compensation revenue, a multidistrict integration collaborative or the Perpich Center for Arts Education must meet all of the requirements of sections ~~122A.413~~; 122A.414; and 122A.415 that apply to intermediate school districts, must report its enrollment as of October 1 of each year to the department, and must annually report its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards to the department by November 30 of each year.

Sec. 26. Minnesota Statutes 2015 Supplement, section 122A.60, subdivision 4, is amended to read:

Subd. 4. **Staff development report.** ~~(a) By October 15 of each year, The district and site staff development committees shall write and submit a report of staff development activities and expenditures for the previous year, in the form and manner determined by the commissioner. The report, signed by the district superintendent and staff development chair, must include assessment and evaluation data indicating progress toward district and site staff development goals based on teaching and learning outcomes, including the percentage of teachers and other staff involved in instruction who participate in effective staff development activities under subdivision 3 as part of the district's world's best workforce report under section 120B.11, subdivision 5.~~

(b) The report must break down expenditures for:

- (1) curriculum development and curriculum training programs; and
- (2) staff development training models, workshops, and conferences, and the cost of releasing teachers or providing substitute teachers for staff development purposes.

The report also must indicate whether the expenditures were incurred at the district level or the school site level, and whether the school site expenditures were made possible by grants to school sites that demonstrate exemplary use of allocated staff development revenue. These expenditures must be reported using the uniform financial and accounting and reporting standards.

~~(c) The commissioner shall report the staff development progress and expenditure data to the house of representatives and senate committees having jurisdiction over education by February 15 each year.~~

Sec. 27. Minnesota Statutes 2014, section 122A.72, subdivision 5, is amended to read:

Subd. 5. **Center functions.** (a) A teacher center shall perform functions according to this subdivision. The center shall assist teachers, diagnose learning needs, experiment with the use of multiple instructional approaches, assess pupil outcomes, assess staff development needs and plans, and teach school personnel about effective pedagogical approaches. The center shall develop and produce curricula and curricular materials designed to meet the educational needs of pupils being served, by applying educational research and new and improved methods, practices, and techniques. The center shall provide programs to improve the skills of teachers to meet the special educational needs of pupils. The center shall provide programs to familiarize teachers with developments in curriculum formulation and educational research, including how research can be used to improve teaching skills. The center shall facilitate sharing of resources, ideas, methods, and approaches directly related to classroom instruction and improve teachers' familiarity with current teaching materials and products for use in their classrooms. The center shall provide in-service programs.

(b) Each teacher center must provide a professional development program to train interested and highly qualified elementary, middle, and secondary teachers, selected by the employing school district, to assist other teachers in that district with mathematics and science curriculum, standards, and instruction so that all teachers have access to:

- (1) high quality professional development programs in mathematics and science that address curriculum, instructional methods, alignment of standards, and performance measurements, enhance teacher and student learning, and support state mathematics and science standards; and
- (2) research-based mathematics and science programs and instructional models premised on best practices that inspire teachers and students and have practical classroom application.

Sec. 28. Minnesota Statutes 2014, section 122A.74, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) The commissioner of education may contract with the Minnesota State University Mankato or the regents of the University of Minnesota to establish a Principals' Leadership Institute to provide professional development to school principals by:

- (1) creating a network of leaders in the educational and business communities to communicate current and future trends in leadership techniques;

(2) helping to create a vision for the school that is aligned with the community and district priorities;

(3) developing strategies to retain highly qualified teachers and ensure that diverse student populations, including at-risk students, children with disabilities, English learners, and gifted students, among others, have equal access to these highly qualified teachers; and

(4) providing training to analyze data using culturally competent tools.

(b) The University of Minnesota must cooperate with participating members of the business community to provide funding and content for the institute.

(c) Participants must agree to attend the Principals' Leadership Institute for four weeks during the academic summer.

(d) The Principals' Leadership Institute must incorporate program elements offered by leadership programs at the University of Minnesota and program elements used by the participating members of the business community to enhance leadership within their businesses.

Sec. 29. Minnesota Statutes 2014, section 124D.03, subdivision 5a, is amended to read:

Subd. 5a. **Lotteries.** If a school district has more applications than available seats at a specific grade level, it must hold an impartial lottery following the January 15 deadline to determine which students will receive seats. Siblings of currently enrolled students ~~and~~ applications related to an approved integration and achievement plan, and children of the school district's staff must receive priority in the lottery. The process for the school district lottery must be established in school district policy, approved by the school board, and posted on the school district's Web site.

EFFECTIVE DATE. This section is effective the day following final enactment for nonresident pupil applications not yet accepted or rejected by the school district.

Sec. 30. Minnesota Statutes 2014, section 124D.15, subdivision 3a, is amended to read:

Subd. 3a. **Application and reporting requirements.** (a) A school readiness program provider must ~~submit~~ include a biennial plan for approval by the commissioner before receiving aid under section 124D.16. ~~The plan must describe in the district's world's best workforce plan under section 120B.11, describing how the school readiness program meets the program requirements under subdivision 3. A school district by April 1 must submit the plan for approval by the commissioner in the form and manner prescribed by the commissioner. One-half the districts must first submit the plan by April 1, 2006, and one-half the districts must first submit the plan by April 1, 2007, as determined by the commissioner.~~

(b) Programs receiving school readiness funds annually must submit a report to the department.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 31. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2, is amended to read:

Subd. 2. **Full-service community school program.** (a) The commissioner shall provide funding to eligible school sites to plan, implement, and improve full-service community schools. Eligible school sites must meet one of the following criteria:

(1) the school is on a development plan for continuous improvement under section 120B.35, subdivision 2; or

(2) the school is in a district that has an achievement and integration plan approved by the commissioner of education under sections 124D.861 and 124D.862.

(b) An eligible school site may receive up to \$100,000 annually. School sites receiving funding under this section shall hire or contract with a partner agency to hire a site coordinator to coordinate services at each covered school site.

(c) Implementation funding of up to \$20,000 must be available for up to one year for planning for school sites. At the end of this period, the school must submit a full-service community school plan, pursuant to paragraph (g).

(d) The commissioner shall dispense the funds to schools with significant populations of students receiving free or reduced-price lunches. Schools with significant homeless and highly mobile students shall also be a priority. The commissioner must also dispense the funds in a manner to ensure equity among urban, suburban, and greater Minnesota schools.

(e) A school site must establish a school leadership team responsible for developing school-specific programming goals, assessing program needs, and overseeing the process of implementing expanded programming at each covered site. The school leadership team shall have between 12 to 15 members and shall meet the following requirements:

(1) at least 30 percent of the members are parents and 30 percent of the members are teachers at the school site and must include the school principal and representatives from partner agencies; and

(2) the school leadership team must be responsible for overseeing the baseline analyses under paragraph (f). A school leadership team must have ongoing responsibility for monitoring the development and implementation of full-service community school operations and programming at the school site and shall issue recommendations to schools on a regular basis and summarized in an annual report. These reports shall also be made available to the public at the school site and on school and district Web sites.

(f) School sites must complete a baseline analysis prior to beginning programming as a full-service community school. The analysis shall include:

(1) a baseline analysis of needs at the school site, led by the school leadership team, which shall include the following elements:

(i) identification of challenges facing the school;

(ii) analysis of the student body, including:

(A) number and percentage of students with disabilities and needs of these students;

(B) number and percentage of students who are English learners and the needs of these students;

(C) number of students who are homeless or highly mobile; and

(D) number and percentage of students receiving free or reduced-price lunch and the needs of these students;

(iii) analysis of enrollment and retention rates for students with disabilities, English learners, homeless and highly mobile students, and students receiving free or reduced-price lunch;

(iv) analysis of suspension and expulsion data, including the justification for such disciplinary actions and the degree to which particular populations, including, but not limited to, students of color, students with disabilities, students who are English learners, and students receiving free or reduced-price lunch are represented among students subject to such actions;

(v) analysis of school achievement data disaggregated by major demographic categories, including, but not limited to, race, ethnicity, English learner status, disability status, and free or reduced-price lunch status;

(vi) analysis of current parent engagement strategies and their success; and

(vii) evaluation of the need for and availability of wraparound services, including, but not limited to:

(A) mechanisms for meeting students' social, emotional, and physical health needs, which may include coordination of existing services as well as the development of new services based on student needs; and

(B) strategies to create a safe and secure school environment and improve school climate and discipline, such as implementing a system of positive behavioral supports, and taking additional steps to eliminate bullying;

(2) a baseline analysis of community assets and a strategic plan for utilizing and aligning identified assets. This analysis should include, but is not limited to, a documentation of individuals in the community, faith-based organizations, community and neighborhood associations, colleges, hospitals, libraries, businesses, and social service agencies who may be able to provide support and resources; and

(3) a baseline analysis of needs in the community surrounding the school, led by the school leadership team, including, but not limited to:

(i) the need for high-quality, full-day child care and early childhood education programs;

(ii) the need for physical and mental health care services for children and adults; and

(iii) the need for job training and other adult education programming.

(g) Each school site receiving funding under this section must establish at least two of the following types of programming:

(1) early childhood:

(i) early childhood education; and

(ii) child care services;

(2) academic:

(i) academic support and enrichment activities, including expanded learning time;

(ii) summer or after-school enrichment and learning experiences;

- (iii) job training, internship opportunities, and career counseling services;
 - (iv) programs that provide assistance to students who have been truant, suspended, or expelled; and
 - (v) specialized instructional support services;
- (3) parental involvement:
- (i) programs that promote parental involvement and family literacy, ~~including the Reading First and Early Reading First programs authorized under part B of title I of the Elementary and Secondary Education Act of 1965, United States Code, title 20, section 6361, et seq.;~~
 - (ii) parent leadership development activities; and
 - (iii) parenting education activities;
- (4) mental and physical health:
- (i) mentoring and other youth development programs, including peer mentoring and conflict mediation;
 - (ii) juvenile crime prevention and rehabilitation programs;
 - (iii) home visitation services by teachers and other professionals;
 - (iv) developmentally appropriate physical education;
 - (v) nutrition services;
 - (vi) primary health and dental care; and
 - (vii) mental health counseling services;
- (5) community involvement:
- (i) service and service-learning opportunities;
 - (ii) adult education, including instruction in English as a second language; and
 - (iii) homeless prevention services;
- (6) positive discipline practices; and
- (7) other programming designed to meet school and community needs identified in the baseline analysis and reflected in the full-service community school plan.
- (h) The school leadership team at each school site must develop a full-service community school plan detailing the steps the school leadership team will take, including:
- (1) timely establishment and consistent operation of the school leadership team;
 - (2) maintenance of attendance records in all programming components;
 - (3) maintenance of measurable data showing annual participation and the impact of programming on the participating children and adults;

(4) documentation of meaningful and sustained collaboration between the school and community stakeholders, including local governmental units, civic engagement organizations, businesses, and social service providers;

(5) establishment and maintenance of partnerships with institutions, such as universities, hospitals, museums, or not-for-profit community organizations to further the development and implementation of community school programming;

(6) ensuring compliance with the district nondiscrimination policy; and

(7) plan for school leadership team development.

Sec. 32. Minnesota Statutes 2015 Supplement, section 124D.73, subdivision 4, is amended to read:

Subd. 4. **Participating school; American Indian school.** "Participating school" and "American Indian school" mean a school that:

(1) is not operated by a school district; and

(2) is eligible for a grant under federal Title ~~VH~~ VI of the Elementary and Secondary Education Act for the education of American Indian children.

Sec. 33. Minnesota Statutes 2014, section 127A.095, is amended to read:

127A.095 IMPLEMENTATION OF ~~NO CHILD LEFT BEHIND ACT~~ ELEMENTARY AND SECONDARY EDUCATION ACT.

Subdivision 1. **Continued implementation.** The Department of Education shall continue to implement the federal ~~No Child Left Behind Act, Public Law 107-110,~~ Elementary and Secondary Education Act without interruption.

Subd. 2. **No Child Left Behind review.** (a) ~~The legislature intends to require the Department of Education to conduct a comprehensive review of the consolidated state plan the state submitted to the federal Department of Education to implement the No Child Left Behind Act. The Minnesota Department of Education shall seek waivers under paragraph (b). If the Department of Education is unable to obtain waivers under paragraph (b), it should recommend in its report under paragraph (b) whether the state should opt out of the No Child Left Behind Act.~~

~~(b) The commissioner, by January 15, 2008, shall report to the house of representatives and senate committees having jurisdiction over kindergarten through grade 12 education policy and finance whether the department has received approval from the federal Department of Education to:~~

~~(1) participate in the growth model pilot program;~~

~~(2) exclude from sanctions schools that have not made adequate yearly progress due solely to a subgroup of students with disabilities not testing at a proficient level;~~

~~(3) identify a school as not making adequate yearly progress only after the school has missed the adequate yearly progress targets in the same subgroup for two consecutive years;~~

~~(4) determine when to hold schools accountable for including an English learner in adequate yearly progress calculations;~~

~~(5) allow a district not making adequate yearly progress to offer supplemental educational services as an option before offering school choice;~~

~~(6) allow a district not making adequate yearly progress to also be the supplemental educational services provider;~~

~~(7) allow the state to maintain a subgroup size to 40 for the purposes of calculating adequate yearly progress for subgroups of English learners and subgroups of students with disabilities; and~~

~~(8) create flexibility to enable the state to define and identify highly qualified teachers.~~

Subd. 3. **Department of Management and Budget certification.** ~~If the federal Department of Education does not transmit to the commissioner of education its approval of the conditions in subdivision 2, paragraph (b);~~ The commissioner of management and budget shall certify and report to the legislature annually beginning January 1, 2008, the amount of federal revenue, if any, that the federal government may withhold as a result of a potential state decision to discontinue implementation of the ~~No Child Left Behind Act~~ Elementary and Secondary Education Act. The report shall also specify the intended purpose of the federal revenue and the amount of revenue that the federal government may withhold from the state, each school district, and each charter school in each fiscal year.

Sec. 34. **STUDENT DISCIPLINE WORKING GROUP.**

(a) A Student Discipline Working Group is created to review the substance, application, and effect of Minnesota's Pupil Fair Dismissal Act under Minnesota Statutes, sections 121A.40 to 121A.56, and related student discipline provisions in Minnesota Statutes, chapter 121A, and submit written recommendations to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over education by February 1, 2017, on improving disciplinary policies, practices, and procedures as they affect students and school officials and the effects on student outcomes.

(b) Consistent with paragraph (a), the working group must analyze:

(1) available summary data on elementary and secondary students' removal from class, suspensions, exclusions, and expulsions, disaggregated by categories of race, ethnicity, poverty, disabilities, homelessness, English language proficiency, gender, age, and foster care status;

(2) the meaning and effect of "willful" in establishing grounds for dismissal under Minnesota Statutes, section 121A.45;

(3) the impact of student misconduct on teacher safety;

(4) the impact of established policies and due process procedures on teacher safety and student outcomes;

(5) students' need for and access to professional support service providers such as school counselors, school social workers, school psychologists, and mental health professionals;

(6) the presence of school resource officers in school buildings, their role in effecting student discipline, and their impact on teacher safety and student outcomes;

(7) policies for retaining and destroying student disciplinary data;

(8) best practices for school discipline; and

(9) other related school discipline matters that are of concern to working group members.

(c) The working group consists of 21 members. By June 1, 2016, the executive director of each of the following organizations shall appoint one representative of that organization to serve as a member of the working group: the Minnesota School Boards Association; the Minnesota Association of School Administrators; Education Minnesota; the Minnesota Board of Peace Officer Standards and Training; the Minnesota Disability Law Center; the National Alliance of Mental Illness Minnesota; the Minnesota Association of Secondary School Principals; the Minnesota Elementary School Principals' Association; the Association of Metropolitan School Districts; the Minnesota Rural Education Association; the Minnesota School Counselors Association; the Minnesota School Psychologists Association; the Parent Advocacy Coalition for Educational Rights; Minnesota Administrators for Special Education; Schools for Equity in Education; Minnesota Education Equity Partnership; Educators for Excellence; the School Nurse Organization of Minnesota; the Minnesota Association of Charter Schools; the Minnesota Youth Council; and the Minnesota School Social Workers Association. Working group members must seek advice from experts and stakeholders in developing their recommendations.

(d) The commissioner of education, or the commissioner's designee, must convene the first meeting of the working group. The working group must select a chair or cochair from among its members at the first meeting. The working group must meet periodically. The commissioner must provide technical and administrative assistance to the working group upon request. Working group members are not eligible to receive expenses or per diem payments for serving on the working group.

(e) The working group expires February 2, 2017.

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

Sec. 35. ASSESSMENT REPORT.

By January 1, 2017, the commissioner of education must report to the chairs and ranking minority members of the legislative committees having jurisdiction over kindergarten through grade 12 education on whether to replace the Minnesota Comprehensive Assessments (MCAs) that are administered to high school students with a nationally recognized college entrance exam. The report must include the reason for the recommendation. If the recommendation is to replace the MCAs, then the commissioner must include in the report which nationally recognized college entrance exam should be used as the replacement assessment, in what grade or grades the assessment should be administered, and the cost for using the nationally recognized college entrance exam.

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

Sec. 36. REPEALER.

(a) Minnesota Statutes 2014, sections 120B.299, subdivision 5; 120B.35, subdivision 4; 122A.413, subdivision 3; 122A.43, subdivision 6; and 123B.06, are repealed.

(b) Minnesota Statutes 2015 Supplement, section 122A.413, subdivisions 1 and 2, are repealed.

ARTICLE 3
CHARTER SCHOOLS

Section 1. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 1, is amended to read:

Subdivision 1. **Eligible authorizers.** The following organizations may authorize one or more charter schools:

(1) a school board, intermediate school district school board, or education district organized under sections 123A.15 to 123A.19;

(2) a charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986, excluding a nonpublic sectarian or religious institution; any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the nonpublic sectarian or religious institution; and any other charitable organization under this clause that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that:

(i) ~~is a member of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations;~~

(ii) is registered with the attorney general's office; and

(iii) (ii) is incorporated in the state of Minnesota and has been operating continuously for at least five years but does not operate a charter school;

(3) a Minnesota private college, notwithstanding clause (2), that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A; community college, state university, or technical college governed by the Board of Trustees of the Minnesota State Colleges and Universities; or the University of Minnesota;

(4) a nonprofit corporation subject to chapter 317A, described in section 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may authorize one or more charter schools if the charter school has operated for at least three years under a different authorizer and if the nonprofit corporation has existed for at least 25 years; or

(5) single-purpose authorizers formed as charitable, nonsectarian organizations under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota under chapter 317A as a corporation with no members or under section 322B.975 as a nonprofit limited liability company for the sole purpose of chartering schools.

Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 4, is amended to read:

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

(1) how chartering schools is a way for the organization to carry out its mission;

(2) ~~a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will~~

~~be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;~~

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

(3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters;

(4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of section 124E.10;

(5) the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;

(6) a description of the criteria and process the authorizer will use to grant expanded applications under section 124E.06, subdivision 5;

(7) the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and

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

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

EFFECTIVE DATE. This section is effective January 1, 2017.

Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 5, is amended to read:

Subd. 5. **Review by commissioner.** (a) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner, subject to paragraphs (b) and (c), and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer.

(b) Consistent with this section, the commissioner must:

(1) use criteria appropriate to the authorizer and the schools it charters to review the authorizer's performance; and

(2) consult with authorizers, charter school operators, and other charter school stakeholders in developing and evaluating the review process, criteria, and scoring system under this paragraph.

(c) The commissioner's form must use existing department data on the authorizer to minimize duplicate reporting to the extent practicable.

EFFECTIVE DATE. This section is effective January 1, 2017.

Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 7, is amended to read:

Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under section 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the commissioner in writing by ~~July 15~~ March 1 of its intent to withdraw as an authorizer on June 30 in the next calendar year, regardless of when the authorizer's five-year term of approval ends. The commissioner may approve the transfer of a charter school to a new authorizer under ~~this subdivision after the new authorizer submits an affidavit to the commissioner~~ section 124E.10, subdivision 5.

Sec. 5. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 1, is amended to read:

Subdivision 1. **Contents.** (a) The authorization for a charter school must be in the form of a written contract signed by the authorizer and the board of directors of the charter school. The contract must be completed within 45 business days of the commissioner's approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a copy of the signed charter contract within ten business days of its execution. The contract for a charter school must be in writing and contain at least the following:

(1) a declaration that the charter school will carry out the primary purpose in section 124E.01, subdivision 1, and how the school will report its implementation of the primary purpose;

(2) a declaration of the additional purpose or purposes in section 124E.01, subdivision 1, that the school intends to carry out and how the school will report its implementation of those purposes;

(3) a description of the school program and the specific academic and nonacademic outcomes that pupils must achieve;

(4) a statement of admission policies and procedures;

(5) a governance, management, and administration plan for the school;

(6) signed agreements from charter school board members to comply with all federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools;

(7) the criteria, processes, and procedures that the authorizer will use to monitor and evaluate the fiscal, operational, and academic performance consistent with subdivision 3, paragraphs (a) and (b);

(8) for contract renewal, the formal written performance evaluation of the school that is a prerequisite for reviewing a charter contract under subdivision 3;

(9) types and amounts of insurance liability coverage to be obtained by the charter school, consistent with section 124E.03, subdivision 2, paragraph (d);

(10) consistent with section 124E.09, paragraph (d), a provision to indemnify and hold harmless the authorizer and its officers, agents, and employees from any suit, claim, or liability arising from any operation of the charter school, and the commissioner and department officers, agents, and employees notwithstanding section 3.736;

(11) the term of the initial contract, which may be up to five years plus ~~an additional~~ a preoperational planning year period, and up to five years for a renewed contract or a contract with a new authorizer after a transfer of authorizers, if warranted by the school's academic, financial, and operational performance;

(12) how the board of directors or the operators of the charter school will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability;

(13) the specific conditions for contract renewal that identify performance of all students under the primary purpose of section 124E.01, subdivision 1, as the most important factor in determining contract renewal;

(14) the additional purposes under section 124E.01, subdivision 1, and related performance obligations under clause (7) contained in the charter contract as additional factors in determining contract renewal; and

(15) the plan for an orderly closing of the school under chapter 317A, whether the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract, that includes establishing the responsibilities of the school board of directors and the authorizer and notifying the commissioner, authorizer, school district in which the charter school is located, and parents of enrolled students about the closure, information and assistance sufficient to enable the student to re-enroll in another school, the transfer of student records under section 124E.03, subdivision 5, paragraph (b), and procedures for closing financial operations.

(b) A charter school must design its programs to at least meet the outcomes adopted by the commissioner for public school students, including world's best workforce goals under section 120B.11, subdivision 1. In the absence of the commissioner's requirements, the school must meet the outcomes contained in the contract with the authorizer. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the commissioner for public school students.

Sec. 6. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 5, is amended to read:

Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of directors mutually agree not to renew the contract, or if the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 4, a change in authorizers is allowed. The authorizer and the school board must jointly submit a written and signed letter of their intent to the commissioner to mutually not renew the contract. The authorizer that is a party to the existing contract must inform the proposed authorizer about the fiscal, operational, and student performance status of the school, as well as any including unmet contract outcomes and other outstanding contractual obligations that exist. The charter contract between the proposed authorizer and the school must identify and provide a plan to address any outstanding obligations from the previous contract. The proposed contract must be submitted at least 105 business days

before the end of the existing charter contract. The commissioner shall have 30 business days to review and make a determination. The proposed authorizer and the school shall have 15 business days to respond to the determination and address any issues identified by the commissioner. A final determination by the commissioner shall be made no later than 45 business days before the end of the current charter contract. If no change in authorizer is approved, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the transfer of authorizers is not approved and the current authorizer and the school do not withdraw their letter and enter into a new contract, the school must be dissolved according to applicable law and the terms of the contract.

Sec. 7. Minnesota Statutes 2015 Supplement, section 124E.16, subdivision 2, is amended to read:

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

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

ARTICLE 4

SPECIAL EDUCATION

Section 1. Minnesota Statutes 2015 Supplement, section 120B.125, is amended to read:

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

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

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

(2) emphasize academic rigor and high expectations;

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

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

(5) help students access education and career options;

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

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

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

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

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

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

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

(e) A student with a disability that has an individualized education program (IEP) or standardized written plan that meets the plan components of this section does not need an additional plan.

Sec. 2. Minnesota Statutes 2014, section 122A.31, subdivision 3, is amended to read:

Subd. 3. **Qualified interpreters.** The Department of Education ~~and the resource center:~~ state specialist for deaf and hard-of-hearing ~~hard-of-hearing~~ shall work with existing interpreter/transliterators training programs, other training/educational institutions, and the

regional service centers to ensure that ongoing staff development training for educational interpreters/transliterators is provided throughout the state.

Sec. 3. Minnesota Statutes 2014, section 124D.15, subdivision 15, is amended to read:

Subd. 15. **Eligibility.** A child is eligible to participate in a school readiness program if the child:

- (1) is at least three years old on September 1;
- (2) has completed health and developmental screening within 90 days of program enrollment under sections 121A.16 to 121A.19; and
- (3) has one or more of the following risk factors:
 - (i) qualifies for free or reduced-price lunch;
 - (ii) is an English learner;
 - (iii) is homeless;
 - (iv) has an individualized education program (IEP) or ~~an individual interagency intervention plan (HHP)~~ standardized written plan;
 - (v) is identified, through health and developmental screenings under sections 121A.16 to 121A.19, with a potential risk factor that may influence learning; or
 - (vi) is defined as ~~at-risk~~ at risk by the school district.

Sec. 4. Minnesota Statutes 2015 Supplement, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

(a) At the beginning of each school year, each school district shall have in effect, for each child with a disability, an individualized education program (IEP).

(b) As defined in this section, every district must ensure the following:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individualized education program team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individualized education program. The individualized education program team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individualized education program. The program must address the student's need to develop skills to live and work as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children. During grade 9, the program must address the student's needs for transition from secondary services to postsecondary education and training, employment, community participation, recreation, and leisure and home living. In developing the program, districts must inform parents of the full range

of transitional goals and related services that should be considered. The program must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded. If the IEP meets the plan components in section 120B.125, the IEP satisfies the requirement and no additional plan is needed;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial evaluation or reevaluation, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation materials, and procedures used for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

(c) For all paraprofessionals employed to work in programs whose role in part is to provide direct support to students with disabilities, the school board in each district shall ensure that:

(1) before or beginning at the time of employment, each paraprofessional must develop sufficient knowledge and skills in emergency procedures, building orientation, roles and responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin meeting the needs, especially disability-specific and behavioral needs, of the students with whom the paraprofessional works;

(2) annual training opportunities are required to enable the paraprofessional to continue to further develop the knowledge and skills that are specific to the students with whom the paraprofessional works, including understanding disabilities, the unique and individual needs of each student according to the student's disability and how the disability affects the student's education and behavior, following lesson plans, and implementing follow-up instructional procedures and activities; and

(3) a districtwide process obligates each paraprofessional to work under the ongoing direction of a licensed teacher and, where appropriate and possible, the supervision of a school nurse.

Sec. 5. Minnesota Statutes 2014, section 125A.091, subdivision 11, is amended to read:

Subd. 11. **Facilitated team meeting.** A facilitated team meeting is an IEP, IFSP, or HHP multiagency team meeting led by an impartial state-provided facilitator to promote effective communication and assist a team in developing an individualized education program.

Sec. 6. Minnesota Statutes 2015 Supplement, section 125A.0942, subdivision 3, is amended to read:

Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be used only in an emergency. A school that uses physical holding or seclusion shall meet the following requirements:

(1) physical holding or seclusion is the least intrusive intervention that effectively responds to the emergency;

(2) physical holding or seclusion is not used to discipline a noncompliant child;

(3) physical holding or seclusion ends when the threat of harm ends and the staff determines the child can safely return to the classroom or activity;

(4) staff directly observes the child while physical holding or seclusion is being used;

(5) each time physical holding or seclusion is used, the staff person who implements or oversees the physical holding or seclusion documents, as soon as possible after the incident concludes, the following information:

(i) a description of the incident that led to the physical holding or seclusion;

(ii) why a less restrictive measure failed or was determined by staff to be inappropriate or impractical;

(iii) the time the physical holding or seclusion began and the time the child was released; and

(iv) a brief record of the child's behavioral and physical status;

(6) the room used for seclusion must:

(i) be at least six feet by five feet;

(ii) be well lit, well ventilated, adequately heated, and clean;

(iii) have a window that allows staff to directly observe a child in seclusion;

(iv) have tamperproof fixtures, electrical switches located immediately outside the door, and secure ceilings;

(v) have doors that open out and are unlocked, locked with keyless locks that have immediate release mechanisms, or locked with locks that have immediate release mechanisms connected with a fire and emergency system; and

(vi) not contain objects that a child may use to injure the child or others; and

(7) before using a room for seclusion, a school must:

(i) receive written notice from local authorities that the room and the locking mechanisms comply with applicable building, fire, and safety codes; and

(ii) register the room with the commissioner, who may view that room; ~~and~~.

~~(8) until August 1, 2015, a school district may use prone restraints with children age five or older if:~~

~~(i) the district has provided to the department a list of staff who have had specific training on the use of prone restraints;~~

~~(ii) the district provides information on the type of training that was provided and by whom;~~

~~(iii) only staff who received specific training use prone restraints;~~

~~(iv) each incident of the use of prone restraints is reported to the department within five working days on a form provided by the department; and~~

~~(v) the district, before using prone restraints, must review any known medical or psychological limitations that contraindicate the use of prone restraints.~~

~~The department must collect data on districts' use of prone restraints and publish the data in a readily accessible format on the department's Web site on a quarterly basis.~~

(b) By February 1, 2015, and annually thereafter, stakeholders may, as necessary, recommend to the commissioner specific and measurable implementation and outcome goals for reducing the use of restrictive procedures and the commissioner must submit to the legislature a report on districts' progress in reducing the use of restrictive procedures that recommends how to further reduce these procedures and eliminate the use of prone restraints seclusion. The statewide plan includes the following components: measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts' use of prone restraints seclusion; and recommendations to clarify and improve the law governing districts' use of restrictive procedures. The commissioner must consult with interested stakeholders when preparing the report, including representatives of advocacy organizations, special education directors, teachers, paraprofessionals, intermediate school districts, school boards, day treatment providers, county social services, state human services department staff, mental health professionals, and autism experts. By June 30 Beginning with the 2016-2017 school year, in a form and manner determined by the commissioner, districts must report data quarterly to the department by January 15, April 15, July 15, and October 15, about individual students who have been secluded. By July 15 each year, districts must report summary data on their use of restrictive procedures to the department for the prior school year, July 1 through June 30, in a form and manner determined by the commissioner. The summary data must include information about the use of restrictive procedures, including use of reasonable force under section 121A.582.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 7. Minnesota Statutes 2014, section 125A.0942, subdivision 4, is amended to read:

Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

(1) engaging in conduct prohibited under section 121A.58;

(2) requiring a child to assume and maintain a specified physical position, activity, or posture that induces physical pain;

(3) totally or partially restricting a child's senses as punishment;

(4) presenting an intense sound, light, or other sensory stimuli using smell, taste, substance, or spray as punishment;

(5) denying or restricting a child's access to equipment and devices such as walkers, wheelchairs, hearing aids, and communication boards that facilitate the child's functioning, except when temporarily removing the equipment or device is needed to prevent injury to the child or others or serious damage to the equipment or device, in which case the equipment or device shall be returned to the child as soon as possible;

(6) interacting with a child in a manner that constitutes sexual abuse, neglect, or physical abuse under section 626.556;

(7) withholding regularly scheduled meals or water;

(8) denying access to bathroom facilities; ~~and~~

(9) physical holding that restricts or impairs a child's ability to breathe, restricts or impairs a child's ability to communicate distress, places pressure or weight on a child's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in straddling a child's torso; and

(10) prone restraint.

EFFECTIVE DATE. The section is effective the day following final enactment.

Sec. 8. Minnesota Statutes 2015 Supplement, section 125A.63, subdivision 4, is amended to read:

Subd. 4. **Advisory committees.** (a) The commissioner shall establish advisory committees for the deaf and hard-of-hearing and for the blind and visually impaired. The advisory committees shall develop recommendations and submit an annual report to the commissioner on the form and in the manner prescribed by the commissioner.

(b) The advisory committees for the deaf and hard of hearing and for the blind and visually impaired shall meet periodically at least four times per year ~~and~~. The committees must each review, approve, and submit an annual a biennial report to the commissioner, the education policy and finance committees of the legislature, and the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. The reports must, at least:

(1) identify and report the aggregate, data-based education outcomes for children with the primary disability classification of deaf and hard of hearing or of blind and visually impaired, consistent with the commissioner's child count reporting practices, the commissioner's state and local outcome data reporting system by district and region, and the school performance report cards under section 120B.36, subdivision 1; and

(2) describe the implementation of a data-based plan for improving the education outcomes of deaf and hard of hearing or blind and visually impaired children that is premised on evidence-based best practices, and provide a cost estimate for ongoing implementation of the plan.

ARTICLE 5

FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2014, section 123B.52, subdivision 1, is amended to read:

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

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

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract for which a call for bids has been issued must be awarded to the lowest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. The person to whom the contract is awarded shall give a sufficient bond to the board for its faithful performance. Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the purchase of a finished tangible product, a board may require, at its discretion, a performance bond of a contractor in the amount the board considers necessary. A record must be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected as provided in this section. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no satisfactory bid is received, the board may readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district must be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts must not exceed two years with an option on the part of the district to renew for an additional two years. Contracts for the purchase of perishable food items, except milk for school lunches and vocational training programs, in any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt.

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

Sec. 2. Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of ~~energy loans according to section 216C.37 or sections 298.292 to 298.298~~, debt service loans, capital loans, and lease purchase payments under section 126C.40, subdivision 2, excluding long-term facilities maintenance levies under section 123B.595, minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 123B.61;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust, excluding the portion of taconite payments from the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a;

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24;

(4) obligations under section 123B.62; and

(5) obligations equalized under section 123B.535.

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting districts.

(d) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 3. Minnesota Statutes 2014, section 123B.571, subdivision 2, is amended to read:

Subd. 2. **Radon testing.** A school district may include radon testing as a part of its ~~health and safety ten-year facility plan~~ under section 123B.595, subdivision 4. If a school district receives authority to use ~~health and safety long-term facilities maintenance~~ revenue to conduct radon testing, the district shall conduct the testing according to the radon testing plan developed by the commissioners of health and education.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 4. [123B.572] SOLAR PANEL FIRE SAFETY.

A solar photovoltaic system installed at a school under this section must comply with chapter 690 of the most current edition of NFPA 70, the National Electrical Code, adopted under the authority given in section 326B.32, subdivision 2.

Sec. 5. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 4, is amended to read:

Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district or intermediate district, not including a charter school, must have a ten-year facility plan adopted by the school board and approved by the commissioner. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental regulations and best practices, including indoor air quality management.

(b) The district must annually update the plan, ~~biennially submit a facility maintenance~~ the plan to the commissioner for approval by July 31, and indicate whether the district will issue bonds to finance the plan or levy for the costs.

(c) For school districts issuing bonds to finance the plan, the plan must include a debt service schedule demonstrating that the debt service revenue required to pay the principal and interest on the bonds each year will not exceed the projected long-term facilities revenue for that year.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 6. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 7, is amended to read:

Subd. 7. **Long-term facilities maintenance equalization revenue.** (a) For fiscal year 2017 only, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$193 times the adjusted pupil units or (2) the district's revenue under subdivision 1.

(b) For fiscal year 2018 only, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2) the district's revenue under subdivision 1.

(c) For fiscal year 2019 and later, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2) the district's revenue under subdivision 1.

(d) Notwithstanding paragraphs (a) to (c), a district's long-term facilities maintenance equalization revenue must not be less than the lesser of the district's long-term facilities maintenance revenue or the amount of aid the district received for fiscal year 2015 under section 123B.59, subdivision 6.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 7. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 8, is amended to read:

Subd. 8. **Long-term facilities maintenance equalized levy.** (a) For fiscal year 2017 and later, a district's long-term facilities maintenance equalized levy equals the district's long-term facilities maintenance equalization revenue minus the greater of:

(1) the lesser of the district's long-term facilities maintenance equalization revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6; or

(2) the district's long-term facilities maintenance equalization revenue times the greater of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the year the levy is certified to 123 percent of the state average adjusted net tax capacity per adjusted pupil unit for all school districts in the year preceding the year the levy is certified.

(b) For purposes of this subdivision, "adjusted net tax capacity" means the value described in section 126C.01, subdivision 2, paragraph (b).

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 8. Minnesota Statutes 2015 Supplement, section 123B.595, is amended by adding a subdivision to read:

Subd. 8a. **Long-term facilities maintenance unequalized levy.** For fiscal year 2017 and later, a district's long-term facilities maintenance unequalized levy equals the difference between the district's revenue under subdivision 1 and the district's equalization revenue under subdivision 7.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 9. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 9, is amended to read:

Subd. 9. **Long-term facilities maintenance equalized aid.** For fiscal year 2017 and later, a district's long-term facilities maintenance equalized aid equals its long-term facilities maintenance equalization revenue minus its long-term facilities maintenance equalized levy times the ratio of the actual equalized amount levied to the permitted equalized levy.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 10. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 10, is amended to read:

Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A district may use revenue under this section for any of the following:

(1) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities;

(2) increasing accessibility of school facilities; or

(3) health and safety capital projects under section 123B.57; or

(4) by board resolution, to transfer money from the general fund reserve for long-term facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when due, principal and interest on general obligation bonds issued under subdivision 5.

(b) A charter school may use revenue under this section for any purpose related to the school.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 11. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11, is amended to read:

Subd. 11. **Restrictions on long-term facilities maintenance revenue.** Notwithstanding subdivision ~~11~~ 10, long-term facilities maintenance revenue may not be used:

(1) for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms;

(2) to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;

(3) for energy-efficiency projects under section 123B.65, for a building or property or part of a building or property used for postsecondary instruction or administration, or for a purpose unrelated to elementary and secondary education; or

(4) for violence prevention and facility security, ergonomics, or emergency communication devices.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 12. Minnesota Statutes 2014, section 123B.60, subdivision 1, is amended to read:

Subdivision 1. **Bonds.** When a building owned by a district is substantially damaged by an act of God or other means beyond the control of the district, the district may issue general obligation bonds without an election to provide money immediately to carry out its adopted ~~health and safety long-term facilities maintenance~~ program. Each year the district must pledge an attributable share of its ~~health and safety long-term facilities maintenance~~ revenue to the repayment of principal and interest on the bonds. The pledged revenue must be ~~transferred to~~ recognized in the debt redemption fund of the district. The district must submit to the department the repayment schedule for any bonds issued under this section. The district must deposit in the debt redemption fund all proceeds received for specific costs for which the bonds were issued, including but not limited to:

(1) insurance proceeds;

(2) restitution proceeds; and

(3) proceeds of litigation or settlement of a lawsuit.

Before bonds are issued, the district must submit ~~a combined~~ an amended application to the commissioner for ~~health and safety long-term facilities maintenance~~ revenue, according to section ~~123B.57, and requesting review and comment, according to section 123B.71, subdivisions 8, 9, 11, and 12~~ 123B.595. The commissioner shall complete all procedures concerning the combined application within 20 days of receiving the application. The publication provisions of section 123B.71, subdivision 12, do not apply to bonds issued under this section.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 13. Minnesota Statutes 2014, section 123B.71, subdivision 8, is amended to read:

Subd. 8. **Review and comment.** A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not initiate an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an

expenditure in excess of \$500,000 per school site if it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital loan outstanding, prior to review and comment by the commissioner. A facility addition, maintenance project, or remodeling project funded only with general education revenue, ~~deferred maintenance revenue, alternative facilities bonding and levy program revenue, lease levy proceeds, capital facilities bond proceeds, or health and safety long-term facilities maintenance~~ revenue is exempt from this provision. A capital project under section 123B.63 addressing only technology is exempt from this provision if the district submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to review and comments for projects funded with revenue for fiscal year 2017 and later.

Sec. 14. Minnesota Statutes 2014, section 123B.79, subdivision 5, is amended to read:

Subd. 5. **Deficits; exception.** For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund for a period past the end of the current fiscal year which is covered by moneys in an operating fund. ~~However, A deficit in the capital expenditure fund reserve for operating capital account pursuant to section 123B.78, subdivision 5, does not constitute a permanent transfer.~~

Sec. 15. Minnesota Statutes 2014, section 123B.79, subdivision 8, is amended to read:

Subd. 8. **Account transfer for reorganizing districts.** A district that has reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has conducted a successful referendum on the question of combination under section 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has been assigned an identification number by the commissioner under section 123A.48, subdivision 16, may make permanent transfers between any of the funds or accounts in the newly created or enlarged district with the exception of the debt redemption fund, building construction fund, food service fund, and health and safety long-term facilities maintenance account of the capital expenditure general fund. Fund transfers under this section may be made for up to one year prior to the effective date of combination or consolidation by the consolidating boards and during the year following the effective date of reorganization by the consolidated board. The newly formed board of the combined district may adopt a resolution on or before August 30 of the year of the reorganization authorizing a transfer among accounts or funds of the previous independent school districts which transfer or transfers shall be reported in the affected districts' audited financial statements for the year immediately preceding the consolidation.

Sec. 16. Minnesota Statutes 2014, section 123B.79, subdivision 9, is amended to read:

Subd. 9. **Elimination of reserve accounts.** ~~A school board shall eliminate all reserve accounts established in the school district's general fund under Minnesota Statutes before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007. Any balance in the district's reserved for bus purchases account for deferred maintenance as of June 30, 2007~~ 2016, shall be transferred to the reserved account for operating capital long-term facilities maintenance in the school district's general fund. ~~Any balance in other reserved accounts established in the school district's general fund under Minnesota Statutes before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007, shall be transferred to the school district's unreserved general fund balance. A school board may, upon adoption of a resolution by the school board, establish a~~

designated account for any program for which a reserved account has been eliminated. Any balance in the district's reserved account for health and safety as of June 30, 2019, shall be transferred to the unassigned fund balance account in the district's general fund. Any balance in the district's reserved account for alternative facilities as of June 30, 2016, shall be transferred to the reserved account for long-term facilities maintenance in the district's building construction fund.

EFFECTIVE DATE. This section is effective July 1, 2016, for fiscal year 2017 and later.

Sec. 17. Minnesota Statutes 2014, section 126C.40, subdivision 5, is amended to read:

Subd. 5. **Energy conservation.** ~~For loans approved before March 1, 1998, the district may annually include as revenue under section 123B.53, without the approval of a majority of the voters in the district, an amount sufficient to repay the annual principal and interest of the loan made pursuant to sections 216C.37 and 298.292 to 298.298. For energy loans approved after March 1, 1998, under sections 216C.37 and 298.292 to 298.298, school districts must annually transfer from the general fund to the debt redemption fund the amount sufficient to pay interest and principal on the loans.~~

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 18. Minnesota Statutes 2015 Supplement, section 126C.48, subdivision 8, is amended to read:

Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies pursuant to subdivision 1 must be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts that have revenue pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A, excluding the student achievement levy under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's revenue specified under this clause and the amount attributable to the same production year distributed to the cities and townships within the school district under section 298.28, subdivision 2, paragraph (c).

(3) The amount of any voter approved referendum, facilities down payment, and debt levies shall not be reduced by more than 50 percent under this subdivision, except that payments under section 298.28, subdivision 7a, may reduce the debt service levy by more than 50 percent. In administering this paragraph, the commissioner shall first reduce the nonvoter approved levies of a district; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved referendum levies authorized under section 126C.17; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved facilities down payment levies authorized under section 123B.63 and then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved debt levies.

(4) Before computing the reduction pursuant to this subdivision of the ~~health and safety long-term facilities maintenance~~ levy authorized by ~~sections 123B.57 and 126C.40, subdivision 5 section 123B.595,~~ the commissioner shall ascertain from each affected school district the amount

it proposes to levy ~~under each section or subdivision~~. The reduction shall be computed on the basis of the amount so ascertained.

(5) To the extent the levy reduction calculated under paragraph (2) exceeds the limitation in paragraph (3), an amount equal to the excess must be distributed from the school district's distribution under sections 298.225, 298.28, and 477A.15 in the following year to the cities and townships within the school district in the proportion that their taxable net tax capacity within the school district bears to the taxable net tax capacity of the school district for property taxes payable in the year prior to distribution. No city or township shall receive a distribution greater than its levy for taxes payable in the year prior to distribution. The commissioner of revenue shall certify the distributions of cities and towns under this paragraph to the county auditor by September 30 of the year preceding distribution. The county auditor shall reduce the proposed and final levies of cities and towns receiving distributions by the amount of their distribution. Distributions to the cities and towns shall be made at the times provided under section 298.27.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 19. Minnesota Statutes 2014, section 126C.63, subdivision 7, is amended to read:

Subd. 7. **Required debt service levy.** "Required debt service levy" means the total dollar amount needed to be included in the taxes levied by the district in any year for payment of interest and principal falling due on its debts prior to collection of the next ensuing year's debt service levy excluding the debt service levy for obligations under sections 123B.595, 123B.61, and 123B.62.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 20. **REPEALER.**

Minnesota Statutes 2014, sections 123B.60, subdivision 2; and 123B.79, subdivisions 2 and 6, are repealed for fiscal year 2017 and later.

ARTICLE 6

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2014, section 124D.52, subdivision 1, is amended to read:

Subdivision 1. **Program requirements.** (a) An adult basic education program is a day or evening program offered by a district that is for people ~~over 16 years of age~~ who do not attend an elementary or secondary school and are not subject to compulsory attendance. The program offers academic and English language instruction necessary to earn a high school diploma or equivalency certificate.

(b) Notwithstanding any law to the contrary, a school board or the governing body of a consortium offering an adult basic education program may adopt a sliding fee schedule based on a family's income, but must waive the fee for participants who are under the age of 21 or unable to pay. The fees charged must be designed to enable individuals of all socioeconomic levels to participate in the program. A program may charge a security deposit to assure return of materials, supplies, and equipment.

(c) Each approved adult basic education program must develop a memorandum of understanding with the local workforce development centers located in the approved program's service delivery area. The memorandum of understanding must describe how the adult basic education program and

the workforce development centers will cooperate and coordinate services to provide unduplicated, efficient, and effective services to clients.

(d) Adult basic education aid must be spent for adult basic education purposes as specified in sections 124D.518 to 124D.531.

(e) A state-approved adult basic education program must count and submit student contact hours for a program that offers high school credit toward an adult high school diploma according to student eligibility requirements and measures of student progress toward work-based competency and, where appropriate, English language proficiency requirements established by the commissioner and posted on the department Web site in a readily accessible location and format.

Sec. 2. Minnesota Statutes 2014, section 124D.52, subdivision 2, is amended to read:

Subd. 2. **Program approval.** (a) To receive aid under this section, a district, ~~a consortium of districts~~, the Department of Corrections, ~~or a private nonprofit organization, or a consortium including districts, nonprofit organizations, or both~~ must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning and English language proficiency will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules;
- (10) program expenditures that qualify for aid;
- (11) program ability to provide data related to learner outcomes as required by law; and
- (12) a copy of the memorandum of understanding described in subdivision 1 submitted to the commissioner.

(b) Adult basic education programs may be approved under this subdivision for up to five years. Five-year program approval must be granted to an applicant who has demonstrated the capacity to:

- (1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill and English language levels of need;
- (2) provide a participatory and experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:
 - (i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, English language learning, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations;

(7) submit accurate and timely performance and fiscal reports;

(8) submit accurate and timely reports related to program outcomes and learner follow-up information; and

(9) spend adult basic education aid on adult basic education purposes only, which are specified in sections 124D.518 to 124D.531.

(c) The commissioner shall require each district to provide notification by February 1, 2001, of its intent to apply for funds under this section as a single district or as part of an identified a consortium of districts. A district receiving funds under this section must notify the commissioner by February 1 of its intent to change its application status for applications due the following June 1.

ARTICLE 7

TEACHERS

Section 1. Minnesota Statutes 2014, section 120B.11, as amended by Laws 2015, First Special Session chapter 3, article 3, section 5, is amended to read:

120B.11 SCHOOL DISTRICT PROCESS FOR REVIEWING CURRICULUM, INSTRUCTION, AND STUDENT ACHIEVEMENT; STRIVING FOR THE WORLD'S BEST WORKFORCE.

Subdivision 1. **Definitions.** For the purposes of this section and section 120B.10, the following terms have the meanings given them.

(a) "Instruction" means methods of providing learning experiences that enable a student to meet state and district academic standards and graduation requirements including applied and experiential learning.

(b) "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge and skills and career and college readiness.

(c) "World's best workforce" means striving to: meet school readiness goals; have all third grade students achieve grade-level literacy; close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; ~~and~~ have all students graduate from high school; and provide all enrolled students with equitable access to effective and more diverse teachers, including teachers who are members of populations underrepresented among the licensed teachers in the district or school, and who reflect the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), enrolled in the district or school.

(d) "Experiential learning" means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

Subd. 1a. **Performance measures.** Measures to determine school district and school site progress in striving to create the world's best workforce must include at least:

- (1) student performance on the National Assessment of Education Progress where applicable;
- (2) the size of the academic achievement gap, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by student subgroup;
- (3) student performance on the Minnesota Comprehensive Assessments;
- (4) high school graduation rates; ~~and~~
- (5) career and college readiness under section 120B.30, subdivision 1; and
- (6) the number and percent of teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), enrolled in the district or school.

Subd. 2. **Adopting plans and budgets.** A school board, at a public meeting, shall adopt a comprehensive, long-term strategic plan to support and improve teaching and learning that is aligned with creating the world's best workforce and includes:

- (1) clearly defined district and school site goals and benchmarks for instruction and student achievement for all student subgroups identified in section 120B.35, subdivision 3, paragraph (b), clause (2);
- (2) a process for assessing and evaluating each student's progress toward meeting state and local academic standards and identifying the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students' progress and growth toward career and college readiness and leading to the world's best workforce;

(3) a system to periodically review and evaluate the effectiveness of all instruction and curriculum, taking into account strategies and best practices, student outcomes, school principal evaluations under section 123B.147, subdivision 3, students' access to effective teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of enrolled students under section 120B.35, subdivision 3, paragraph (b), clause (2), and teacher evaluations under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

(4) strategies for improving instruction, curriculum, and student achievement, including the English and, where practicable, the native language development and the academic achievement of English learners;

(5) education effectiveness practices that integrate high-quality instruction, rigorous curriculum, technology, and a collaborative professional culture that develops and supports teacher quality, performance, and effectiveness; and

(6) an annual budget for continuing to implement the district plan.

Subd. 3. **District advisory committee.** Each school board shall establish an advisory committee to ensure active community participation in all phases of planning and improving the instruction and curriculum affecting state and district academic standards, consistent with subdivision 2. A district advisory committee, to the extent possible, shall reflect the diversity of the district and its school sites, include teachers, parents, support staff, students, and other community residents, and provide translation to the extent appropriate and practicable. The district advisory committee shall pursue community support to accelerate the academic and native literacy and achievement of English learners with varied needs, from young children to adults, consistent with section 124D.59, subdivisions 2 and 2a. The district may establish site teams as subcommittees of the district advisory committee under subdivision 4. The district advisory committee shall recommend to the school board rigorous academic standards, student achievement goals and measures consistent with subdivision 1a and sections 120B.022, subdivisions 1a and 1b, and 120B.35, district assessments, means to improve students' equitable access to effective and more diverse teachers, and program evaluations. School sites may expand upon district evaluations of instruction, curriculum, assessments, or programs. Whenever possible, parents and other community residents shall comprise at least two-thirds of advisory committee members.

Subd. 4. **Site team.** A school may establish a site team to develop and implement strategies and education effectiveness practices to improve instruction, curriculum, cultural fluencies and competencies, including cultural awareness and cross-cultural communication, and student achievement at the school site, consistent with subdivision 2. The team advises the board and the advisory committee about developing the annual budget and revising an instruction and curriculum improvement plan that aligns curriculum, assessment of student progress, and growth in meeting state and district academic standards and instruction.

Subd. 5. **Report.** Consistent with requirements for school performance reports under section 120B.36, subdivision 1, the school board shall publish a report in the local newspaper with the largest circulation in the district, by mail, or by electronic means on the district Web site. The school board shall hold an annual public meeting to review, and revise where appropriate, student achievement goals, local assessment outcomes, plans, strategies, and practices for improving curriculum and instruction and cultural competency and all students' increased and equitable access to effective and more diverse teachers, and to review district success in realizing the previously adopted student

achievement goals and related benchmarks and the improvement plans leading to the world's best workforce. The school board must transmit an electronic summary of its report to the commissioner in the form and manner the commissioner determines.

Subd. 7. **Periodic report.** Each school district shall periodically survey affected constituencies, in their native languages where appropriate and practicable, about their connection to and level of satisfaction with school. The district shall include the results of this evaluation in the summary report required under subdivision 5.

Subd. 9. **Annual evaluation.** (a) The commissioner must identify effective strategies, practices, and use of resources by districts and school sites in striving for the world's best workforce. The commissioner must assist districts and sites throughout the state in implementing these effective strategies, practices, and use of resources, and in providing all enrolled students, including low-income students, American Indian students, and students of color with improved and equitable access to effective and more diverse teachers.

(b) The commissioner must identify those districts in any consecutive three-year period not making sufficient progress toward improving teaching and learning for all students, including English learners with varied needs, consistent with section 124D.59, subdivisions 2 and 2a, and striving for the world's best workforce. The commissioner, in collaboration with the identified district, may require the district to use up to two percent of its basic general education revenue per fiscal year during the proximate three school years to implement commissioner-specified strategies and practices, consistent with paragraph (a), to improve and accelerate its progress in realizing its goals under this section. In implementing this section, the commissioner must consider districts' budget constraints and legal obligations.

(c) The commissioner shall report by January 25 of each year to the committees of the legislature having jurisdiction over kindergarten through grade 12 education the list of school districts that have not submitted their report to the commissioner under subdivision 5 and the list of school districts not achieving their performance goals established in their plan under subdivision 2.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 2. Minnesota Statutes 2014, section 120B.11, subdivision 5, is amended to read:

Subd. 5. **Report.** (a) Consistent with requirements for school performance reports under section 120B.36, subdivision 1, and paragraph (b), the school board shall publish a report in the local newspaper with the largest circulation in the district, by mail, or by electronic means on the district Web site. The school board shall hold an annual public meeting to review, and revise where appropriate, student achievement goals, local assessment outcomes, plans, strategies, and practices for improving curriculum and instruction and cultural competency, and to review district success in realizing the previously adopted student achievement goals and related benchmarks and the improvement plans leading to the world's best workforce. The school board must transmit an electronic summary of its report to the commissioner in the form and manner the commissioner determines.

(b) Each school board must include in its annual report under paragraph (a) data on:

(1) the number of licensed teachers employed by the district who self-identify as non-Caucasian and who are members of a population underrepresented among licensed teachers in the district;

(2) the number of community experts providing instruction in the district during the school year and the subject areas they teach;

(3) the school year testing schedule for the district showing grade levels and assessments and the time allotted for each assessment; and

(4) the class sizes for the district's prekindergarten through grade 6 classrooms.

The format for reporting the data must comply with the model data-reporting format developed by the commissioner.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 3. Minnesota Statutes 2014, section 120B.35, subdivision 3, is amended to read:

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

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

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

(2) for all student categories, report and compare aggregated and disaggregated state growth data using the ~~nine student categories identified under the federal 2001 No Child Left Behind Act and two student gender categories of male and female, respectively Elementary and Secondary Education Act, as most recently reauthorized,~~ following appropriate reporting practices to protect nonpublic student data.

The commissioner must report measures of student growth, consistent with this paragraph, including the English language development, academic progress, and oral academic development of English learners and their native language development if the native language is used as a language of instruction.

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

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

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

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

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using the nine student categories identified under the federal ~~2001 No Child Left Behind Act and two student gender categories of male and female, respectively~~ Elementary and Secondary Education Act, as most recently reauthorized, following appropriate reporting practices to protect nonpublic student data.

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

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

- (1) the four- and six-year graduation rates of students under this paragraph;
- (2) the percent of students under this paragraph whose progress and performance levels are meeting career and college readiness benchmarks under section 120B.30, subdivision 1; and
- (3) the success that learning year program providers experience in:
 - (i) identifying at-risk and off-track student populations by grade;
 - (ii) providing successful prevention and intervention strategies for at-risk students;
 - (iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and
 - (iv) improving the graduation outcomes of at-risk and off-track students.

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

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of English learners, must identify and report appropriate and effective measures to improve current categories of language difficulty

and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 4. Minnesota Statutes 2014, section 122A.09, as amended by Laws 2015, chapter 69, article 2, section 3, and Laws 2015, First Special Session chapter 3, article 2, sections 9 to 11, is amended to read:

122A.09 DUTIES.

Subdivision 1. **Code of ethics.** The Board of Teaching must develop by rule a code of ethics covering standards of professional teaching practices, including areas of ethical conduct and professional performance and methods of enforcement.

Subd. 2. **Advise members of profession.** The board must act in an advisory capacity to members of the profession in matters of interpretation of the code of ethics.

Subd. 3. **Election of chair and officers.** The board shall elect a chair and such other officers as it may deem necessary.

Subd. 4. **License and rules.** (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must require all candidates for teacher licensure to demonstrate a passing score on a board-adopted skills examination in reading, writing, and mathematics, as a requirement for an initial teacher licensure professional five-year teaching license, except that the board may issue up to four temporary, initial professional one-year teaching licenses to an otherwise qualified candidate who has not yet passed the board-adopted skills exam. The board must require colleges and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the board-adopted skills examination, including those for whom English is a second language. The requirement to pass a board-adopted reading, writing, and mathematics skills examination does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1. The Board of Teaching and the entity administering the content, pedagogy, and skills examinations must allow any individual who produces documentation of a disability in the form of an evaluation, 504 plan, or individual education program (IEP) to receive the same testing accommodations on the content, pedagogy, and skills examinations that the applicant received during their secondary or postsecondary education.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a postsecondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program, shall assist in resolving a dispute between the person and a postsecondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills

teachers need in order to be effective. Among other components, teacher preparation programs may use the Minnesota State Colleges and Universities program model to provide a school-year-long student teaching program that combines clinical opportunities with academic coursework and in-depth student teaching experiences to offer students ongoing mentorship, coaching, and assessment, help to prepare a professional development plan, and structured learning experiences. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. Teacher preparation programs including alternative teacher preparation programs under section 122A.245, among other programs, must include a content-specific, board-approved, performance-based assessment that measures teacher candidates in three areas: planning for instruction and assessment; engaging students and supporting learning; and assessing student learning. The board's redesign rules must include creating flexible, specialized teaching licenses, credentials, and other endorsement forms to increase students' participation in language immersion programs, world language instruction, career development opportunities, work-based learning, early college courses and careers, career and technical programs, Montessori schools, and project and place-based learning, among other career and college ready learning offerings.

(e) The board must adopt rules requiring candidates for initial professional five-year teaching licenses to pass an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective by September 1, 2001. The rules under this paragraph also must require candidates for initial licenses to teach prekindergarten or elementary students to pass, as part of the examination of licensure-specific teaching skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, and their knowledge and understanding of the foundations of reading development, the development of reading comprehension, and reading assessment and instruction, and their ability to integrate that knowledge and understanding.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial professional five-year teaching licenses based on appropriate professional competencies that are aligned with the board's licensing system and students' diverse learning needs. All teacher candidates must have preparation in English language development and content instruction for English learners in order to be able to effectively instruct the English learners in their classrooms. The board must include these licenses in a statewide differentiated licensing system that creates new leadership roles for successful experienced teachers premised on a collaborative professional culture dedicated to meeting students' diverse learning needs in the 21st century, recognizes the importance of cultural and linguistic competencies, including the ability to teach and communicate in culturally competent and aware ways, and formalizes mentoring and induction for newly licensed teachers provided through a teacher support framework.

~~(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.~~

(~~h~~) (h) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses. The board must require a licensed teachers teacher who

are ~~is~~ renewing a ~~continuing license~~ professional five-year teaching license to include in the renewal requirements further preparation in English language development and specially designed content instruction in English for English learners.

~~(j)~~ (i) The board must grant ~~life~~ lifetime substitute licenses to those who qualify according to board requirements established by the board, and suspend or revoke licenses ~~pursuant to under~~ sections 122A.20 and 214.10. The board must not establish any expiration date for application for life lifetime substitute licenses.

~~(k)~~ (j) The board must adopt rules that require all licensed teachers who are renewing their ~~continuing license~~ professional five-year teaching licenses to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule.

~~(l)~~ (k) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

~~(m)~~ (l) The board must adopt rules that require all licensed teachers who are renewing their ~~continuing license~~ professional five-year teaching licenses to include in their renewal requirements further reading preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

~~(n)~~ (m) The board must adopt rules that require all licensed teachers who are renewing their ~~continuing license~~ professional five-year teaching licenses to include in their renewal requirements at least one hour of suicide prevention best practices in each licensure renewal period that are based on nationally recognized evidence-based programs and practices and further preparation, first, in understanding the key warning signs of early-onset mental illness in children and adolescents and then, during subsequent licensure renewal periods, preparation may include providing a more in-depth understanding of students' mental illness trauma, accommodations for students' mental illness, parents' role in addressing students' mental illness, Fetal Alcohol Spectrum Disorders, autism, the requirements of section 125A.0942 governing restrictive procedures, and de-escalation methods, among other similar topics.

~~(o)~~ (n) The board must adopt rules by January 1, 2016, to license applicants under sections 122A.23 and 122A.245. The rules must permit applicants to demonstrate their qualifications through the board's recognition of a teaching license from another state in a similar content field, completion of a state-approved teacher preparation program, teaching experience as the teacher of record in a similar licensure field, depth of content knowledge, depth of content methods or general pedagogy, subject-specific professional development and contribution to the field, or classroom performance as determined by documented student growth on normed assessments or documented effectiveness on evaluations. The rules must adopt criteria for determining a "similar content field" and "similar licensure area."

Subd. 4a. **Teacher and administrator preparation and performance data; report.** (a) The Board of Teaching and the Board of School Administrators, in cooperation with the Minnesota

Association of Colleges of Teacher Education and Minnesota colleges and universities offering board-adopted teacher or administrator preparation programs, annually must collect and report summary data on teacher and administrator preparation and performance outcomes, consistent with this subdivision. The Board of Teaching and the Board of School Administrators annually by June 1 must update and post the reported summary preparation and performance data on teachers and administrators from the preceding school years on a Web site hosted jointly by the boards.

(b) Publicly reported summary data on teacher preparation programs must include: student entrance requirements for each Board of Teaching-approved program, including grade point average for enrolling students in the preceding year; the average board-adopted skills examination or ACT or SAT scores of students entering the program in the preceding year; summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time resident and nonresident program graduates in the preceding year needed to complete the program; the current number and percent of students by program who graduated, received a standard Minnesota teaching license, and were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year; the number of content area credits and other credits by undergraduate program that students in the preceding school year needed to complete to graduate; students' pass rates on skills and subject matter exams required for graduation in each program and licensure area in the preceding school year; survey results measuring student and graduate satisfaction with the program in the preceding school year; a standard measure of the satisfaction of school principals or supervising teachers with the student teachers assigned to a school or supervising teacher; and information under paragraphs (d) and (e). Program reporting must be consistent with subdivision 11.

(c) Publicly reported summary data on administrator preparation programs approved by the Board of School Administrators must include: summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time program graduates in the preceding year needed to complete the program; the current number and percent of students who graduated, received a standard Minnesota administrator license, and were employed as an administrator in a Minnesota school district or school in the preceding year; the number of credits by graduate program that students in the preceding school year needed to complete to graduate; survey results measuring student, graduate, and employer satisfaction with the program in the preceding school year; and information under paragraphs (f) and (g). Program reporting must be consistent with section 122A.14, subdivision 10.

(d) School districts annually by October 1 must report to the Board of Teaching the following information for all teachers who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the teacher on the summative evaluation under section 122A.40, subdivision 8, or 122A.41, subdivision 5; the licensure area in which the teacher primarily taught during the three-year evaluation cycle; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(e) School districts annually by October 1 must report to the Board of Teaching the following information for all probationary teachers in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year:

the licensure areas in which the probationary teacher taught; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(f) School districts annually by October 1 must report to the Board of School Administrators the following information for all school principals and assistant principals who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the principal or assistant principal on the summative evaluation under section 123B.147, subdivision 3; and the principal preparation program providing instruction to the principal or assistant principal.

(g) School districts annually by October 1 must report to the Board of School Administrators all probationary school principals and assistant principals in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year.

Subd. 5. **Commissioner's representative to comment on proposed rule.** ~~Prior to the adoption by~~ Before the Board of Teaching of adopts any rule which that must be submitted to public hearing, a representative of the commissioner shall appear before the Board of Teaching and at the hearing required pursuant to under section 14.14, subdivision 1, to comment on the cost and educational implications of that proposed rule.

Subd. 6. **Register of persons licensed.** The executive secretary of the Board of Teaching shall keep a record of the proceedings of and a register of all persons licensed pursuant to the provisions of this chapter. The register must show the name, address, license number and the renewal of the license. The board must on July 1, of each year or as soon thereafter as is practicable, compile a list of such duly licensed teachers and transmit a copy of the list to the board. A copy of the register must be available during business hours at the office of the board to any interested person.

Subd. 7. **Commissioner's assistance; board money.** The commissioner shall provide all necessary materials and assistance for the transaction of the business of the Board of Teaching and all moneys received by the Board of Teaching shall be paid into the state treasury as provided by law. The expenses of administering sections 122A.01, 122A.05 to 122A.09, 122A.15, 122A.16, 122A.17, 122A.18, 122A.20, 122A.21, 122A.22, 122A.23, 122A.26, 122A.30, 122A.40, 122A.41, 122A.42, 122A.45, 122A.49, 122A.54, 122A.55, 122A.56, 122A.57, and 122A.58 which are incurred by the Board of Teaching shall be paid for from appropriations made to the Board of Teaching.

Subd. 8. **Fraud; gross misdemeanor.** A person who claims to be a licensed teacher without a valid existing license issued by the board or any person who employs fraud or deception in applying for or securing a license is guilty of a gross misdemeanor.

Subd. 9. **Board may adopt rules.** The Board of Teaching may adopt rules subject to the provisions of chapter 14 to implement sections 122A.05 to 122A.09, 122A.16, 122A.17, 122A.18, 122A.20, 122A.21, and 122A.23.

Subd. 10. **Variances Permissions.** (a) Notwithstanding subdivision 9 and section ~~14.05;~~ subdivision 4 14.055, the Board of Teaching may grant a variance waivers to its rules upon application by a school district for purposes of implementing experimental programs in learning or management.

(b) To enable a school district to meet the needs of students enrolled in an alternative education program and to enable licensed teachers instructing those students to satisfy content area licensure requirements, the Board of Teaching annually may permit a licensed teacher teaching in an alternative education program to instruct students in a content area for which the teacher is not licensed, consistent with paragraph (a).

(c) A special education license variance permission issued by the Board of Teaching for a primary employer's low-incidence region shall be valid in all low-incidence regions.

(d) The Board of Teaching may grant a one-year restricted license under paragraph (a) to allow a person holding a full credential from the American Montessori Society, a diploma from Association Montessori Internationale, or a certificate of completion from a program accredited by the Montessori Accreditation Council for Teacher Education to teach in a Montessori program operated by a school district or charter school.

Subd. 11. **Teacher preparation program reporting.** By December 31, 2018, and annually thereafter, the Board of Teaching shall report and publish on its Web site the cumulative summary results of at least three consecutive years of data reported to the board under subdivision 4a, paragraph (b). Where the data are sufficient to yield statistically reliable information and the results would not reveal personally identifiable information about an individual teacher, the board shall report the data by teacher preparation program.

EFFECTIVE DATE. Subdivision 4, paragraph (m), is effective the day following final enactment and applies to teachers renewing their teaching licenses beginning August 1, 2017. Subdivision 10, paragraph (d), of this section is effective for the 2016-2017 through 2018-2019 school years.

Sec. 5. Minnesota Statutes 2014, section 122A.09, is amended by adding a subdivision to read:

Subd. 12. **Endorsement; dual enrollment instruction.** The Board of Teaching must issue an endorsement for dual enrollment instruction to a high school teacher licensed in a content-specific field who successfully completes the faculty qualification requirements established by the Higher Learning Commission. The licensure endorsement must allow the teacher to provide dual enrollment instruction in the teacher's licensure field, consistent with board-adopted standards. The board must adopt standards for this endorsement in consultation with eligible public postsecondary institutions participating in course agreements under section 124D.09, subdivision 10. The endorsement means a change in the teacher's license that allows the teacher to teach postsecondary college in the schools dual credit courses under section 124D.09, subdivision 10.

EFFECTIVE DATE. This section is effective the day following final enactment. The Board of Teaching must start issuing endorsements by September 1, 2017.

Sec. 6. Minnesota Statutes 2014, section 122A.18, as amended by Laws 2015, First Special Session chapter 3, article 2, sections 14 and 15, is amended to read:

122A.18 BOARD TO ISSUE LICENSES.

Subdivision 1. **Authority to license.** (a) The Board of Teaching must license teachers, as defined in section 122A.15, subdivision 1, except for supervisory personnel, as defined in section 122A.15, subdivision 2.

(b) The Board of School Administrators must license supervisory personnel as defined in section 122A.15, subdivision 2, except for athletic coaches.

(c) Licenses under the jurisdiction of the Board of Teaching, the Board of School Administrators, and the commissioner of education must be issued through the licensing section of the department.

(d) The Board of Teaching and the Department of Education must enter into a data sharing agreement to share educational data at the E-12 level for the limited purpose of program approval and improvement for teacher education programs. The program approval process must include targeted redesign of teacher preparation programs to address identified E-12 student areas of concern.

(e) The Board of School Administrators and the Department of Education must enter into a data sharing agreement to share educational data at the E-12 level for the limited purpose of program approval and improvement for education administration programs. The program approval process must include targeted redesign of education administration preparation programs to address identified E-12 student areas of concern.

(f) For purposes of the data sharing agreements under paragraphs (d) and (e), the Board of Teaching, Board of School Administrators, and Department of Education may share private data, as defined in section 13.02, subdivision 12, on teachers and school administrators. The data sharing agreements must not include educational data, as defined in section 13.32, subdivision 1, but may include summary data, as defined in section 13.02, subdivision 19, derived from educational data.

Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions, including those meeting the standards adopted under section 122A.09, subdivision 4, paragraph ~~(o)~~ (n).

(b) The board must require a candidate for teacher licensure to demonstrate a passing score on a board-adopted examination of skills in reading, writing, and mathematics, before being granted ~~an initial~~ a professional five-year teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs, except that the board may issue up to four temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed a board-adopted skills exam. At the request of the employing school district or charter school, the Board of Teaching may issue ~~a restricted~~ an initial professional one-year teaching license to an otherwise qualified teacher not passing or demonstrating a passing score on a board-adopted skills examination in reading, writing, and mathematics. For purposes of this section, the ~~restricted~~ initial professional one-year teaching license issued by the board is limited to the current subject or content matter the teacher is employed to teach and limited to the district or charter school requesting the ~~restricted~~ initial professional one-year teaching license. If the board denies the request, it must provide a detailed response to the school administrator as to the reasons for the denial. The board must require colleges and universities offering a board approved teacher preparation program to make available upon request remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on a board-adopted skills examination, including those for whom English is a second language. The colleges and universities must make available assistance in the specific academic areas of candidates' deficiency. School districts may make available upon request similar, appropriate, and timely remedial assistance that includes a formal diagnostic component to those persons employed by the district who completed their teacher education program, who did not achieve a qualifying score on a board-adopted skills examination, and who received ~~a temporary~~ an initial professional

one-year teaching license to teach in Minnesota. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking a board-adopted skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, and the candidates who have not passed a content or pedagogy exam, disaggregated by categories of race, ethnicity, and eligibility for financial aid.

(c) The Board of Teaching must grant ~~continuing~~ professional five-year teaching licenses only to those persons who have met board criteria for ~~granting a continuing~~ that license, which includes passing a board-adopted skills examination in reading, writing, and mathematics, and the exceptions in section 122A.09, subdivision 4, paragraph (b), that are consistent with this paragraph. The requirement to pass a board-adopted reading, writing, and mathematics skills examination, does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a professional five-year teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1.

(d) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. Among other requirements, teacher candidates must demonstrate the knowledge and skills needed to provide appropriate instruction to English learners to support and accelerate their academic literacy, including oral academic language, and achievement in content areas in a regular classroom setting. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

Subd. 2a. **Reading strategies.** (a) All colleges and universities approved by the Board of Teaching to prepare persons for classroom teacher licensure must include in their teacher preparation programs research-based best practices in reading, consistent with section 122A.06, subdivision 4, that enable the licensure candidate to know how to teach reading in the candidate's content areas. Teacher candidates must be instructed in using students' native languages as a resource in creating effective differentiated instructional strategies for English learners developing literacy skills. These colleges and universities also must prepare early childhood and elementary teacher candidates for initial professional five-year teaching licenses to teach prekindergarten or elementary students for the assessment of reading instruction portion of the examination of licensure-specific teaching skills under section 122A.09, subdivision 4, paragraph (e), covering assessment of reading instruction.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction ~~in the application of in applying~~ comprehensive, scientifically based, and balanced reading instruction programs that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with section 122A.06, subdivision 4, so that all students ~~will~~ achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels to become proficient readers.

(c) Nothing in this section limits the authority of a school district to select a school's reading program or curriculum.

Subd. 2b. **Reading specialist.** Not later than July 1, 2002, the Board of Teaching must adopt rules providing for the reading teacher licensure of teachers of reading.

Subd. 3. **Supervisory and coach qualifications; code of ethics.** The commissioner of education must issue licenses under its jurisdiction to persons the commissioner finds to be qualified and competent for their respective positions under the rules it adopts. The commissioner of education may develop, by rule, a code of ethics for supervisory personnel covering standards of professional practices, including areas of ethical conduct and professional performance and methods of enforcement.

Subd. 3a. **Technology strategies.** All colleges and universities approved by the Board of Teaching to prepare persons for classroom teacher licensure must include in their teacher preparation programs the knowledge and skills teacher candidates need to deliver digital and blended learning and curriculum and engage students with technology.

Subd. 4. **Expiration and renewal.** (a) Each license the Department of Education issues through its licensing section must bear the date of issue and the name of the state-approved teacher training provider. Licenses must expire and be renewed according to the respective rules the Board of Teaching, the Board of School Administrators, or the commissioner of education adopts. Requirements for renewing a license must include showing satisfactory evidence of successful teaching or administrative experience for at least one school year during the period covered by the license in grades or subjects for which the license is valid or completing such additional preparation as the Board of Teaching prescribes. The Board of School Administrators shall establish requirements for renewing the licenses of supervisory personnel except athletic coaches. The State Board of Teaching shall establish requirements for renewing the licenses of athletic coaches.

(b) Relicensure Applicants for license renewal who have been employed as a teacher during the renewal period of their expiring license, as a condition of relicensure license renewal, must present to their local continuing education and relicensure committee or other local relicensure committee evidence of work that demonstrates professional reflection and growth in best teaching practices, including among other things, practices in meeting the varied needs of English learners, from young children to adults under section 124D.59, subdivisions 2 and 2a. The applicant must include a reflective statement of professional accomplishment and the applicant's own assessment of professional growth showing evidence of:

- (1) support for student learning;
- (2) use of best practices techniques and their applications to student learning;
- (3) collaborative work with colleagues that includes examples of collegiality such as attested-to committee work, collaborative staff development programs, and professional learning community work; or
- (4) continual professional development that may include (i) job-embedded or other ongoing formal professional learning or (ii) for teachers employed for only part of the renewal period of

their expiring license, other similar professional development efforts made during the relicensure period.

The Board of Teaching must ensure that its teacher relicensing requirements also include this paragraph.

(c) The Board of Teaching shall offer alternative ~~continuing relicensure~~ options for license renewal for teachers who are accepted into and complete the National Board for Professional Teaching Standards certification process, and offer additional continuing relicensure options for teachers who earn National Board for Professional Teaching Standards certification. Continuing relicensure requirements for teachers who do not maintain National Board for Professional Teaching Standards certification are those the board prescribes, consistent with this section.

~~Subd. 4a. **Limited provisional licenses.** The board may grant two-year provisional licenses to licensure candidates in a field in which they were not previously licensed or in a field in which a shortage of licensed teachers exists. A shortage is defined as an inadequate supply of licensed personnel in a given licensure area as determined by the commissioner.~~

~~Subd. 5. **Effective date.** Nothing contained herein shall be construed as affecting the validity of a permanent certificate or license issued prior to July 1, 1969.~~

~~Subd. 6. **Human relations.** The Board of Teaching and the commissioner of education shall accept training programs completed through Peace Corps, VISTA, or Teacher Corps in lieu of completion of completing the human relations component of the training program for purposes of issuing or renewing a teaching license in education.~~

~~Subd. 7. **Limited provisional licenses.** The Board of Teaching may grant provisional licenses, which shall be valid for two years, in fields in which licenses were not issued previously or in fields in which a shortage of licensed teachers exists. A shortage is defined as a lack of or an inadequate supply of licensed personnel within a given licensure area in a school district that has notified the Board of Teaching of the shortage and has applied to the Board of Teaching for provisional licenses for that district's licensed staff.~~

~~Subd. 7a. **Permission to substitute teach.** (a) The Board of Teaching may allow a person who is enrolled in and making satisfactory progress in a board-approved teacher program and who has successfully completed student teaching to be employed as a short-call substitute teacher.~~

~~(b) The Board of Teaching may issue a lifetime qualified short-call substitute teaching license to a person who:~~

~~(1) was a qualified teacher under section 122A.16 while holding a continuing professional five-year teaching license issued by the board, and receives a retirement annuity from the Teachers Retirement Association or the St. Paul Teachers Retirement Fund Association;~~

~~(2) holds an out-of-state teaching license and receives a retirement annuity as a result of the person's teaching experience; or~~

~~(3) held a continuing professional five-year teaching license issued by the board, taught at least three school years in an accredited nonpublic school in Minnesota, and receives a retirement annuity as a result of the person's teaching experience.~~

A person holding a lifetime qualified short-call substitute teaching license is not required to complete continuing education clock hours. A person holding this license may reapply to the board for a continuing professional five-year teaching license and must again complete continuing education clock hours one school year after receiving the continuing professional five-year teaching license.

Subd. 7b. **~~Temporary limited licenses~~ Provisional permission; personnel variances variance; emergency permission.** (a) The Board of Teaching must accept applications for a temporary limited teaching license beginning July 1 of the school year for which the license is requested and must issue or deny the temporary limited teaching license within 30 days of receiving the complete application. The Board of Teaching may grant a two-year provisional permission to a licensure candidate in a field in which a shortage of licensed teachers exists. A shortage is defined as an inadequate supply of licensed personnel in a given licensure area as determined by the commissioner.

(b) The board may grant a one-year personnel variance to a licensed teacher in a field in which they were not previously licensed. The Board of Teaching must accept applications for a personnel variance beginning July 1 of the school year for which the variance is requested and must issue or deny the personnel variance within 30 days of receiving the complete application.

(c) The board may grant a one-year emergency permission to a nonlicensed applicant based on a district's satisfactory demonstration of need. The board must accept an application for an emergency permission beginning on July 1 of the school year for which the permission is requested and must issue or deny the emergency permission within 30 days of receiving the complete application.

Subd. 7c. **Temporary military license.** The Board of Teaching shall establish a temporary license in accordance with section 197.4552 for teaching. The fee for a temporary license under this subdivision shall be \$87.90 for an online application or \$86.40 for a paper application.

Subd. 8. **Background checks.** (a) The Board of Teaching and the commissioner of education must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all first-time teaching applicants for initial licenses under their jurisdiction. An application for a license under this section must be accompanied by Applicants must include with their licensure applications:

- (1) an executed criminal history consent form, including fingerprints; and
- (2) a money order or cashier's check payable to the Bureau of Criminal Apprehension for the fee for conducting the criminal history background check.

(b) The superintendent of the Bureau of Criminal Apprehension shall perform the background check required under paragraph (a) by retrieving criminal history data as defined in section 13.87 and shall also conduct a search of the national criminal records repository. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost to the bureau of a background check through the fee charged to the applicant under paragraph (a).

(c) The Board of Teaching or the commissioner of education may issue a license pending completion of a background check under this subdivision, but must notify the individual that the individual's license may be revoked based on the result of the background check.

Sec. 7. Minnesota Statutes 2014, section 122A.21, as amended by Laws 2015, First Special Session chapter 3, article 2, section 17, is amended to read:

122A.21 TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.

Subdivision 1. **Licensure applications.** Each application for the issuance, renewal, or extension of a license to teach, including applications for licensure via portfolio under subdivision 2, must be accompanied by a processing fee of \$57. Each application for issuing, renewing, or extending the license of a school administrator or supervisor must be accompanied by a processing fee in the amount set by the Board of Teaching School Administrators. The processing fee for a teacher's license and for the licenses of supervisory personnel must be paid to the executive secretary of the appropriate board. The executive secretary of the board shall deposit the fees with the commissioner of management and budget. The fees as set by the board are nonrefundable for applicants not qualifying for a license. However, a fee must be refunded by the commissioner of management and budget in any case in which the applicant already holds a valid unexpired license. The board may waive or reduce fees for applicants who apply at the same time for more than one license.

Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via portfolio to obtain ~~an initial licensure~~ a professional five-year teaching license or to add a licensure field, consistent with applicable Board of Teaching licensure rules.

(b) A candidate for ~~initial licensure~~ a professional five-year teaching license must submit to the Educator Licensing Division at the department one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

(c) A candidate seeking to add a licensure field must submit to the Educator Licensing Division at the department one portfolio demonstrating content competence.

(d) The Board of Teaching must notify a candidate who submits a portfolio under paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not the portfolio was approved. If the portfolio was not approved, the board must immediately inform the candidate how to revise the portfolio to successfully demonstrate the requisite competence. The candidate may resubmit a revised portfolio at any time and the Educator Licensing Division at the department must approve or disapprove the portfolio within 60 calendar days of receiving it.

(e) A candidate must pay to the executive secretary of the Board of Teaching a \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted subsequently. ~~The fees must be paid to the executive secretary of the Board of Teaching.~~ The revenue generated from the fee must be deposited in an education licensure portfolio account in the special revenue fund. The fees set by the Board of Teaching are nonrefundable for applicants not qualifying for a license. The Board of Teaching may waive or reduce fees for candidates based on financial need.

Sec. 8. Minnesota Statutes 2015 Supplement, section 122A.23, is amended to read:

122A.23 APPLICANTS TRAINED IN OTHER STATES.

Subdivision 1. **Preparation equivalency.** When a license to teach is authorized to be issued to any holder of a diploma or a degree of a Minnesota state university, or of the University of Minnesota, or of a liberal arts university, or a technical training institution, such license may also, in the discretion of the Board of Teaching ~~or the commissioner of education, whichever has jurisdiction~~, be issued to any holder of a diploma or a degree of a teacher training institution of

equivalent rank and standing of any other state. The diploma or degree must be granted by virtue of completing coursework in teacher preparation as preliminary to the granting of a diploma or a degree of the same rank and class. For purposes of granting a Minnesota teaching license to a person who receives a diploma or degree from a state-accredited, out-of-state teacher training program leading to licensure, the Board of Teaching must establish criteria and streamlined policies and procedures by January 1, 2016, to recognize the experience and professional credentials of the person holding the out-of-state diploma or degree and allow that person to demonstrate to the board the person's qualifications for receiving a Minnesota teaching license based on performance measures the board adopts by January 1, 2016, under this section.

Subd. 2. Applicants licensed in other states. (a) Subject to the requirements of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a professional five-year teaching license or a temporary initial professional one-year teaching license under paragraphs (c) to (f) to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held an out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes either (1) field-specific teaching methods, student teaching, or equivalent experience, or (2) at least two years of teaching experience as the teacher of record in a similar licensure field area.

(b) The Board of Teaching may issue a standard professional five-year teaching license on the basis of teaching experience and examination requirements only.

(c) The Board of Teaching must issue a professional five-year teaching license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach a similar content field and grade levels if the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, and either (i) has completed field-specific teaching methods, student teaching, or equivalent experience, or (ii) has at least two years of teaching experience as the teacher of record in a similar licensure field area.

(d) The Board of Teaching, consistent with board rules and paragraph (i), must issue up to four one-year temporary initial professional one-year teaching licenses to an applicant who holds or held an out-of-state teaching license to teach a similar content field licensure area and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, but has not successfully completed all exams and human relations preparation components required by the Board of Teaching. The board must issue a professional five-year teaching license to an applicant who successfully completes the requirements under this paragraph.

(e) The Board of Teaching, consistent with board rules, must issue up to four initial professional one-year temporary teaching licenses to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach a similar content field licensure area and grade levels, where the scope of the out-of-state license is no more than two grade levels less

than a similar Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

The applicant may complete field-specific teaching methods ~~and student teaching or equivalent experience~~ by successfully participating in a one-year school district mentorship program consistent with board-adopted standards of effective practice and Minnesota graduation requirements. If no school district mentorship program is available, the applicant must complete field-specific teaching methods coursework while serving as a teacher of record and providing classroom instruction in the applicant's field of licensure. The board must issue a professional five-year teaching license to an applicant who successfully completes the requirements under this paragraph.

~~(f) The Board of Teaching must issue a restricted teaching license for only in the content field or grade levels specified in the out-of-state license to an applicant who:~~

~~(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and~~

~~(2) holds or held an out-of-state teaching license where the out-of-state license is more limited in the content field or grade levels than a similar Minnesota license.~~

(f) The Board of Teaching must issue to an applicant with an out-of-state teaching license up to four initial professional one-year teaching licenses that are restricted in content or grade levels specified in the out-of-state license if the applicant's out-of-state teaching license is more limited than a similar Minnesota license in content field or grade levels. The Board of Teaching must issue a professional five-year teaching license to an applicant who successfully completes all exams and human relations preparation components required by the Board of Teaching. Any content or grade level restriction placed on a license under this paragraph remains in effect.

~~(g) The Board of Teaching may issue a two-year limited provisional license permission to an applicant under this subdivision to teach in a shortage area, consistent with section 122A.18, subdivision 4a.~~

~~(h) The Board of Teaching may issue a license under this subdivision if the applicant has attained the additional degrees, credentials, or licenses required in a particular licensure field and the applicant can demonstrate competency by obtaining qualifying scores on the board-adopted skills examination in reading, writing, and mathematics, and on applicable board-adopted rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraphs (a) and (e).~~

~~(i) The Board of Teaching must require an applicant for a professional five-year teaching license or a temporary an initial professional one-year teaching license under this subdivision to pass a board-adopted skills examination in reading, writing, and mathematics before the board issues the license unless, notwithstanding other provisions of this subdivision, an applicable board-approved National Association of State Directors of Teacher Education and Certification interstate reciprocity agreement exists to allow fully certified teachers from other states to transfer their certification to Minnesota.~~

Subd. 3. Teacher licensure agreements with adjoining states. (a) Notwithstanding any other law to the contrary, the Board of Teaching must enter into a National Association of State Directors of Teacher Education and Certification (NASDTEC) interstate agreement and other interstate agreements for teacher licensure to allow fully certified teachers from adjoining states to transfer

their certification to Minnesota. The board must enter into these interstate agreements only after determining that the rigor of the teacher licensure or certification requirements in the adjoining state is commensurate with the rigor of Minnesota's teacher licensure requirements. The board may limit an interstate agreement to particular content fields or grade levels based on established priorities or identified shortages. This subdivision does not apply to out-of-state applicants holding only a provisional teaching license.

(b) The Board of Teaching must work with designated authorities in adjoining states to establish interstate teacher licensure agreements under this section.

Sec. 9. Minnesota Statutes 2014, section 122A.245, as amended by Laws 2015, First Special Session chapter 3, article 2, sections 19 to 21, is amended to read:

122A.245 ALTERNATIVE TEACHER PREPARATION PROGRAM AND ~~LIMITED-TERM~~ PRELIMINARY TEACHER LICENSE.

Subdivision 1. **Requirements.** (a) To improve academic excellence, improve ethnic and cultural diversity in the classroom, and close the academic achievement gap, the Board of Teaching must approve qualified teacher preparation programs under this section that are a means to acquire a two-year ~~limited-term~~ preliminary teacher license, which the board may renew one time for an additional one-year term, and to prepare for acquiring a ~~standard~~ professional five-year license. The following entities are eligible to participate under this section:

(1) a school district, charter school, or nonprofit corporation organized under chapter 317A for an education-related purpose that forms a partnership with a college or university that has a board-approved alternative teacher preparation program; or

(2) a school district or charter school, after consulting with a college or university with a board-approved teacher preparation program, that forms a partnership with a nonprofit corporation organized under chapter 317A for an education-related purpose that has a board-approved teacher preparation program.

(b) Before becoming a teacher of record, a candidate must:

(1) have a bachelor's degree with a 3.0 or higher grade point average unless the board waives the grade point average requirement based on board-adopted criteria adopted by January 1, 2016;

(2) demonstrate a passing score on a board-adopted reading, writing, and mathematics skills examination under section 122A.09, subdivision 4, paragraph (b); and

(3) obtain qualifying scores on applicable board-approved rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraph (e).

(c) The Board of Teaching must issue a two-year ~~limited-term~~ preliminary teacher license to a person who enrolls in an alternative teacher preparation program.

Subd. 2. **Characteristics.** An alternative teacher preparation program under this section must include:

(1) a minimum 200-hour instructional phase that provides intensive preparation and student teaching before the teacher candidate assumes classroom responsibilities;

(2) a research-based and results-oriented approach focused on best teaching practices to increase student proficiency and growth measured against state academic standards;

(3) strategies to combine pedagogy and best teaching practices to better inform teacher candidates' classroom instruction;

(4) assessment, supervision, and evaluation of teacher candidates to determine their specific needs throughout the program and to support their efforts to successfully complete the program;

(5) intensive, ongoing, and multiyear professional learning opportunities that accelerate teacher candidates' professional growth, support student learning, and provide a workplace orientation, professional staff development, and mentoring and peer review focused on standards of professional practice and continuous professional growth; and

(6) a requirement that teacher candidates demonstrate to the local site team under subdivision 5 satisfactory progress toward acquiring ~~a standard license~~ professional five-year teaching licenses from the Board of Teaching.

Subd. 3. **Program approval; disapproval.** (a) The Board of Teaching must approve alternative teacher preparation programs under this section based on board-adopted criteria that reflect best practices for alternative teacher preparation programs, consistent with this section.

(b) The board must permit teacher candidates to demonstrate mastery of pedagogy and content standards in school-based settings and through other nontraditional means. "Nontraditional means" must include a portfolio of previous experiences, teaching experience, educator evaluations, certifications marking the completion of education training programs, and essentially equivalent demonstrations.

(c) The board must use nontraditional criteria to determine the qualifications of program instructors.

(d) The board may permit instructors to hold a baccalaureate degree only.

(e) If the Board of Teaching determines that a teacher preparation program under this section does not meet the requirements of this section, it may revoke its approval of the program after it notifies the program provider of any deficiencies and gives the program provider an opportunity to remedy the deficiencies.

Subd. 4. **Employment conditions.** Where applicable, teacher candidates with ~~a limited-term~~ a preliminary teacher license under this section are members of the local employee organization representing teachers and subject to the terms of the local collective bargaining agreement between the exclusive representative of the teachers and the school board. A collective bargaining agreement between a school board and the exclusive representative of the teachers must not prevent or restrict or otherwise interfere with a school district's ability to employ a teacher prepared under this section.

Subd. 5. **Approval for standard professional five-year license.** A school board or its designee must appoint members to a local site team that includes teachers, school administrators, and postsecondary faculty under subdivision 1, paragraph (a), clause (1), or staff of a participating nonprofit corporation under subdivision 1, paragraph (a), clause (2), to evaluate the performance of the teacher candidate. The evaluation must be consistent with board-adopted performance measures, use the Minnesota state standards of effective practice and subject matter content standards for

teachers established in Minnesota Rules, and include a report to the board recommending whether or not to issue the teacher candidate a standard professional five-year teaching license.

Subd. 6. **Applicants trained in other states.** A person who successfully completes another state's alternative teacher preparation program, consistent with section 122A.23, ~~subdivision 1~~, may apply to the Board of Teaching for a standard an initial professional one-year teaching license under subdivision 7 or a professional five-year teaching license.

Subd. 7. **Standard Professional five-year license.** The Board of Teaching must issue a standard professional five-year teaching license to an otherwise qualified teacher candidate under this section who successfully performs throughout a program under this section, obtains qualifying scores on applicable board-adopted rigorous skills, pedagogy, and content area examinations under section 122A.09, subdivision 4, paragraphs (a) and (e), and is recommended for licensure under subdivision 5 or successfully demonstrates to the board qualifications for licensure under subdivision 6.

Subd. 8. **Highly qualified teacher.** A person holding a valid limited-term license under this section is a highly qualified teacher and the teacher of record under section 122A.16.

Subd. 9. **Exchange of best practices.** By July 31 in an even-numbered year, ~~a program participant and approved alternative preparation program providers~~, the Minnesota State Colleges and Universities, the University of Minnesota, the Minnesota Private College Council, and the Department of Education must exchange information about best practices and educational innovations.

Subd. 10. **Reports.** The Board of Teaching must submit an interim report on the efficacy of this program to the policy and finance committees of the legislature with jurisdiction over kindergarten through grade 12 education by February 15, 2013, and a final report by February 15, 2015.

Sec. 10. Minnesota Statutes 2014, section 122A.26, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A person who teaches in a community education program which qualifies for aid pursuant to section 124D.52 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program which is offered through a community education program and which qualifies for community education aid pursuant to section 124D.20 or early childhood and family education aid pursuant to section 124D.135 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course which is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher.

(b) A person who teaches a driver training course which is offered through a community education program to persons under 18 years of age shall be licensed by the Board of Teaching or be subject to section 171.35. A license which is required for an instructor in a community education program pursuant to this ~~subdivision paragraph~~ shall not be construed to bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, clause (a).

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 11. Minnesota Statutes 2015 Supplement, section 122A.40, subdivision 8, is amended to read:

Subd. 8. **Development, evaluation, and peer coaching for continuing contract teachers.**

(a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop a teacher evaluation and peer review process for probationary and continuing contract teachers through joint agreement. If a school board and the exclusive representative of the teachers do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, and provide all enrolled students in a district or school, including low-income students, American Indian students, and students of color with improved and equitable access to more diverse teachers, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 5;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator. For the years when a tenured teacher is not evaluated by a qualified and trained evaluator, the teacher must be evaluated by a peer review;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities, including those that improve cultural fluency and competency under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs for teachers, including teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection, and other student outcome measures explicitly aligned with the elements of curriculum, including culturally

responsive curriculum, for which teachers are responsible, including academic literacy, oral academic language, and achievement of content areas of English learners;

(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; ~~and~~

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate; and

(14) must include and support cultural competency and the implementation of culturally responsive practices through the professional review cycle, staff development, and the use of data on student engagement and connection.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 5.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that subject area and grade.

All data created and used under this paragraph retains its classification under chapter 13.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later.

Sec. 12. Minnesota Statutes 2015 Supplement, section 122A.41, subdivision 5, is amended to read:

Subd. 5. Development, evaluation, and peer coaching for continuing contract teachers. (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop an annual teacher evaluation and peer review process for probationary and nonprobationary teachers through joint agreement. If a school board and the exclusive representative of the teachers in the district do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan developed under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, and provide all enrolled students in a district or school, including low-income students, American Indian students, and students of color with improved and equitable access to more diverse teachers, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 2;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities, including those that improve cultural fluency and competency under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs for teachers, including teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection and other student outcome measures explicitly aligned with the elements of curriculum, including culturally responsive curriculum, for which teachers are responsible, including academic literacy, oral academic language, and achievement of English learners;

(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; ~~and~~

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate; and

(14) must include and support cultural competency and the implementation of culturally responsive practices through the professional review cycle, staff development, and the use of data on student engagement and connection.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 2.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that subject area and grade.

All data created and used under this paragraph retains its classification under chapter 13.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later.

Sec. 13. Minnesota Statutes 2015 Supplement, section 122A.60, subdivision 1, is amended to read:

Subdivision 1. **Staff development committee.** (a) A school board must use the revenue authorized in section 122A.61 for:

(1) teacher development and evaluation plans under section 122A.40, subdivision 8, or 122A.41, subdivision 5, and at the request of a teacher and their mentor or peer coach, activities relating to the teacher's individual growth plan or recommendations resulting from the peer review process;

(2) principal development and evaluation under section 123B.147, subdivision 3;

(3) in-service education programs under section 120B.22, subdivision 2; and

(4) other staff development needs.

(b) The board must establish an advisory staff development committee to develop the plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators.

(c) "Teacher" under this section includes all individuals classified as teachers under section 179A.03 or section 122A.61.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 14. Minnesota Statutes 2014, section 123B.147, subdivision 3, is amended to read:

Subd. 3. **Duties; evaluation.** (a) The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the district and according to the policies, rules, and regulations of the school board, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

(b) To enhance a principal's leadership skills and support and improve teaching practices, school performance, and student achievement for diverse student populations, including at-risk students, children with disabilities, English learners, and gifted students, among others, a district must develop and implement a performance-based system for annually evaluating school principals assigned to supervise a school building within the district. The evaluation must be designed to improve teaching and learning by supporting the principal in shaping the school's professional environment and developing teacher quality, performance, ~~and effectiveness,~~ and cultural fluency and competency. The annual evaluation must:

(1) support and improve a principal's instructional leadership, organizational management, and professional development, and strengthen the principal's capacity in the areas of instruction, supervision, evaluation, and teacher development by, among other things, hiring, supporting, and

retaining a diverse teaching staff that reflects the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

(2) include formative and summative evaluations based on multiple measures of student progress toward career and college readiness;

(3) be consistent with a principal's job description, a district's long-term plans and goals, and the principal's own professional multiyear growth plans and goals, all of which must support the principal's leadership behaviors and practices, rigorous curriculum, school performance, students' improved and equitable access to effective and more diverse teachers, and high-quality instruction;

(4) include on-the-job observations and previous evaluations;

(5) allow surveys to help identify a principal's effectiveness, leadership skills and processes, and strengths and weaknesses in exercising leadership in pursuit of school success;

(6) use longitudinal data on student academic growth as 35 percent of the evaluation and incorporate district achievement goals and targets;

(7) be linked to professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, and a collaborative professional culture, and students' increased and equitable access to effective and more diverse teachers, consistent with attaining the world's best workforce under section 120B.11, subdivision 1, paragraph (c); and

(8) for principals not meeting standards of professional practice or other criteria under this subdivision, implement a plan to improve the principal's performance and specify the procedure and consequence if the principal's performance is not improved.

The provisions of this paragraph are intended to provide districts with sufficient flexibility to accommodate district needs and goals related to developing, supporting, and evaluating principals.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 15. Minnesota Statutes 2014, section 124D.09, subdivision 10, is amended to read:

Subd. 10. **Courses according to agreements.** (a) An eligible pupil, according to subdivision 5, may enroll in a nonsectarian course taught by a secondary teacher or a postsecondary faculty member and offered at a secondary school, or another location, according to an agreement between a public school board and the governing body of an eligible public postsecondary system or an eligible private postsecondary institution, as defined in subdivision 3. All provisions of this section shall apply to a pupil, public school board, district, and the governing body of a postsecondary institution, except as otherwise provided.

(b) To encourage American Indian students under section 124D.72 and other students to consider teaching as a profession, participating public school boards and the governing boards of eligible public postsecondary systems and eligible private postsecondary institutions may develop and offer an "introduction to teaching" course under this subdivision.

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

Sec. 16. Minnesota Statutes 2014, section 124D.861, as amended by Laws 2015, chapter 21, article 1, section 20, is amended to read:

124D.861 ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.

Subdivision 1. **Program to close the academic achievement and opportunity gap; revenue uses.** (a) The "Achievement and Integration for Minnesota" program is established to pursue racial and economic integration and increase student academic achievement, create equitable educational opportunities, and reduce academic disparities based on students' diverse racial, ethnic, and economic backgrounds in Minnesota public schools.

(b) For purposes of this section and section 124D.862, "eligible district" means a district required to submit a plan to the commissioner under Minnesota Rules governing school desegregation and integration, or be a member of a multidistrict integration collaborative that files a plan with the commissioner.

(c) Eligible districts must use the revenue under section 124D.862 to pursue academic achievement and racial and economic integration through:

(1) integrated learning environments that give students improved and equitable access to effective and more diverse teachers, prepare all students to be effective citizens and enhance social cohesion;

(2) policies and curricula and trained, culturally fluent and competent instructors, administrators, school counselors, and other advocates to support and enhance integrated learning environments under this section, including through magnet schools, innovative, research-based instruction, differentiated instruction, improved and equitable access to effective and diverse teachers, and targeted interventions to improve achievement; and

(3) rigorous career and college readiness programs and effective and more diverse instructors for underserved student populations, consistent with section 120B.30, subdivision 1; integrated learning environments to increase student academic achievement; cultural fluency, competency, and interaction; graduation and educational attainment rates; and parent involvement.

Subd. 2. **Plan implementation; components.** (a) The school board of each eligible district must formally develop and implement a long-term plan under this section. The plan must be incorporated into the district's comprehensive strategic plan under section 120B.11. Plan components may include: innovative and integrated prekindergarten through grade 12 learning environments that offer students school enrollment choices; family engagement initiatives that involve families in their students' academic life and success; professional development opportunities for teachers and administrators focused on improving the academic achievement of all students, including teachers and administrators who are members of populations underrepresented among the licensed teachers or administrators in the district or school and who reflect the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school; increased programmatic opportunities and effective and more diverse instructors focused on rigor and college and career readiness for underserved students, including students enrolled in alternative learning centers under section 123A.05, public alternative programs under section 126C.05, subdivision 15, and contract alternative programs under section 124D.69, among other underserved students; or recruitment and retention of teachers and administrators with diverse racial and ethnic backgrounds. The plan must contain goals for:

(1) reducing the disparities in academic achievement among all students and specific categories of students under section 120B.35, subdivision 3, paragraph (b), excluding the student categories of gender, disability, and English learners; ~~and~~

(2) increasing racial and economic diversity and integration in schools and districts; and

(3) providing students with equitable access to effective and more diverse teachers.

(b) Among other requirements, an eligible district must implement effective, research-based interventions that include formative assessment practices to reduce the disparities in student academic performance among the specific categories of students as measured by student progress and growth on state reading and math assessments and as aligned with section 120B.11.

(c) Eligible districts must create efficiencies and eliminate duplicative programs and services under this section, which may include forming collaborations or a single, seven-county metropolitan areawide partnership of eligible districts for this purpose.

Subd. 3. **Public engagement; progress report and budget process.** (a) To receive revenue under section 124D.862, the school board of an eligible district must incorporate school and district plan components under section 120B.11 into the district's comprehensive integration plan.

(b) A school board must hold at least one formal annual hearing to publicly report its progress in realizing the goals identified in its plan. At the hearing, the board must provide the public with longitudinal data demonstrating district and school progress in reducing the disparities in student academic performance among the specified categories of students, in improving students' equitable access to effective and more diverse teachers, and in realizing racial and economic diversity and integration, consistent with the district plan and the measures in paragraph (a). At least 30 days before the formal hearing under this paragraph, the board must post its plan, its preliminary analysis, relevant student performance data, and other longitudinal data on the district's Web site. A district must hold one hearing to meet the hearing requirements of both this section and section 120B.11.

(c) The district must submit a detailed budget to the commissioner by March 15 in the year before it implements its plan. The commissioner must review, and approve or disapprove the district's budget by June 1 of that year.

(d) The longitudinal data required under paragraph (b) must be based on student growth and progress in reading and mathematics, as defined under section 120B.30, subdivision 1, and student performance data and achievement reports from fully adaptive reading and mathematics assessments for grades 3 through 7 beginning in the 2015-2016 school year under section 120B.30, subdivision 1a, and either (i) school enrollment choices, (ii) the number of world language proficiency or high achievement certificates awarded under section 120B.022, subdivision 1a, or the number of state bilingual and multilingual seals issued under section 120B.022, subdivision 1b, or (iii) school safety and students' engagement and connection at school under section 120B.35, subdivision 3, paragraph (d). Additional longitudinal data may be based on: students' progress toward career and college readiness under section 120B.30, subdivision 1; or rigorous coursework completed under section 120B.35, subdivision 3, paragraph (c), clause (2).

Subd. 4. **Timeline and implementation.** A board must approve its plan and submit it to the department by March 15. If a district that is part of a multidistrict council applies for revenue for a plan, the individual district shall not receive revenue unless it ratifies the plan adopted by the multidistrict council. Each plan has a term of three years. For the 2014-2015 school year, an eligible

district under this section must submit its plan to the commissioner for review by March 15, 2014. For the 2013-2014 school year only, an eligible district may continue to implement its current plan until the commissioner approves a new plan under this section.

Subd. 5. **Evaluation.** The commissioner must evaluate the efficacy of district plans in reducing the disparities in student academic performance among the specified categories of students within the district, improving students' equitable access to effective and diverse teachers, and in realizing racial and economic diversity and integration. The commissioner shall report evaluation results to the kindergarten through grade 12 education committees of the legislature by February 1 of every odd-numbered year.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 17. Minnesota Statutes 2015 Supplement, section 127A.05, subdivision 6, is amended to read:

Subd. 6. **Survey of districts.** The commissioner of education shall survey the state's school districts and teacher preparation programs and report to the education committees of the legislature by February 1 of each odd-numbered year on the status of teacher early retirement patterns, access to effective and more diverse teachers who reflect the students under section 120B.35, subdivision 3, paragraph (b), clause (2), enrolled in a district or school, the teacher shortage, and the substitute teacher shortage, including teacher hiring and retention patterns and shortages in by subject areas and the economic development regions of the state. The report must also include: aggregate data on teachers' self-reported race and ethnicity; data on how districts are making progress in hiring and providing enrolled students with improved and equitable access to effective and more diverse teachers and substitutes in the areas of shortage; and a five-year projection of teacher demand for each district, taking into account the students under section 120B.35, subdivision 3, paragraph (b), clause (2), expected to enroll in the district during that five-year period.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 18. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable educational and living expenses related to a teacher's preparation or further education.

(c) "School district" means an independent school district, special school district, intermediate district, education district, special education cooperative, service cooperative, a cooperative center for vocational education, or a charter school located in Minnesota.

(d) "Teacher" means an individual holding a teaching license issued by the licensing division in the Department of Education on behalf of the Board of Teaching who is employed by a school district to provide classroom instruction in a teacher shortage area.

(e) "Teacher shortage area" means the licensure fields and economic development regions reported by the commissioner of education as experiencing a teacher shortage or the school districts

where minority populations are underrepresented among licensed teachers, consistent with section 127A.05, subdivision 6, and applicable federal law.

(f) "Commissioner" means the commissioner of the Office of Higher Education unless indicated otherwise.

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

Sec. 19. Minnesota Statutes 2015 Supplement, section 136A.1791, subdivision 3, is amended to read:

Subd. 3. **Use of report on teacher shortage areas.** The commissioner of education shall use the teacher supply and demand report to the legislature to identify the licensure fields and economic development regions in Minnesota experiencing a teacher shortage and the school districts where minority populations are underrepresented among licensed teachers, consistent with section 127A.05, subdivision 6, and applicable federal law.

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

Sec. 20. **CAREER AND TECHNICAL EDUCATOR LICENSING ADVISORY TASK FORCE.**

Subdivision 1. **Creation.** The Career and Technical Educator Licensing Advisory Task Force consists of the following members, appointed by the commissioner of education, unless otherwise specified:

- (1) one person who is a member of the Board of Teaching;
- (2) one person representing colleges and universities offering a board-approved teacher preparation program;
- (3) one person representing science, technology, engineering, and math programs, such as Project Lead the Way;
- (4) one person designated by the Board of the Minnesota Association for Career and Technical Administrators;
- (5) one person designated by the Board of the Minnesota Association for Career and Technical Education;
- (6) three people who are secondary school administrators, including superintendents, principals, and assistant principals; and
- (7) two people who are members of other interested groups, as determined by the commissioner of education.

The commissioner and designating authorities must make their initial appointments and designations by July 1, 2016. The commissioner and designating authorities, to the extent practicable, should make appointments balanced as to gender and reflecting the ethnic diversity of the state population.

Subd. 2. **Duties; report.** The task force must review the current status of career and technical educator licenses and provide recommendations on changes, if any are deemed necessary, to the licensure requirements and methods to increase access for school districts to licensed career

and technical educators. The task force must report its findings and recommendations, with draft legislation if needed to implement the recommendations, to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education and higher education by January 15, 2017.

Subd. 3. **First meeting.** The commissioner of education or the commissioner's designee must convene the first meeting of the task force by September 1, 2016.

Subd. 4. **Administrative support.** The commissioner of education must provide meeting space and administrative services for the task force.

Subd. 5. **Chair.** The commissioner of education or the commissioner's designee shall serve as chair of the task force.

Subd. 6. **Compensation.** The public members of the task force serve without compensation or payment of expenses.

Subd. 7. **Expiration.** The task force expires January 16, 2017, or upon submission of the report required in subdivision 2, whichever is earlier.

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

Sec. 21. **LEGISLATIVE TASK FORCE ON TEACHER LICENSURE.**

(a) A 12-member legislative task force on teacher licensure is created to review the 2016 report prepared by the Office of the Legislative Auditor on the Minnesota teacher licensure program and submit a written report by February 1, 2017, to the legislature recommending how to restructure Minnesota's teacher licensure system by consolidating all teacher licensure activities into a single state entity to ensure transparency and consistency or, at a minimum, clarify existing teacher licensure responsibilities to provide transparency and consistency. In developing its recommendations, the task force must consider the tiered licensure system recommended in the legislative auditor's report, among other recommendations. The task force must identify and include in its report any statutory changes needed to implement the task force recommendations.

(b) The legislative task force on teacher licensure includes:

(1) six duly elected and currently serving senators, three appointed by the senate majority leader and three appointed by the senate minority leader; and

(2) six duly elected and currently serving members of the house of representatives, three appointed by the speaker and three appointed by the house minority leader.

Only duly elected and currently serving members of the senate or house of representatives may be task force members.

(c) The appointments must be made by June 1, 2016, and expire February 2, 2017. If a vacancy occurs, the leader of the caucus in the house or senate to which the vacating task force member belonged must fill the vacancy. A senate member appointed by the senate majority leader shall convene the first meeting of the task force. The task force shall elect a chair or cochair from among the members at the first meeting. The task force must meet periodically. The Legislative Coordinating Commission shall provide technical and administrative assistance upon request.

(d) In reviewing the legislative auditor's report and developing its recommendations, the task force must consult with interested and affected stakeholders, including representatives of the Board of Teaching, Minnesota Department of Education, Education Minnesota, MinnCAN, Minnesota Business Partnership, Minnesota Rural Education Association, Association of Metropolitan School Districts, Minnesota Association of Colleges for Teacher Education, College of Education and Human Development at the University of Minnesota, Minnesota State Colleges and Universities, Minnesota Private College Council, Minnesota School Boards Association, Minnesota Elementary School Principals' Association, Minnesota Association of Secondary School Principals, Minnesota Association of School Administrators, Minnesota Indian Affairs Council, the Council on Asian Pacific Minnesotans, Council for Minnesotans of African Heritage, Minnesota Council on Latino Affairs, Minnesota Association of Educators, and Minnesota Teach For America, among other stakeholders.

(e) The task force expires February 2, 2017, unless extended by law.

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

Sec. 22. **REPEALER.**

Minnesota Statutes 2014, section 122A.245, subdivision 8, is repealed.

ARTICLE 8

EARLY CHILDHOOD

Section 1. Minnesota Statutes 2015 Supplement, section 124D.165, subdivision 2, is amended to read:

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

(1) have a child three or four years of age on September 1 of the current school year, who has not yet started kindergarten; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or child and adult care food program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212.

(b) Notwithstanding the other provisions of this section, a parent under age 21 who is pursuing a high school or general education equivalency diploma is eligible for an early learning scholarship if the parent has a child age zero to five years old and meets the income eligibility guidelines in this subdivision.

(c) Any siblings between the ages zero to five years old of a child who has been awarded a scholarship under this section must be awarded a scholarship upon request, provided the sibling attends the same program as long as funds are available.

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

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

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

(g) A child whose family is homeless and meets the criteria in paragraph (a), clause (1), is eligible for an early learning scholarship under this section.

ARTICLE 9

CHARTER SCHOOL RECODIFICATION

Section 1. Minnesota Statutes 2015 Supplement, section 124E.01, is amended to read:

124E.01 PURPOSE AND APPLICABILITY.

Subdivision 1. **Purposes.** The primary purpose of ~~this chapter~~ charter schools is to improve all pupil learning and all student achievement. Additional purposes include to:

- (1) increase learning opportunities for all pupils;
- (2) encourage the use of different and innovative teaching methods;
- (3) measure learning outcomes and create different and innovative forms of measuring outcomes;
- (4) establish new forms of accountability for schools; or
- (5) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

Subd. 2. **Applicability.** This chapter applies only to charter schools formed and operated under this chapter. Other statutes and rules that specifically apply to charter schools also govern charter schools.

Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.02, is amended to read:

124E.02 DEFINITIONS.

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

~~"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under section 124E.05 before that authorizer is able to submit any affidavit to charter to a school.~~

~~"Application" under section 124E.06 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.~~

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

~~(b) For purposes of this chapter:~~

~~(1) "related party" means an affiliate or immediate relative of the other party in question, an affiliate of an immediate relative, or an immediate relative of an affiliate;~~

~~(2) (c) "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;~~

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

~~(3) (e) "Immediate family" means an individual whose relationship by blood, marriage, adoption, or partnering partnership is no more remote than first cousin;~~

~~(4) (f) "Person" means an individual or entity of any kind; and~~

~~(5) "control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether through ownership of voting securities, by contract, or otherwise.~~

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

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

Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.03, is amended to read:

124E.03 APPLICABLE LAW.

Subdivision 1. **Public status; exemption from statutes and rules.** A charter school is a public school and is part of the state's system of public education. A charter school is exempt from all statutes and rules applicable to a school, school board, or school district unless a statute or rule is made specifically applicable to a charter school or is included in this chapter.

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

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

(c) A charter school is ~~subject to and~~ must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

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

(e) A charter school ~~is subject to~~ must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(f) A charter school and charter school board of directors ~~are subject to~~ must comply with chapter 181 governing requirements for employment.

(g) A charter school ~~is subject to and~~ must comply with continuing truant notification under section 260A.03.

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

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

Subd. 3. **Pupils with a disability.** A charter school must comply with sections 125A.02, 125A.03 to 125A.24, 125A.65, and 125A.75 and rules relating to the education of pupils with a disability as though it were a district. A charter school enrolling prekindergarten pupils with a disability under section 124E.11, paragraph (h), must comply with sections 125A.259 to 125A.48 and rules relating to the Interagency Early Intervention System as though it were a school district.

Subd. 4. **Students' rights and related law.** (a) A charter school ~~student must be released~~ release a student for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

(b) A charter school ~~is subject to and~~ must comply with chapter 363A governing the Minnesota Human Rights Act and section 121A.04 governing student athletics and sex discrimination in schools.

(c) A charter school must comply with section 121A.031 governing policies on ~~prohibited~~ conduct bullying.

Subd. 5. **Records, meetings, and data requirements.** (a) A charter school must comply with ~~chapters chapter 13 and 13D~~ governing government data; and sections ~~120A.22, subdivision 7;~~ 121A.75; governing access to juvenile justice records, and 260B.171, subdivisions 3 and 5, governing juvenile justice records.

(b) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

Subd. 5a. **Open meetings.** A charter school must comply with chapter 13D governing open meetings.

Subd. 6. **Length of school year.** A charter school must provide instruction each year for at least the number of hours required by section 120A.41. It may provide instruction throughout the year ~~according to~~ under sections 124D.12 to 124D.127 or 124D.128 governing learning year programs.

Subd. 7. **Additional program-specific requirements.** (a) A charter school offering online courses or programs must comply with section 124D.095 governing online learning.

(b) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19 governing early childhood screening.

(c) A charter school that provides school-sponsored youth athletic activities must comply with section 121A.38 governing policies on concussions.

Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.05, is amended to read:

124E.05 AUTHORIZERS.

Subdivision 1. **Eligible authorizers.** (a) The following organizations in this subdivision may authorize one or more charter schools:

~~(1)~~ (b) A school board, intermediate school district school board, or education district organized under sections 123A.15 to 123A.19; may authorize a charter school.

~~(2)~~ (c) A charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986; excluding a nonpublic sectarian or religious institution; any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the nonpublic sectarian or religious institution; and any other charitable organization under this clause that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that may authorize a charter school, if the organization:

~~(i)~~ (1) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations;

~~(ii)~~ (2) is registered with the attorney general's office; and

~~(iii)~~ (3) is incorporated in the state of Minnesota and has been operating continuously for at least five years but does not operate a charter school; and

~~(4)~~ is not:

~~(i)~~ a nonpublic sectarian or religious institution;

~~(ii)~~ any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the nonpublic sectarian or religious institution; or

~~(iii)~~ any other charitable organization under this paragraph that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose.

~~(3)~~ (d) A Minnesota private college; ~~notwithstanding clause (2);~~ that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A; may authorize a charter school, notwithstanding paragraph (c).

~~(e)~~ community college; A state college or university; ~~or technical college~~ governed by the Board of Trustees of the Minnesota State Colleges and Universities; ~~or~~ may authorize a charter school.

~~(f)~~ The University of Minnesota; may authorize a charter school.

~~(4)~~ (g) A nonprofit corporation subject to chapter 317A, described in section 317A.905; and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may authorize one or more charter schools if the charter school has operated for at least three years under a different authorizer and if the nonprofit corporation has existed for at least 25 years; ~~or.~~

~~(5) (h) A single-purpose authorizers authorizer formed as a charitable, nonsectarian organizations organization under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota under chapter 317A as a corporation with no members or under section 322B.975 as a nonprofit limited liability company for the sole purpose of chartering schools may authorize a charter school. An eligible organization interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of subdivision 3 and a five-year financial plan. A single-purpose authorizer under this paragraph shall consider and approve charter school applications using the criteria under section 124E.06 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.~~

~~Subd. 2. **Requirements for authorizers.** (a) Eligible organizations interested in being approved as an authorizer under subdivision 1, clause (5), must submit a proposal to the commissioner that includes the provisions of subdivision 3 and a five-year financial plan. Such authorizers shall consider and approve charter school applications using the criteria provided in section 124E.06 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.~~

~~(b) The authorizer must participate in department-approved training.~~

~~Subd. 3. **Application process.** (a) An eligible authorizer under this section must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must ~~demonstrate show~~ the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this chapter. The commissioner must approve or disapprove ~~an~~ the application within 45 business days of the ~~application deadline for that application period~~. If the commissioner disapproves the application, the commissioner must notify the applicant of the specific deficiencies in writing and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. After the 20 business days expire, the commissioner has 15 business days to make a final decision to approve or disapprove the application. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria ~~for approval to approve an authorizer, consistent with subdivision 4,~~ must consider the applicant's:~~

- ~~(1) capacity and infrastructure and capacity to serve as an authorizer;~~
- ~~(2) application criteria and process;~~
- ~~(3) contracting process;~~
- ~~(4) ongoing oversight and evaluation processes; and~~
- ~~(5) renewal criteria and processes.~~

~~(b) A disapproved applicant under this section may resubmit an application during a future application period.~~

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

- ~~(1) how the organization carries out its mission by chartering schools is a way for the organization to carry out its mission;~~

(2) ~~a description of the capacity of the organization~~ the organization's capacity to serve as an authorizer, including the personnel who ~~will~~ perform the authorizing duties, their qualifications, the amount of time they ~~will be~~ are assigned to this responsibility, and the financial resources ~~allocated~~ by the organization allocates to this responsibility;

(3) ~~a description of the application and review process the authorizer will use~~ uses to make decisions regarding the granting of decide whether to grant charters;

(4) ~~a description of the type of contract it will arrange~~ arranges with the schools it charters ~~that meets~~ to meet the provisions of section 124E.10;

(5) the process ~~to be used for providing ongoing oversight of~~ overseeing the school, consistent with the contract expectations specified in clause (4) that ~~assures, to ensure~~ ensure that the schools chartered ~~are complying~~ comply with both the provisions of applicable law and rules; and with the contract;

(6) ~~a description of the criteria and process the authorizer will use~~ uses to ~~grant expanded~~ approve applications adding grades or sites under section 124E.06, subdivision 5;

(7) the process for ~~making decisions regarding the renewal or termination of~~ renewing or terminating the school's charter based on evidence ~~that demonstrates~~ showing the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and

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

Subd. 5. Review by commissioner. The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer.

Subd. 6. Corrective action. (a) If, consistent with this chapter, the commissioner finds that an authorizer has not ~~fulfilled~~ met the requirements of this chapter, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action. If the commissioner terminates a contract between an authorizer and a charter school under this paragraph, the commissioner may assist the charter school in acquiring a new authorizer.

(b) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under subdivision ~~4~~ 3 under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors;

(3) unsatisfactory performance as an approved authorizer; or

(4) any good cause shown that ~~provides~~ gives the commissioner a legally sufficient reason to take corrective action against an authorizer.

Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under section 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year, regardless of when the authorizer's five-year term of approval ends. The commissioner may approve the transfer of a charter school to a new authorizer ~~under this subdivision~~ after the new authorizer submits an affidavit to the commissioner.

Subd. 8. **Reports.** By September 30 of each year, an authorizer shall submit to the commissioner a statement of income and expenditures related to chartering activities during the previous school year ending June 30. ~~A copy of the statement shall be given to all schools chartered by the authorizer.~~ The authorizer must transmit a copy of the statement to all schools it charters.

Sec. 5. Minnesota Statutes 2015 Supplement, section 124E.06, is amended to read:

124E.06 FORMING A SCHOOL.

Subdivision 1. **Individuals eligible to organize.** (a) An authorizer, after receiving an application from a charter school developer, may charter either a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under subdivision 4.

(b) "Application" under this section means the charter school business plan a charter school developer submits to an authorizer for approval to establish a charter school. This application must include:

(1) the school developer's:

(i) mission statement;

(ii) school purposes;

(iii) program design;

(iv) financial plan;

(v) governance and management structure; and

(vi) background and experience;

(2) any other information the authorizer requests; and

(3) a "statement of assurances" of legal compliance prescribed by the commissioner.

~~(b)~~ (c) An authorizer shall not approve an application submitted by a charter school developer under paragraph (a) if the application does not comply with subdivision 3, paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4 if the affidavit does not comply with subdivision 3, paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1.

Subd. 2. **Nonprofit corporation.** (a) The school must be organized and operated as a nonprofit corporation under chapter 317A and the provisions ~~under the applicable of that~~ chapter shall apply to the school except as provided in this chapter.

~~(b)~~ The operators authorized to organize and operate a school; must incorporate as a nonprofit corporation before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a nonprofit corporation under chapter 317A.

~~(c)~~ (b) Notwithstanding sections 465.717 and 465.719, a school district, subject to this chapter, may create a corporation for the purpose of establishing a charter school.

Subd. 3. **Requirements.** (a) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from ages five through 18 years of age. ~~Instruction A charter school may be provided provide instruction~~ to people older than 18 years of age.

(b) A charter school may offer a free or fee-based preschool or prekindergarten that meets high-quality early learning instructional program standards ~~that are aligned with Minnesota's early learning standards for children.~~ The hours a student is enrolled in a fee-based prekindergarten program do not generate pupil units under section 126C.05 and must not be used to calculate general education revenue under section 126C.10.

~~(b)~~ (c) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. An authorizer may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution.

~~(c)~~ (d) ~~Charter schools A charter school must not be used as a method of providing to provide education or generating generate revenue for students who are being home-schooled students.~~ This paragraph does not apply to shared time aid under section 126C.19.

~~(d)~~ (e) This chapter does not provide a means to keep open a school that a school board decides to close. However, a school board may endorse or authorize ~~the establishment of~~ establishing a charter school to replace the school the board decided to close. Applicants seeking a charter under this circumstance must demonstrate to the authorizer that the charter sought is substantially different in purpose and program from the school the board closed and that the proposed charter satisfies the requirements of section 124E.01, subdivision 1. If the school board that closed the school authorizes the charter, it must document in its affidavit to the commissioner that the charter is substantially different in program and purpose from the school it closed.

~~(e)~~ (f) A school authorized by a school board may be located in any district, unless the school board of the district of the proposed location disapproves the location by written resolution.

~~(f)~~ (g) Except as provided in paragraph ~~(a)~~ (b), a charter school may not charge tuition.

~~(g)~~ (h) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this chapter or does not meet the ready-to-open standards that are part of (1) the authorizer's oversight and evaluation process or are (2) stipulated in the charter school contract.

Subd. 4. **Authorizer's affidavit; approval process; ~~authorizer's affidavit.~~** (a) Before the ~~operators~~ an operator may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit

for each school it intends to charter. An authorizer must file an affidavit at least 14 months before July 1 of the year the new charter school plans to serve students. The affidavit must state:

- (1) the terms and conditions under which the authorizer would charter a school; and
- (2) how the authorizer intends to oversee:
 - (i) the fiscal and student performance of the charter school; and

~~to comply~~ (ii) compliance with the terms of the written contract between the authorizer and the charter school board of directors under section 124E.10, subdivision 1.

(b) The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of ~~receipt of receiving~~ the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. The commissioner must notify the authorizer of the commissioner's final approval or final disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. ~~Failure to obtain commissioner approval precludes~~ An authorizer who fails to obtain the commissioner's approval is precluded from chartering the school that is the subject of this affidavit.

Subd. 5. ~~Expansion of a charter~~ **Adding grades or sites.** (a) A charter school may apply to the authorizer to amend the school charter to ~~expand the operation of the school to additional~~ add grades or sites that would be students' primary enrollment site sites beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a ~~supplementary~~ supplemental affidavit in the form and manner prescribed by the commissioner. The authorizer must file a ~~supplement~~ supplemental affidavit to the commissioner by October 1 to be eligible to ~~expand~~ add grades or sites in the next school year. The ~~supplementary~~ supplemental affidavit must document ~~that the school has demonstrated to the authorizer's satisfaction of the authorizer the following:~~

- (1) the need for the ~~expansion~~ additional grades or sites with supporting long-range enrollment projections;
- (2) a longitudinal record of ~~demonstrated~~ student academic performance and growth on statewide assessments under chapter 120B or on other academic assessments that measure longitudinal student performance and growth approved by the charter school's board of directors and agreed upon with the authorizer;
- (3) a history of sound school finances and a ~~finance~~ plan to implement the expansion in a manner to promote add grades or sites that sustains the school's financial sustainability ~~finances~~; and
- (4) board capacity ~~and an administrative and management plan to implement its expansion to~~ administer and manage the additional grades or sites.

(b) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer in writing of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address; ~~to the commissioner's satisfaction~~; any deficiencies in the supplemental affidavit to the commissioner's satisfaction. The commissioner must notify the authorizer of final approval or final disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. The school may

not ~~expand~~ add grades or ~~add~~ sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Subd. 6. **Conversion of existing schools.** A board of an independent or special school district may convert one or more of its existing schools to charter schools under this chapter if 60 percent of the full-time teachers at the school sign a petition seeking conversion. The conversion must occur at the beginning of an academic year.

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

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

(c) For its first year of operation, the merged school is eligible to receive aid from programs requiring approved applications equal to the sum of the aid of all of the merging schools. For aids based on prior year data, the merged school is eligible to receive aid for its first year of operation based on the combined data of all of the merging schools.

Sec. 6. Minnesota Statutes 2015 Supplement, section 124E.07, is amended to read:

124E.07 BOARD OF DIRECTORS.

Subdivision 1. **Initial board of directors.** Before entering into a contract or other agreement for professional or other services, goods, or facilities, the operators authorized to organize and operate a school, ~~before entering into a contract or other agreement for professional or other services, goods, or facilities,~~ must establish a board of directors composed of at least five members who are not related parties. The initial board continues to serve until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under subdivision 4.

Subd. 2. **Ongoing board of directors.** The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed ~~for holidays, breaks, or vacations.~~

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

teachers under clause (1). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school.

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

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

~~(e) (d) Any employee, agent, or board member of the authorizer who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school is ineligible to serve on the board of directors of a school chartered by that authorizer.~~

~~(d) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (b) exists.~~

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

(1) by a majority vote of the board of directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

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

Subd. 5. **Eligible voters.** Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of the board of directors, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election.

Subd. 6. **Duties.** The board of directors also shall decide and ~~be is~~ responsible for policy matters related to ~~the operation of~~ operating the school, including budgeting, curriculum programming, personnel, and operating procedures. The board shall adopt a ~~policy on nepotism in employment policy.~~ The board shall adopt personnel evaluation policies and practices that, at a minimum:

(1) carry out the school's mission and goals;

(2) evaluate ~~the execution of~~ how charter contract goals and commitments are executed;

(3) evaluate student achievement, postsecondary and workforce readiness, and student engagement and connection goals;

(4) establish a teacher evaluation process under section 124E.03, subdivision 2, paragraph (h); and

(5) provide professional development related to the individual's job responsibilities.

Subd. 7. **Training.** Every charter school board member shall attend annual training throughout the member's term ~~on the board~~. All new board members shall attend initial training on the board's role and responsibilities, employment policies and practices, and financial management. A new board member who does not begin the required initial training within six months after being seated and complete that training within 12 months ~~of~~ after being seated ~~on the board~~ is automatically ineligible to continue to serve as a board member. The school shall include in its annual report the training ~~each board member attended by each board member~~ during the previous year.

Subd. 8. **Meetings and information.** (a) Board of director meetings must comply with chapter 13D governing open meetings.

(b) A charter school shall publish and maintain on the school's official Web site: (1) the meeting minutes of meetings of the board of directors; and of members and committees having any board-delegated authority, for at least ~~one calendar year~~ 365 days from the date of publication; (2) directory information for ~~members of the board of directors and for the members of committees~~ having board-delegated authority; and (3) identifying and contact information for the school's authorizer.

(c) A charter school must include identifying and contact information for the school's authorizer ~~must be included~~ in other school materials made it makes available to the public.

Sec. 7. Minnesota Statutes 2015 Supplement, section 124E.08, is amended to read:

124E.08 COLLABORATION BETWEEN CHARTER SCHOOL AND SCHOOL DISTRICT COLLABORATION.

(a) A charter school board may voluntarily enter into a two-year, renewable collaboration agreement for collaboration with a school district in which the charter school is geographically located to enhance student the achievement with a school district within whose geographic boundary it operates of the students in the district and the students in the charter school.

(b) A school district ~~need does not need to be either an approved authorizer or the authorizer of the charter school to enter into a collaboration agreement with a charter school under this section.~~ A charter school need not be authorized by the school district with which it seeks to collaborate.

(c) A charter school authorizer is prohibited from requiring a collaboration agreement as a condition of entering into or renewing a charter contract as defined in section 124E.10, subdivision 1.

(d) ~~Nothing in this section or in the collaboration agreement may impact in any way the authority or autonomy of the charter school.~~

(e) ~~Nothing in this section or in the collaboration agreement shall cause the state to pay twice for the same student, service, or facility or otherwise impact state funding, or the flow thereof, to the school district or the charter school.~~

~~(f)~~ (b) The collaboration agreement may include, but ~~need is not be~~ limited to, collaboration regarding facilities, transportation, training, student achievement, assessments, mutual performance standards, and other areas of mutual agreement.

~~(g)~~ (c) For purposes of student assessment and reporting to the state under section 120B.36, the school district may include the academic performance of the students of a collaborative charter school site operating within the geographic boundaries of the school district, for purposes of student assessment and reporting to the state under paragraph (a).

~~(h)~~ Districts, authorizers, or charter schools entering into a collaborative agreement are equally and collectively subject to the same state and federal accountability measures for student achievement, school performance outcomes, and school improvement strategies. The collaborative agreement and all accountability measures must be posted on the district, charter school, and authorizer Web sites.

(d) Nothing in this section or in the collaboration agreement may impact in any way the authority or autonomy of the charter school.

(e) Nothing in this section or in the collaboration agreement shall cause the state to pay twice for the same student, service, or facility or otherwise impact state funding or payment to the school district or the charter school.

Sec. 8. Minnesota Statutes 2015 Supplement, section 124E.10, is amended to read:

124E.10 CHARTER CONTRACT.

Subdivision 1. **Contents.** ~~(a) The authorization for~~ To authorize a charter school, the authorizer and the charter school board of directors must be in the form of sign a written contract ~~signed by the authorizer and the board of directors of the charter school. The contract must be completed~~ within 45 business days of the commissioner's approval of the authorizer's affidavit. The authorizer shall submit to ~~the commissioner~~ a copy of the ~~signed~~ charter contract to the commissioner within ten business days ~~of its execution after the contract is signed by the contracting parties.~~ The contract for a charter school must be in writing and contain include at least the following:

(1) a declaration that the charter school will carry out the primary purpose in section 124E.01, subdivision 1, and indicate how the school will report its implementation of the primary purpose to its authorizer;

(2) a declaration of the additional purpose or purposes in section 124E.01, subdivision 1, that the school intends to carry out and indicate how the school will report its implementation of those purposes to its authorizer;

(3) a description of the school program and the specific academic and nonacademic outcomes that pupils must achieve;

(4) a statement of admission policies and procedures;

(5) a school governance, management, and administration plan for the school;

(6) signed agreements from charter school board members to comply with ~~all~~ the federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools;

(7) the criteria, processes, and procedures ~~that~~ the authorizer will use to monitor and evaluate the fiscal, operational, and academic performance, consistent with subdivision 3, paragraphs (a) and (b);

(8) for contract renewal, the formal written performance evaluation ~~of the school~~ that is a prerequisite for reviewing a charter contract under subdivision 3;

(9) types and amounts of insurance liability coverage ~~to be obtained by the charter school~~ must obtain, consistent with section 124E.03, subdivision 2, paragraph (d);

(10) consistent with section 124E.09, paragraph (d), a provision to indemnify and hold harmless ~~the authorizer and its officers, agents, and employees~~ from any suit, claim, or liability arising from any charter school operation of the charter school;

(i) the authorizer and its officers, agents, and employees; and

(ii) notwithstanding section 3.736, the commissioner and department officers, agents, and employees ~~notwithstanding section 3.736~~;

(11) the term of the ~~initial~~ contract, which, for an initial contract, may be up to five years plus an additional preoperational planning year, ~~and up to five years~~ or for a renewed contract or a contract with a new authorizer after a transfer of authorizers, may be up to five years, if warranted by the school's academic, financial, and operational performance;

(12) how the charter school board of directors or the charter school operators of the charter school will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, and a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability;

(13) the specific conditions for contract renewal that identify the performance of all students under the primary purpose of section 124E.01, subdivision 1, as the most important factor in determining whether to renew the contract renewal; and

(14) the additional purposes under section 124E.01, subdivision 1, and related performance obligations under clause (7) contained in the charter contract as additional factors in determining whether to renew the contract renewal; and

~~(15)~~ (b) In addition to the requirements of paragraph (a), the charter contract must contain the plan for an orderly closing of the school under chapter 317A, that establishes the responsibilities of the school board of directors and the authorizer, whether the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract, that includes establishing the responsibilities of the school board of directors and the authorizer and notifying. The plan must establish who is responsible for:

(1) notifying the commissioner, ~~authorizer~~, school district in which the charter school is located, and parents of enrolled students about the closure;

(2) providing parents of enrolled students information and assistance sufficient to enable the student to re-enroll in another school; ~~the~~;

(3) transfer of transferring student records under section 124E.03, subdivision 5, paragraph (b), to the student's resident school district; and

~~(4) procedures for closing financial operations.~~

~~(b)~~ (c) A charter school must design its programs to at least meet the outcomes adopted by the commissioner for public school students. In the absence of the commissioner's requirements governing state standards and benchmarks, the school must meet the outcomes contained in the contract with the authorizer. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the commissioner for public school students.

Subd. 2. **Limitations Limits on charter contract school agreements.** (a) A school must disclose to the commissioner any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner. The contract, lease, or purchase must be accepted through an open bidding process; and be a separate ~~contract~~ from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services ~~for to~~ a school that it authorizes, unless the school documents ~~that it received~~ receiving at least two competitive bids.

(b) ~~The~~ An authorizer must not condition granting or renewal of renewing a charter school by an authorizer must not be contingent on:

(1) the charter school being required to contract, lease, or purchase services from the authorizer; or

~~(c) The granting or renewal of a charter by an authorizer must not be conditioned upon~~ (2) the bargaining unit status of the school employees of the school.

Subd. 3. **Review and comment.** (a) The authorizer shall provide a formal written evaluation of the school's performance before the authorizer renews the charter contract. The ~~department commissioner~~ must review and comment on the authorizer's evaluation process at the time the authorizer submits its application for approval and each time the authorizer undergoes its five-year review under section 124E.05, subdivision 5.

(b) An authorizer shall monitor and evaluate the academic, financial, operational, and student performance of the school, and may ~~for this purpose annually~~ assess a charter school a fee according to paragraph (c). The agreed-upon fee structure must be stated in the charter school contract.

(c) The fee that an authorizer may annually assess is the greater of:

(1) the basic formula allowance for that year; or

(2) the lesser of:

(i) the maximum fee factor times the basic formula allowance for that year; or

(ii) the fee factor times the basic formula allowance for that year times the charter school's adjusted pupil units for that year. The fee factor equals .015. The maximum fee factor equals 4.0.

(d) An authorizer may not assess a fee for any required services other than as provided in this subdivision.

(e) For the preoperational planning period, after a school is chartered, the authorizer may assess a charter school a fee equal to the basic formula allowance.

Subd. 4. **Causes for nonrenewal or termination of charter school contract.** (a) The duration of the contract with an authorizer must be for the term contained in the contract according to subdivision 1, paragraph (a). The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 business days before not renewing or terminating a contract, the authorizer shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that describe the informal hearing process, consistent with this paragraph. The charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days ~~of~~ after receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for an informal hearing within the 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer shall give ten business days' notice to the charter school's board of directors of the hearing date. The authorizer shall conduct an informal hearing before taking final action. The authorizer shall take final action to renew or not renew a contract no later than 20 business days before the proposed date for terminating the contract or the end date of the contract.

(b) An authorizer may terminate or not renew a contract ~~may be terminated or not renewed~~ upon any of the following grounds:

- (1) failure to demonstrate satisfactory academic achievement for all students, including the requirements for pupil performance contained in the contract;
- (2) failure to meet generally accepted standards of fiscal management;
- (3) violations of law; or
- (4) other good cause shown.

If the authorizer terminates or does not renew a contract ~~is terminated or not renewed~~ under this paragraph, the school must be dissolved according to the applicable provisions of chapter 317A.

(c) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing authorizer, and after providing an opportunity for a public hearing, may terminate the existing contract between the authorizer and the charter school board if the charter school has a history of:

- (1) failure to meet pupil performance requirements, consistent with state law;
- (2) financial mismanagement or failure to meet generally accepted standards of fiscal management; or
- (3) repeated or major violations of the law.

Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of directors mutually agree not to renew the contract, a change in authorizers is allowed. The authorizer and the school board must jointly submit a written and signed letter of their intent to the commissioner to mutually not renew the contract. The authorizer that is a party to the existing contract must inform the proposed authorizer about the fiscal, operational, and student performance status of the school, as well as any outstanding contractual obligations ~~that exist~~. The charter contract between the proposed authorizer and the school must identify and provide a plan to address any outstanding

obligations from the previous contract. The proposed authorizer must submit the proposed contract ~~must be submitted~~ at least 105 business days before the end of the existing charter contract. The commissioner ~~shall have~~ has 30 business days to review and make a determination on the change in authorizer. The proposed authorizer and the school ~~shall~~ have 15 business days to respond to the determination and address any issues identified by the commissioner. ~~A final determination by~~ The commissioner ~~shall be made~~ must make a final determination no later than 45 business days before the end of the current charter contract. If ~~no~~ the commissioner does not approve a change in authorizer is approved, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the ~~transfer of authorizers is not approved~~ commissioner does not approve a change in authorizer and the current authorizer and the school do not withdraw their letter and enter into a new contract, the school must be dissolved according to applicable law and the terms of the contract.

Subd. 6. **Pupil enrollment upon nonrenewal or termination of charter school contract.** (a) If a contract is not renewed or is terminated according to subdivision 4 or 5, a pupil who attended the school, siblings of the pupil, or another pupil who resides ~~in the same place as with~~ the pupil may enroll in the resident district or may submit an application to a nonresident district according to section 124D.03 governing open enrollment at any time. Applications and notices required by section 124D.03 must be processed and provided in a prompt manner. The application and notice deadlines in section 124D.03 do not apply under these circumstances.

(b) Within ten business days of closing the charter school, the closed ~~charter~~ school must transfer the student's educational records ~~within ten business days of closure~~ to the student's school district of residence where the records must be retained or transferred under section 120A.22, subdivision 7.

Sec. 9. Minnesota Statutes 2015 Supplement, section 124E.12, is amended to read:

124E.12 EMPLOYMENT.

Subdivision 1. **Teachers.** A charter school must employ or contract with necessary teachers, as defined by section 122A.15, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. The commissioner may reduce the charter school's state aid ~~may be reduced~~ under section 127A.43 if the school employs a teacher who is not appropriately licensed or approved by the board of teaching. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. The charter school board is subject to section 181.932 governing whistle-blowers. When offering employment to a prospective employee, a charter school must give that employee a written description of the terms and conditions of employment and the school's personnel policies.

Subd. 2. **Administrators.** (a) A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties. The board of directors shall establish qualifications for all persons ~~that~~ who hold administrative, supervisory, or instructional leadership roles. The qualifications shall ~~include~~ cover at least ~~the following areas~~: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. The board of directors shall use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, supervisory, or instructional leadership roles.

(b) The board of directors and an individual who does not hold a valid administrative license and who serves in an administrative, supervisory, or instructional leadership position shall develop a professional development plan. Documentation of the implementation of The school's annual report must include public personnel information documenting the professional development plan of these persons shall be included in the school's annual report.

Subd. 3. **Collective bargaining.** Employees of the board of directors of a charter school may, if otherwise eligible, organize under chapter 179A and comply with its provisions. The board of directors of a charter school is a public employer, for the purposes of chapter 179A, upon formation of when forming one or more bargaining units at the school. Bargaining units at the school must be separate from any other units within an authorizing district, except that bargaining units may remain part of the appropriate unit within an authorizing district; if the employees of the school, the board of directors of the school, the exclusive representative of the appropriate unit in the authorizing district, and the board of the authorizing district agree to include the employees in the appropriate unit of the authorizing district. The board of directors of a charter school with employees organized under this subdivision must comply with sections 471.6161 governing group insurance and 471.895 governing gifts.

Subd. 4. **Teacher and other employee retirement.** (a) Teachers in a charter school must be public school teachers for the purposes of chapters 354 and 354A governing the Teacher Retirement Act.

(b) Except for teachers under paragraph (a), employees in a charter school must be public employees for the purposes of chapter 353 governing the Public Employees Retirement Act.

Subd. 5. **Group health insurance.** (a) A charter school board with at least 25 employees or a teacher cooperative of licensed teachers providing instruction under a contract between a school and a cooperative that provides group health insurance coverage shall:

(1) request proposals for group health insurance coverage from a minimum of three sources at least every two years; and

(2) notify employees covered by the group health insurance coverage before the effective date of the changes in the group coverage policy contract.

(b) A charter school board or a cooperative of teachers that provides group health insurance coverage must establish and publish on its Web site the policy for ~~the purchase of purchasing~~ group health insurance coverage. A charter school board policy must include a sealed proposal process, which requires all proposals to be opened at the same time. ~~Upon the openings of opening~~ the proposals ~~in accordance with~~ according to the school or cooperative policy, the proposals become public data under chapter 13.

Nothing in this subdivision supersedes the right of an exclusive representative to negotiate ~~over~~ the terms and conditions of employment.

Subd. 6. **Leave to teach in a charter school.** If a teacher employed by a district makes a written request for an extended leave of absence to teach at a charter school, the district must grant the leave. The district must grant a leave not to exceed a total of five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require that a teacher to make the request for a leave or extension of leave be made before February 1 in the school year preceding the school year in which the teacher intends to leave, or February 1 of the calendar year in

which the teacher's leave is scheduled to terminate. Except as otherwise provided in this subdivision and ~~except for~~ section 122A.46, subdivision 7, governing employment in another district, the leave is governed by section 122A.46, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the Teachers' Retirement Association account under chapters 354 and 354A, consistent with subdivision 4.

Sec. 10. Minnesota Statutes 2015 Supplement, section 124E.13, is amended to read:

124E.13 FACILITIES.

Subdivision 1. **Leased space.** A charter school may lease space from: an independent or special school board; other public organization; private, nonprofit, nonsectarian organization; private property owner; or a sectarian organization if the leased space is constructed as a school facility. The department commissioner must review and approve or disapprove leases in a timely manner ~~for purposes of determining to determine~~ eligibility for lease aid under section 124E.22.

Subd. 2. **Related party lease costs.** (a) A charter school ~~is prohibited from entering~~ must not enter into a lease of real property with a related party unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124E.22, paragraph (a), clause (1).

(b) ~~A lease of real property to be used for a charter school, not excluded in~~ related party permitted to enter into a lease under paragraph (a); must contain include the following statement in the lease: "This lease is subject to Minnesota Statutes, section 124E.13, subdivision 2."

(c) If a charter school ~~enters into as lessee a lease with~~ leases space from a related party and the charter school subsequently closes, the commissioner has the right to recover from the ~~lessor related party~~ any lease payments in excess of those that are reasonable under section 124E.22, paragraph (a), clause (1).

Subd. 3. **Affiliated nonprofit building corporation.** (a) An affiliated nonprofit building corporation may purchase, expand, or renovate an existing facility to serve as a school or may construct a new school facility. A charter school may organize an affiliated nonprofit building corporation ~~(1) to purchase, expand, or renovate an existing facility to serve as a school or (2) to construct a new school facility~~ if the charter school:

(i) ~~(1) has been in operation~~ operated for at least six consecutive years;

(ii) ~~(2)~~ as of June 30, has a net positive unreserved general fund balance in the preceding three fiscal years;

(iii) ~~(3)~~ has long-range strategic and financial plans that include enrollment projections for at least five years;

(iv) ~~(4)~~ completes a feasibility study of facility options that outlines the benefits and costs of the options each option; and

(v) ~~(5) has a plan for purchase, renovation, or new construction which~~ that describes project parameters and budget.

(b) An affiliated nonprofit building corporation under this subdivision must:

- (1) be incorporated under section 317A;
 - (2) comply with applicable Internal Revenue Service regulations, including regulations for "supporting organizations" as defined by the Internal Revenue Service;
 - (3) post on the school Web site the name, mailing address, bylaws, minutes of board meetings, and the names of the current board of directors of the affiliated nonprofit building corporation;
 - (4) submit to the commissioner a copy of its annual audit by December 31 of each year; and
 - (5) comply with government data practices law under chapter 13.
- (c) An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. The state is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.

~~(d) Once an affiliated nonprofit building corporation is incorporated under this subdivision, The board of directors of the charter school must ensure the affiliated nonprofit building corporation complies with all applicable legal requirements. The charter school's authorizer of the school must oversee the efforts of the school's board of directors of the charter school to ensure the affiliated nonprofit building corporation complies with all legal requirements governing the affiliated nonprofit building corporation legal compliance of the affiliated building corporation. A school's board of directors that fails to ensure the affiliated nonprofit building corporation's compliance violates its responsibilities and an authorizer must factor the consider that failure into the authorizer's evaluation of when evaluating the charter school.~~

Subd. 4. **Positive review and comment.** If the amount of a purchase agreement or construction contract exceeds the review and comment threshold, a charter school or its affiliated nonprofit building corporation must receive a positive review and comment from the commissioner before initiating any purchase agreement or construction contract that requires an expenditure in excess of the threshold specified in section 123B.71, subdivision 8, for school districts that do not have a capital loan outstanding. Without a positive review and comment from the commissioner, a purchase agreement or construction contract finalized before a positive review and comment under this subdivision is null and void. For purposes of this subdivision, "review and comment threshold" means the dollar amount specified in section 123B.71, subdivision 8, applicable to a school entity that is not a recipient of a maximum effort capital loan.

Sec. 11. Minnesota Statutes 2015 Supplement, section 124E.15, is amended to read:

124E.15 TRANSPORTATION.

(a) A charter school must comply with all pupil transportation requirements in section 123B.88, subdivision 1. A charter school must not require parents to surrender their rights to pupil transportation under section 123B.88, subdivision 2.

~~(b) A charter school after its first fiscal year of operation by March 1 of each fiscal year and~~
A charter school by July 1 of its first fiscal year of operation must notify the district in which the school is located and the Department of Education commissioner by July 1 of its first fiscal year of operation if it will provide its own transportation or use the transportation services of the district in

which it is located ~~for the fiscal year~~. For each subsequent year of operation, a charter school must give that district and the commissioner notice by March 1 for the following fiscal year.

(c) If a charter school elects to provide transportation for pupils, the charter school must provide the transportation ~~must be provided by the charter school~~ within the district in which the charter school is located. The state must pay transportation aid to the charter school according to section 124E.23.

(d) For pupils who reside outside the district in which the charter school is located, the charter school is not required to provide or pay for transportation between the pupil's residence and the border of the district in which the charter school is located. The charter school may reimburse a parent ~~may be reimbursed by the charter school~~ for costs of transportation from the pupil's residence to the border of the district in which the charter school is located if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

~~At the time a pupil enrolls in a charter school, the charter school must provide the parent or guardian with information regarding the transportation.~~

~~(d)~~ (e) If a charter school does not elect to provide transportation, the district in which the school is located must provide transportation for pupils enrolled at the school ~~must be provided by the district in which the school is located~~, according to sections 123B.88, subdivision 6, governing transporting nonresident pupils, and 124D.03, subdivision 8, for a pupil residing in the same district in which the charter school is located. The district in which the charter school is located may provide transportation ~~may be provided by the district in which the school is located~~, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, governing open enrollment transportation, for a pupil residing in a different district. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph ~~shall be~~ is within the sole discretion, control, and management of the district.

(f) The charter school must provide the parent or guardian with information about transportation when a pupil enrolls.

Sec. 12. Minnesota Statutes 2015 Supplement, section 124E.16, is amended to read:

124E.16 REPORTS.

Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under this subdivision. Audits must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and section 6.65 governing auditing procedures. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; governing government property and financial investments; and sections 471.38; 471.391; 471.392; and 471.425 governing municipal contracting. The audit must comply with the requirements of sections 123B.75 to 123B.83 governing school district finance, ~~except to the extent deviations are necessary because of the program at the school when the commissioner and authorizer approve a deviation made necessary because of school program finances. Deviations must be approved by the commissioner and authorizer.~~ The Department of Education commissioner, state auditor, legislative auditor, or authorizer may conduct financial,

program, or compliance audits. A charter school ~~determined to be in~~ statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

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

(c) The charter school, with the assistance of the auditor conducting the audit, must include with the report, as supplemental information; (1) a copy of management agreements with a charter management organization or an educational management organization and (2) service agreements or contracts over the lesser of \$100,000 or ten percent of the school's most recent annual audited expenditures. The agreements must detail the terms of the agreement, including the services provided and the annual costs for those services. If the entity that provides the professional services to the charter school is exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy of the annual return required under section 6033 of the Internal Revenue Code of 1986.

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

(e) If the audit report finds that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the charter school will resolve that material weakness ~~will be resolved~~. An auditor, as a condition of providing financial services to a charter school, must agree to make available information about a charter school's financial audit to the commissioner and authorizer upon request.

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

(b) The commissioner shall establish specifications for an authorizer's annual public report that is part of the system to evaluate authorizer performance under section 124E.05, subdivision 5. The report shall at least include key indicators of school academic, operational, and financial performance.

Sec. 13. Minnesota Statutes 2015 Supplement, section 124E.17, is amended to read:

124E.17 DISSEMINATION OF INFORMATION.

Subdivision 1. **Charter school information.** (a) ~~Authorizers and the department must disseminate information to the public on how to form and operate a charter school.~~ Charter schools must disseminate information about how to use the charter school offerings of a charter school to targeted groups, among others. Targeted groups include low-income families and communities, students of color, and students who are at risk of academic failure.

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

Subd. 2. **Financial information.** Upon request of an individual, the charter school must also make available in a timely fashion financial statements showing all operations and transactions affecting the school's income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must include that same information about its authorizer in other school materials that it makes available to the public.

Sec. 14. Minnesota Statutes 2015 Supplement, section 124E.22, is amended to read:

124E.22 BUILDING LEASE AID.

(a) When a charter school finds it economically advantageous to rent or lease a building or land for any instructional ~~purposes~~ purpose and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid ~~for this purpose~~. The commissioner must review and either approve or deny a lease aid application using the following criteria:

(1) the reasonableness of the price based on current market values;

(2) the extent to which the lease conforms to applicable state laws and rules; and

(3) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school. The commissioner must approve aid only for a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve the charter school of its lease obligations at the time the charter contract is terminated or not renewed; The closure clause under item (ii) must not be constructed or construed to relieve the charter school of its lease obligations in effect before the charter contract is terminated or not renewed.

(b) A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs.

~~(b)~~ (c) The amount of annual building lease aid for a charter school shall not exceed the lesser of (1) 90 percent of the approved cost or (2) the product of the pupil units served for the current school year times \$1,314.

Sec. 15. Minnesota Statutes 2015 Supplement, section 124E.24, is amended to read:

124E.24 OTHER AID, GRANTS, AND REVENUE.

(a) A charter school is eligible to receive other aids, grants, and revenue according to chapters 120A to 129C, as though it were a district.

(b) Notwithstanding paragraph (a), a charter school may not receive aid, a grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue replaces levy revenue that is not general education revenue, except as otherwise provided in this chapter.

(c) Federal aid received by the state must be paid to the school, if it qualifies for the aid, as though it were a school district.

(d) A charter school may receive money from any source for capital facilities needs. In the year-end report to the commissioner of education, the charter school shall report the total amount of funds it received from grants and other outside sources.

Sec. 16. Minnesota Statutes 2015 Supplement, section 124E.25, is amended to read:

124E.25 PAYMENT OF AIDS TO CHARTER SCHOOLS.

Subdivision 1. **Payments.** (a) Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is 90 or greater, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 24 payment dates. Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is less than 90, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 16 payment dates in July through February.

Subd. 1a. **School closures; payments.** ~~(b) (a)~~ Notwithstanding ~~paragraph (a) subdivision 1~~ and section 127A.45, for a charter school ceasing operation on or ~~prior to~~ before June 30 ~~of a school year~~, for the payment periods occurring after the school ceases serving students, the commissioner shall withhold the estimated state aid owed the school. The charter school board of directors and authorizer must submit to the commissioner a closure plan under chapter 308A or 317A, and financial information about the school's liabilities and assets. After receiving the closure plan, financial information, an audit of pupil counts, ~~documentation of~~ and documented lease expenditures; from the charter school and monitoring of special education expenditures, the commissioner may release cash withheld and may continue regular payments up to the current year payment percentages if further amounts are owed. If, based on audits and monitoring, the school received state aid in excess of the amount owed, the commissioner shall retain aid withheld sufficient to eliminate the aid overpayment.

~~(b)~~ For a charter school ceasing operations ~~prior to~~, before or at the end of; a school year, notwithstanding section 127A.45, subdivision 3, the commissioner may make preliminary final payments may be made after receiving the school submits the closure plan, an audit of pupil counts, monitoring of special education expenditures, documentation of documented lease expenditures, and school submission of Uniform Financial Accounting and Reporting Standards (UFARS) financial data and the commissioner monitors special education expenditures for the final year of operation. The commissioner may make the final payment may be made upon receipt of after receiving audited financial statements under section 123B.77, subdivision 3.

~~(c)~~ Notwithstanding sections 317A.701 to 317A.791, ~~upon closure of~~ after closing a charter school and ~~satisfaction of~~ satisfying creditors, remaining cash and investment balances ~~remaining~~ shall be returned by the commissioner to the state general fund.

Subd. 2. **Requirements.** (a) ~~In order~~ To receive state aid payments under this section, a charter school in its first three years of operation must submit to the commissioner a school calendar in the form and manner requested by the ~~department~~ commissioner and a quarterly report ~~to the Department of Education~~. The quarterly report must list each student by grade, show the student's start and end dates, if any applicable, with the charter school, and, for any student participating in a learning year program, the report must list the hours and times of learning year activities. The charter school must submit the report must be submitted to the commissioner not more than two weeks after the end of the calendar quarter ~~to the department~~. The ~~department~~ commissioner

must develop a Web-based reporting form for charter schools to use when submitting quarterly enrollment reports.

~~(b)~~ To receive state aid payments under this section, a charter school in its fourth and subsequent year of operation must submit a school calendar and enrollment information to the ~~department commissioner~~ in the form and manner requested by the department commissioner.

~~(b)~~ (c) A charter school must have a valid, signed contract under section 124E.10, subdivision 1, on file at with the Department of Education commissioner at least 15 days ~~prior to~~ before the date of first payment of state aid for the fiscal year.

~~(e)~~ (d) The commissioner shall compute state aid entitlements ~~shall be computed~~ for a charter school only for the portion of a school year for which it has a valid, signed contract under section 124E.10, subdivision 1.

Subd. 3. **Aid reductions.** (a) The commissioner may reduce a charter school's state aid under section 127A.42 or 127A.43 if the charter school board fails to correct a violation under this chapter.

(b) The commissioner may reduce a charter school's state aid by an amount not to exceed 60 percent of the charter school's basic revenue for the period of time ~~that a violation of law occurs~~ was violated.

Subd. 4. **Aid withholding.** (a) If a charter school fails to comply with the commissioner's directive to return, for cause, federal or state funds administered by the department, the commissioner may withhold an amount of state aid sufficient to satisfy the directive.

(b) ~~If, within the timeline under section 471.425, after receiving an undisputed invoice for goods and services, a charter school fails to pay the state of Minnesota, a school district, intermediate school district, or service cooperative~~ after receiving an undisputed invoice for goods and services within the timeline under section 471.425, the commissioner may withhold an amount of state aid sufficient to satisfy the claim and shall distribute the withheld aid to the interested state agency, school district, intermediate school district, or service cooperative. An interested state agency, school district, intermediate school district, or education cooperative shall notify the commissioner when a charter school fails to pay an undisputed invoice within 75 business days of when it received the original invoice.

Sec. 17. Minnesota Statutes 2015 Supplement, section 124E.26, is amended to read:

124E.26 USE OF STATE MONEY.

~~Money received from the state may not be used~~ A charter school may not use state money to purchase land or buildings. The charter school may own land and buildings if obtained through nonstate sources.

Sec. 18. **SUPERSEDING ACTS.**

Any amendments or repeals enacted in the 2016 session of the legislature to sections also amended or repealed in this article of this act supersede the amendments in this article of this act regardless of order of enactment."

Delete the title and insert:

"A bill for an act relating to education; providing for early childhood and prekindergarten through grade 12 education, including general education, education excellence, charter schools, special education, facilities and technology, and self-sufficiency and lifelong learning; teachers; early childhood; charter school recodification; amending Minnesota Statutes 2014, sections 120B.11, as amended; 120B.12, subdivisions 2, 3; 120B.15; 120B.30, by adding a subdivision; 120B.31, subdivision 5, by adding a subdivision; 120B.35, subdivisions 1, 2, 3; 120B.36, as amended; 122A.09, as amended; 122A.16; 122A.18, as amended; 122A.21, as amended; 122A.245, as amended; 122A.26, subdivision 2; 122A.31, subdivision 3; 122A.4144; 122A.416; 122A.72, subdivision 5; 122A.74, subdivision 1; 123A.24, subdivision 2; 123B.147, subdivision 3; 123B.52, subdivision 1; 123B.571, subdivision 2; 123B.60, subdivision 1; 123B.71, subdivision 8; 123B.79, subdivisions 5, 8, 9; 124D.03, subdivision 5a; 124D.09, subdivision 10; 124D.15, subdivisions 3a, 15; 124D.52, subdivisions 1, 2; 124D.861, as amended; 125A.091, subdivision 11; 125A.0942, subdivision 4; 126C.40, subdivision 5; 126C.63, subdivision 7; 127A.095; Minnesota Statutes 2015 Supplement, sections 120B.125; 120B.301; 122A.23; 122A.30; 122A.40, subdivision 8; 122A.41, subdivision 5; 122A.414, subdivisions 1, 2, 2b, 3; 122A.60, subdivisions 1, 4; 123B.53, subdivision 1; 123B.595, subdivisions 4, 7, 8, 9, 10, 11, by adding a subdivision; 124D.165, subdivision 2; 124D.231, subdivision 2; 124D.73, subdivision 4; 124E.01; 124E.02; 124E.03; 124E.05; 124E.06; 124E.07; 124E.08; 124E.10; 124E.12; 124E.13; 124E.15; 124E.16; 124E.17; 124E.22; 124E.24; 124E.25; 124E.26; 125A.08; 125A.0942, subdivision 3; 125A.63, subdivision 4; 126C.48, subdivision 8; 127A.05, subdivision 6; 136A.1791, subdivisions 1, 3; Laws 2015, First Special Session chapter 3, article 1, section 24; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; repealing Minnesota Statutes 2014, sections 120B.299, subdivision 5; 120B.35, subdivision 4; 122A.245, subdivision 8; 122A.413, subdivision 3; 122A.43, subdivision 6; 123B.06; 123B.60, subdivision 2; 123B.79, subdivisions 2, 6; 127A.51; Minnesota Statutes 2015 Supplement, section 122A.413, subdivisions 1, 2."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was re-referred

S.F. No. 1582: A bill for an act relating to marriage; authorizing legislators to perform civil marriages; amending Minnesota Statutes 2014, section 517.04.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 3405: A bill for an act relating to state government; creating an immigration integration task force.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 4, after "INTEGRATION" insert "ADVISORY"

Page 1, line 5, delete "A task force" and insert "The Immigration Integration Advisory Task Force"

Page 1, line 12, delete everything before the period and insert "by the Subcommittee on Committees of the Committee on Rules and Administration"

Page 1, line 13, before the first "The" insert "At its first meeting,"

Page 1, line 14, after "provide" insert "meeting space and"

Page 1, line 23, delete "legislature" and insert "chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over human rights" and after "recommendations" insert "and draft legislation"

Page 2, line 2, delete "Minnesota"

Page 2, after line 3, insert:

"(d) The appointing authorities must make their initial appointments by August 1, 2016. The commissioner of human rights shall convene the first meeting of the task force by September 1, 2016.

(e) Public members shall be compensated and reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 3.

(f) The task force shall expire on January 30, 2017, or the day after submitting the report required under paragraph (c), whichever is earlier."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was re-referred

S.F. No. 3317: A bill for an act relating to environment; modifying dry cleaner response and reimbursement account provisions; modifying prior appropriation; requiring rulemaking; amending Minnesota Statutes 2014, sections 115B.48, by adding a subdivision; 115B.50, subdivision 3; Laws 2015, First Special Session chapter 4, article 3, section 2, subdivision 4; repealing Minnesota Statutes 2015 Supplement, section 115B.48, subdivision 9.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 21, insert:

"Sec. 3. Minnesota Statutes 2014, section 115B.50, is amended by adding a subdivision to read:

Subd. 4. **Reimbursement adjustment rulemaking.** The commissioner may use the expedited rulemaking process under section 14.389 to adjust reimbursement dollar amounts contained in the rules established under subdivision 2."

Page 4, line 21, after "14.389" insert ", including subdivision 5"

Page 5, delete lines 1 to 5

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was re-referred

S.F. No. 2563: A bill for an act relating to natural resources; directing the Board of Water and Soil Resources to coordinate goals and strategies for the Minnesota River basin; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 103B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, delete everything after "the" and insert "chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over water policy"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 3360: A bill for an act relating to state government; proposing early separation incentives for employees of the Iron Range Resources and Rehabilitation Board.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, delete "....." and insert "April 2, 2017."

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 3149: A bill for an act relating to veterans; providing an interim housing facility for certain veterans; appropriating money; amending Minnesota Statutes 2014, sections 198.001, by adding subdivisions; 198.003, subdivisions 1, 3, 7; 198.007; 198.022; 198.045; 198.05; 198.075; 198.16; 198.23; 198.231; 198.261; 198.265; 198.266; 198.33; 198.34; Minnesota Statutes 2015 Supplement, section 198.01; proposing coding for new law in Minnesota Statutes, chapter 198.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. FEASIBILITY STUDY ON PARTNERSHIPS TO PROVIDE INTERIM HOUSING FOR DISABLED VETERANS.

The commissioner of veterans affairs shall study the feasibility of partnering with an established nonprofit organization to provide interim housing for disabled veterans in conjunction with fully integrated and customizable support services. The commissioner of veterans affairs shall submit a report including its findings and recommendations regarding the feasibility of such a partnership to the chairs and ranking minority members of the standing committees in the house of representatives and the senate having jurisdiction over veterans affairs by February 15, 2017.

Sec. 2. APPROPRIATION.

\$250,000 in fiscal year 2017 is appropriated from the general fund to the commissioner of veterans affairs to undertake the report established in section 1."

Amend the title as follows:

Page 1, line 2, delete "providing an interim housing facility for certain" and insert "directing the commissioner of veterans affairs to study feasibility of nonprofit interim housing for disabled"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was re-referred

S.F. No. 3001: A bill for an act relating to economic development; making various policy changes; modifying agency programs; modifying the commissioner's promotional authority; modifying workforce development outcomes; creating the Workforce Development Board; amending Minnesota Statutes 2014, sections 116J.035, subdivision 1a; 116J.8738, subdivision 2; 116J.8747, by adding a subdivision; 116J.8748, subdivision 4; Minnesota Statutes 2015 Supplement, sections 116J.8738, subdivision 3; 116L.98, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116L; repealing Minnesota Statutes 2014, section 116L.665.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 4, delete "41" and insert "49"

Page 7, line 5, delete "14" and insert "12"

Page 7, line 6, after the period, insert "For the public members,"

Page 7, line 7, after the second "members" insert a comma and before the period, insert ", subdivisions 2, 3, and 4"

Page 7, line 12, delete "one member" and insert "two members" and before "appointed" insert ", one"

Page 7, line 13, delete everything after "one" and insert "appointed by the minority leader of the house of representatives;"

Page 7, after line 13, insert:

"(3) two members of the senate, one appointed by the majority leader of the senate and one appointed by the minority leader of the senate;"

Page 7, line 14, delete "(3) 21" and insert "(4) 25"

Page 7, after line 24, insert:

"To the extent practicable, the governor shall appoint representatives of business who are balanced as to gender and ethnic diversity;"

Page 7, line 25, delete "(4)" and insert "(5)"

Page 7, line 30, delete "(5)" and insert "(6)"

Page 8, line 15, delete "14" and insert "12"

Page 8, line 26, after the semicolon, insert "and"

Page 8, line 27, delete the semicolon and insert a period

Page 8, delete lines 28 and 29

Page 8, line 30, after the first "meetings" insert "; chair"

Page 8, line 32, after "and" insert "the board's"

Page 8, line 34, after "(b)" insert "The governor shall designate a chair from among the appointed voting members."

Page 9, line 10, delete "membership" and insert "voting members"

Page 9, after line 10, insert:

"Subd. 5. **Bylaws.** The board must adopt bylaws to govern the operation of the board consistent with this section. The bylaws must provide for the establishment of an executive committee comprised of voting members of the board."

Page 9, line 11, delete "5" and insert "6"

Page 9, line 14, delete "January 15" and insert "February 1"

Page 9, line 15, after the second "the" insert "chairs and ranking minority members of the committees in the"

Page 9, line 16, delete "committees"

Page 9, line 19, after the period, insert "The report must include draft legislation to implement the executive committee recommendations."

Page 9, line 20, delete "6" and insert "7" and delete everything after "The" and insert "commissioner of employment and economic development"

Page 9, line 22, delete "units of" and delete "government" and insert "departments and agencies"

Page 9, line 24, delete "7" and insert "8" and after "commissioner" insert "of employment and economic development"

Page 9, after line 26, insert:

"Sec. 2. INITIAL APPOINTMENTS AND FIRST MEETING OF THE WORKFORCE DEVELOPMENT BOARD.

The appointing authorities must make initial appointments to the Workforce Development Board under Minnesota Statutes, section 116L.6651, by August 1, 2016, and the chair must convene the first meeting of the board by September 1, 2016. The governor must specify which public members will serve terms that are coterminous with the governor."

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 2738: A bill for an act relating to state government; proposing changes to targeted group business program; amending Minnesota Statutes 2014, section 16C.16, subdivisions 6, 10, by adding a subdivision; Minnesota Statutes 2015 Supplement, section 16C.16, subdivision 13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

Section 1. [16C.165] PROCUREMENT FROM OTHER TARGETED GROUP AND VETERAN-OWNED BUSINESSES.

Subdivision 1. **Designation of eligible groups.** The commissioner may designate businesses that are not small but otherwise qualify under section 16C.16, subdivisions 5 and 6a, as eligible for preferences under this section.

Subd. 2. **Preference.** The commissioner may award up to a three percent preference for specified goods, services, or construction to businesses designated under subdivision 1.

Subd. 3. **Limitations on preference.** If the application of preference under subdivision 2 precludes a business designated under section 16C.16, subdivisions 5 and 6a, from receiving an award, the preference in subdivision 2 shall not be applied.

Subd. 4. **Subcontracting incentives and penalties.** The financial incentives for prime contractors who exceed the goals for use of small business or small targeted group business subcontractors and financial penalties for prime contractors who fail to meet the goals for use of small business or small targeted group business subcontractors apply to businesses designated under subdivision 1.

Subd. 5. **Mentoring program.** The commissioner shall collaborate with organizations that represent targeted group and veteran-owned businesses to prepare recommendations for establishing a targeted group and veteran-owned business mentoring program that incentivizes larger businesses to mentor businesses certified under sections 16C.16 and 16C.165.

Sec. 2. Minnesota Statutes 2015 Supplement, section 16C.19, is amended to read:

16C.19 ELIGIBILITY; RULES.

(a) A small business wishing to participate in the programs under section 16C.16, subdivisions 4 to 7, or 16C.165 must be certified by the commissioner or by a nationally recognized certifying organization authorized by the commissioner. The commissioner shall adopt by rule standards and procedures for certifying that small targeted group businesses, small businesses located in economically disadvantaged areas, and veteran-owned small businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21. The commissioner shall adopt by rule under paragraph (g) standards and procedures for certifying that businesses designated under section 16C.165 are eligible to participate. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

(b) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

(c) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16C.16 to 16C.21.

(d) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a veteran-owned small business, the principal place of business of which is in Minnesota, is certified if:

(1) it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service-disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74; or

(2) the veteran-owned small business supplies the commissioner with proof that the small business is majority-owned and operated by:

(i) a veteran as defined in section 197.447; or

(ii) a veteran with a service-connected disability, as determined at any time by the United States Department of Veterans Affairs.

(e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may be read to include veteran-owned small businesses. In addition to the documentation required in Minnesota Rules, part 1230.1700, the veteran owner must have been discharged under honorable conditions from active service, as indicated by the veteran owner's most current United States Department of Defense form DD-214.

(f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a minority- or woman-owned small business, the principal place of business of which is in Minnesota, is certified if it has been certified by the Minnesota unified certification program under the provisions of Code of Federal Regulations, title 49, part 26.

(g) The commissioner may adopt rules to implement the programs under section 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389."

Amend the title as follows:

Page 1, line 2, delete "changes to" and insert "a"

Page 1, line 3, after "program" insert "for businesses that are not small"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was re-referred

S.F. No. 2177: A bill for an act relating to health occupations; establishing a tiered registry system for spoken language health care interpreters; appropriating money; amending Minnesota

Statutes 2015 Supplement, section 256B.0625, subdivision 18a; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 2014, section 144.058.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete lines 22 to 27 and insert:

"(2) effective July 1, 2018, provides proof of successfully completing a training program for medical interpreters approved by the commissioner that is, at a minimum, 60 hours in length; or a 40-hour training program approved by the commissioner, plus additional hours of interpreter training approved by the commissioner to achieve the hours equal to or greater than the requirements of the national certifying bodies in health care interpreting. This training shall not be restricted to Minnesota-based programs and may have been completed by the applicant prior to July 1, 2017."

Page 6, line 13, delete "and"

Page 6, line 15, delete the period and insert "; and"

Page 6, after line 15, insert:

"(13) release or disclosure of a health record in violation of sections 144.291 to 144.298."

Page 8, after line 26, insert:

"(3) address barriers for interpreters to gain access to the registry, including barriers to interpreters of uncommon languages and interpreters in rural areas;

(4) advise the commissioner on methods for identifying gaps in interpreter services in rural areas and make recommendations to address interpreter training and funding needs;"

Page 8, line 27, delete "(3)" and insert "(5)"

Page 8, line 29, delete "(4)" and insert "(6)"

Page 8, line 30, delete "(5)" and insert "(7)"

Page 8, line 32, delete "(6)" and insert "(8)"

Page 8, line 34, delete "(7)" and insert "(9)"

Page 9, line 1, delete "(8)" and insert "(10)"

Page 9, line 3, delete "(9)" and insert "(11)"

Page 9, line 6, delete "(10)" and insert "(12)"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 3208: A bill for an act relating to human services; creating a legislative task force on child care; requiring the commissioner to prepare a report to the governor.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 2710: A bill for an act relating to human services; modifying certain payment and reimbursement requirements of chemical dependency treatment; clarifying certain treatment facility placement considerations; amending Minnesota Statutes 2014, sections 254B.03, subdivision 4; 254B.04, subdivision 2a; 254B.06, subdivision 2, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 2498: A bill for an act relating to human services; modifying screening requirements for co-occurring mental health and chemical dependency disorders; amending Minnesota Statutes 2014, section 245.4863.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 2548: A bill for an act relating to health; allowing pharmacists to dispense a 90-day supply of a prescription drug under certain circumstances; amending Minnesota Statutes 2014, section 151.21, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "completed" and insert "obtained"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 3017: A bill for an act relating to health; modifying the population served by residential hospice facilities to include children who need respite care or palliative care; amending Minnesota Statutes 2014, section 144A.75, by adding a subdivision; Minnesota Statutes 2015 Supplement, section 144A.75, subdivision 13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 144A.75, subdivision 5, is amended to read:

Subd. 5. **Hospice provider.** "Hospice provider" means an individual, organization, association, corporation, unit of government, or other entity that is regularly engaged in the delivery, directly or by contractual arrangement, of hospice services for a fee to ~~terminally ill~~ hospice patients. A hospice must provide all core services.

Sec. 2. Minnesota Statutes 2014, section 144A.75, subdivision 6, is amended to read:

Subd. 6. **Hospice patient.** "Hospice patient" means an individual ~~who has been diagnosed as terminally ill, with a probable life expectancy of under one year, as~~ whose illness has been documented by the individual's attending physician and hospice medical director, who alone or, when unable, through the individual's family has voluntarily consented to and received admission to a hospice provider, and who:

- (1) has been diagnosed as terminally ill, with a probable life expectancy of under one year; or
- (2) is 21 years of age or younger and has been diagnosed with a life-threatening illness contributing to a shortened life expectancy.

Sec. 3. Minnesota Statutes 2014, section 144A.75, subdivision 8, is amended to read:

Subd. 8. **Hospice services; hospice care.** "Hospice services" or "hospice care" means palliative and supportive care and other services provided by an interdisciplinary team under the direction of an identifiable hospice administration to ~~terminally ill~~ hospice patients and their families to meet the physical, nutritional, emotional, social, spiritual, and special needs experienced during the final stages of illness, dying, and bereavement, or during a life-threatening illness contributing to a shortened life expectancy. These services are provided through a centrally coordinated program that ensures continuity and consistency of home and inpatient care that is provided directly or through an agreement.

Sec. 4. Minnesota Statutes 2015 Supplement, section 144A.75, subdivision 13, is amended to read:

Subd. 13. **Residential hospice facility.** (a) "Residential hospice facility" means a facility that resembles a single-family home modified to address life safety, accessibility, and care needs, located in a residential area that directly provides 24-hour residential and support services in a home-like setting for hospice patients as an integral part of the continuum of home care provided by a hospice and that houses:

- (1) no more than eight hospice patients; or
- (2) at least nine and no more than 12 hospice patients with the approval of the local governing authority, notwithstanding section 462.357, subdivision 8.

(b) Residential hospice facility also means a facility that directly provides 24-hour residential and support services for hospice patients and that:

- (1) houses no more than 21 hospice patients;
- (2) meets hospice certification regulations adopted pursuant to title XVIII of the federal Social Security Act, United States Code, title 42, section 1395, et seq.; and
- (3) is located on St. Anthony Avenue in St. Paul, Minnesota, and was licensed as a 40-bed non-Medicare certified nursing home as of January 1, 2015.

Sec. 5. Minnesota Statutes 2014, section 144A.75, is amended by adding a subdivision to read:

Subd. 13a. **Respite care.** "Respite care" means short-term care in an inpatient facility such as a residential hospice facility, when necessary to relieve the hospice patient's family or other persons caring for the patient. Respite care may be provided on an occasional basis."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 2751: A bill for an act relating to human services; modifying certain provisions governing autism early intensive intervention benefit; amending Minnesota Statutes 2014, section 256B.0949, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 256B.0949, is amended to read:

256B.0949 AUTISM EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION BENEFIT.

Subdivision 1. **Purpose.** This section creates ~~a new~~ the early intensive developmental and behavioral intervention (EIDBI) benefit to provide early intensive intervention to a child with an autism spectrum disorder diagnosis or related condition. This benefit must provide coverage for ~~diagnosis~~ a comprehensive, multidisciplinary assessment, ongoing progress evaluation, and medically necessary early intensive treatment of autism spectrum disorder or related conditions.

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Agency" means the legal entity that is enrolled with Minnesota health care programs as a medical assistance provider according to Minnesota Rules, part 9505.0195, to provide EIDBI and that has the legal responsibility to ensure that its employees or contractors carry out the responsibilities defined in this section. The definition of "agency" includes licensed individual professionals who practice independently and act as an agency.

(b) (c) "Autism spectrum disorder diagnosis" is defined by diagnostic code 299 or "ASD" has the meaning given in the current version of the Diagnostic and Statistical Manual of Mental Disorders (DSM).

(d) "ASD and related conditions" means a condition that is found to be closely related to autism spectrum disorder and may include but is not limited to autism, Asperger's syndrome, pervasive developmental disorder-not otherwise specified, fetal alcohol spectrum disorder, Rhetts syndrome, and autism-related diagnosis as identified under the current version of the DSM and meets all of the following criteria:

(1) is severe and chronic;

(2) results in impairment of adaptive behavior and function similar to that of persons with ASD;

(3) requires treatment or services similar to those required for persons with ASD;

(4) results in substantial functional limitations in three core developmental deficits of ASD: social interaction; nonverbal or social communication; and restrictive, repetitive behaviors or hyperreactivity or hyporeactivity to sensory input; and may include deficits in one or more of the following related developmental domains:

- (i) self-regulation;
- (ii) self-care;
- (iii) behavioral challenges;
- (iv) expressive communication;
- (v) receptive communication;
- (vi) cognitive functioning;
- (vii) safety; and
- (viii) level of support needed; and

(5) is not attributable to mental illness as defined in section 245.462, subdivision 20, or an emotional disturbance as defined in section 245.4871, subdivision 15. For purposes of this section, notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15, mental illness does not include autism or other pervasive developmental disorders.

~~(e)~~ (e) "Child" means a person under the age of 18 20 years of age or younger.

(f) "Clinical supervision" means the overall responsibility for the control and direction of EIDBI service delivery, including individual treatment planning, staff supervision, progress monitoring, and treatment review for each client. Clinical supervision is provided by a QSP who takes full professional responsibility for the services provided by each of the supervisees. All EIDBI services must be billed by and either provided by or under the clinical supervision of a QSP.

~~(g)~~ (g) "Commissioner" means the commissioner of human services, unless otherwise specified.

(h) "Comprehensive multidisciplinary evaluation" or "CMDE" means a comprehensive evaluation of a child's developmental status to determine medical necessity for EIDBI based on the requirements in section 256B.0949, subdivision 5.

~~(i)~~ (i) "Early intensive developmental and behavioral intervention benefit" or "EIDBI" means autism treatment options intensive interventions based in behavioral and developmental science; which may include modalities such as applied behavior analysis, developmental treatment approaches, and naturalistic and parent training models that include the services covered under subdivision 11.

~~(j)~~ (j) "Generalizable goals" means results or gains that are observed during a variety of activities over time with different people, such as providers, family members, other adults, and children, and in different environments including, but not limited to, clinics, homes, schools, and the community.

(k) "Individual treatment plan" or "ITP" means the person-centered, individualized written plan of care that integrates and coordinates child and family information from the comprehensive multidisciplinary evaluation for a child who meets medical necessity for the early intensive developmental and behavioral intervention benefit. An individual treatment plan must meet the standards in section 256B.0949, subdivision 6.

(l) "Legal representative" means the parent of a person who is under 18 years of age, a court-appointed guardian, or other representative with legal authority to make decisions about services for a person. Other representatives with legal authority to make decisions include but are

not limited to a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

(m) "Level I treatment provider" means a person who meets the EIDBI provider qualifications under subdivision 16, paragraph (a).

(n) "Level II treatment provider" means a person who meets the EIDBI provider qualifications under subdivision 16, paragraph (b).

(o) "Level III treatment provider" means a person who meets the EIDBI provider qualifications under subdivision 16, paragraph (c).

~~(g)~~ (p) "Mental health professional" has the meaning given in section 245.4871, subdivision 27, clauses (1) to (6).

(q) "Person-centered" means services that respond to the identified needs, interests, values, preferences, and desired outcomes of the child and the child's legal representative. Person-centered planning identifies what is important to the child and the child's legal representative, respects each child's history, dignity, and cultural background, and allows inclusion and participation in the child's community.

(r) "Qualified CMDE provider" means a person meeting the CMDE provider qualification requirements under subdivision 5a.

(s) "Qualified EIDBI professional" means a person who is a QSP or a level I, level II, or level III treatment provider.

(t) "Qualified supervising professional" or "QSP" means a person who meets the EIDBI provider qualifications under subdivision 16, paragraph (d).

Subd. 3. **Initial EIDBI eligibility.** This benefit is available to a child enrolled in medical assistance who:

(1) has an ~~autism spectrum disorder~~ a diagnosis of ASD or a related condition that meets the criteria of subdivision 4;

(2) ~~has had a diagnostic assessment described in subdivision 5, which recommends early intensive intervention services~~ is medically stable; and

(3) ~~meets the criteria for medically necessary autism early intensive intervention services; does not need 24-hour medical or nursing monitoring or procedures; and~~

(4) received a comprehensive multidisciplinary evaluation as described in subdivision 5 that recommends EIDBI services based on medical necessity criteria published by the commissioner.

Subd. 3a. **Culturally and linguistically appropriate requirement.** The child's and family's primary spoken language, culture, preferences, goals, and values must be reflected throughout the process of diagnosis, CMDE, ITP development, progress monitoring, family or caregiver training and counseling services, and coordination of care. The qualified CMDE provider and QSP must determine the most effective way to adapt the evaluation, treatment recommendations, and ITP to the culture, language, and values of the child and family. A language interpreter who is fluent in both languages, with training or knowledge of related diagnostic and medical treatment terminology, must be provided when the child or child's legal representative is not able to speak, read, write,

or understand the English language at a level that allows the child or child's legal representative to interact with the CMDE provider, QSP, or a level I, level II, or level III treatment provider. The language interpreter must be fluent in both languages, with training or knowledge of related diagnostic and medical treatment terminology.

Subd. 4. **Diagnosis.** (a) A diagnosis of ASD or a related condition must:

(1) be based upon current DSM criteria including direct observations of the child and reports information from parents the child's legal representative or primary caregivers; and

(2) be completed by either (i) a licensed physician or advanced practice registered nurse or (ii) a mental health professional; and

(3) meet the requirements of Minnesota Rules, part 9505.0372, subpart 1, items B and C.

(b) Additional diagnostic assessment information may be considered to complete a diagnostic assessment including from specialized tests administered through special education evaluations and licensed school personnel, and from professionals licensed in the fields of medicine, speech and language, psychology, occupational therapy, and physical therapy. A diagnostic assessment may include treatment recommendations.

Subd. 5. ~~Diagnostic assessment~~ **Comprehensive multidisciplinary evaluation (CMDE).** ~~The following information and assessments must be performed, reviewed, and relied upon for the eligibility determination, treatment and services recommendations, and treatment plan development for the child:~~

~~(1) an assessment of the child's developmental skills, functional behavior, needs, and capacities based on direct observation of the child which must be administered by a licensed mental health professional, must include medical or assessment information from the child's physician or advanced practice registered nurse, and may also include observations from family members, school personnel, child care providers, or other caregivers, as well as any medical or assessment information from other licensed professionals such as rehabilitation therapists, licensed school personnel, or mental health professionals; and~~

~~(2) an assessment of parental or caregiver capacity to participate in therapy including the type and level of parental or caregiver involvement and training recommended:~~

~~(a) A CMDE must be completed to determine medical necessity of EIDBI services. The CMDE must be administered by a qualified CMDE provider. Nothing prohibits a child or the child's legal representative from requesting an independent qualified CMDE provider of their choice. An agency shall not require a child to receive a CMDE from a particular qualified CMDE provider. The CMDE must include and document information from medical and mental health professionals.~~

~~(b) The CMDE must include and document the following:~~

~~(1) information from a diagnostic assessment that meets the requirements under subdivision 4;~~

~~(2) information gathered from family members and primary child care providers;~~

~~(3) a face-to-face assessment of the child's degree of severity of core features of ASD and related conditions, as well as other areas of functional development, including cognition, learning and play, social or interpersonal interaction, verbal and nonverbal communication, self-care, behavioral challenges and self-regulation, safety, and level of support needed;~~

(4) a review and consideration of diagnostic and other related assessment information from other qualified or licensed health care or other professionals working with the child, including medical and pharmacological information from a licensed physician or advanced practice nurse; the child's rehabilitation therapists; licensed school personnel; and other mental health professionals;

(5) referrals to other needed clinical, medical, educational, rehabilitation, or social services;

(6) the child's legal representative or caregiver preferences for involvement in the child's treatment that is culturally and linguistically appropriate as required under subdivision 3a;

(7) a discussion with the child's legal representative and family of the options and recommendations for the type and level of the child's legal representative or caregiver training and preferred involvement in the child's treatment;

(8) a discussion with the child and the child's legal representative of the recommendations for EIDBI medical necessity, including recommendations for a minimum and maximum range of suggested EIDBI treatment intensity;

(9) a discussion with the child and the child's legal representative of all EIDBI treatment modalities recognized by the Department of Human Services available at the time of the CMDE, including differences in how the treatment modalities are implemented;

(10) a summary of information provided to the child's legal representative in a manner by which they can understand the results and recommendations of the CMDE and can make informed decisions about treatment options. The provision of information may include a coordinated conference, as requested by the child's legal representative;

(11) a determination regarding how frequently to monitor the child's progress if monitoring is required more frequently than every six months; and

(12) a determination of the most effective way to adapt the recommendations of the CMDE to the culture, language, and values of the family irrespective of whence the child and family.

(c) The CMDE must be updated after each 12 months of treatment, or more frequently as determined by a qualified CMDE provider. The CMDE update must:

(1) consider the agency's progress evaluation results and make a determination of the child's progress toward achieving generalizable and functional goals contained in the treatment plan;

(2) identify any significant changes in the child's condition or family circumstances;

(3) document and provide rationale for any recommended changes in EIDBI services, including the need for continuation or discontinuation of medically necessary EIDBI; and

(4) be submitted to the commissioner in a manner determined by the commissioner for the authorization of EIDBI services.

Subd. 5a. **CMDE provider qualification requirements.** A qualified CMDE provider must:

(1) be a licensed physician or advanced practice registered nurse or a mental health professional or a mental health practitioner who meets the requirements of a clinical trainee as defined in Minnesota Rules, part 9505.0371, subpart 5, item C;

(2) have at least 2,000 hours of clinical experience in the evaluation and treatment of children with ASD or equivalent documented course work at the graduate level by an accredited university in the following content areas: ASD diagnosis, ASD treatment strategies, and child development;

(3) be able to diagnose, evaluate, or provide treatment within the provider's scope of practice and professional license; and

(4) have knowledge and provide information about the range of current EIDBI treatment modalities recognized by the commissioner.

Subd. 6. **Individual treatment plan (ITP).** (a) The qualified EIDBI professional, except a level III treatment provider, who integrates and coordinates child and family information from the CMDE and progress-monitoring process to develop the ITP must develop and monitor the ITP.

(b) The ITP must be individualized, person-centered, and culturally and linguistically appropriate, as required under subdivision 3a. The ITP must specify the medically necessary treatment and services, including baseline data, primary goals and target objectives, progress-monitoring results and goal mastery data, and any significant changes in the child's condition or family circumstances. Each child's treatment plan ITP must be:

(1) based on the diagnostic assessment and CMDE summary information specified in subdivisions 4 and 5;

(2) coordinated with medically necessary occupational, physical, and speech and language therapies, special education, and other services the child and family are receiving;

(3) family-centered;

(4) culturally sensitive; and

(5) individualized based on the child's developmental status and the child's and family's identified needs.

(c) The treatment plan ITP must specify the primary treatment goals and target objectives, including baseline measures and projected dates of accomplishment. The ITP must include:

(1) child's goals which are developmentally appropriate, functional, and generalizable;

(2) treatment modality;

(3) treatment intensity;

(4) setting; and

(5) level and type of parental or caregiver involvement:

(1) the treatment method to meet the goals and objectives, including:

(i) frequency, intensity, location, and duration of each service provided;

(ii) level of parent or caregiver training and counseling;

(iii) any changes or modifications to the physical and social environments necessary when the services are provided;

(iv) any specialized equipment and materials required;

(v) techniques that support and are consistent with the child's communication mode and learning style; and

(vi) names of staff with overall responsibility for supervising staff and implementing the service or services;

(2) the discharge criteria that shall be used and a defined transition plan to assist the child and the child's legal representative to transition to other services. The transition plan shall include:

(i) protocols for changing service when medically necessary;

(ii) how the transition will occur;

(iii) the time allowed to make the transition. Up to 30 days of continued service is allowed while the transition plan is being developed. Services during this plan development period shall be consistent with the ITP. The plan development period begins when the child or the child's legal representative receives notice of termination of EIDBI and ends when EIDBI is terminated; and

(iv) a description of how the parent or guardian will be informed of and involved in the transition.

~~(e) (d) Implementation of the treatment ITP must be supervised by a qualified supervising professional with expertise and training in autism and child development who is a licensed physician, advanced practice registered nurse, or mental health professional (QSP).~~

~~(d) (e) The treatment plan ITP must be submitted to the commissioner for approval in a manner determined by the commissioner for this purpose.~~

~~(e) Services authorized must be consistent with the child's approved treatment plan.~~

~~(f) Services included in the treatment plan ITP must meet all applicable requirements for medical necessity and coverage.~~

Subd. 6a. **Coordination with other benefits.** (a) Services provided under this benefit do not replace services provided in a child's individualized education plan. Each child's ITP must document that EIDBI services supplement, but do not include or replace special education and related services defined in the child's individualized education plan when the service is available under the Individuals with Disabilities Education Improvement Act of 2004 through a local education agency. Birth to three programs and additional resources shall also coordinate with EIDBI services.

(b) The commissioner shall integrate medical authorization procedures for this benefit with authorization procedures for other health and mental health services and home and community-based services to ensure that the child receives services that are the most appropriate and effective in meeting the child's needs.

Subd. 7. **Ongoing eligibility Progress evaluation monitoring.** (a) An independent A progress evaluation conducted by a licensed mental health professional with expertise and training in autism spectrum disorder and child development must be completed after each six months of treatment, or more frequently as determined by the commissioner-qualified CMDE provider, to determine if progress is being made toward achieving targeted functional and generalizable goals and meeting functional goals contained specified in the treatment plan ITP. Based on the results of progress monitoring and evaluation, the ITP must be adjusted as needed and must document that the child continues to meet medical necessity for EIDBI or is referred to other services.

(b) The progress evaluation must be overseen and signed by the qualified supervising professional. The progress evaluation must include:

- (1) the treating provider's report;
- (2) parental or caregiver input from the child's caregiver or the child's legal representative;
- (3) an independent observation of the child which can be that is performed by the child's a QSP or a level I or level II treatment provider and may include observation information from licensed special education staff or other licensed health care providers;
- (4) documentation of current level of performance on primary treatment goal domains including when goals and objectives are achieved, changed, or discontinued;
- (5) any significant changes in the child's condition or family circumstances;
- (4) (6) any treatment plan modifications and the rationale for any changes made including treatment modality, intensity, frequency, and duration; and
- (5) (7) recommendations for continued treatment services.

(c) Progress evaluations must be submitted to the commissioner in a manner determined by the commissioner for this purpose the reauthorization of EIDBI services.

(d) A child who continues to achieve generalizable goals and make reasonable progress toward treatment goals as specified in the treatment plan ITP is eligible to continue receiving this benefit EIDBI services.

(e) A child's treatment shall continue during the progress evaluation using the process determined under subdivision 8, clause (8) this subdivision. Treatment may continue during an appeal pursuant to section 256.045.

Subd. 8. Refining the benefit with stakeholders. ~~The commissioner must develop the implementation~~ refine the details of the benefit in consultation with stakeholders and consider recommendations from the Health Services Advisory Council; the Department of Human Services Autism Spectrum Disorder Early Intensive Developmental and Behavioral Intervention Benefit Advisory Council, the Legislative Autism Spectrum Disorder Task Force, the EIDBI learning collaborative, and the ASD Interagency Task Force of the Departments of Health, Education, Employment and Economic Development, and Human Services. The commissioner must release these details for a 30-day public comment period prior to submission to the federal government for approval. The implementation details must include, but are not limited to, the following components:

- (1) a definition of the qualifications, standards, and roles of the treatment team, including recommendations after stakeholder consultation on whether board-certified behavior analysts and other types of professionals certified in other treatment approaches recognized by the Department of Human Services or trained in autism spectrum disorder and child development should be added as mental health or other professionals for qualified to provide EIDBI treatment supervision or other functions under medical assistance;
- (2) development of initial; refinement of uniform parameters for comprehensive multidisciplinary diagnostic assessment information evaluation and progress evaluation ongoing progress-monitoring standards;

(3) the design of an effective and consistent process for assessing ~~parent~~ the child's legal representative's and caregiver capacity caregiver's preferences and options to participate in the child's early intervention treatment and efficacy of methods of involving the parents to involve and educate the child's legal representative and caregivers in the treatment of the child;

(4) formulation of a collaborative process in which professionals have opportunities to collectively inform provider standards and qualifications; standards for a comprehensive, multidisciplinary diagnostic assessment evaluation; medical necessity determination; efficacy of treatment apparatus, including modality, intensity, frequency, and duration; and progress evaluation progress-monitoring processes and standards to support quality improvement of early intensive intervention EIDBI services;

(5) coordination of this benefit and its interaction with other services provided by the Departments of Human Services, Health, Employment and Economic Development, and Education;

(6) evaluation, on an ongoing basis, of ~~research regarding the program~~ EIDBI outcomes and efficacy of treatment modalities methods provided to children under this benefit; and

(7) determination of the availability of ~~licensed physicians, nurse practitioners, and mental health professionals~~ qualified EIDBI providers with necessary expertise and training in autism spectrum disorder and related conditions throughout the state to assess whether there are sufficient professionals to require involvement of both a physician or nurse practitioner and a mental health professional to provide timely access and prevent delay in the diagnosis and CMDE and treatment of young children, so as to implement subdivision 4, and to ensure treatment is effective, timely, and accessible; and ASD and related conditions.

(8) development of the process for the ~~progress evaluation~~ that will be used to determine the ongoing eligibility, including necessary documentation, timelines, and responsibilities of all parties.

Subd. 9. **Revision of treatment options.** (a) The commissioner may revise covered treatment options as needed based on outcome data and other evidence. EIDBI treatment methods approved by the Department of Human Services must:

- (1) cause no harm to the individual child or family;
- (2) be provided in an individualized manner to meet the varied needs of each child and family;
- (3) be developmentally appropriate and highly structured, with well-defined goals and objectives that provide a strategic direction for treatment;
- (4) be regularly evaluated and adjusted as needed;
- (5) be based in recognized principles of developmental and behavioral science;
- (6) utilize sound practices that are replicable across providers and maintain the fidelity of the specific approach;
- (7) demonstrate an evidentiary basis;
- (8) have goals and objectives that are measurable, achievable, and regularly evaluated to ensure that adequate progress is being made;
- (9) be provided intensively with a high adult-to-child ratio;

(10) include active family participation in decision-making, knowledge and capacity building, and developing and implementing the child's ITP; and

(11) be provided in a culturally and linguistically appropriate manner as required under subdivision 3a.

(b) Before ~~the changes~~ revisions in Department of Human Services recognized treatment modalities become effective, the commissioner must provide public notice of the changes, the reasons for the change, and a 30-day public comment period to those who request notice through an electronic list accessible to the public on the department's Web site.

Subd. 10. **Coordination between agencies.** The commissioners of human services and education must develop the capacity to coordinate services and information including diagnostic, functional, developmental, medical, and educational assessments; service delivery; and progress evaluations across health and education sectors.

Subd. 11. **Federal approval of the autism benefit.** (a) This section shall apply to state plan services under title XIX of the Social Security Act when federal approval is granted under a 1915(i) waiver or other authority which allows children eligible for medical assistance through the TEFRA option under section 256B.055, subdivision 12, to qualify and includes children eligible for medical assistance in families over 150 percent of the federal poverty guidelines.

(b) The commissioner may use the federal authority for a Medicaid state plan amendment under Early and Periodic Screening Diagnosis and Treatment (EPSDT), United States Code, title 42, section 1396D(R)(5), or other Medicaid provision for any aspect or type of treatment covered in this section if new federal guidance is helpful in achieving one or more of the purposes of this section in a cost-effective manner. Notwithstanding subdivisions 2 and 3, any treatment services submitted for federal approval under EPSDT shall include appropriate medical criteria to qualify for the service and shall cover children through age 20.

Subd. 12. **Autism benefit; training provided.** After approval of the autism early intensive intervention benefit under this section by the Centers for Medicare and Medicaid Services, the commissioner shall provide statewide training on the benefit for culturally and linguistically diverse communities. Training for autism service providers on culturally appropriate practices must be online, accessible, and available in multiple languages. The training for families, lead agencies, advocates, and other interested parties must provide information about the benefit and how to access it.

Subd. 13. **Covered services.** (a) The following services are eligible for reimbursement by medical assistance under this section:

(1) EIDBI interventions. EIDBI interventions are a variety of individualized, intensive treatment methods approved by the department that are based in behavioral and developmental science consistent with best practices on effectiveness. Services must address the participant's medically necessary treatment goals and be provided by a qualified supervising professional or a level I, level II, or level III treatment provider. Services are targeted to develop, enhance, or maintain the individual developmental skills of a child with ASD and related conditions to improve functional communication, social or interpersonal interaction, behavioral challenges and self-regulation, cognition, learning and play, self-care, safety, and level of support needed;

(2) EIDBI intervention observation and direction. EIDBI intervention observation and direction is the clinical direction and oversight by a QSP or a level I or level II treatment provider regarding provision of EIDBI services to a child, including developmental and behavioral techniques, progress measurement, data collection, function of behaviors, and generalization of acquired skills for the direct benefit of a child. EIDBI intervention observation and direction informs any modifications of the methods to support the accomplishment of outcomes in the ITP. Observation and direction provides a real-time response to EIDBI interventions to maximize the benefit to the child;

(3) CMDE. CMDE is a comprehensive evaluation of the child's developmental status to determine medical necessity for EIDBI services and meets the requirements of subdivision 5. The services must be provided by a qualified CMDE provider;

(4) ITP development and monitoring. ITP development and monitoring is development of the initial, annual, and progress monitoring of ITPs. This service documents, provides oversight and on-going evaluation of child treatment and progress on targeted goals and objectives, and integrates and coordinates child and family information from the CMDE and progress monitoring evaluations. The ITP must meet the requirements of subdivision 6. Progress monitoring must meet the requirements of subdivision 7. This service must be reviewed and completed by a QSP, and may include input from a level I or level II treatment provider;

(5) Family caregiver training and counseling. Family caregiver training and counseling is specialized training and education a family or primary caregiver receives to understand their child's developmental status and help with their child's needs and development. This service must be provided by a QSP or a level I or level II treatment provider;

(6) Coordinated care conferences. A coordinated care conference is a face-to-face meeting with the child and family to review the CMDE or progress monitoring results and to coordinate and integrate services across providers and service-delivery systems to develop the ITP. This service must be provided by a QSP and may include the CMDE provider or the level I or level II treatment provider;

(7) Allowable travel time. Travel time is allowable billing for traveling to and from the recipient's home, a community setting, or place of service outside of an EIDBI center, clinic, or office from a specified location to provide face-to-face EIDBI intervention, observation and direction, or family caregiver training and counseling. EIDBI recipients must have an ITP specifying why the provider must travel to the recipient's home, a community setting, or place of service outside of an EIDBI center, clinic, or office; and

(8) medically necessary EIDBI services and consultations delivered by a licensed health care provider via telemedicine in the same manner as if the service or consultation was delivered in person. Coverage is limited to three telemedicine services per enrollee per calendar week.

(b) EIDBI interventions under paragraph (a), clause (1), include, but are not limited to:

(1) applied behavioral analysis (ABA);

(2) developmental individual-difference relationship-based model (DIR/Floortime);

(3) early start Denver model (ESDM);

(4) PLAY project; or

(5) relationship development intervention (RDI).

(c) A provider may use one or more of the treatment interventions in paragraph (b) as the primary modality for treatment as a covered service, or several treatment interventions in combination as the primary modality of treatment, as approved by the commissioner. Additional treatment interventions may be used upon approval by the commissioner. A provider that identifies and provides assurance of qualifications for a single specific treatment modality must document the required qualifications to meet fidelity to the specific model.

Subd. 14. **Noncovered services.** The following services are not eligible for medical assistance payment as EIDBI under this section:

(1) service components of EIDBI simultaneously provided by more than one provider entity unless prior authorization is obtained;

(2) provision of the same service by multiple providers within the same agency at the same clock time;

(3) EIDBI provided in violation of medical assistance policy in Minnesota Rules, part 9505.0220;

(4) service components of EIDBI that are the responsibility of a residential or program license holder, including foster care providers under the terms of a service agreement or administrative rules governing licensure;

(5) adjunctive activities that may be offered by a provider entity but are not otherwise covered by medical assistance, including:

(i) a service that is primarily recreation oriented or that is provided in a setting that is not medically supervised. This includes sports activities, exercise groups, activities such as craft hours, leisure time, social hours, meal or snack time, trips to community activities, and tours, unless the activities in this item are primarily treatment oriented and provided pursuant to an ITP;

(ii) a social or educational service that does not have or cannot reasonably be expected to have a therapeutic outcome related to the child's diagnosis; or

(iii) prevention or education programs provided to the community;

(6) a service that is not identified in the child's ITP;

(7) a service provided pursuant to an ITP that has not been approved or updated as required by this section;

(8) a service not documented in the child's health service record or not documented in the manner required by this chapter or by Minnesota Rules, part 9505.2175;

(9) a service provided by an individual who does not meet the qualifications to render the service or by an individual for whom the provider does not have documentation showing that the individual meets the required qualifications;

(10) a service that is primarily respite, custodial, day care, or educational;

(11) a service that replaces special education or related services defined in the child's individualized education plan (IEP) or individual family service plan (IFSP) when the service is

available under the Individuals with Disabilities Education Improvement Act of 2004 through a local education agency;

(12) children's therapeutic services and supports reimbursed under section 256B.0943; or

(13) physical, speech, occupational therapies, or personal care assistance reimbursed under section 256B.0625.

Subd. 15. **Service recipient rights.** (a) A child or the child's legal representative has the right to:

(1) participate in the development, implementation, and evaluation of all aspects of the child's and family's services;

(2) designate an advocate of the child's or the child's legal representative's choice to be present in all aspects of the child's and family's services at the request of the child's legal representative;

(3) know, in advance, the limits to services available from the provider to meet the child's and family's service and support needs, including limits in the knowledge, skills, and abilities of the agency;

(4) know the agency policy on assigning staff to individual children;

(5) know if the legal representative or another private party may have to pay for any charges;

(6) know the charges for services before the child or family receives services and receive advance notice if the charges change;

(7) know who shall pay for the services before services begin;

(8) know who is the qualified supervising professional with clinical responsibility for the child's ITP;

(9) know who to contact within the agency if the child or the child's legal representative has any concerns about the child's or family's services;

(10) receive a copy of the agency's admission criteria and policies and procedures related to temporary service suspension and service termination;

(11) receive reasonable accommodations to observe the child while receiving services;

(12) receive services from qualified and competent staff identified in the child's ITP;

(13) receive services in a manner that respects and takes into consideration the child's and family's culture, values, religion, and preferences;

(14) receive reasonable accommodations for observance of cultural and ethnic practices or religion;

(15) refuse or stop services and receive information about what might happen if the child or the child's legal representative refuses or stops services;

(16) access the child's and family's records as defined in federal and state law, regulation, or rule;

(17) be free from bias and harassment about race, gender, age, disability, spirituality, and sexual orientation;

- (18) be free from physical, verbal and sexual abuse, and neglect;
- (19) be free from restraint, time out, or seclusion, except when in imminent danger to self or others;
- (20) be in the company of or under the supervision of a responsible adult at all times and ensure the hand-to-hand or eye-to-eye exchange of responsibility, as needed, from the staff member to the legal representative or adults designated by the child's legal representative;
- (21) be safe at all times;
- (22) be treated with courtesy and respect;
- (23) give or withhold written informed consent to participate in any research or experimental treatment without penalty or retaliation;
- (24) have personal, financial, service, health, and medical information kept private;
- (25) know if the agency gives the child's or family's private information to any other person or agency;
- (26) assert all the rights in this subdivision without retaliation;
- (27) receive respectful treatment of the child's or family's property;
- (28) receive services in a clean and safe environment when the agency is the owner, lessor, or tenant of the property;
- (29) receive a copy of the provider's written grievance policies and procedures;
- (30) receive information about how to file a complaint regarding the child's or family's services, including how to file an appeal under section 256.045;
- (31) receive contact information for disability advocacy services and the appropriate state-appointed ombudsman including the name, telephone number, Web site, e-mail, and street addresses;
- (32) receive information about how to get a second opinion for medical necessity recommendations for EIDBI services and the child's ITP;
- (33) receive prompt and reasonable response to questions and requests related to the child's or family's services;
- (34) protect the recipient's personal privacy including, for children older than preschool, and younger children based on individual needs, the right to privacy when toileting and having personal cares performed; and
- (35) receive notification from the agency within 24 hours if the child is injured while receiving services, including what occurred and how agency staff responded to the injury.

Subd. 16. **EIDBI provider qualifications.** (a) A level I treatment provider must be employed by an EIDBI agency and:

- (1) have at least 2,000 hours of supervised clinical experience or training in examining or treating children with ASD or equivalent documented coursework at the graduate level by an accredited

university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or an equivalent combination of documented coursework or hours of experience; and

(2) have at least one of the following:

(i) a master's degree in behavioral health or child development or allied fields, including, but not limited to mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university;

(ii) a bachelor's degree in a behavioral health or child development field from an accredited college or university and advanced certification in a treatment method recognized by the Department of Human Services; or

(iii) a board-certified assistant behavioral analyst with 4,000 hours of supervised clinical experience including meeting all registration, supervision, and continuing education requirements of the certification.

(b) A level II treatment provider must be employed by an EIDBI provider agency and be either:

(1) a person who:

(i) has a bachelor's degree from an accredited college or university in a behavioral or child development science or allied field including but not limited to mental health, special education, social work, psychology, speech pathology, or occupational therapy; and

(ii) has at least 1,000 hours of clinical experience or training in examining or treating children with ASD or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or a combination of coursework or hours of experience, or certification as a board-certified assistant behavior analyst from the National Behavior Analyst Certification Board or is a registered behavior technician as defined by the National Behavior Analyst Certification Board or is certified in one of the other treatment modalities recognized by the Department of Human Services;

(2) a person who:

(i) has an associate's degree in a behavioral or child development science or allied field including but not limited to mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university; and

(ii) has at least 2,000 hours of supervised clinical experience in delivering treatment to children with ASD. Hours worked as a behavioral aide or level III treatment provider may be included in the required hours of experience;

(3) a person who has at least 4,000 hours of supervised clinical experience in delivering treatment to children with ASD. Hours worked as a mental health behavioral aide or developmental or level III treatment provider may be included in the required hours of experience;

(4) a person who is a graduate student in a behavioral science, child development science, or allied field and is receiving clinical supervision by a qualified supervising professional affiliated with an agency to meet the clinical training requirements for experience and training with children with ASD; or

(5) a person who is at least 18 years old and who:

(i) is fluent in the non-English language spoken in the child's home or works with a tribal entity that represents the child's culture;

(ii) meets level III EIDBI training requirements; and

(iii) receives observation and direction from a qualified supervising professional or qualified level I treatment provider at least once a week until 1,000 hours of supervised clinical experience is met.

(c) A level III treatment provider must be employed by an EIDBI provider agency, have completed the level III training requirement, be at least 18 years old, and have at least one of the following:

(1) a high school diploma or general equivalency diploma (GED);

(2) fluency in the non-English language spoken in the child's home or works with a tribal entity that represents the child's culture; or

(3) one year of experience as a primary PCA, community health worker, waiver service provider, or special education assistant to a child with ASD within the previous five years.

(d) A qualified supervising professional must be employed by an EIDBI agency and be:

(1) a licensed mental health professional who has at least 2,000 hours of supervised clinical experience or training in examining or treating children with ASD or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development; or

(2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised clinical experience or training in the examining or treating of children with ASD or related conditions or equivalent documented coursework at the graduate level by an accredited university in the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development.

Subd. 17. **Agency responsibilities.** (a) The agency must:

(1) exercise and protect the service recipient's rights;

(2) offer services that are person-centered and culturally and linguistically appropriate as required under subdivision 3a;

(3) allow people to make informed decisions concerning CMDE, treatment recommendations, alternatives considered, and possible risks of services;

(4) have a written policy that identifies steps to resolve issues collaboratively when possible;

(5) except for emergency situations, provide a minimum of two weeks' notice of transition from EIDBI services prior to implementing a transition plan with the family;

(6) provide notice as soon as possible when issues arise about provision of EIDBI services;

(7) provide the legal representative with prompt notification if the child is injured while being served by the agency. An incident report must be completed by the agency staff member in charge

of the child. Copies of all incident and injury reports must remain on file at the agency for at least one year. An incident is when any of the following occur:

- (i) an illness, accident, or injury which requires first aid treatment;
- (ii) a bump or blow to the head; or
- (iii) an unusual or unexpected event which jeopardizes the safety of children or staff including a child leaving the agency unattended; and

(8) prior to starting services, provide the child or the child's legal representative a plain-spoken description of the treatment method or methods that the child shall receive, including the staffing certification levels and training of the staff who shall provide the treatment or treatments.

(b) Within five working days of starting services and annually thereafter, agencies must provide the child or the child's legal representative with:

- (1) a written copy of the child's rights and agency responsibilities;
- (2) a verbal explanation of rights and responsibilities;
- (3) reasonable accommodations to provide the information in other formats or languages as needed to facilitate understanding of the rights; and
- (4) documentation in the child's file of the date that the child or the child's legal representative received a copy and explanation of the client's rights and agency responsibilities.

Subd. 18. **Procedures when a child's rights are restricted.** Restriction of a child's rights under subdivision 15 is allowed only if determined necessary to ensure the health, safety, and well-being of the child, or to support the therapeutic goals in a child's ITP. Any restriction of those rights must be documented in the child's ITP. The restriction must be implemented in the least restrictive alternative manner necessary to protect the child and provide support to reduce or eliminate the need for the restriction in the most integrated setting and inclusive manner. The documentation must include the following information:

- (1) the justification for the restriction based on an assessment of the child's vulnerability related to exercising the right without restriction;
- (2) the objective measures set as conditions for ending the restriction;
- (3) a schedule for reviewing the need for the restriction based on the conditions for ending the restriction to occur semiannually from the date of initial approval, at a minimum, or more frequently if requested by the child, the child's legal representative, or case manager; and
- (4) signed and dated approval for the restriction from the child or the child's legal representative. A restriction may be implemented only when the required approval has been obtained. Approval may be withdrawn at any time. If approval is withdrawn, the right must be immediately and fully restored.

Subd. 19. **EIDBI agency qualifications, general requirements, and duties.** (a) EIDBI agencies delivering services under this section shall:

- (1) enroll as a medical assistance Minnesota health care programs provider according to Minnesota Rules, part 9505.0195, and meet all applicable provider standards and requirements;

- (2) demonstrate compliance with federal and state laws and policies for EIDBI;
 - (3) verify and maintain records of all services provided to the child or the child's legal representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;
 - (4) not have had a lead agency contract or provider agreement discontinued due to fraud, or not have had an owner, board member, or manager fail a state or FBI-based criminal background check while enrolled or seeking enrollment as a Minnesota health care programs provider;
 - (5) have established business practices that include written policies and procedures, internal controls, and a system that demonstrates the organization's ability to deliver quality EIDBI services; and
 - (6) have an office located in Minnesota.
- (b) EIDBI agencies shall:
- (1) report maltreatment as required under sections 626.556 and 626.557;
 - (2) provide the child or the child's legal representative with a copy of the service-related rights under subdivision 15 at the start of services;
 - (3) comply with any data requests from the department consistent with the Government Data Practices Act under chapter 13 and section 256B.27; and
 - (4) provide training for all agency staff on the Maltreatment of Minors Act requirements and responsibilities, including mandated and voluntary reporting, nonretaliation, and agency policy for all staff on how to report suspected abuse and neglect.
- Subd. 20. Requirements for EIDBI agency infrastructure.** (a) To be an eligible agency under this section, an agency must have an administrative infrastructure that establishes authority and accountability for decision making and oversight of functions, including finance, personnel, system management, clinical practice, and individual treatment outcomes measurement. The agency must have written policies and procedures that it reviews and updates every three years and distributes to staff initially and makes available to staff at all times.
- (b) The administrative infrastructure written policies and procedures must include:
 - (1) personnel procedures, including a process for:
 - (i) recruiting, hiring, training, and retention of culturally and linguistically competent providers;
 - (ii) conducting a criminal background check on all direct service providers and volunteers;
 - (iii) investigating, reporting, and acting on violations of ethical conduct standards;
 - (iv) investigating, reporting, and acting on violations of data privacy policies that are compliant with federal and state laws;
 - (v) utilizing volunteers, including screening applicants, training and supervising volunteers, and providing liability coverage for volunteers;
 - (vi) documenting staff time in a manner that allows matching of staff time records with service delivery records;

(vii) documenting that staff meet the applicable provider qualification criteria, training criteria, and clinical supervision requirements; and

(viii) arranging for qualified backup staff when the usual staff is not available;

(2) fiscal procedures, including internal fiscal control practices and a process for collecting revenue that is compliant with federal and state laws;

(3) quality assurance procedures including an annual, confidential family survey of satisfaction with services provided, including cultural appropriateness of services provided;

(4) a limited English proficiency (LEP) plan in compliance with title VI of the Civil Rights Act of 1965;

(5) communication and language assistance in compliance with national standards for culturally and linguistically appropriate services (CLAS), as published by the United States Department of Health and Human Services; and

(6) a process to establish and maintain individual client records. The records must include:

(i) the child's personal information;

(ii) forms applicable to data privacy;

(iii) the child's diagnostic assessment, if available; comprehensive multidisciplinary evaluation under subdivision 5; updates to any assessments or the CMDE; and results of tests, ITP, progress monitoring, and individual service plan;

(iv) documentation of service delivery, including start and stop times for each service;

(v) telephone contacts;

(vi) discharge plan;

(vii) documentation of other services received by the child, to the extent known by the EIDBI agency;

(viii) documentation that the child or the child's legal representative received a copy of the service recipient rights described in subdivision 15; and

(ix) insurance information, if applicable.

(c) EIDBI agencies must develop a staff orientation and training plan that documents compliance with this paragraph. Required training includes:

(1) Culturally Relevant Direct Care Services in Diverse Populations training recognized by the Department of Human Services. This training must be completed by all EIDBI agency direct service staff and individual providers;

(2) EIDBI agency policies and practices training. This training must be completed by all EIDBI direct service staff and individual providers and must cover the following topics:

(i) agency or provider policies, standards, and responsibilities;

(ii) individual provider roles and responsibilities;

- (iii) client rights required under subdivision 15;
- (iv) person-centered planning and service delivery;
- (v) data privacy and collection;
- (vi) fraud detection and prevention;
- (vii) infection control;
- (viii) maintaining professional boundaries;
- (ix) mandated reporting of suspected maltreatment or abuse;
- (x) roles and responsibilities of team members;
- (xi) service documentation requirements and expectations; and
- (xii) procedures related to restriction of a child's rights under subdivision 16; and

(3) EIDBI level III basic training. This training must be completed by all level III providers within six months of the date of becoming an enrolled individual MHCP EIDBI provider and documented in the personnel file maintained at the enrolled agency. Level III training must include:

(i) an overview of the EIDBI benefit. This includes a history of the EIDBI benefit, purpose, eligibility, provider standards and qualifications, and department-recognized treatment methods;

(ii) orientation to ASD that covers the core features of ASD and related conditions and comorbid conditions, red flags for atypical development in children, and understanding and supporting individuals with ASD and related conditions, including strategies to address challenges in cognition, social interaction, communication, behavior and sensory regulation, and other key functional areas of development;

- (iii) positive behavioral support strategies;
- (iv) working with families and caregivers; and
- (v) understanding and supporting the ITP.

(d) The training components in paragraph (c) may be developed and provided by the agency if the components meet the requirements of paragraph (c), if the provider's training is approved by the commissioner.

Subd. 21. **Commissioner's access.** When the commissioner is investigating a possible overpayment of Medicaid funds, the commissioner must be given immediate access without prior notice to the provider during regular business hours and to documentation and records related to services provided and submission of claims for services provided. Denying the commissioner access to records is cause for immediate suspension of payment and terminating the agency's enrollment according to section 256B.064.

Subd. 22. **Provider shortage; commissioner authority for exceptions.** (a) In consultation with the EIDBI advisory council, the commissioner shall determine if a shortage of qualified providers exists. A shortage means a lack of availability of providers that results in the delay of access to diagnosis, CMDE, or treatment of children with ASD and related conditions. The commissioner shall consider geographic factors when determining the prevalence of a shortage. The commissioner

may determine that a shortage exists only in a specific region of the state, multiple regions of the state, or statewide.

(b) If the commissioner determines that a shortage exists under paragraph (a), the commissioner, in consultation with the EIDBI advisory council, shall establish processes and criteria for granting exceptions under this subdivision. The commissioner may grant exceptions to the following requirements:

(1) QSP or level I, level II, or level III treatment provider qualification criteria in subdivision 16; and

(2) CMDE requirements in subdivision 5a.

(c) When the commissioner determines that a provider shortage no longer exists, the commissioner shall submit a notice to the chairs and ranking minority members of the house of representatives and senate committees with oversight over health and human services. This notice shall be posted for public comment for at least 30 days prior to the termination of the exception authority. Until the shortage ends, the commissioner shall provide an update annually to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over health and human services on the status of the provider shortage and exception process.

Sec. 2. **EFFECTIVE DATES.**

(a) The amendments to Minnesota Statutes, section 256B.0949, subdivisions 1, 5a, 13, 14, and 22, are effective the day following final enactment.

(b) The amendments to Minnesota Statutes, section 256B.0949, subdivisions 2 to 3a, 5, 6 to 9, and 15 to 21, are effective August 1, 2016.

(c) The amendments to Minnesota Statutes, section 256B.0949, subdivision 4, are effective January 1, 2017."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred

S.F. No. 2722: A bill for an act relating to economic development; establishing a greater Minnesota workforce and community development pilot grant program; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, after "Minnesota" insert "brain gain regional"

Page 1, line 9, after "grants" insert "in equal amounts"

Page 1, line 11, after the period, insert "Up to percent of a grant may be used for administrative costs."

Page 2, line 3, after the semicolon, insert "and"

Page 2, line 4, delete the colon and delete the semicolon and insert "and"

Page 2, line 5, delete everything after "area" and insert "by working to attract new businesses, growing existing businesses, and expanding the local workforce."

Page 2, delete lines 6 to 8

Page 2, line 10, delete "local communities" and insert "counties that meet the population limit established under paragraph (b), clause (1), two or more cities or towns, or a tribe that joins at least one county, city, or town within a county, meeting that population limit"

Page 2, line 11, delete "Local"

Page 2, line 13, delete "local" and insert "regional"

Page 2, line 22, delete "expanding" and insert "working to expand the local workforce."

Page 2, delete lines 23 to 25

Page 3, after line 4, insert:

"(f) By January 1, 2017, grant recipients shall report to the commissioner on the use of grant funds and:

(1) Web site creation and Web interactions;

(2) the number of contacts with businesses, local economic developers, and other relevant contacts made through social media infrastructure; and

(3) identify the type and quality of social media measures implemented using grant funds.

(g) By February 15, 2017, the commissioner shall report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development issues on the information reported under paragraph (f)."

Page 3, line 6, delete "\$....." and insert "\$1,000,000"

Page 3, line 7, after "Minnesota" insert "brain gain regional"

Page 3, line 9, before the period, insert "and is available until June 30, 2019"

Amend the title as follows:

Page 1, line 2, after "Minnesota" insert "brain gain regional"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred

S.F. No. 1898: A bill for an act relating to contracts; regulating building and construction contracts; providing for certain progress payments and retainages; amending Minnesota Statutes 2014, section 337.10, subdivisions 4, 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 337.10, subdivision 3, is amended to read:

Subd. 3. **Prompt payment to subcontractors.** A building and construction contract shall be deemed to require the prime contractor and all subcontractors to promptly pay any subcontractor or material supplier contract within ten days of receipt by the party responsible for payment of payment for undisputed services provided by the party requesting payment, including payments under subdivision 4. The contract shall be deemed to require the party responsible for payment to pay interest of 1-1/2 percent per month to the party requesting payment on any undisputed amount not paid on time. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the party responsible for payment shall pay the actual penalty due to the party requesting payment. A party requesting payment who prevails in a civil action to collect interest penalties from a party responsible for payment must be awarded its costs and disbursements, including attorney fees incurred in bringing the action. If an undisputed payment is not received within ten days, the prime contractor or subcontractor of any tier that has not received the undisputed payment may suspend work under the building and construction contract until the undisputed payment is received.

EFFECTIVE DATE. This section is effective August 1, 2016, and applies to building and construction contracts executed on or after that date.

Sec. 2. Minnesota Statutes 2014, section 337.10, subdivision 4, is amended to read:

Subd. 4. **Progress payments and retainages.** (a) Unless the building and construction contract provides otherwise, the owner or other persons making payments under the contract must make progress payments monthly as the work progresses. Payments shall be based upon estimates of work completed as approved by the owner or the owner's agent. A progress payment shall not be considered acceptance or approval of any work or waiver of any defects therein.

(b) ~~Unless the building and construction contract provides otherwise, an owner or owner's agent may reserve as Retainage from any progress payment on a building and construction contract an amount may not to exceed five percent of the payment.~~ An owner or owner's agent may reduce the amount of retainage and may eliminate retainage on any monthly contract payment if, in the owner's opinion, the work is progressing satisfactorily. Nothing in this subdivision is intended to require that retainage be withheld in any building or construction contract.

(c) This subdivision does not apply to contracts for professional services as defined in sections 326.02 to 326.15.

EFFECTIVE DATE. This section is effective August 1, 2016, and applies to building and construction contracts executed on or after that date."

Delete the title and insert:

"A bill for an act relating to contracts; regulating building and construction contracts; providing for certain progress payments and retainages; amending Minnesota Statutes 2014, section 337.10, subdivisions 3, 4."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred

S.F. No. 2331: A bill for an act relating to boilers; modifying an exception to certain boiler laws; amending Minnesota Statutes 2015 Supplement, section 326B.988.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred

S.F. No. 3310: A bill for an act relating to agriculture; establishing an urban agriculture development pilot program; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred

S.F. No. 2786: A bill for an act relating to agriculture; establishing a farm safety program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Sparks from the Committee on Jobs, Agriculture and Rural Development, to which was referred

S.F. No. 3174: A bill for an act relating to agriculture; establishing Minnesota emerald ash borer suppression program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "removal and"

Page 2, line 1, delete "and \$13,000,000 in fiscal year 2018 are" and insert "is"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 2752: A bill for an act relating to transportation; prohibiting location of school bus stops in right-turn lanes except under specified conditions; requiring use of prewarning amber signals, flashing red signals, and stop-signal arms when stopping in right-turn lanes; amending Minnesota Statutes 2014, section 169.443, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, before "lane" insert "right-turn"

Page 1, delete line 22

Page 1, line 23, delete "(3)" and insert "(2)"

Page 2, line 1, delete "(4)" and insert "(3)"

Page 2, line 2, after "board" insert "or its designee"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 3181: A bill for an act relating to transportation; governing certain motor vehicle weight limits; providing for an increase in weight limits for certain vehicles powered by natural gas; making technical changes; amending Minnesota Statutes 2014, section 169.824, subdivision 2, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Dibble from the Committee on Transportation and Public Safety, to which was re-referred

S.F. No. 3084: A bill for an act relating to transportation; amending requirements governing small vehicle passenger service ordinances that regulate pedicabs; amending Minnesota Statutes 2014, sections 221.091, subdivision 2; 368.01, subdivision 12; 412.221, subdivision 20.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 3140: A bill for an act relating to public safety; requiring criminal history background checks for driving instructor license applicants; amending Minnesota Statutes 2014, section 171.35.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 2776: A bill for an act relating to motor vehicles; establishing regulations for autocycles; amending Minnesota Statutes 2014, sections 169.011, subdivision 44, by adding a subdivision; 169.974, subdivisions 2, 3, 4, 5; 171.01, by adding a subdivision; 171.02, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2014, section 65B.48, is amended by adding a subdivision to read:

Subd. 9. **Autocycle.** Each owner of an autocycle, within the meaning of section 169.011, subdivision 3a, registered or required to be registered in this state or operated in this state by the owner or with the owner's permission shall provide and maintain a plan of reparation security either:

(1) under subdivisions 1 to 3, complying with all obligations under sections 65B.41 to 65B.71;
or

(2) under subdivision 5, complying with requirements for motorcycle coverage."

Page 1, line 16, before the period, insert "in Code of Federal Regulations, title 49, part 571, and successor requirements"

Page 1, after line 22, insert:

"Sec. 4. Minnesota Statutes 2014, section 169.686, subdivision 1, is amended to read:

Subdivision 1. **Seat belt requirement.** (a) Except as provided in section 169.685, a properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be worn by the driver and passengers of a passenger vehicle, commercial motor vehicle, type III vehicle, and type III Head Start vehicle. Notwithstanding the equipment exemption in section 169.685, subdivision 1, this paragraph applies to the driver and passengers of an autocycle equipped with seat belts.

(b) A person who is 15 years of age or older and who violates paragraph (a) is subject to a fine of \$25. The driver of the vehicle in which a violation occurs is subject to a \$25 fine for each violation of paragraph (a) by the driver or by a passenger under the age of 15, but the court may not impose more than one surcharge under section 357.021, subdivision 6, on the driver. The Department of Public Safety shall not record a violation of this subdivision on a person's driving record."

Page 4, line 3, strike "or" and insert a comma and reinstate "and" and delete the comma

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 3113: A bill for an act relating to legislative enactments; correcting erroneous, ambiguous, and omitted text and obsolete references; removing redundant, conflicting, and superseded provisions; making miscellaneous corrections to laws, statutes, and rules; amending Minnesota Statutes 2014, sections 3.739, subdivision 2a; 3.7394, subdivision 3; 3.855, subdivision 4; 3.8851, subdivision 1; 3A.02, subdivision 1; 10A.09, subdivision 5; 12.38; 13.08, subdivision 4; 13.321, subdivision 7; 13.3806, by adding a subdivision; 13.46, subdivision 1; 13.461, subdivision 16, by adding a subdivision; 13.6435, by adding a subdivision; 14.03, subdivision 1; 15.06, subdivision 8; 16A.124, subdivisions 4a, 4b; 16A.131, subdivision 2; 16B.58, subdivision 5; 40A.04, subdivision 1; 41A.12, subdivision 2; 43A.01, subdivision 2; 45.011, subdivision 1; 62A.046, subdivision 4; 62A.095, subdivision 1; 62D.04, subdivisions 3, 5; 62D.09, subdivision 8; 62E.02, subdivision 13; 62E.11, subdivision 5; 62E.14, subdivision 4e; 62J.497, subdivision 2; 62J.60, subdivisions 2a, 3; 62J.70, subdivision 2; 62J.701; 62J.81, subdivision 2; 62L.03, subdivision 3; 62M.07; 62N.40; 62Q.03, subdivision 5a; 62Q.18, subdivision 1; 62Q.19, subdivision 2a; 62Q.22, subdivision 8; 62Q.37, subdivision 1; 62Q.47; 62Q.73, subdivision 2; 62Q.80, subdivision 5; 62U.01, subdivision 12; 62U.10, subdivision 5; 85A.05, subdivisions 4, 5, 6; 115A.551, subdivisions 3, 4, 5; 116.07, subdivision 5; 116.42; 116.43; 116.77; 116A.24, subdivision 2; 119A.04, subdivision 2; 122A.09, subdivision 10; 122A.21, subdivision 1;

123B.57, subdivision 3; 124D.50, subdivision 4; 124D.895, subdivision 3; 125A.51; 127A.45, subdivision 11; 134.32, subdivision 8; 136A.128, subdivision 2; 144.1222, subdivision 2a; 144.225, subdivisions 2, 2a; 144.414, subdivision 2; 144.4812; 144.608, subdivision 1; 144.651, subdivision 2; 144A.04, subdivision 7; 144A.10, subdivision 4; 144A.105, subdivision 1; 144A.43, subdivision 22; 144A.442; 144A.4792, subdivision 13; 144D.01, subdivision 4; 144E.285, subdivision 2; 144G.03, subdivision 2; 145.4133; 145.61, subdivision 5; 146A.11, subdivision 1; 147A.08; 147B.03, subdivision 1; 148.519, subdivision 1; 148.741; 150A.06, subdivision 2d; 151.55, subdivision 6; 153A.15, subdivision 1; 155A.23, subdivision 5a; 155A.355, subdivisions 1, 2; 168B.07, subdivision 3; 174.06, subdivision 2; 176.105, subdivision 4; 201.225, subdivision 2; 221.025; 239.7911, subdivision 2; 241.021, subdivision 4a; 244.05, subdivision 8; 244.054, subdivision 2; 245.466, subdivision 7; 245.467, subdivision 2; 245.4682, subdivision 3; 245.4712, subdivision 3; 245.4871, subdivision 32; 245.4876, subdivision 2; 245.826; 245.94, subdivision 1; 245A.03, subdivisions 2a, 2b, 4, 5, 6; 245A.14, subdivision 10; 245D.06, subdivisions 6, 8; 252.28, subdivision 3; 252.451, subdivision 1; 253B.03, subdivision 10; 253B.064, subdivision 1; 253B.18, subdivision 5a; 253C.01, subdivision 1; 254B.03, subdivision 4; 254B.04, subdivision 1; 256.01, subdivisions 2, 2b, 18, 18a, 39; 256.014, subdivision 1; 256.015, subdivisions 1, 3; 256.019, subdivision 1; 256.029; 256.045, subdivisions 3a, 3b, 10; 256.046, subdivision 1; 256.9365, subdivision 3; 256.962, subdivisions 1, 5; 256.9655, subdivision 1; 256.9686, subdivision 7; 256.98, subdivisions 3, 8; 256.99; 256.991; 256.997, subdivision 4; 256B.02, subdivision 9; 256B.03, subdivision 3; 256B.035; 256B.037, subdivisions 1, 5; 256B.04, subdivision 14; 256B.042, subdivisions 1, 3; 256B.043, subdivision 1; 256B.056, subdivision 6; 256B.0625, subdivisions 3, 3c, 5, 25a, 34; 256B.0636; 256B.0653, subdivision 2; 256B.0659, subdivision 22; 256B.075, subdivisions 2, 3; 256B.0751, subdivision 1; 256B.092, subdivision 4a; 256B.093, subdivision 3; 256B.0947, subdivision 3a; 256B.15, subdivisions 1, 1a, 2; 256B.19, subdivision 2c; 256B.25, subdivision 3; 256B.37, subdivision 2; 256B.438, subdivision 4; 256B.47, subdivisions 1, 3, 4; 256B.4914, subdivision 9; 256B.50, subdivision 1a; 256B.501, subdivision 11; 256B.5013, subdivision 1; 256B.69, subdivision 5; 256B.691; 256B.71, subdivision 4; 256B.73, subdivisions 4, 8; 256B.76, subdivision 5; 256B.77, subdivisions 10, 26; 256C.30; 256G.01, subdivision 4; 256G.02, subdivisions 4, 6; 256G.03, subdivision 2; 256I.05, subdivision 1a; 256J.01, subdivision 5; 256J.08, subdivision 73; 256J.24, subdivision 7; 256J.396, subdivision 1; 256J.68, subdivision 6; 256L.03, subdivision 3; 256L.09, subdivision 1; 256L.12, subdivisions 4, 5; 256M.10, subdivision 2; 257C.03, subdivision 7; 260.785, subdivision 3; 260.795, subdivision 2; 260B.188, subdivision 1; 260C.188, subdivision 1; 268.19, subdivision 1; 268A.01, subdivision 14; 270C.721; 271.06, subdivision 7; 271.07; 272.02, subdivision 10; 273.032; 287.29, subdivision 1; 289A.08, subdivisions 1, 7; 289A.12, subdivision 14; 289A.50, subdivision 10; 290.01, subdivisions 22, 29a; 290.06, subdivisions 2c, 22; 290.067, subdivision 1; 290.0674, subdivision 1; 290.0675, subdivision 1; 290.0677, subdivision 1; 290.0802, subdivisions 1, 2; 290.091, subdivisions 2, 3, 6; 290.0921, subdivision 3; 290.191, subdivisions 2, 3; 290.311, subdivision 1; 290.9727, subdivision 3; 290.9728, subdivision 2; 290.9729, subdivision 2; 290A.03, subdivision 8; 291.031; 295.53, subdivision 1; 297A.70, subdivision 11; 297B.01, subdivision 14; 297E.01, subdivision 8; 297I.15, subdivision 4; 298.01, subdivisions 3b, 4b, 4c; 298.223, subdivision 1; 298.28, subdivision 4; 298.294; 298.2961, subdivision 4; 303.16, subdivision 2; 319B.02, subdivision 19; 325E.34, subdivision 1; 326B.31, subdivision 15; 326B.42, subdivision 6; 326B.91, subdivision 8; 326B.92, subdivision 2; 327C.02, subdivision 5; 349.12, subdivision 25; 355.01, subdivision 3e; 383B.213; 383D.65, subdivision 3; 389.03; 412.191, subdivision 1; 412.581; 414.0325, subdivision 5; 446A.072, subdivision 14; 469.056, subdivision 1; 469.1734, subdivisions 5, 6, 7; 469.1735, subdivision 1; 469.1763, subdivision 2; 473.388, subdivision 4; 473.39, subdivision

1; 473.8441, subdivision 1; 480.35, subdivision 2; 484.87, subdivision 5; 517.08, subdivision 4; 524.2-215; 525.313; 550.37, subdivision 14; 557.021; 609.232, subdivisions 3, 11; 609.495, subdivision 1; 609B.127; 609B.132; 609B.425, subdivision 2; 611A.52, subdivision 8; 641.15, subdivision 2; 641.155; Minnesota Statutes 2015 Supplement, sections 13.46, subdivision 2; 41A.15, subdivision 10; 41A.17, subdivision 1; 62A.045; 62J.692, subdivision 4; 62Q.37, subdivision 2; 116D.04, subdivision 2a; 116J.549, subdivision 2; 119B.011, subdivision 15; 120B.301; 123B.595, subdivision 11; 125A.11, subdivision 1; 125A.76, subdivision 2c; 125A.79, subdivision 1; 144.551, subdivision 1; 151.37, subdivision 2; 200.02, subdivision 23; 245.4661, subdivisions 6, 9; 245A.02, subdivision 21; 245D.06, subdivision 7; 245D.061, subdivision 1; 246.18, subdivision 8; 256B.038; 256B.0622, subdivision 2; 256B.0625, subdivision 20; 256B.0915, subdivisions 3a, 3e, 3h; 256B.431, subdivision 2b; 256B.50, subdivision 1; 256B.765; 256B.85, subdivisions 17, 18a; 256I.04, subdivisions 3, 4; 256I.05, subdivision 1c; 260C.221; 261.23; 290.01, subdivision 19; 290.0671, subdivision 1; 501C.0103; 501C.0111; 604.175; 624.713, subdivision 1; 626.556, subdivision 3c; 626.5572, subdivisions 6, 21; Laws 2015, chapter 77, article 1, section 11, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 2014, sections 13.319, subdivision 6; 13.3806, subdivision 18; 13.598, subdivision 4; 13.6905, subdivision 23; 40A.03; 93.223, subdivision 2; 127A.48, subdivision 9; 147.031; 148.232; 245.482, subdivision 5; 256.966, subdivision 1; 256B.0645; 259.24, subdivision 8; 290.01, subdivisions 19a, 19b, 19c, 19d; 290.0692; 290.191, subdivisions 9, 10, 11, 12; 297A.71, subdivisions 42, 46, 47; 298.2961, subdivisions 5, 6, 7; 383B.926; 386.23; 507.30; 507.37; 557.07; Laws 2014, chapter 286, article 6, section 2; Laws 2015, chapter 45, section 17; Laws 2015, chapter 68, article 14, section 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 18, reinstate "procedures to guarantee the rights of data subjects under section" and reinstate the semicolon and before the semicolon, insert "13.025, subdivision 3"

Page 37, line 10, delete "9530.6505" and insert "9530.6590"

Page 44, line 32, reinstate "148.515, subdivision" and delete the new language and insert "6"

Page 51, after line 36, insert:

"Sec. 76. Minnesota Statutes 2014, section 196.05, subdivision 1, is amended to read:

Subdivision 1. **General duties.** The commissioner shall:

(1) act as the agent of a resident of the state having a claim against the United States for benefits arising out of or by reason of service in the armed forces and prosecute the claim without charge;

(2) act as custodian of veterans' bonus records;

(3) administer the laws relating to the providing of bronze flag holders at veterans' graves for memorial purposes;

(4) administer the laws relating to recreational or rest camps for veterans so far as applicable to state agencies;

(5) administer the state soldiers' assistance fund and veterans' relief fund and other funds appropriated for the payment of bonuses or other benefits to veterans or for the rehabilitation of veterans;

(6) cooperate with national, state, county, municipal, and private social agencies in securing to veterans and their dependents the benefits provided by national, state, and county laws, municipal ordinances, or public and private social agencies;

(7) provide necessary assistance where other adequate aid is not available to the dependent family of a veteran while the veteran is hospitalized and after the veteran is released for as long a period as is necessary as determined by the commissioner;

~~(8) act as the guardian, conservator, or representative payee of the estate for a minor or an incompetent person receiving money from the United States government when requested to do so by an agency of the United States of America provided sufficient personnel are available;~~

~~(9)~~ (8) cooperate with United States governmental agencies providing compensation, pensions, insurance, or other benefits provided by federal law, by supplementing the benefits prescribed therein, when conditions in an individual case make it necessary;

~~(10)~~ (9) assist dependent family members of military personnel who are called from reserve status to extended federal active duty during a time of war or national emergency through the state soldiers' assistance fund provided by section 197.03;

~~(11)~~ (10) exercise other powers as may be authorized and necessary to carry out the provisions of this chapter and chapter 197, consistent with that chapter; and

~~(12)~~ (11) provide information, referral, and counseling services to those veterans who may have suffered adverse health conditions as a result of possible exposure to chemical agents."

Page 54, after line 10, insert:

"Sec. 79. Minnesota Statutes 2014, section 216B.1636, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) "Electric utility" means a public utility as defined in section 216B.02, subdivision 4, that furnishes electric service to retail customers.

(b) "Electric utility infrastructure costs" or "EUIC" means costs for electric utility infrastructure projects that were not included in the electric utility's rate base in its most recent general rate case.

(c) "Electric utility infrastructure projects" means projects owned by an electric utility that:

(1) replace or modify existing electric utility infrastructure, including utility-owned buildings, if the replacement or modification is shown to conserve energy or use energy more efficiently, consistent with section 216B.241, subdivision 1c; or

(2) conserve energy or use energy more efficiently by using waste heat recovery converted into electricity as defined in section 216B.241, subdivision 1, paragraph ~~(n)~~ (o)."

Page 58, line 6, reinstate "parts" and delete "chapter 2960" and insert "2960.0580 to 2960.0700"

Page 58, line 12, reinstate "parts"

Page 58, line 13, delete "chapter 2960" and insert "2960.0510 to 2960.0530 and 2960.0580 to 2960.0700"

Page 68, line 10, reinstate "parts" and delete "chapter 2960" and insert "2960.0580 to 2960.0700"

Page 91, line 5, after "parts" insert "2960.0130 to 2960.0220 or 2960.0580 to 2960.0700,"

Page 91, line 6, delete "chapter 2960" and strike the comma

Page 91, line 7, delete "chapter 9530" and insert "9530.6405 to 9530.6505"

Pages 124 to 126, delete sections 158 to 159

Pages 127 to 128, delete sections 161 to 162

Page 130, line 1, delete "2960.3230" and insert "2960.3340"

Page 168, after line 14, insert:

"Sec. 212. Laws 2010, chapter 216, section 12, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for investments made after July 1, 2010, for taxable years beginning after December 31, 2009, and before January 1, ~~2015~~ 2017, and only applies to investments made after the qualified small business receiving the investment has been certified by the commissioner of employment and economic development."

Page 171, delete lines 25 to 27

Renumber the subdivisions in sequence

Pages 254 to 257, delete sections 117 to 119

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 3142: A bill for an act relating to family law; modifying the parenting expense adjustment for purposes of child support; modifying guidelines for computing of child support; amending Minnesota Statutes 2014, sections 518.175, subdivision 5; 518A.34; 518A.36; Minnesota Statutes 2015 Supplement, sections 518A.26, subdivision 14; 518A.39, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 518.175, subdivision 5, is amended to read:

Subd. 5. Modification of parenting plan or order for parenting time. (a) If a parenting plan or an order granting parenting time cannot be used to determine the number of overnights or overnight equivalents the child has with each parent, the court shall modify the parenting plan or order granting parenting time so that the number of overnights or overnight equivalents the child has with each parent can be determined. For purposes of this section, "overnight equivalents" has the meaning given in section 518A.36, subdivision 1.

(b) If modification would serve the best interests of the child, the court shall modify the decision-making provisions of a parenting plan or an order granting or denying parenting time, if the modification would not change the child's primary residence. Consideration of a child's best interest includes a child's changing developmental needs.

(b) (c) Except as provided in section 631.52, the court may not restrict parenting time unless it finds that:

(1) parenting time is likely to endanger the child's physical or emotional health or impair the child's emotional development; or

(2) the parent has chronically and unreasonably failed to comply with court-ordered parenting time.

A modification of parenting time which increases a parent's percentage of parenting time to an amount that is between 45.1 to 54.9 percent parenting time is not a restriction of the other parent's parenting time.

(e) (d) If a parent makes specific allegations that parenting time by the other parent places the parent or child in danger of harm, the court shall hold a hearing at the earliest possible time to determine the need to modify the order granting parenting time. Consistent with subdivision 1a, the court may require a third party, including the local social services agency, to supervise the parenting time or may restrict a parent's parenting time if necessary to protect the other parent or child from harm. If there is an existing order for protection governing the parties, the court shall consider the use of an independent, neutral exchange location for parenting time.

Sec. 2. Minnesota Statutes 2015 Supplement, section 518A.26, subdivision 14, is amended to read:

Subd. 14. **Obligor.** "Obligor" means a person obligated to pay maintenance or support. For purposes of ordering medical support under section 518A.41, a parent who has primary physical custody of a child may be an obligor subject to a payment agreement under section 518A.69. If a parent has more than 55 percent court-ordered parenting time, there is a rebuttable presumption that the parent has a zero dollar basic support obligation. A party seeking to overcome this presumption must show, and the court must consider, the following:

(1) a significant income disparity, which may include potential income determined under section 518A.32;

(2) the benefit and detriment to the child and the ability of each parent to meet the needs of the child; and

(3) whether the application of the presumption would have an unjust or inappropriate result.

The presumption of a zero dollar basic support obligation does not eliminate a parent's obligation to pay child support arrears under section 518A.60. The presumption of a zero dollar basic support obligation does not apply to an action under section 256.87, subdivision 1 or 1a.

Sec. 3. Minnesota Statutes 2014, section 518A.34, is amended to read:

518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.

(a) To determine the presumptive child support obligation of a parent, the court shall follow the procedure set forth in this section.

(b) To determine the obligor's basic support obligation, the court shall:

(1) determine the gross income of each parent under section 518A.29;

(2) calculate the parental income for determining child support (PICS) of each parent, by subtracting from the gross income the credit, if any, for each parent's nonjoint children under section 518A.33;

(3) determine the percentage contribution of each parent to the combined PICS by dividing the combined PICS into each parent's PICS;

(4) determine the combined basic support obligation by application of the guidelines in section 518A.35;

(5) determine ~~the obligor's~~ each parent's share of the combined basic support obligation by multiplying the percentage figure from clause (3) by the combined basic support obligation in clause (4); and

~~(6) determine the parenting expense adjustment, if any, as apply the parenting expense adjustment formula provided in section 518A.36, and adjust the obligor's basic support obligation accordingly to determine the obligor's basic support obligation. If the parenting time of the parties is presumed equal, section 518A.36, subdivision 3, applies to the calculation of the basic support obligation and a determination of which parent is the obligor.~~

(c) If the parents have split custody of joint children, child support must be calculated for each joint child as follows:

(1) the court shall determine each parent's basic support obligation under paragraph (b) and include the amount of each parent's obligation in the court order. If the basic support calculation results in each parent owing support to the other, the court shall offset the higher basic support obligation with the lower basic support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. For the purpose of the cost-of-living adjustment required under section 518A.75, the adjustment must be based on each parent's basic support obligation prior to offset. For the purposes of this paragraph, "split custody" means that there are two or more joint children and each parent has at least one joint child more than 50 percent of the time;

(2) if each parent pays all child care expenses for at least one joint child, the court shall calculate child care support for each joint child as provided in section 518A.40. The court shall determine each parent's child care support obligation and include the amount of each parent's obligation in the court order. If the child care support calculation results in each parent owing support to the other, the court shall offset the higher child care support obligation with the lower child care support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation; and

(3) if each parent pays all medical or dental insurance expenses for at least one joint child, medical support shall be calculated for each joint child as provided in section 518A.41. The court shall determine each parent's medical support obligation and include the amount of each parent's obligation in the court order. If the medical support calculation results in each parent owing support to the other, the court shall offset the higher medical support obligation with the lower medical support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as provided in section 518A.41.

(d) The court shall determine the child care support obligation for the obligor as provided in section 518A.40.

~~(d)~~ (e) The court shall determine the medical support obligation for each parent as provided in section 518A.41. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as described in section 518A.41.

~~(e)~~ (f) The court shall determine each parent's total child support obligation by adding together each parent's basic support, child care support, and health care coverage obligations as provided in this section.

~~(f)~~ (g) If Social Security benefits or veterans' benefits are received by one parent as a representative payee for a joint child based on the other parent's eligibility, the court shall subtract the amount of benefits from the other parent's net child support obligation, if any.

~~(g)~~ (h) The final child support order shall separately designate the amount owed for basic support, child care support, and medical support. If applicable, the court shall use the self-support adjustment and minimum support adjustment under section 518A.42 to determine the obligor's child support obligation.

Sec. 4. Minnesota Statutes 2014, section 518A.35, subdivision 1, is amended to read:

Subdivision 1. **Determination of support obligation.** (a) The guideline in this section is a rebuttable presumption and shall be used in any judicial or administrative proceeding to establish or modify a support obligation under this chapter.

(b) The basic child support obligation shall be determined by referencing the guideline for the appropriate number of joint children and the combined parental income for determining child support of the parents.

(c) If a child is not in the custody of either parent and a support order is sought against one or both parents, the basic child support obligation shall be determined by referencing the guideline for the appropriate number of joint children, and the parent's individual parental income for determining child support, not the combined parental incomes for determining child support of the parents. Unless a parent has court-ordered parenting time, the parenting expense adjustment formula under section 518A.34 must not be applied.

(d) If a child is in custody of either parent and a support order is sought by the public authority under section 256.87, unless the parent against whom the support order is sought has court-ordered parenting time, the support obligation must be determined by referencing the guideline for the appropriate number of joint children and the parent's individual income without application of the parenting expense adjustment formula under section 518A.34.

(e) For combined parental incomes for determining child support exceeding \$15,000 per month, the presumed basic child support obligations shall be as for parents with combined parental income for determining child support of \$15,000 per month. A basic child support obligation in excess of this level may be demonstrated for those reasons set forth in section 518A.43.

Sec. 5. Minnesota Statutes 2014, section 518A.36, is amended to read:

518A.36 PARENTING EXPENSE ADJUSTMENT.

Subdivision 1. **General.** (a) The parenting expense adjustment under this section reflects the presumption that while exercising parenting time, a parent is responsible for and incurs costs of caring for the child, including, but not limited to, food, clothing, transportation, recreation, and household expenses. Every child support order shall specify the percentage of parenting time granted to or presumed for each parent. For purposes of this section, the percentage of parenting time means the percentage of time a child is scheduled to spend with the parent during a calendar year according to a court order averaged over a two-year period. Parenting time includes time with the child whether it is designated as visitation, physical custody, or parenting time. The percentage of parenting time may be determined by calculating the number of overnights or overnight equivalents that a child parent spends with a parent, or child pursuant to a court order. For purposes of this section, overnight equivalents are calculated by using a method other than overnights if the parent has significant time periods on separate days where the child is in the parent's physical custody and under the direct care of the parent but does not stay overnight. The court may consider the age of the child in determining whether a child is with a parent for a significant period of time.

(b) If there is not a court order awarding parenting time, the court shall determine the child support award without consideration of the parenting expense adjustment. If a parenting time order is subsequently issued or is issued in the same proceeding, then the child support order shall include application of the parenting expense adjustment.

Subd. 2. **Calculation of parenting expense adjustment.** (a) For the purposes of this section, the following terms have the meanings given:

(1) "parent A" means the parent with whom the child or children will spend the least number of overnights under the court order; and

(2) "parent B" means the parent with whom the child or children will spend the greatest number of overnights under the court order.

~~The obligor is entitled to a parenting expense adjustment calculated as provided in this subdivision.~~ (b) The court shall apply the following formula to determine which parent is the obligor and calculate the basic support obligation:

~~(1) find the adjustment percentage corresponding to the percentage of parenting time allowed to the obligor below:~~

	Percentage Range of Parenting Time	Adjustment Percentage
(i)	less than 10 percent	no adjustment
(ii)	10 percent to 45 percent	12 percent
(iii)	45.1 percent to 50 percent	presume parenting time is equal

~~(2) multiply the adjustment percentage by the obligor's basic child support obligation to arrive at the parenting expense adjustment; and~~

~~(3) subtract the parenting expense adjustment from the obligor's basic child support obligation. The result is the obligor's basic support obligation after parenting expense adjustment.~~

~~(1) raise to the power of three the approximate number of annual overnights the child or children will likely spend with parent A;~~

~~(2) raise to the power of three the approximate number of annual overnights the child or children will likely spend with parent B;~~

~~(3) multiply the result of clause (1) times parent B's share of the combined basic support obligation as determined in section 518A.34, paragraph (b), clause (5);~~

~~(4) multiply the result of clause (2) times parent A's share of the combined basic support obligation as determined in section 518A.34, paragraph (b), clause (5);~~

~~(5) subtract the result of clause (4) from the result of clause (3); and~~

~~(6) divide the result of clause (5) by the sum of clauses (1) and (2).~~

~~(c) If the result is a negative number, parent A is the obligor, the negative number becomes its positive equivalent, and the result is the basic support obligation. If the result is a positive number, parent B is the obligor and the result is the basic support obligation.~~

Subd. 3. **Calculation of basic support when parenting time presumed is equal.** (a) If the parenting time is equal and the parental incomes for determining child support of the parents also are equal, no basic support shall be paid unless the court determines that the expenses for the child are not equally shared.

(b) If the parenting time is equal but the parents' parental incomes for determining child support are not equal, the parent having the greater parental income for determining child support shall be obligated for basic child support, calculated as follows:

(1) multiply the combined basic support calculated under section 518A.34 by 0.75;

(2) prorate the amount under clause (1) between the parents based on each parent's proportionate share of the combined PICS; and

(3) subtract the lower amount from the higher amount.

The resulting figure is the obligation after parenting expense adjustment for the parent with the greater parental income for determining child support.

Sec. 6. Minnesota Statutes 2015 Supplement, section 518A.39, subdivision 2, is amended to read:

Subd. 2. **Modification.** (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following, any of which makes the terms unreasonable and unfair: (1) substantially increased or decreased gross income of an obligor or obligee; (2) substantially increased or decreased need of an obligor or obligee or the child or children that are the subject of these proceedings; (3) receipt of assistance under the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to 256B.40, or chapter 256J or 256K; (4) a change in the cost of living for either party as measured by the Federal Bureau of Labor Statistics; (5) extraordinary medical expenses of the child not provided for under section 518A.41; (6) a change in the availability of appropriate health care coverage or a substantial increase or

decrease in health care coverage costs; (7) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses; or (8) upon the emancipation of the child, as provided in subdivision 5.

(b) It is presumed that there has been a substantial change in circumstances under paragraph (a) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if:

(1) the application of the child support guidelines in section 518A.35, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$75 per month higher or lower than the current support order or, if the current support order is less than \$75, it results in a calculated court order that is at least 20 percent per month higher or lower;

(2) the medical support provisions of the order established under section 518A.41 are not enforceable by the public authority or the obligee;

(3) health coverage ordered under section 518A.41 is not available to the child for whom the order is established by the parent ordered to provide;

(4) the existing support obligation is in the form of a statement of percentage and not a specific dollar amount;

(5) the gross income of an obligor or obligee has decreased by at least 20 percent through no fault or choice of the party; or

(6) a deviation was granted based on the factor in section 518A.43, subdivision 1, clause (4), and the child no longer resides in a foreign country or the factor is otherwise no longer applicable.

(c) A child support order is not presumptively modifiable solely because an obligor or obligee becomes responsible for the support of an additional nonjoint child, which is born after an existing order. Section 518A.33 shall be considered if other grounds are alleged which allow a modification of support.

(d) If child support was established by applying a parenting expense adjustment or presumed equal parenting time calculation under previously existing child support guidelines and there is no parenting plan or order from which overnights or overnight equivalents can be determined, there is a rebuttable presumption that the established adjustment or calculation will continue after modification so long as the modification is not based on a change in parenting time. In determining an obligation under previously existing child support guidelines, it is presumed that the court shall:

(1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's share of the combined basic support obligation calculated under section 518A.34, paragraph (b), clause (5), by .88; or

(2) if the parenting time was presumed equal but the parents' parental incomes for determining child support were not equal:

(i) multiply the combined basic support obligation under section 518A.34, paragraph (b), clause (5), by .075;

(ii) prorate the amount under item (i) between the parents based on each parent's proportionate share of the combined PICS; and

(iii) subtract the lower amount from the higher amount.

(e) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518A.35, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

~~(e)~~ (f) A modification of support or maintenance, including interest that accrued pursuant to section 548.091, may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record, unless the court adopts an alternative effective date under paragraph (l). The court's adoption of an alternative effective date under paragraph (l) shall not be considered a retroactive modification of maintenance or support.

~~(f)~~ (g) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518A.71.

~~(g)~~ (h) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

~~(h)~~ (i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for motions brought under this subdivision.

(i) (j) Except as expressly provided, an enactment, amendment, or repeal of law does not constitute a substantial change in the circumstances for purposes of modifying a child support order.

(j) MS 2006 [Expired]

(k) On the first modification ~~under the income shares method of calculation following implementation of amended child support guidelines~~, the modification of basic support may be limited if the amount of the full variance would create hardship for either the obligor or the obligee. Hardship includes, but is not limited to, eligibility for assistance under chapter 256J.

(l) The court may select an alternative effective date for a maintenance or support order if the parties enter into a binding agreement for an alternative effective date.

Sec. 7. EFFECTIVE DATE.

Sections 1 to 6 are effective August 1, 2017."

Delete the title and insert:

"A bill for an act relating to family law; modifying the parenting expense adjustment for purposes of child support; modifying provisions for computing of child support; amending Minnesota Statutes 2014, sections 518.175, subdivision 5; 518A.34; 518A.35, subdivision 1; 518A.36; Minnesota Statutes 2015 Supplement, sections 518A.26, subdivision 14; 518A.39, subdivision 2."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 2798: A bill for an act relating to human services; creating a child support task force; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 518A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government. Report adopted.

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 2649: A bill for an act relating to criminal justice; expanding the damage to energy transmission or telecommunications equipment crime; amending Minnesota Statutes 2014, section 609.593, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 609.593, subdivision 1, is amended to read:

Subdivision 1. **Crime.** Whoever intentionally and without consent from one authorized to give consent causes any damage to or takes, removes, severs, or breaks:

(1) any line erected or maintained for the purpose of transmitting electricity for light, heat, or power, or any insulator or cross-arm, appurtenance or apparatus connected to the line, or any wire,

cable, or current of the line; or any component used in the generation, transmission, or distribution of electricity, including equipment used for grounding, system protection, or personnel protection;

(2) any pipe or main or hazardous liquid pipeline erected, operated, or maintained for the purpose of transporting, conveying, or distributing gas or other hazardous liquids for light, heat, power, or any other purpose, or any part of the pipe, main, or pipeline, or any valve, meter, holder, compressor, machinery, appurtenance, equipment, or apparatus connected with any main or pipeline; or

(3) any machinery, equipment, or fixtures used in receiving, initiating, amplifying, processing, transmitting, retransmitting, recording, switching, or monitoring telecommunications services, such as computers, transformers, amplifiers, routers, repeaters, multiplexers, and other items performing comparable functions; and machinery, equipment, and fixtures used in the transportation of telecommunications services, radio transmitters and receivers, satellite equipment, microwave equipment, and other transporting media including wire, cable, fiber, poles, and conduit;

is guilty of a crime and may be sentenced as provided in subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2016, and applies to crimes committed on or after that date."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 2603: A bill for an act relating to human rights; adding a requirement for closed captioning on televisions in medical facilities; amending Minnesota Statutes 2014, sections 363A.11, subdivision 3; 363A.12, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, delete "114" and insert "144"

Page 2, line 17, delete "possible" and insert "practicable"

Page 2, line 26, delete "possible" and insert "practicable"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 3350: A bill for an act relating to public safety; health; courts; authorizing ex parte hearings to determine when an emergency medical service person has a significant exposure to a source individual's bodily fluids; authorizing peace officers to take a noncompliant source individual into temporary custody to collect a blood sample; amending Minnesota Statutes 2014, section 144.7407, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 2555: A bill for an act relating to local government; regulating zoning of temporary family health care dwellings; proposing coding for new law in Minnesota Statutes, chapters 394; 462.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 144D.01, subdivision 4, is amended to read:

Subd. 4. **Housing with services establishment or establishment.** (a) "Housing with services establishment" or "establishment" means:

(1) an establishment providing sleeping accommodations to one or more adult residents, at least 80 percent of which are 55 years of age or older, and offering or providing, for a fee, one or more regularly scheduled health-related services or two or more regularly scheduled supportive services, whether offered or provided directly by the establishment or by another entity arranged for by the establishment; or

(2) an establishment that registers under section 144D.025.

(b) Housing with services establishment does not include:

(1) a nursing home licensed under chapter 144A;

(2) a hospital, certified boarding care home, or supervised living facility licensed under sections 144.50 to 144.56;

(3) a board and lodging establishment licensed under chapter 157 and Minnesota Rules, parts 9520.0500 to 9520.0670, 9525.0215 to 9525.0355, 9525.0500 to 9525.0660, or 9530.4100 to 9530.4450, or under chapter 245D;

(4) a board and lodging establishment which serves as a shelter for battered women or other similar purpose;

(5) a family adult foster care home licensed by the Department of Human Services;

(6) private homes in which the residents are related by kinship, law, or affinity with the providers of services;

(7) residential settings for persons with developmental disabilities in which the services are licensed under Minnesota Rules, parts 9525.2100 to 9525.2140, or applicable successor rules or laws;

(8) a home-sharing arrangement such as when an elderly or disabled person or single-parent family makes lodging in a private residence available to another person in exchange for services or rent, or both;

(9) a duly organized condominium, cooperative, common interest community, or owners' association of the foregoing where at least 80 percent of the units that comprise the condominium, cooperative, or common interest community are occupied by individuals who are the owners, members, or shareholders of the units; or

(10) services for persons with developmental disabilities that are provided under a license according to Minnesota Rules, parts 9525.2000 to 9525.2140 in effect until January 1, 1998, or under chapter 245D; or

(11) a temporary family health care dwelling as defined in sections 394.307 and 462.3593.

Sec. 2. [394.307] TEMPORARY FAMILY HEALTH CARE DWELLINGS.

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Caregiver" means an individual 18 years of age or older who:

(1) provides care for a mentally or physically impaired person; and

(2) is a relative, legal guardian, or health care agent of the mentally or physically impaired person for whom the individual is caring.

(c) "Instrumental activities of daily living" has the meaning given in section 256B.0659, subdivision 1, paragraph (i).

(d) "Mentally or physically impaired person" means a person who is a resident of this state and who requires assistance with two or more instrumental activities of daily living as certified in writing by a physician, a physician assistant, or an advanced practice registered nurse licensed to practice in this state.

(e) "Relative" means a spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, or niece of the mentally or physically impaired person. Relative includes half, step, and in-law relationships.

(f) "Temporary family health care dwelling" or "dwelling" means a mobile residential dwelling providing an environment facilitating a caregiver's provision of care for a mentally or physically impaired person that meets the requirements of subdivision 2.

Subd. 2. Temporary family health care dwelling. A temporary family health care dwelling must:

(1) be primarily assembled at a location other than its site of installation;

(2) be no more than 300 gross square feet;

(3) not be attached to a permanent foundation;

(4) be universally designed and meet state-recognized accessibility standards;

(5) provide access to water and electric utilities either by connecting to the utilities that are serving the principal dwelling on the lot or by other comparable means;

(6) have exterior materials that are compatible in composition, appearance, and durability to the exterior materials used in standard residential construction;

(7) have a minimum insulation rating of R-15;

(8) be able to be installed, removed, and transported by a one-ton pickup truck as defined in section 168.002, subdivision 21b;

(9) be built to American National Standards Institute Code 119.2; and

(10) be equipped with a backflow check valve.

Subd. 3. Temporary dwelling permit; application. (a) Unless the county has designated temporary family health care dwellings as permitted uses, a temporary family health care dwelling

is a temporary dwelling subject to the provisions in this section. A temporary family health care dwelling that meets the requirements of this section as a temporary dwelling cannot be prohibited by a local ordinance that regulates accessory uses or recreational vehicle parking or storage, or by any other ordinance.

(b) The caregiver or relative must apply for a temporary dwelling permit from the county. The permit application must be signed by the primary caregiver, the owner of the property on which the dwelling will be located, and the resident of the property if the property owner does not reside on the property, and include:

(1) the name, address, and telephone number of the property owner, the resident of the property if different from the owner, and the primary caregiver responsible for the care of the mentally or physically impaired person; and the name of the mentally or physically impaired person who will live in the dwelling;

(2) proof of the provider network from which the mentally or physically impaired person may receive respite care, primary care, or remote patient monitoring services;

(3) a written certification that the mentally or physically impaired person requires assistance with two or more instrumental activities of daily living signed by a physician, a physician assistant, or an advanced practice registered nurse licensed to practice in this state;

(4) an executed contract for septic service management or other proof of adequate septic service management;

(5) an affidavit that the applicant has provided notice to adjacent property owners and residents of the application for the temporary dwelling permit; and

(6) a general site map to show the location of the dwelling and other structures on the lot.

(c) The temporary family health care dwelling must be located on property where the caregiver or relative resides. A dwelling must comply with all setback requirements that apply to the primary structure and with any maximum floor area ratio limitations that may apply to the primary structure. The dwelling must be located on the lot so that septic services and emergency vehicles can gain access to the dwelling in a safe and timely manner.

(d) A temporary family health care dwelling is limited to one occupant who is identified in the application and only one temporary family health care dwelling is allowed on a lot.

(e) Unless otherwise provided, a temporary family health care dwelling installed under this section must comply with all applicable state law and local ordinances.

Subd. 4. **Initial permit term; renewal.** The initial temporary dwelling permit is valid for six months. The applicant may renew the permit once for an additional six months.

Subd. 5. **Inspection.** The county may require that the permit holder provide evidence of compliance with this section as long as the temporary family health care dwelling remains on the property. The county may inspect the dwelling at reasonable times convenient to the caregiver to determine if the dwelling is occupied and meets the requirements of this section.

Subd. 6. **Revocation of permit.** The county may revoke the temporary dwelling permit if the permit holder violates any requirement of this section. If the county revokes a permit, the permit holder has 60 days from the date of revocation to remove the temporary family health care dwelling.

Subd. 7. **Fee.** Unless otherwise provided by ordinance, the county may charge a fee of up to \$100 for the initial permit and up to \$50 for a renewal of the permit.

Subd. 8. **No public hearing required; application of section 15.99.** (a) Due to the time-sensitive nature of issuing a temporary dwelling permit for a temporary family health care dwelling, the county does not have to hold a public hearing on the application.

(b) The procedures governing the time limit for deciding an application for the temporary dwelling permit under this section are governed by section 15.99, except as provided in this section. The county has 15 days to issue a permit requested under this section or to deny it. If the county receives a written request that does not contain all required information, the 15-day limit starts over only if the county sends written notice within five business days of receipt of the request telling the requester what information is missing. The county cannot extend the period of time to decide.

Subd. 9. **Opt-out.** A county may by resolution opt-out of the requirements of this section.

Sec. 3. **[462.3593] TEMPORARY FAMILY HEALTH CARE DWELLINGS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Caregiver" means an individual 18 years of age or older who:

(1) provides care for a mentally or physically impaired person; and

(2) is a relative, legal guardian, or health care agent of the mentally or physically impaired person for whom the individual is caring.

(c) "Instrumental activities of daily living" has the meaning given in section 256B.0659, subdivision 1, paragraph (i).

(d) "Mentally or physically impaired person" means a person who is a resident of this state and who requires assistance with two or more instrumental activities of daily living as certified in writing by a physician, a physician assistant, or an advanced practice registered nurse licensed to practice in this state.

(e) "Relative" means a spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, or niece of the mentally or physically impaired person. Relative includes half, step, and in-law relationships.

(f) "Temporary family health care dwelling" or "dwelling" means a mobile residential dwelling providing an environment facilitating a caregiver's provision of care for a mentally or physically impaired person that meets the requirements of subdivision 2.

Subd. 2. **Temporary family health care dwelling.** A temporary family health care dwelling must:

(1) be primarily assembled at a location other than its site of installation;

(2) be no more than 300 gross square feet;

(3) not be attached to a permanent foundation;

(4) be universally designed and meet state-recognized accessibility standards;

(5) provide access to water and electric utilities either by connecting to the utilities that are serving the principal dwelling on the lot or by other comparable means;

(6) have exterior materials that are compatible in composition, appearance, and durability to the exterior materials used in standard residential construction;

(7) have a minimum insulation rating of R-15;

(8) be able to be installed, removed, and transported by a one-ton pickup truck as defined in section 168.002, subdivision 21b;

(9) be built to American National Standards Institute Code 119.2; and

(10) be equipped with a backflow check valve.

Subd. 3. **Temporary dwelling permit; application.** (a) Unless the municipality has designated temporary family health care dwellings as permitted uses, a temporary family health care dwelling is a temporary dwelling subject to the provisions in this section. A temporary family health care dwelling that meets the requirements of this section as a temporary dwelling cannot be prohibited by a local ordinance that regulates accessory uses or recreational vehicle parking or storage, or by any other ordinance.

(b) The caregiver or relative must apply for a temporary dwelling permit from the municipality. The permit application must be signed by the primary caregiver, the owner of the property on which the dwelling will be located, and the resident of the property if the property owner does not reside on the property, and include:

(1) the name, address, and telephone number of the property owner, the resident of the property if different from the owner, and the primary caregiver responsible for the care of the mentally or physically impaired person; and the name of the mentally or physically impaired person who will live in the dwelling;

(2) proof of the provider network from which the mentally or physically impaired person may receive respite care, primary care, or remote patient monitoring services;

(3) a written certification that the mentally or physically impaired person requires assistance with two or more instrumental activities of daily living signed by a physician, a physician assistant, or an advanced practice registered nurse licensed to practice in this state;

(4) an executed contract for septic service management or other proof of adequate septic service management;

(5) an affidavit that the applicant has provided notice to adjacent property owners and residents of the application for the temporary dwelling permit; and

(6) a general site map to show the location of the dwelling and other structures on the lot.

(c) The temporary family health care dwelling must be located on property where the caregiver or relative resides. A dwelling must comply with all setback requirements that apply to the primary structure and with any maximum floor area ratio limitations that may apply to the primary structure. The dwelling must be located on the lot so that septic services and emergency vehicles can gain access to the dwelling in a safe and timely manner.

(d) A temporary family health care dwelling is limited to one occupant who is identified in the application and only one temporary family health care dwelling is allowed on a lot.

(e) Unless otherwise provided, a temporary family health care dwelling installed under this section must comply with all applicable state law, local ordinances, and charter provisions.

Subd. 4. **Initial permit term; renewal.** The initial temporary dwelling permit is valid for six months. The applicant may renew the permit once for an additional six months.

Subd. 5. **Inspection.** The municipality may require that the permit holder provide evidence of compliance with this section as long as the temporary family health care dwelling remains on the property. The municipality may inspect the dwelling at reasonable times convenient to the caregiver to determine if the dwelling is occupied and meets the requirements of this section.

Subd. 6. **Revocation of permit.** The municipality may revoke the temporary dwelling permit if the permit holder violates any requirement of this section. If the municipality revokes a permit, the permit holder has 60 days from the date of revocation to remove the temporary family health care dwelling.

Subd. 7. **Fee.** Unless otherwise provided by ordinance, the municipality may charge a fee of up to \$100 for the initial permit and up to \$50 for a renewal of the permit.

Subd. 8. **No public hearing required; application of section 15.99.** (a) Due to the time-sensitive nature of issuing a temporary dwelling permit for a temporary family health care dwelling, the municipality does not have to hold a public hearing on the application.

(b) The procedures governing the time limit for deciding an application for the temporary dwelling permit under this section are governed by section 15.99, except as provided in this section. The municipality has 15 days to issue a permit requested under this section or to deny it. If the municipality receives a written request that does not contain all required information, the 15-day limit starts over only if the municipality sends written notice within five business days of receipt of the request telling the requester what information is missing. The municipality cannot extend the period of time to decide.

Subd. 9. **Opt-out.** A municipality may by resolution opt-out of the requirements of this section."

Amend the title as follows:

Page 1, line 3, after the first semicolon, insert "establishing temporary dwelling permits;"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Health, Human Services and Housing. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 3007: A bill for an act relating to commerce; authorizing fantasy sports; amending Minnesota Statutes 2014, sections 297E.03, by adding a subdivision; 541.20; 541.21; 609.761, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [325F.9901] CONSUMER PROTECTION; FANTASY SPORTS.

Subdivision 1. **Fantasy game operation requirements.** A game operator offering a fantasy game with an entry fee in this state must implement commercially reasonable procedures to:

(1) prevent employees of the game operator and relatives living in the same household as employees of the game operator from competing in any fantasy game with an entry fee offered by any game operator in which the operator offers a cash prize over \$5;

(2) prevent sharing of confidential information that could affect fantasy game play until the information is made publicly available;

(3) prevent a game operator employee from being a participant in a fantasy game the game operator offers;

(4) verify that a player in a fantasy game with an entry fee is at least 18 years of age;

(5) prohibit a person from entering a fantasy game with an entry fee that is determined, in whole or in part, on the accumulated statistical results of a game or contest in which the person is a participant in the game or contest as an individual or member of a team, or as an official officiating in the game or contest;

(6) prohibit a person from entering a fantasy game with an entry fee upon request of that person to be prohibited from entering fantasy games offered by the operator;

(7) disclose the number of entries a single fantasy game player may submit to each fantasy game with an entry fee and take reasonable steps to prevent a player from submitting more than the allowable number;

(8) for the benefit and protection of fantasy game players' funds held in fantasy game accounts, segregate player funds from operational funds and maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, a bond, security deposits at merchant banks and payment processors, or a combination thereof in the amount of the balance available for withdrawal in player accounts;

(9) prevent a player from using a proxy server to enter the game operator's platform;

(10) prominently publish the rules governing each fantasy game with an entry fee;

(11) prohibit the use of unauthorized third-party scripts, and prohibit a person found to be using an unauthorized third-party script from playing in a fantasy game offered by the operator for a period of not less than one year;

(12) develop and prominently publish procedures by which a person may file a complaint with the operator; and

(13) disclose the terms of all promotional offers at the time the offers are advertised, and provide full disclosures of limitations on the offer before a person provides financial consideration in exchange for the offer.

Subd. 2. **Definitions.** For purposes of this section, "game operator," "fantasy game," and "entry fee" have the meanings given them under section 609.761, subdivision 7.

Subd. 3. **Registration.** A person must not conduct, promote, or offer the play of a fantasy game to a Minnesota resident without first registering with the commissioner of public safety.

Subd. 4. **Audits.** A game operator shall contract annually with a third party to perform an independent audit, consistent with the standards established by the Public Company Accounting Oversight Board, to ensure compliance with this section. The game operator must submit the audit to the commissioner of public safety by March 15 each year for examination and inspection.

Sec. 2. Minnesota Statutes 2014, section 541.20, is amended to read:

541.20 RECOVERY OF MONEY LOST.

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, or gambling authorized under chapters 349 and 349A, or participation in a fantasy game as defined under section 609.761, subdivision 7.

Sec. 3. Minnesota Statutes 2014, section 541.21, is amended to read:

541.21 COMMITMENTS FOR GAMBLING DEBT VOID.

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to:

- (1) pari-mutuel wagering conducted under a license issued pursuant to chapter 240;
- (2) purchase of tickets in the state lottery under chapter 349A;
- (3) gaming activities conducted pursuant to the Indian Gaming Regulatory Act, United States Code, title 25, section 2701 et seq.; or
- (4) lawful gambling activities permitted under chapter 349; or
- (5) participation in a fantasy game as defined under section 609.761, subdivision 7.

Sec. 4. Minnesota Statutes 2014, section 609.761, is amended by adding a subdivision to read:

Subd. 7. **Fantasy games.** (a) For purposes of this subdivision, the following terms have the meanings given them:

- (1) "entry fee" means cash or cash equivalent that is required to be paid by a fantasy game player to a game operator to participate in a fantasy game;
- (2) "commissioner" means the commissioner of public safety or a person to whom the commissioner has delegated authority;

(3) "fantasy game" means a fantasy or simulation sports game or educational game or contest that meets the following conditions:

(i) the value of all prizes and awards offered to winning game participants are established and made known to the game participants in advance of the fantasy game;

(ii) all winning outcomes are determined predominantly by the accumulated statistical results of the performance of individuals, including athletes in the case of sporting events;

(iii) no winning outcome is based on the score, point spread, or performance or performances of a single team or combination of teams or solely on a single performance of an individual athlete or player in a single event; and

(iv) the result of a fantasy game is not based on any athlete participating on a team sponsored by a secondary or postsecondary educational organization;

(4) "game operator" means a person that offers a fantasy game for a cash prize; and

(5) "script" means commands that a computer program can execute to automate processes to participate in a fantasy game.

(b) A fantasy game conducted by a game operator registered with the commissioner of public safety under section 325F.9901, subdivision 3, is a bona fide contest for the determination of skill under section 609.75, subdivision 3, clause (3), and is not a lottery, bet, or sports bookmaking within the meaning of sections 609.75, 609.755, and 609.76.

(c) Sections 609.755 and 609.76 do not prohibit a game operator registered with the commissioner of public safety under section 325F.9901, subdivision 3, from offering a fantasy game."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 3034: A bill for an act relating to lawful gambling; modifying provisions relating to gambling managers; providing for certain raffles; increasing prize limits; prescribing local regulation; amending Minnesota Statutes 2014, sections 349.12, subdivision 19, by adding subdivisions; 349.13; 349.167, subdivision 1; 349.168, subdivision 1; 349.17, by adding a subdivision; 349.213, subdivision 1; Minnesota Statutes 2015 Supplement, sections 349.12, subdivisions 18, 21a; 349.173; 349.211, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete section 8

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "provisions" and insert "a provision"

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 2742: A bill for an act relating to lawful gambling; providing for raffle boards; amending Minnesota Statutes 2014, sections 297E.02, subdivisions 6a, 7; 349.2125, subdivision 1; 349.2127, subdivisions 2, 3, 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 3184: A bill for an act relating to game and fish; providing game and fish resident licenses for nonresident National Guard members; amending Minnesota Statutes 2014, section 97A.465, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1040: A bill for an act relating to titling; providing for transfer-on-death of title to watercraft and motor vehicles; exempting transfer from motor vehicle sales tax; amending Minnesota Statutes 2014, sections 246.53, subdivision 1; 256B.15, subdivision 1a; 261.04, subdivision 1; 297B.01, subdivision 16; proposing coding for new law in Minnesota Statutes, chapters 86B; 168A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, delete "who are natural persons"

Page 2, line 27, delete "who are natural persons"

Page 3, line 2, after the period, insert "If the owner of the motor vehicle is married, the designation of a beneficiary other than the owner's spouse requires the spouse's written consent."

Page 3, delete section 3

Page 4, line 24, after "title" insert "or deed"

Page 5, delete section 5

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 3162: A bill for an act relating to public safety; modifying the amount the propane education research council may assess; amending Laws 2001, chapter 130, section 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 3193: A bill for an act relating to natural resources; providing for Klondike comprehensive water management project; authorizing conveyances of certain state land.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 5, delete "COMPREHENSIVE" and insert "CLEAN" and delete "MANAGEMENT" and insert "RETENTION"

Page 1, line 12, delete "at least substantially" and after "equal" insert "or greater"

Page 1, line 20, delete "comprehensive" and insert "clean"

Page 1, line 21, delete "management" and insert "retention"

Page 1, delete subdivision 2 and insert:

"Subd. 2. **Land recommendation.** The commissioner of natural resources, in consultation with the Two Rivers Watershed District, shall make recommendations regarding the disposition of the acquired wildlife management area land that is included in the Klondike comprehensive water management project. The commissioner must make the recommendations within six months after the completion of the project's environmental assessment worksheet."

Page 2, line 15, delete "comprehensive" and insert "clean"

Page 2, line 16, delete "management" and insert "retention"

Amend the title as follows:

Page 1, line 2, delete "comprehensive" and insert "clean"

Page 1, line 3, delete "management" and insert "retention"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 3177: A bill for an act relating to natural resources; modifying off-road vehicle registration requirements; providing for resident trail pass; amending Minnesota Statutes 2014, sections 84.798, subdivision 2; 84.8035.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 12, insert:

"**EFFECTIVE DATE.** This section is effective January 1, 2017."

Page 3, after line 2, insert:

"**EFFECTIVE DATE.** This section is effective January 1, 2017."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 476: A bill for an act relating to civil law; enacting the Uniform Fiduciary Access to Digital Assets Act; proposing coding for new law as Minnesota Statutes, chapter 521A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[521A.01] SHORT TITLE.**

This chapter may be cited as the "Revised Uniform Fiduciary Access to Digital Assets Act."

Sec. 2. **[521A.02] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Account.** "Account" means an arrangement under a terms-of-service agreement in which a custodian carries, maintains, processes, receives, or stores a digital asset of the user or provides goods or services to the user.

Subd. 3. **Agent.** "Agent" means an attorney-in-fact granted authority under a durable or nondurable power of attorney.

Subd. 4. **Carries.** "Carries" means engages in the transmission of an electronic communication.

Subd. 5. **Catalog of electronic communications.** "Catalog of electronic communications" means information that identifies each person with which a user has had an electronic communication, the time and date of the communication, and the electronic address of the person.

Subd. 6. **Conservator.** "Conservator" means a person appointed by a court to manage the estate of a living individual. The term includes a limited conservator, or unlimited under section 524.5-401.

Subd. 7. **Content of an electronic communication.** "Content of an electronic communication" means information concerning the substance or meaning of the communication that:

(1) has been sent or received by a user;

(2) is in electronic storage by a custodian providing an electronic communication service to the public or is carried or maintained by a custodian providing a remote computing service to the public; and

(3) is not readily accessible to the public.

Subd. 8. **Court.** "Court" has the meaning given in section 524.1-201, clause (9).

Subd. 9. **Custodian.** "Custodian" means a person that carries, maintains, processes, receives, or stores a digital asset of a user.

Subd. 10. **Designated recipient.** "Designated recipient" means a person chosen by a user using an online tool to administer digital assets of the user.

Subd. 11. **Digital asset.** "Digital asset" means an electronic record in which an individual has a right or interest. The term does not include an underlying asset or liability unless the asset or liability is itself an electronic record.

Subd. 12. **Electronic.** "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

Subd. 13. **Electronic communication.** "Electronic communication" has the meaning given in United States Code, title 18, section 2510(12), as amended.

Subd. 14. **Electronic communication service.** "Electronic communication service" means a custodian that provides to a user the ability to send or receive an electronic communication.

Subd. 15. **Fiduciary.** "Fiduciary" means an original, additional, or successor personal representative, conservator, agent, or trustee.

Subd. 16. **Information.** "Information" means data, text, images, videos, sounds, codes, computer programs, software, databases, or similar material.

Subd. 17. **Online tool.** "Online tool" means an electronic service provided by a custodian that allows the user, in an agreement distinct from the terms-of-service agreement between the custodian and user, to provide directions for disclosure or nondisclosure of digital assets to a third person.

Subd. 18. **Person.** "Person" means an individual, estate, business or nonprofit entity, public corporation, government or governmental subdivision, agency, or instrumentality, or other legal entity.

Subd. 19. **Personal representative.** "Personal representative" has the meaning given in section 524.1-201.

Subd. 20. **Power of attorney.** "Power of attorney" means a record that grants an agent authority to act in the place of a principal, under chapter 523.

Subd. 21. **Principal.** "Principal" means an individual who grants authority to an agent in a power of attorney.

Subd. 22. **Protected person.** "Protected person" means an individual for whom a conservator has been appointed. The term includes an individual for whom an application for the appointment of a conservator is pending.

Subd. 23. **Record.** "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Subd. 24. **Remote computing service.** "Remote computing service" means a custodian that provides to a user computer processing services or the storage of digital assets by means of an electronic communications system, as defined in United States Code, title 18, section 2510(14), as amended.

Subd. 25. **Terms-of-service agreement.** "Terms-of-service agreement" means an agreement that controls the relationship between a user and a custodian.

Subd. 26. **Trustee.** "Trustee" means a fiduciary with legal title to property under an agreement or declaration that creates a beneficial interest in another. The term includes a successor trustee.

Subd. 27. **User.** "User" means a person that has an account with a custodian.

Subd. 28. **Will.** "Will" includes a codicil, testamentary instrument that only appoints an executor, and an instrument that revokes or revises a testamentary instrument.

Sec. 3. **[521A.03] APPLICABILITY.**

(a) This chapter applies to:

(1) a fiduciary acting under a will or power of attorney;

(2) a personal representative acting for a decedent;

(3) a conservatorship proceeding; and

(4) a trustee acting under a trust.

(b) This chapter applies to a custodian if the user resides in this state or resided in this state at the time of the user's death.

(c) This chapter does not apply to a digital asset of an employer used by an employee in the ordinary course of the employer's business.

Sec. 4. **[521A.04] USER DIRECTION FOR DISCLOSURE OF DIGITAL ASSETS.**

(a) A user may use an online tool to direct the custodian to disclose to a designated recipient or not to disclose some or all of the user's digital assets, including the content of electronic communications. If the online tool allows the user to modify or delete a direction at all times, a direction regarding disclosure using an online tool overrides a contrary direction by the user in a will, trust, power of attorney, or other record.

(b) If a user has not used an online tool to give direction under paragraph (a) or if the custodian has not provided an online tool, the user may allow or prohibit in a will, trust, power of attorney, or other record disclosure to a fiduciary of some or all of the user's digital assets, including the content of electronic communications sent or received by the user.

(c) A user's direction under paragraph (a) or (b) overrides a contrary provision in a terms-of-service agreement that does not require the user to act affirmatively and distinctly from the user's assent to the terms of service.

Sec. 5. **[521A.05] TERMS-OF-SERVICE AGREEMENT.**

(a) This chapter does not change or impair a right of a custodian or a user under a terms-of-service agreement to access and use digital assets of the user.

(b) This chapter does not give a fiduciary or designated recipient any new or expanded rights other than those held by the user for whom, or for whose estate, the fiduciary or designated recipient acts or represents.

(c) A fiduciary's or designated recipient's access to digital assets may be modified or eliminated by a user, by federal law, or by a terms-of-service agreement if the user has not provided direction under section 521A.04.

Sec. 6. **[521A.06] PROCEDURE FOR DISCLOSING DIGITAL ASSETS.**

(a) When disclosing digital assets of a user under this chapter, the custodian may, at its sole discretion:

(1) grant a fiduciary or designated recipient full access to the user's account;

(2) grant a fiduciary or designated recipient partial access to the user's account sufficient to perform the tasks with which the fiduciary or designated recipient is charged; or

(3) provide a fiduciary or designated recipient a copy in a record of any digital asset that, on the date the custodian received the request for disclosure, the user could have accessed if the user were alive and had full capacity and access to the account.

(b) A custodian may assess a reasonable administrative charge for the cost of disclosing digital assets under this chapter.

(c) A custodian need not disclose under this chapter a digital asset deleted by a user.

(d) If a user directs or a fiduciary requests a custodian to disclose under this chapter some, but not all, of the user's digital assets, the custodian need not disclose the assets if segregation of the assets would impose an undue burden on the custodian. If the custodian believes the direction or request imposes an undue burden, the custodian or fiduciary may seek an order from the court to disclose:

(1) a subset limited by date of the user's digital assets;

(2) all of the user's digital assets to the fiduciary or designated recipient;

(3) none of the user's digital assets; or

(4) all of the user's digital assets to the court for review in chambers.

Sec. 7. [521A.07] DISCLOSURE OF CONTENT OF ELECTRONIC COMMUNICATIONS OF DECEASED USER.

If a deceased user consented or a court directs disclosure of the content of an electronic communication of the user, the custodian shall disclose to the personal representative of the estate of the user the content of an electronic communication sent or received by the user if the representative gives the custodian:

(1) a written request for disclosure in physical or electronic form;

(2) a certified copy of the death certificate of the user;

(3) a certified copy of the letter of appointment of the representative, court order, or Affidavit of Collection of Personal Property executed under section 524.3-1201;

(4) unless the user provided direction using an online tool, a copy of the user's will, trust, power of attorney, or other record evidencing the user's consent to disclosure of the content of electronic communications; and

(5) if requested by the custodian:

(i) a number, username, address, or other unique subscriber or account identifier assigned by the custodian to identify the user's account;

(ii) evidence linking the account to the user; or

(iii) a finding by the court that:

(A) the user had a specific account with the custodian, identifiable by the information specified in item (i);

(B) disclosure of the content of electronic communications of the user would not violate United States Code, title 18, section 2701 et seq., as amended; United States Code, title 47, section 222, as amended; or other applicable law;

(C) unless the user provided direction using an online tool, the user consented to disclosure of the content of electronic communications; or

(D) disclosure of the content of electronic communications of the user is reasonably necessary for administration of the estate.

Sec. 8. [521A.08] DISCLOSURE OF OTHER DIGITAL ASSETS OF DECEASED USER.

Unless the user prohibited disclosure of digital assets or the court directs otherwise, a custodian shall disclose to the personal representative of the estate of a deceased user a catalog of electronic communications sent or received by the user and digital assets, other than the content of electronic communications, of the user if the representative gives the custodian:

(1) a written request for disclosure in physical or electronic form;

(2) a certified copy of the death certificate of the user;

(3) a certified copy of the letter of appointment of the representative, court order, or Affidavit of Collection of Personal Property executed under section 524.3-1201; and

(4) if requested by the custodian:

(i) a number, username, address, or other unique subscriber or account identifier assigned by the custodian to identify the user's account;

(ii) evidence linking the account to the user;

(iii) an affidavit stating that disclosure of the user's digital assets is reasonably necessary for administration of the estate; or

(iv) a finding by the court that:

(A) the user had a specific account with the custodian, identifiable by the information specified in item (i); or

(B) disclosure of the user's digital assets is reasonably necessary for administration of the estate.

Sec. 9. [521A.09] DISCLOSURE OF CONTENT OF ELECTRONIC COMMUNICATIONS OF PRINCIPAL.

To the extent a power of attorney expressly grants an agent authority over the content of electronic communications sent or received by the principal and unless directed otherwise by the principal or the court, a custodian shall disclose to the agent the content if the agent gives the custodian:

(1) a written request for disclosure in physical or electronic form;

(2) an original or copy of the power of attorney expressly granting the agent authority over the content of electronic communications of the principal;

(3) a certification by the agent, under penalty of perjury, that the power of attorney is in effect; and

(4) if requested by the custodian:

(i) a number, username, address, or other unique subscriber or account identifier assigned by the custodian to identify the principal's account; or

(ii) evidence linking the account to the principal.

Sec. 10. [521A.10] DISCLOSURE OF OTHER DIGITAL ASSETS OF PRINCIPAL.

Unless otherwise ordered by the court, directed by the principal, or provided by a power of attorney, a custodian shall disclose to an agent with specific authority over digital assets or general authority to act on behalf of a principal a catalog of electronic communications sent or received by the principal and digital assets, other than the content of electronic communications, of the principal if the agent gives the custodian:

(1) a written request for disclosure in physical or electronic form;

(2) an original or a copy of the power of attorney that gives the agent specific authority over digital assets or general authority to act on behalf of the principal;

(3) a certification by the agent, under penalty of perjury, that the power of attorney is in effect; and

(4) if requested by the custodian:

(i) a number, username, address, or other unique subscriber or account identifier assigned by the custodian to identify the principal's account; or

(ii) evidence linking the account to the principal.

Sec. 11. [521A.11] DISCLOSURE OF DIGITAL ASSETS HELD IN TRUST WHEN TRUSTEE IS ORIGINAL USER.

Unless otherwise ordered by the court or provided in a trust, a custodian shall disclose to a trustee that is an original user of an account any digital asset of the account held in trust, including a catalog of electronic communications of the trustee and the content of electronic communications.

Sec. 12. [521A.12] DISCLOSURE OF CONTENT OF ELECTRONIC COMMUNICATIONS HELD IN TRUST WHEN TRUSTEE NOT ORIGINAL USER.

Unless otherwise ordered by the court, directed by the user, or provided in a trust, a custodian shall disclose to a trustee that is not an original user of an account the content of an electronic communication sent or received by an original or successor user and carried, maintained, processed, received, or stored by the custodian in the account of the trust if the trustee gives the custodian:

(1) a written request for disclosure in physical or electronic form;

(2) a certified copy of the trust instrument or a certification of the trust under section 501C.1013 that includes consent to disclosure of the content of electronic communications to the trustee;

(3) a certification by the trustee, under penalty of perjury, that the trust exists and the trustee is a currently acting trustee of the trust; and

(4) if requested by the custodian:

(i) a number, username, address, or other unique subscriber or account identifier assigned by the custodian to identify the trust's account; or

(ii) evidence linking the account to the trust.

Sec. 13. [521A.13] DISCLOSURE OF OTHER DIGITAL ASSETS HELD IN TRUST WHEN TRUSTEE NOT ORIGINAL USER.

Unless otherwise ordered by the court, directed by the user, or provided in a trust, a custodian shall disclose to a trustee that is not an original user of an account a catalog of electronic communications sent or received by an original or successor user and stored, carried, or maintained by the custodian in an account of the trust and any digital assets, other than the content of electronic communications, in which the trust has a right or interest if the trustee gives the custodian:

(1) a written request for disclosure in physical or electronic form;

(2) a certified copy of the trust instrument or a certification of the trust under section 501C.1013;

(3) a certification by the trustee, under penalty of perjury, that the trust exists and the trustee is a currently acting trustee of the trust; and

(4) if requested by the custodian:

(i) a number, username, address, or other unique subscriber or account identifier assigned by the custodian to identify the trust's account; or

(ii) evidence linking the account to the trust.

Sec. 14. [521A.14] DISCLOSURE OF DIGITAL ASSETS TO CONSERVATOR OF PROTECTED PERSON.

(a) After an opportunity for a hearing under chapter 524, the court may grant a conservator access to the digital assets of a protected person.

(b) Unless otherwise ordered by the court or directed by the user, a custodian shall disclose to a conservator the catalog of electronic communications sent or received by a protected person and any digital assets, other than the content of electronic communications, in which the protected person has a right or interest if the conservator gives the custodian:

(1) a written request for disclosure in physical or electronic form;

(2) a certified copy of the court order that gives the conservator authority over the digital assets of the protected person; and

(3) if requested by the custodian:

(i) a number, username, address, or other unique subscriber or account identifier assigned by the custodian to identify the account of the protected person; or

(ii) evidence linking the account to the protected person.

(c) A conservator with general authority to manage the assets of a protected person may request a custodian of the digital assets of the protected person to suspend or terminate an account of the protected person for good cause. A request made under this section must be accompanied by a certified copy of the court order giving the conservator authority over the protected person's property.

Sec. 15. [521A.15] FIDUCIARY DUTY AND AUTHORITY.

(a) The legal duties imposed on a fiduciary charged with managing tangible property apply to the management of digital assets, including:

- (1) the duty of care;
- (2) the duty of loyalty; and
- (3) the duty of confidentiality.

(b) A fiduciary's or designated recipient's authority with respect to a digital asset of a user:

- (1) except as otherwise provided in section 521A.04, is subject to the applicable terms of service;
- (2) is subject to other applicable law, including copyright law;
- (3) in the case of a fiduciary, is limited by the scope of the fiduciary's duties; and
- (4) may not be used to impersonate the user.

(c) A fiduciary with authority over the property of a decedent, protected person, principal, or settlor has the right to access any digital asset in which the decedent, protected person, principal, or settlor had a right or interest and that is not held by a custodian or subject to a terms-of-service agreement.

(d) A fiduciary acting within the scope of the fiduciary's duties is an authorized user of the property of the decedent, protected person, principal, or settlor for the purpose of applicable computer fraud and unauthorized computer access laws, including section 609.891.

(e) A fiduciary with authority over the tangible personal property of a decedent, protected person, principal, or settlor:

- (1) has the right to access the property and any digital asset stored in it; and
- (2) is an authorized user for the purpose of computer fraud and unauthorized computer access laws, including section 609.891.

(f) A custodian may disclose information in an account to a fiduciary of the user when the information is required to terminate an account used to access digital assets licensed to the user.

(g) A fiduciary of a user may request a custodian to terminate the user's account. A request for termination must be in writing, in either physical or electronic form, and accompanied by:

- (1) if the user is deceased, a certified copy of the death certificate of the user;
- (2) a certified copy of the letter of appointment of the representative or a small estate affidavit or court order, court order, power of attorney, or trust giving the fiduciary authority over the account; and
- (3) if requested by the custodian:

(i) a number, username, address, or other unique subscriber or account identifier assigned by the custodian to identify the user's account;

(ii) evidence linking the account to the user; or

(iii) a finding by the court that the user had a specific account with the custodian, identifiable by the information specified in item (i).

Sec. 16. [521A.16] CUSTODIAN COMPLIANCE AND IMMUNITY.

(a) Not later than 60 days after receipt of the information required under sections 521A.07 to 521A.15, a custodian shall comply with a request under this chapter from a fiduciary or designated recipient to disclose digital assets or terminate an account. If the custodian fails to comply, the fiduciary or designated recipient may apply to the court for an order directing compliance.

(b) An order under paragraph (a) directing compliance must contain a finding that compliance is not in violation of United States Code, title 18, section 2702, as amended.

(c) A custodian may notify the user that a request for disclosure or to terminate an account was made under this chapter.

(d) A custodian may deny a request under this chapter from a fiduciary or designated recipient for disclosure of digital assets or to terminate an account if the custodian is aware of any lawful access to the account following the receipt of the fiduciary's request.

(e) This chapter does not limit a custodian's ability to obtain or require a fiduciary or designated recipient requesting disclosure or termination under this chapter to obtain a court order which:

(1) specifies that an account belongs to the protected person or principal;

(2) specifies that there is sufficient consent from the protected person or principal to support the requested disclosure; and

(3) contains a finding required by law other than this chapter.

(f) A custodian and its officers, employees, and agents are immune from liability for an act or omission done in good faith in compliance with this chapter.

Sec. 17. [521A.17] UNIFORMITY OF APPLICATION AND CONSTRUCTION.

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Sec. 18. [521A.18] RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.

This chapter modifies, limits, or supersedes the Electronic Signatures in Global and National Commerce Act, United States Code, title 15, section 7001 et seq., but does not modify, limit, or supersede section 101(c) of that act, United States Code, title 15, section 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that act, United States Code, title 15, section 7003(b).

Sec. 19. [521A.19] SEVERABILITY.

If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

Sec. 20. EFFECTIVE DATE.

Sections 1 to 19 apply to fiduciaries acting under a governing instrument executed before, on, or after August 1, 2016."

Delete the title and insert:

"A bill for an act relating to civil law; enacting the Revised Uniform Fiduciary Access to Digital Assets Act; proposing coding for new law as Minnesota Statutes, chapter 521A."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 3327: A bill for an act relating to impaired driving; requiring ignition interlock for repeat offenders to reinstate driving privileges; amending Minnesota Statutes 2014, section 169A.55, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2014, section 97B.066, subdivision 8, is amended to read:

Subd. 8. **Judicial review.** (a) Within ~~30~~ 60 days following receipt of a notice and order imposing sanctions under this section, a person may petition the court for review. The petition must be filed with the district court administrator in the county where the incident occurred giving rise to the test demand and refusal, together with proof of service of a copy on the commissioner and the prosecuting authority for misdemeanor offenses for the jurisdiction in which the incident occurred. A responsive pleading is not required of the commissioner of natural resources, and court fees may not be charged for the appearance of the representative of the commissioner in the matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and the commissioner as respondent. The petition must state specifically the grounds upon which the petitioner seeks rescission of the order imposing sanctions.

(c) The filing of the petition does not stay the revocation or prohibition against hunting. However, the filing of a petition stays imposition of the civil penalty. The judicial review shall be conducted according to the Rules of Civil Procedure.

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

Sec. 2. Minnesota Statutes 2014, section 169A.53, subdivision 2, is amended to read:

Subd. 2. **Petition for judicial review.** (a) Within ~~30~~ 60 days following receipt of a notice and order of revocation or disqualification pursuant to section 169A.52 (revocation of license for test failure or refusal), a person may petition the court for review. The petition must be filed with the district court administrator in the county where the alleged offense occurred, together with proof of

service of a copy on the commissioner, and accompanied by the standard filing fee for civil actions. Responsive pleading is not required of the commissioner, and court fees must not be charged for the appearance of the commissioner in the matter.

(b) The petition must:

(1) be captioned in the full name of the person making the petition as petitioner and the commissioner as respondent;

(2) include the petitioner's date of birth, driver's license number, and date of the offense; and

(3) state with specificity the grounds upon which the petitioner seeks rescission of the order of revocation, disqualification, or denial.

(c) The filing of the petition does not stay the revocation, disqualification, or denial. The reviewing court may order a stay of the balance of the revocation or disqualification if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper.

(d) Judicial reviews must be conducted according to the Rules of Civil Procedure, except that prehearing discovery is mandatory and is limited to:

(1) the notice of revocation;

(2) the test record or, in the case of blood or urine tests, the certificate of analysis;

(3) the peace officer's certificate and any accompanying documentation submitted by the arresting officer to the commissioner; and

(4) disclosure of potential witnesses, including experts, and the basis of their testimony.

Other types of discovery are available only upon order of the court.

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

Sec. 3. Minnesota Statutes 2015 Supplement, section 169A.53, subdivision 3, is amended to read:

Subd. 3. **Judicial hearing; issues, order, appeal.** (a) A judicial review hearing under this section must be before a district judge in any county in the judicial district where the alleged offense occurred. The hearing is to the court and may be conducted at the same time and in the same manner as hearings upon pretrial motions in the criminal prosecution under section 169A.20 (driving while impaired), if any. The hearing must be recorded. The commissioner shall appear and be represented by the attorney general or through the prosecuting authority for the jurisdiction involved. The hearing must be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the locations within the judicial district where terms of district court are held.

(b) The scope of the hearing is limited to the issues in clauses (1) to (11):

(1) Did the peace officer have probable cause to believe the person was driving, operating, or in physical control of a motor vehicle or commercial motor vehicle in violation of section 169A.20 (driving while impaired)?

- (2) Was the person lawfully placed under arrest for violation of section 169A.20?
- (3) Was the person involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death?
- (4) Did the person refuse to take a screening test provided for by section 169A.41 (preliminary screening test)?
- (5) If the screening test was administered, did the test indicate an alcohol concentration of 0.08 or more?
- (6) At the time of the request for the test, did the peace officer inform the person of the person's rights and the consequences of taking or refusing the test as required by section 169A.51, subdivision 2?
- (7) Did the person refuse to permit the test?
- (8) If a test was taken by a person driving, operating, or in physical control of a motor vehicle, did the test results indicate at the time of testing:
 - (i) an alcohol concentration of 0.08 or more; or
 - (ii) the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, unless the person proves the controlled substance was used according to the terms of a prescription issued for that person according to sections 152.11 and 152.12?
- (9) If a test was taken by a person driving, operating, or in physical control of a commercial motor vehicle, did the test results indicate an alcohol concentration of 0.04 or more at the time of testing?
- (10) Was the testing method used valid and reliable and were the test results accurately evaluated?
- (11) Did the person prove the defense of necessity?
 - (c) It is an affirmative defense for the petitioner to prove that, at the time of the refusal, the petitioner's refusal to permit the test was based upon reasonable grounds.
 - (d) Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses, and certificates are admissible as substantive evidence.
 - (e) The court shall order that the revocation or disqualification be either rescinded or sustained and forward the order to the commissioner. The court shall file its order within 14 days following the hearing. If the revocation or disqualification is sustained, the court shall also forward the person's driver's license or permit to the commissioner for further action by the commissioner if the license or permit is not already in the commissioner's possession.
 - (f) Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in the Rules of Appellate Procedure.
 - (g) The civil hearing under this section shall not give rise to an estoppel on any issues arising from the same set of circumstances in any criminal prosecution.
 - (h) It is an affirmative defense for the petitioner to prove a necessity.

Sec. 4. Minnesota Statutes 2014, section 169A.55, subdivision 2, is amended to read:

Subd. 2. **Reinstatement of driving privileges; notice.** Upon expiration of a period of revocation under section 169A.52 (license revocation for test failure or refusal) or 169A.54 (impaired driving convictions and adjudications; administrative penalties), the commissioner shall notify the person of the terms upon which driving privileges can be reinstated, and new registration plates issued, which terms are: (1) ~~successful completion of an examination and proof of compliance with any terms of alcohol treatment or counseling previously prescribed, if any; and~~ (2) any other requirements imposed by the commissioner and applicable to that particular case. The commissioner shall notify the owner of a motor vehicle subject to an impoundment order under section 169A.60 (administrative impoundment of plates) as a result of the violation of the procedures for obtaining new registration plates, if the owner is not the violator. The commissioner shall also notify the person that if driving is resumed without reinstatement of driving privileges or without valid registration plates and registration certificate, the person will be subject to criminal penalties."

Page 2, after line 20, insert:

"Sec. 6. Minnesota Statutes 2014, section 169A.60, subdivision 10, is amended to read:

Subd. 10. **Petition for judicial review.** (a) Within ~~30~~ 60 days following receipt of a notice and order of impoundment under this section, a person may petition the court for review. The petition must include proof of service of a copy of the petition on the commissioner. The petition must include the petitioner's date of birth, driver's license number, and date of the plate impoundment violation, as well as the name of the violator and the law enforcement agency that issued the plate impoundment order. The petition must state with specificity the grounds upon which the petitioner seeks rescission of the order for impoundment. The petition may be combined with any petition filed under section 169A.53 (administrative and judicial review of license revocation).

(b) Except as otherwise provided in this section, the judicial review and hearing are governed by section 169A.53 and must take place at the same time as any judicial review of the person's license revocation under section 169A.53. The filing of the petition does not stay the impoundment order. The reviewing court may order a stay of the balance of the impoundment period if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. The court shall order either that the impoundment be rescinded or sustained, and forward the order to the commissioner. The court shall file its order within 14 days following the hearing.

(c) In addition to the issues described in section 169A.53, subdivision 3 (judicial review of license revocation), the scope of a hearing under this subdivision is limited to:

(1) if the impoundment is based on a plate impoundment violation described in subdivision 1, paragraph (d), clause (3) or (4), whether the peace officer had probable cause to believe the violator committed the plate impoundment violation and whether the evidence demonstrates that the plate impoundment violation occurred; and

(2) for all other cases, whether the peace officer had probable cause to believe the violator committed the plate impoundment violation.

(d) In a hearing under this subdivision, the following records are admissible in evidence:

(1) certified copies of the violator's driving record; and

(2) certified copies of vehicle registration records bearing the violator's name.

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

Sec. 7. Minnesota Statutes 2014, section 169A.63, subdivision 7, is amended to read:

Subd. 7. **Limitations on vehicle forfeiture.** (a) A vehicle is presumed subject to forfeiture under this section if:

(1) the driver is convicted of the designated offense upon which the forfeiture is based;

(2) the driver fails to appear for a scheduled court appearance with respect to the designated offense charged and fails to voluntarily surrender within 48 hours after the time required for appearance; or

(3) the driver's conduct results in a designated license revocation and the driver fails to seek judicial review of the revocation in a timely manner as required by section 169A.53, subdivision 2, (petition for judicial review), or the license revocation is judicially reviewed and sustained under section 169A.53, subdivision 2.

(b) A vehicle encumbered by a security interest perfected according to section 168A.17, subdivision 2, or subject to a lease that has a term of 180 days or more, is subject to the interest of the secured party or lessor unless the party or lessor had knowledge of or consented to the act upon which the forfeiture is based. However, when the proceeds of the sale of a seized vehicle do not equal or exceed the outstanding loan balance, the appropriate agency shall remit all proceeds of the sale to the secured party after deducting the agency's costs for the seizure, tow, storage, forfeiture, and sale of the vehicle. If the sale of the vehicle is conducted in a commercially reasonable manner consistent with the provisions of section 336.9-610, the agency is not liable to the secured party for any amount owed on the loan in excess of the sale proceeds. The validity and amount of a nonperfected security interest must be established by its holder by clear and convincing evidence.

(c) Notwithstanding paragraph (b), the secured party's or lessor's interest in a vehicle is not subject to forfeiture based solely on the secured party's or lessor's knowledge of the act or omission upon which the forfeiture is based if the secured party or lessor demonstrates by clear and convincing evidence that the party or lessor took reasonable steps to terminate use of the vehicle by the offender.

(d) A motor vehicle is not subject to forfeiture under this section if any of its owner owners can demonstrate by clear and convincing evidence that the owner did not have actual or constructive knowledge that the vehicle would be used or operated in any manner contrary to law or that the owner took reasonable steps to prevent use of the vehicle by the offender. If the offender is a family or household member of any of the owner owners petitioning the court and has three or more prior impaired driving convictions, the any owner is presumed to know of any vehicle use by the offender that is contrary to law. "Vehicle use contrary to law" includes, but is not limited to, violations of the following statutes:

(1) section 171.24 (violations; driving without valid license);

(2) section 169.791 (criminal penalty for failure to produce proof of insurance);

(3) section 171.09 (driving restrictions; authority, violations);

(4) section 169A.20 (driving while impaired);

(5) section 169A.33 (underage drinking and driving); and

(6) section 169A.35 (open bottle law).

EFFECTIVE DATE. This section is effective August 1, 2016, and applies to forfeiture actions occurring on or after that date.

Sec. 8. Minnesota Statutes 2014, section 169A.63, is amended by adding a subdivision to read:

Subd. 13. Exception. (a) This section does not apply if the driver who committed the designated offense or whose conduct resulted in the designated license revocation becomes a program participant in the ignition interlock program under section 171.306 within 60 days following service of the Notice of Seizure and Intent to Forfeit under this section.

(b) Notwithstanding paragraph (a), if the program participant described in paragraph (a) subsequently operates the motor vehicle to commit a designated offense or in a manner that results in a designated license revocation, the vehicle must be seized and summarily forfeited.

(c) Paragraph (b) applies only if the described subsequent vehicle operation occurs before the participant has been restored to full driving privileges or within three years of the original designated offense or designated license revocation, whichever occurs latest.

Sec. 9. Minnesota Statutes 2014, section 171.29, subdivision 1, is amended to read:

Subdivision 1. **Examination required.** (a) No person whose driver's license has been revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, under section 169.791, 169.797, 171.17, or 171.172, or revoked under section 169.792 or ~~169A.52~~ shall be issued another license unless and until that person shall have successfully passed an examination as required by the commissioner of public safety. This subdivision does not apply to an applicant for early reinstatement under section 169.792, subdivision 7a.

(b) The requirement to successfully pass the examination described in paragraph (a) does not apply to a person whose driver's license has been revoked because of an impaired driving offense."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "extending certain time periods to request reviews in DWI-related proceedings; providing that DWI offenders are not required to take a specified examination as a condition of driver's license reinstatement; prohibiting the application of the DWI Forfeiture Law to motor vehicles operated by persons who enter the ignition interlock program; modifying the DWI forfeiture laws innocent owner defense;"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Transportation and Public Safety. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred the following appointment:

BOARD OF WATER AND SOIL RESOURCES
CHAIR

Brian Napstad

Reports the same back with the recommendation that the appointment be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Marty from the Committee on Environment and Energy, to which was referred the following appointment:

PUBLIC UTILITIES COMMISSION

Matthew Schuerger

Reports the same back with the recommendation that the appointment be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 2744, 1582, 2498, 2548, 2331, 2752, 3181, 3084, 2776, 3113, 2649, 2603, 3350, 3034, 2742, 3162, 3193 and 476 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Dziezic and Hoffman introduced—

S.F. No. 3449: A bill for an act relating to state government; appropriating money for outreach and education to small businesses on removal of architectural barriers that limit public access.

Referred to the Committee on Finance.

Senator Dziezic introduced—

S.F. No. 3450: A bill for an act relating to taxation; individual income and corporate franchise; providing a tax credit for implementing nameless job application review process; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senator Pappas introduced—

S.F. No. 3451: A bill for an act relating to health; extending paid leave benefits to living organ donors; amending Minnesota Statutes 2014, section 181.945, subdivisions 2, 4; repealing Minnesota Statutes 2014, section 181.9456.

Referred to the Committee on Health, Human Services and Housing.

Senator Franzen introduced—

S.F. No. 3452: A bill for an act relating to health; appropriating money to the commissioner of health for grants for safe sleep baby boxes and baby care supplies.

Referred to the Committee on Finance.

Senator Franzen introduced—

S.F. No. 3453: A bill for an act relating to human services; appropriating money to Chemical Addiction Recovery Enterprise program.

Referred to the Committee on Finance.

Senators Champion, Tomassoni and Hayden introduced—

S.F. No. 3454: A bill for an act relating to economic development; appropriating money for an energy sector jobs initiative.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senator Hayden introduced—

S.F. No. 3455: A bill for an act relating to adult basic education; workforce training; providing for a regional American Indian contextualized adult basic education and career development program; appropriating money.

Referred to the Committee on Finance.

Senator Saxhaug introduced—

S.F. No. 3456: A bill for an act relating to capital investment; appropriating money for acquisition and development of a segment of the Heartland State Trail; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Eaton introduced—

S.F. No. 3457: A bill for an act relating to health; allowing pharmacists to provide a drug refill without a prescription; requiring insurance coverage; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapters 62Q; 151.

Referred to the Committee on Health, Human Services and Housing.

Senator Clausen introduced—

S.F. No. 3458: A bill for an act relating to human services; modifying medical assistance payment rates for durable medical equipment, prosthetics, orthotics, and supplies; amending Minnesota Statutes 2015 Supplement, section 256B.766.

Referred to the Committee on Finance.

Senators Eaton and Skoe introduced—

S.F. No. 3459: A bill for an act relating to economic development; appropriating money for the White Earth Nation Integrated Business Development System.

Referred to the Committee on Finance.

Senator Pappas introduced—

S.F. No. 3460: A bill for an act relating to taxation; changing the renters' property tax refund into a refundable credit on the individual income tax form; making conforming changes; amending Minnesota Statutes 2014, sections 290A.04, subdivisions 2a, 5; 290A.07, subdivision 2a; 290A.25; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 2014, section 290A.23, subdivision 1.

Referred to the Committee on Taxes.

Senator Hoffman introduced—

S.F. No. 3461: A bill for an act relating to military veterans; authorizing additional uses of GI Bill benefits; making changes to the GI Bill; amending Minnesota Statutes 2014, section 197.791, subdivisions 1, 2, 3, 4, 5, 5a, by adding a subdivision.

Referred to the Committee on State and Local Government.

Senator Skoe introduced—

S.F. No. 3462: A bill for an act relating to taxation; property; modifying refunds of mistakenly billed taxes; amending Minnesota Statutes 2014, section 278.14, subdivision 1.

Referred to the Committee on Taxes.

Senator Carlson introduced—

S.F. No. 3463: A bill for an act relating to commerce; regulating the transferability and format of event tickets; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Senator Lourey introduced—

S.F. No. 3464: A bill for an act relating to health; repealing the Minnesota Radon Licensing Act; repealing Minnesota Statutes 2015 Supplement, section 144.4961.

Referred to the Committee on Health, Human Services and Housing.

Senator Lourey introduced—

S.F. No. 3465: A bill for an act relating to health; establishing a grant program for screening and treatment for maternal depression; establishing pilot projects to provide treatment for pregnant and postpartum women with substance use disorders; proposing coding for new law in Minnesota Statutes, chapters 145; 254B.

Referred to the Committee on Health, Human Services and Housing.

Senator Chamberlain introduced—

S.F. No. 3466: A bill for an act relating to education finance; requiring Independent School District No. 834, Stillwater, to proceed with schoolhouse closings only after conducting a referendum on the closings; conditioning board-approved operating referenda authority on citizen involvement in schoolhouse closings; amending Minnesota Statutes 2014, section 126C.17, subdivision 9a.

Referred to the Committee on Education.

Senators Kiffmeyer and Abeler introduced—

S.F. No. 3467: A bill for an act relating to education finance; modifying definition of equity region; amending Minnesota Statutes 2014, section 126C.10, subdivision 28.

Referred to the Committee on Finance.

Senator Kiffmeyer introduced—

S.F. No. 3468: A bill for an act relating to insurance; regulating homeowner's insurance coverage; modifying day care services coverage requirements; amending Minnesota Statutes 2014, section 65A.30, subdivision 2.

Referred to the Committee on Commerce.

Senator Jensen introduced—

S.F. No. 3469: A bill for an act relating to public contracts; requiring state agencies, public postsecondary education institutions, and political subdivisions to timely allocate federal tax deductions for energy efficient design to the designer; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on State and Local Government.

Senators Hawj, Marty, Scalze and Hoffman introduced—

S.F. No. 3470: A bill for an act relating to economic development; appropriating money for an anchor arts, culture, and business incubator.

Referred to the Committee on Finance.

Senator Nelson introduced—

S.F. No. 3471: A bill for an act relating to capital investment; appropriating money for a wastewater treatment facility in Stewartville; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Torres Ray introduced—

S.F. No. 3472: A bill for an act relating to education; directing the Department of Education to employ a swimming and water safety specialist; appropriating money.

Referred to the Committee on Education.

Senators Hoffman, Clausen, Sieben and Dzedzic introduced—

S.F. No. 3473: A bill for an act relating to taxation; individual income and corporate franchise; providing a credit for the purchase and installation of energy storage systems; requiring a report.

Referred to the Committee on Taxes.

Senator Franzen introduced—

S.F. No. 3474: A bill for an act relating to health care; modifying spousal anti-impoverishment provisions; amending Minnesota Statutes 2014, section 256B.059, by adding a subdivision.

Referred to the Committee on Health, Human Services and Housing.

Senators Bonoff and Stumpf introduced—

S.F. No. 3475: A bill for an act relating to education; establishing a grant program for targeted home visiting programs that promote early childhood literacy; amending Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 7.

Referred to the Committee on Finance.

Senator Chamberlain introduced—

S.F. No. 3476: A bill for an act relating to education; encouraging citizen involvement in the process for certain schoolhouse closings; amending Minnesota Statutes 2014, section 123B.51, subdivision 5.

Referred to the Committee on Education.

MOTIONS AND RESOLUTIONS

Senator Weber moved that his name be stricken as a co-author to S.F. No. 675. The motion prevailed.

Senator Latz moved that the name of Senator Franzen be added as a co-author to S.F. No. 1932. The motion prevailed.

Senator Latz moved that the name of Senator Marty be added as a co-author to S.F. No. 2493. The motion prevailed.

Senator Rosen moved that the name of Senator Marty be added as a co-author to S.F. No. 2548. The motion prevailed.

Senator Dibble moved that the name of Senator Hall be added as a co-author to S.F. No. 2767. The motion prevailed.

Senator Lourey moved that the names of Senators Clausen and Latz be added as co-authors to S.F. No. 2893. The motion prevailed.

Senator Jensen moved that the name of Senator Nelson be added as a co-author to S.F. No. 3208. The motion prevailed.

Senator Ortman moved that the name of Senator Pappas be added as a co-author to S.F. No. 3300. The motion prevailed.

Senator Latz moved that the name of Senator Dziejczak be added as a co-author to S.F. No. 3336. The motion prevailed.

Senator Nelson moved that the name of Senator Jensen be added as a co-author to S.F. No. 3379. The motion prevailed.

Senator Torres Ray moved that the name of Senator Pappas be added as a co-author to S.F. No. 3405. The motion prevailed.

Senator Housley moved that the name of Senator Pratt be added as a co-author to S.F. No. 3411. The motion prevailed.

Senator Pappas moved that S.F. No. 2862, No. 113 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senator Marty moved that S.F. No. 3394 be withdrawn from the Committee on Health, Human Services and Housing and re-referred to the Committee on Finance. The motion prevailed.

Senator Jensen moved that S.F. No. 3102 be withdrawn from the Committee on Finance, given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 3102 was read the second time.

Senator Eken introduced –

Senate Resolution No. 267: A Senate resolution congratulating Tyler Stage for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

MEMBERS EXCUSED

Senators Anderson, Chamberlain, Cohen, Goodwin, Latz, Miller, Ortman, Reinert, Sheran, Thompson and Weber were excused from the Session of today.

ADJOURNMENT

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 7, 2016. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate