

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-FIFTH LEGISLATURE

ONE HUNDRED SECOND DAY

St. Paul, Minnesota, Monday, April 14, 2008

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Senator Frederickson 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. David McCauley.

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:

Bakk	Erickson Ropes	Kubly	Olson, M.	Senjem
Berglin	Fischbach	Langseth	Ortman	Sheran
Betzold	Foley	Latz	Pappas	Sieben
Bonoff	Frederickson	Limmer	Pariseau	Skoe
Carlson	Gerlach	Lourey	Pogemiller	Skogen
Chaudhary	Gimse	Lynch	Prettner Solon	Sparks
Clark	Hann	Marty	Rest	Stumpf
Cohen	Higgins	Metzen	Robling	Tomassoni
Dahle	Ingebrigtsen	Michel	Rosen	Torres Ray
Day	Johnson	Moua	Rummel	Vandever
Dibble	Jungbauer	Murphy	Saltzman	Vickerman
Dille	Koch	Olseen	Saxhaug	Wergin
Doll	Koering	Olson, G.	Scheid	Wiger

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 10, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2008 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2008	Date Filed 2008
	3157	180	3:37 p.m. April 10	April 10
	3289	181	3:39 p.m. April 10	April 10
	2898	182	3:40 p.m. April 10	April 10
	2788	183	3:40 p.m. April 10	April 10
	3240	184	3:42 p.m. April 10	April 10
	117	185	3:43 p.m. April 10	April 10
	2602	186	3:44 p.m. April 10	April 10
	2932	187	3:45 p.m. April 10	April 10
	1499	188	3:46 p.m. April 10	April 10
	3708	189	3:47 p.m. April 10	April 10

Sincerely,
Mark Ritchie
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2379: A bill for an act relating to eminent domain; amending provisions concerning reestablishment costs limit; amending Minnesota Statutes 2006, sections 117.51; 117.52, subdivision 1a.

Senate File No. 2379 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 10, 2008

Senator Bakk moved that the Senate do not concur in the amendments by the House to S.F. No. 2379, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed

on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1298: A bill for an act relating to elections; changing certain voter registration procedures and requirements, filing requirements, voting procedures, election day prohibitions, and ballot preparation requirements; establishing a complaint and resolution process; requiring challengers to prove residence in this state; requiring certain notices; changing a petition requirement; imposing penalties; amending Minnesota Statutes 2006, sections 201.016, subdivision 1a; 201.056; 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivision 1; 201.171; 203B.07, subdivision 2; 203B.081; 203B.12, subdivision 4; 203B.13, subdivisions 1, 2; 204B.09, subdivisions 1, 1a, 3; 204B.11, subdivision 2; 204B.16, subdivision 1; 204B.45, subdivisions 1, 2; 204C.06, subdivisions 1, 8; 204C.07, subdivision 3a, by adding a subdivision; 204D.09, subdivision 2; 204D.16; 205.10, by adding a subdivision; 205.13, by adding a subdivision; 205.16, subdivisions 2, 3, 4; 205A.05, by adding a subdivision; 205A.07, subdivisions 3, 3a; 206.57, subdivision 5; 206.89, subdivisions 1, 5; 211A.02, subdivision 2; 211A.05, subdivision 1; 211B.11, subdivision 1; 410.12, subdivision 1; 447.32, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 204B; repealing Minnesota Statutes 2006, sections 200.04; 201.061, subdivision 7; 201.096; 203B.02, subdivision 1a; 203B.13, subdivision 3a.

There has been appointed as such committee on the part of the House:

Hilty, Kalin and Peterson, N.

Senate File No. 1298 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 10, 2008

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3662:

H.F. No. 3662: A bill for an act relating to local government; providing for a public hearing and public testimony before making an appointment to fill a vacancy on a county board; amending Minnesota Statutes 2006, section 375.101, by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Hilty, Morgan and Howes have been appointed as such committee on the part of the House.

House File No. 3662 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 10, 2008

Senator Lourey moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3662, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3516:

H.F. No. 3516: A bill for an act relating to real property; providing specification of certain information about a premises subject to foreclosure; providing for electronic recording; requiring a report; amending Minnesota Statutes 2006, sections 14.03, subdivision 3; 58.02, by adding a subdivision; 287.08; 287.241; 287.25; 386.03; 386.19; 386.26, subdivision 1; 386.31; 386.409; 507.093; 507.40; 507.46, subdivision 1; Minnesota Statutes 2007 Supplement, section 507.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 272; 507; 580.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Davnie, Lesch and Peterson, N. have been appointed as such committee on the part of the House.

House File No. 3516 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 10, 2008

Senator Rest moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3516, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2402: A bill for an act relating to occupations and professions; modifying provisions governing the Board of Accountancy; amending Minnesota Statutes 2006, sections 13.411, by adding a subdivision; 326A.01, subdivisions 2, 12, 17, by adding a subdivision; 326A.02, subdivisions 1, 3, 4, 5, 6, by adding a subdivision; 326A.03; 326A.04; 326A.05, subdivisions 1, 2, 3, 4; 326A.06; 326A.07; 326A.08, subdivisions 2, 4, 5, 6, 7, 8, 9; 326A.10; 326A.12; 326A.13; 326A.14; repealing Minnesota Statutes 2006, section 326A.05, subdivision 9.

Senate File No. 2402 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 10, 2008

CONCURRENCE AND REPASSAGE

Senator Rest moved that the Senate concur in the amendments by the House to S.F. No. 2402 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2402 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Fischbach	Langseth	Pariseau	Skoe
Berglin	Foley	Latz	Pogemiller	Skogen
Betzold	Frederickson	Limmer	Prettner Solon	Sparks
Bonoff	Gerlach	Lourey	Rest	Stumpf
Carlson	Gimse	Lynch	Robling	Tomassoni
Clark	Hann	Marty	Rosen	Vanderveer
Cohen	Higgins	Metzen	Rummel	Vickerman
Dahle	Ingebrigtsen	Michel	Saltzman	Wergin
Day	Johnson	Moua	Saxhaug	Wiger
Dibble	Jungbauer	Murphy	Scheid	
Dille	Koch	Olseen	Senjem	
Doll	Koering	Olson, M.	Sheran	
Erickson Ropes	Kubly	Pappas	Sieben	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 4023, 3569, 2904 and 3391.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 10, 2008

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 4023: A bill for an act relating to appropriations; making forecast adjustments for health, human services, and education; appropriating money; amending Laws 2007, chapter 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9;

article 3, section 24, subdivisions 3, 4; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, section 13, subdivisions 2, 3, 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13.

Referred to the Committee on Finance.

H.F. No. 3569: A bill for an act relating to workers' health; directing the University of Minnesota to study workers' health including lung health; appropriating money.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3300, now on General Orders.

H.F. No. 2904: A bill for an act relating to state government operations; establishing procedures for state agencies to assist communities to recover from a natural disaster; proposing coding for new law as Minnesota Statutes, chapter 12A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2607, now on General Orders.

H.F. No. 3391: A bill for an act relating to health care reform; increasing affordability and continuity of care for state health care programs; modifying health care provisions; providing subsidies for employee share of employer-subsidized insurance in certain cases; establishing the Health Care Transformation Commission; creating an affordability standard; implementing a statewide health improvement program; requiring an evaluation of mandated health benefits; requiring a payment system to encourage provider innovation; requiring studies and reports; appropriating money; amending Minnesota Statutes 2006, sections 62Q.025, by adding a subdivision; 256.01, subdivision 18; 256B.056, by adding a subdivision; 256B.057, subdivision 8; 256B.69, by adding a subdivision; 256L.05, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivision 3, by adding a subdivision; 256L.15, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 256.01, subdivision 2b; 256B.056, subdivision 10; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 145; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, section 256L.15, subdivision 3.

SUSPENSION OF RULES

Senator Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 3391 and that the rules of the Senate be so far suspended as to give H.F. No. 3391 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 3391 was read the second time.

Senator Berglin moved to amend H.F. No. 3391 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 3391, and insert the language after the enacting clause, and the title, of S.F. No. 3099, the eighth engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 3391 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 40 and nays 22, as follows:

Those who voted in the affirmative were:

Bakk	Dahle	Kubly	Olseen	Scheid
Berglin	Day	Langseth	Pappas	Sheran
Betzold	Dibble	Latz	Pogemiller	Sieben
Bonoff	Dille	Lourey	Prettner Solon	Skoe
Carlson	Foley	Lynch	Rest	Sparks
Chaudhary	Frederickson	Metzen	Rosen	Stumpf
Clark	Higgins	Moua	Saltzman	Tomassoni
Cohen	Koering	Murphy	Saxhaug	Wiger

Those who voted in the negative were:

Doll	Hann	Limmer	Robling	Vickerman
Erickson Ropes	Ingebrigtsen	Marty	Rummel	Wergin
Fischbach	Johnson	Michel	Senjem	
Gerlach	Jungbauer	Olson, M.	Skogen	
Gimse	Koch	Pariseau	Vandever	

So the bill, as amended, was passed and its title was agreed to.

REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 3066 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3066	3238				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3066 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3066, the first engrossment; and insert the language after the enacting clause of S.F. No. 3238, the first engrossment; further, delete the title of H.F. No. 3066, the first engrossment; and insert the title of S.F. No. 3238, the first engrossment.

And when so amended H.F. No. 3066 will be identical to S.F. No. 3238, and further recommends that H.F. No. 3066 be given its second reading and substituted for S.F. No. 3238, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 3172 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3172	2574				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3172 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3172, the first engrossment; and insert the language after the enacting clause of S.F. No. 2574, the first engrossment; further, delete the title of H.F. No. 3172, the first engrossment; and insert the title of S.F. No. 2574, the first engrossment.

And when so amended H.F. No. 3172 will be identical to S.F. No. 2574, and further recommends that H.F. No. 3172 be given its second reading and substituted for S.F. No. 2574, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 3066 and 3172 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Koch moved that her name be stricken as a co-author to S.F. No. 3828. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Metzen introduced—

S.F. No. 3834: A bill for an act relating to motor vehicles; establishing special license plates for contributions to cure pediatric cancers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Senator Berglin introduced—

S.F. No. 3835: A bill for an act relating to health care; proposing an amendment to the Minnesota Constitution, article XI; dedicating the proceeds of the health care provider tax to MinnesotaCare and health care access.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Senator Metzen in the chair.

After some time spent therein, the committee arose, and Senator Metzen reported that the committee had considered the following:

H.F. No. 3500, which the committee recommends to pass.

S.F. No. 3698, which the committee recommends to pass with the following amendment offered by Senator Doll:

Page 1, line 11, before the period, insert "to the extent of the spending allowed for generation projects by section 216B.2411" and after the period, insert "The cost-effectiveness of a qualifying solar energy project may be determined by a different standard than for other energy conservation improvements under this section if the commissioner determines it is in the public interest to do so to encourage solar energy projects."

The motion prevailed. So the amendment was adopted.

On motion of Senator Pogemiller, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2822 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2822

A bill for an act relating to insurance; providing for penalties and attorney fees for certain insurance claims practices; proposing coding for new law in Minnesota Statutes, chapter 604.

April 11, 2008

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2822 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2822 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[604.18] INSURANCE STANDARD OF CONDUCT.**

Subdivision 1. **Terms.** For purposes of this section, the following terms have the meanings given them.

(a) "Insurance policy" means a written agreement between an insured and an insurer that obligates an insurer to pay proceeds directly to an insured. Insurance policy does not include provisions of a written agreement obligating an insurer to defend an insured, reimburse an insured's defense expenses, provide for any other type of defense obligation, or provide indemnification for judgments or settlements. Insurance policy does not include:

(1) coverage for workers' compensation insurance under chapter 176;

(2) a written agreement of a health carrier, as defined in section 62A.011;

(3) a contract issued by a nonprofit health service plan corporation regulated under chapter 62C that provides only dental coverage;

(4) a written agreement authorized under section 60A.06, subdivision 1, clause (4) or (6), or 64B.16, subdivision 1; or

(5) a written agreement issued pursuant to section 67A.191.

(b) "Insured" means a person who, or an entity which, qualifies as an insured under the terms of an insurance policy on which a claim for coverage is made. An insured does not include any person or entity claiming a third-party beneficiary status under an insurance policy.

(c) "Insurer" means every insurer, corporation, business trust, or association engaged in insurance as a principal licensed or authorized to transact insurance under section 60A.06, but for purposes of this section an insurer does not include a political subdivision providing self-insurance or a pool of political subdivisions under section 471.981, subdivision 3. The term does not include the Joint Underwriting Association operating under chapter 62F or 62I.

Subd. 2. **Liability.** (a) The court may award as taxable costs to an insured against an insurer amounts as provided in subdivision 3 if the insured can show:

(1) the absence of a reasonable basis for denying the benefits of the insurance policy; and

(2) that the insurer knew of the lack of a reasonable basis for denying the benefits of the insurance policy or acted in reckless disregard of the lack of a reasonable basis for denying the benefits of the insurance policy.

(b) A violation of this section shall not be the basis for any claim or award under chapter 325D or 325F.

(c) An insurer does not violate this subdivision by conducting or cooperating with a timely investigation into arson or fraud.

Subd. 3. **Damages and costs.** (a) In addition to prejudgment and postjudgment interest and costs and disbursements allowed under law, the court may award an insured the following taxable costs for a violation of subdivision 2:

(1) an amount equal to one-half of the proceeds awarded that are in excess of an amount offered by the insurer at least ten days before the trial begins or \$250,000, whichever is less; and

(2) reasonable attorney fees actually incurred to establish the insurer's violation of this section.

Attorney fees may be awarded only if the fees sought are separately accounted for by the insured's attorney and are not duplicative of the fees for the insured's attorney otherwise expended in pursuit of proceeds for the insured under the insurance policy. Attorney fees must not exceed \$100,000.

(b) An insured may not also recover punitive or exemplary damages or attorney fees under section 8.31 for a violation of this section.

Subd. 4. **Claim for taxable costs.** (a) Upon commencement of a civil action by an insured against an insurer, the complaint must not seek a recovery under this section. After filing the suit, a party may make a motion to amend the pleadings to claim recovery of taxable costs under this section. The motion must allege the applicable legal basis under this section for awarding taxable costs under this section, and must be accompanied by one or more affidavits showing the factual basis for the motion. The motion may be opposed by the submission of one or more affidavits showing there is no factual basis for the motion. At the hearing, if the court finds prima facie evidence in support of the motion, the court may grant the moving party permission to amend the pleadings to claim taxable costs under this section.

(b) An award of taxable costs under this section shall be determined by the court in a proceeding subsequent to any determination by a fact finder of the amount an insured is entitled to under the insurance policy, and shall be governed by the procedures set forth in Minnesota General Rules of Practice, Rule 119.

(c) An award of taxable costs under this section is not available in any claim that is resolved or confirmed by arbitration or appraisal.

(d) The following are not admissible in any proceeding that seeks taxable costs under this section:

(1) findings or determinations made in arbitration proceedings conducted under section 65B.525 or rules adopted under that section;

(2) allegations involving, or results of, investigations, examinations, or administrative proceedings conducted by the Department of Commerce;

(3) administrative bulletins or other informal guidance published or disseminated by the Department of Commerce; and

(4) provisions under chapters 59A to 79A and rules adopted under those sections are not admissible as standards of conduct.

(e) A claim for taxable costs under this section may not be assigned. This paragraph does not affect the assignment of rights not established in this section.

Subd. 5. **Insurance producers; liability limited.** A licensed insurance producer is not liable under this section for errors, acts, or omissions attributed to the insurer that appointed the producer to transact business on its behalf, except to the extent the producer has caused or contributed to the error, act, or omission.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective August 1, 2008, and applies to causes of action for conduct that occurs on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; providing for penalties and recovery of attorney fees for certain insurance claims practices; proposing coding for new law in Minnesota Statutes, chapter 604."

We request the adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Tarryl L. Clark, Linda Scheid, Mee Moua, Linda Higgins, Michael J. Jungbauer

House Conferees: (Signed) Joe Atkins, Steve Smith, Terry Morrow, Debra Hilstrom, Leon Lillie

Senator Clark moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2822 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2822 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 47 and nays 15, as follows:

Those who voted in the affirmative were:

Bakk	Carlson	Cohen	Doll	Foley
Betzold	Chaudhary	Dahle	Erickson Ropes	Gimse
Bonoff	Clark	Dibble	Fischbach	Higgins

Jungbauer	Marty	Pogemiller	Scheid	Vanderveer
Kubly	Metzen	Prettner Solon	Sieben	Vickerman
Langseth	Moua	Rest	Skoe	Wergin
Latz	Murphy	Robling	Skogen	Wiger
Limmer	Olseen	Rummel	Sparks	
Lourey	Olson, M.	Saltzman	Stumpf	
Lynch	Pappas	Saxhaug	Tomassoni	

Those who voted in the negative were:

Day	Gerlach	Johnson	Michel	Rosen
Dille	Hann	Koch	Olson, G.	Senjem
Frederickson	Ingebrigtsen	Koering	Pariseau	Sheran

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 3477: A bill for an act relating to manufactured housing; providing for regulation of lending practices and default; providing notices and remedies; amending Minnesota Statutes 2006, sections 327.64, subdivision 2; 327.65; 327.66; 327B.01, by adding subdivisions; 327B.08, by adding a subdivision; 327B.09, by adding a subdivision; 327B.12; proposing coding for new law in Minnesota Statutes, chapters 327; 327B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Bakk	Fischbach	Langseth	Pappas	Sieben
Betzold	Foley	Latz	Pariseau	Skoe
Bonoff	Frederickson	Limmer	Pogemiller	Skogen
Carlson	Gerlach	Lourey	Prettner Solon	Sparks
Chaudhary	Gimse	Lynch	Rest	Stumpf
Clark	Hann	Marty	Robling	Tomassoni
Cohen	Higgins	Metzen	Rosen	Vickerman
Dahle	Ingebrigtsen	Michel	Rummel	Wergin
Day	Johnson	Moua	Saltzman	Wiger
Dibble	Jungbauer	Murphy	Saxhaug	
Dille	Koch	Olseen	Scheid	
Doll	Koering	Olson, G.	Senjem	
Erickson Ropes	Kubly	Olson, M.	Sheran	

Those who voted in the negative were:

Vanderveer

So the bill passed and its title was agreed to.

S.F. No. 3069: A bill for an act relating to motor vehicles; requiring commissioner of public

safety to issue special 2008 U.S. Women's Open temporary permits.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Bakk	Erickson Ropes	Koering	Olson, G.	Scheid
Betzold	Fischbach	Kubly	Olson, M.	Senjem
Bonoff	Foley	Langseth	Pappas	Sieben
Carlson	Frederickson	Latz	Pariseau	Skoe
Chaudhary	Gerlach	Limmer	Pogemiller	Skogen
Clark	Gimse	Lourey	Prettner Solon	Sparks
Cohen	Hann	Lynch	Rest	Stumpf
Dahle	Higgins	Metzen	Robling	Tomassoni
Day	Ingebrigtsen	Michel	Rosen	Vickerman
Dibble	Johnson	Moua	Rummel	Wergin
Dille	Jungbauer	Murphy	Saltzman	Wiger
Doll	Koch	Olseen	Saxhaug	

Those who voted in the negative were:

Vandev eer

So the bill passed and its title was agreed to.

S.F. No. 2988: A bill for an act relating to pupil transportation; establishing qualifications for type III school bus drivers; providing criminal penalties; amending Minnesota Statutes 2006, sections 169A.03, subdivision 23; 171.02, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 169.443, subdivision 9.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Fischbach	Langseth	Ortman	Skoe
Betzold	Foley	Latz	Pappas	Skogen
Bonoff	Frederickson	Limmer	Pogemiller	Sparks
Carlson	Gerlach	Lourey	Prettner Solon	Stumpf
Chaudhary	Gimse	Lynch	Rest	Tomassoni
Clark	Hann	Marty	Robling	Vandev eer
Cohen	Higgins	Metzen	Rosen	Vickerman
Dahle	Ingebrigtsen	Michel	Rummel	Wergin
Day	Johnson	Moua	Saltzman	Wiger
Dibble	Jungbauer	Murphy	Saxhaug	
Dille	Koch	Olseen	Scheid	
Doll	Koering	Olson, G.	Senjem	
Erickson Ropes	Kubly	Olson, M.	Sieben	

So the bill passed and its title was agreed to.

S.F. No. 3331: A bill for an act relating to local government finance; permitting Minneapolis Park and Recreation Board to retain proceeds from the condemnation of park lands necessary for the reconstruction and expansion of marked Interstate Highway 35W at the Mississippi River.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 10, as follows:

Those who voted in the affirmative were:

Betzold	Erickson Ropes	Latz	Pappas	Sieben
Bonoff	Fischbach	Lourey	Pariseau	Skoe
Carlson	Foley	Lynch	Pogemiller	Skogen
Chaudhary	Frederickson	Marty	Prettner Solon	Sparks
Clark	Gimse	Metzen	Rest	Stumpf
Cohen	Higgins	Michel	Rosen	Tomassoni
Dahle	Ingebrigtsen	Moua	Rummel	Vickerman
Day	Jungbauer	Murphy	Saltzman	Wiger
Dibble	Koering	Olseen	Saxhaug	
Dille	Kubly	Olson, G.	Scheid	
Doll	Langseth	Olson, M.	Sheran	

Those who voted in the negative were:

Gerlach	Johnson	Limmer	Robling	Vandever
Hann	Koch	Ortman	Senjem	Wergin

So the bill passed and its title was agreed to.

S.F. No. 2967: A bill for an act relating to local government; authorizing the Minneapolis Park and Recreation Board and the city of Minneapolis to adopt standards for dedication of land to the public or a payment of a dedication fee on certain new commercial and industrial development; amending Laws 2006, chapter 269, section 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 11, as follows:

Those who voted in the affirmative were:

Betzold	Erickson Ropes	Lynch	Pogemiller	Skoe
Bonoff	Foley	Marty	Prettner Solon	Skogen
Carlson	Frederickson	Metzen	Rest	Sparks
Chaudhary	Higgins	Michel	Rosen	Stumpf
Clark	Ingebrigtsen	Moua	Rummel	Tomassoni
Cohen	Jungbauer	Murphy	Saltzman	Vickerman
Dahle	Koering	Olseen	Saxhaug	Wiger
Day	Kubly	Olson, G.	Scheid	
Dibble	Langseth	Olson, M.	Senjem	
Dille	Latz	Pappas	Sheran	
Doll	Lourey	Pariseau	Sieben	

Those who voted in the negative were:

Fischbach	Hann	Limmer	Vandever
Gerlach	Johnson	Ortman	Wergin
Gimse	Koch	Robling	

So the bill passed and its title was agreed to.

S.F. No. 2204: A bill for an act relating to motor vehicles; allowing multiple sets of plates for physically disabled persons; amending Minnesota Statutes 2006, section 168.021, subdivisions 1, 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Fischbach	Langseth	Ortman	Sheran
Betzold	Foley	Latz	Pappas	Sieben
Bonoff	Frederickson	Limmer	Pariseau	Skoe
Carlson	Gerlach	Lourey	Pogemiller	Skogen
Chaudhary	Gimse	Lynch	Prettner Solon	Sparks
Clark	Hann	Marty	Rest	Stumpf
Cohen	Higgins	Metzen	Robling	Tomassoni
Dahle	Ingebrigtsen	Michel	Rosen	Vandever
Day	Johnson	Moua	Rummel	Vickerman
Dibble	Jungbauer	Murphy	Saltzman	Wergin
Dille	Koch	Olseen	Saxhaug	Wiger
Doll	Koering	Olson, G.	Scheid	
Erickson Ropes	Kubly	Olson, M.	Senjem	

So the bill passed and its title was agreed to.

H.F. No. 3357: A bill for an act relating to municipal boundary adjustments; providing for changes in municipal boundaries; imposing powers and duties on the chief administrative law judge; amending Minnesota Statutes 2006, sections 4A.02; 40A.121, subdivision 1; 272.67, subdivision 1; 276A.09; 365.46, subdivision 2; 379.05; 412.021, subdivision 1; 412.091; 414.01, subdivisions 1, 1a, 8a, 16; 414.011, by adding a subdivision; 414.02, subdivision 1a; 414.031, subdivisions 1a, 4, by adding a subdivision; 414.0325, subdivisions 1, 5; 414.0333; 414.035; 414.067, subdivision 1; 414.12, subdivisions 1, 3, 4, by adding subdivisions; 462.3535, subdivision 5; 473F.13, subdivision 1; 473H.14; 572A.01, subdivision 2; 572A.015, subdivision 2; 572A.02, subdivision 6; Minnesota Statutes 2007 Supplement, section 414.0325, subdivision 1b; Laws 2006, chapter 270, article 2, section 1, as amended; repealing Minnesota Statutes 2006, sections 414.01, subdivision 7a; 414.011, subdivision 11; 414.12, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Fischbach	Langseth	Ortman	Sheran
Betzold	Foley	Latz	Pappas	Sieben
Bonoff	Frederickson	Limmer	Pariseau	Skoe
Carlson	Gerlach	Lourey	Pogemiller	Skogen
Chaudhary	Gimse	Lynch	Prettner Solon	Sparks
Clark	Hann	Marty	Rest	Stumpf
Cohen	Higgins	Metzen	Robling	Tomassoni
Dahle	Ingebrigtsen	Michel	Rosen	Vandever
Day	Johnson	Moua	Rummel	Vickerman
Dibble	Jungbauer	Murphy	Saltzman	Wergin
Dille	Koch	Olseen	Saxhaug	Wiger
Doll	Koering	Olson, G.	Scheid	
Erickson Ropes	Kubly	Olson, M.	Senjem	

So the bill passed and its title was agreed to.

S.F. No. 3441: A bill for an act relating to courts; limiting testimony of domestic abuse advocates without consent of victims; amending Minnesota Statutes 2007 Supplement, section 595.02, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Foley	Latz	Pappas	Sieben
Betzold	Frederickson	Limmer	Pariseau	Skoe
Bonoff	Gerlach	Lourey	Pogemiller	Skogen
Carlson	Gimse	Lynch	Prettner Solon	Sparks
Chaudhary	Hann	Marty	Rest	Stumpf
Clark	Higgins	Metzen	Robling	Tomassoni
Dahle	Ingebrigtsen	Michel	Rosen	Vandever
Day	Johnson	Moua	Rummel	Vickerman
Dibble	Jungbauer	Murphy	Saltzman	Wergin
Dille	Koch	Olseen	Saxhaug	Wiger
Doll	Koering	Olson, G.	Scheid	
Erickson Ropes	Kubly	Olson, M.	Senjem	
Fischbach	Langseth	Ortman	Sheran	

So the bill passed and its title was agreed to.

S.F. No. 3780: A bill for an act relating to occupations and professions; allowing optometrists to dispense a legend drug at retail under certain conditions; amending Minnesota Statutes 2006, sections 145.711, by adding a subdivision; 148.574.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Fischbach	Langseth	Ortman	Sheran
Betzold	Foley	Latz	Pappas	Sieben
Bonoff	Frederickson	Limmer	Pariseau	Skoe
Carlson	Gerlach	Lourey	Pogemiller	Skogen
Chaudhary	Gimse	Lynch	Prettner Solon	Sparks
Clark	Hann	Marty	Rest	Stumpf
Cohen	Higgins	Metzen	Robling	Tomassoni
Dahle	Ingebrigtsen	Michel	Rosen	Vandever
Day	Johnson	Moua	Rummel	Vickerman
Dibble	Jungbauer	Murphy	Saltzman	Wergin
Dille	Koch	Olseen	Saxhaug	Wiger
Doll	Koering	Olson, G.	Scheid	
Erickson Ropes	Kubly	Olson, M.	Senjem	

So the bill passed and its title was agreed to.

RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Pogemiller from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 3516: Senators Rest, Higgins and Gerlach.

H.F. No. 3662: Senators Lourey, Olseen and Wergin.

Senator Pogemiller moved that the foregoing appointments be approved. The motion prevailed.

RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3391:

H.F. No. 3391: A bill for an act relating to health care reform; increasing affordability and continuity of care for state health care programs; modifying health care provisions; providing subsidies for employee share of employer-subsidized insurance in certain cases; establishing the Health Care Transformation Commission; creating an affordability standard; implementing a statewide health improvement program; requiring an evaluation of mandated health benefits; requiring a payment system to encourage provider innovation; requiring studies and reports; appropriating money; amending Minnesota Statutes 2006, sections 62Q.025, by adding a subdivision; 256.01, subdivision 18; 256B.056, by adding a subdivision; 256B.057, subdivision 8; 256B.69, by adding a subdivision; 256L.05, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivision 3, by adding a subdivision; 256L.15, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 256.01, subdivision 2b; 256B.056, subdivision 10; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 145; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, section 256L.15, subdivision 3.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Huntley, Thissen, Loeffler, Norton and Abeler have been appointed as such committee on the part of the House.

House File No. 3391 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 14, 2008

Senator Pogemiller, for Senator Berglin, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3391, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 3001: A bill for an act relating to education; providing for general education, education excellence, special programs, state agencies, self-sufficiency and lifelong learning; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 120A.03; 120A.05, subdivision 10a; 120A.22, subdivision 5; 120A.24, subdivisions 1, 2; 120B.02; 120B.023, subdivision 2; 120B.131, subdivision 2; 120B.31, as amended; 120B.35, as amended; 120B.36, as amended; 120B.362; 121A.035, subdivision 2; 121A.037; 122A.06, subdivision 4; 122A.07, subdivisions 2, 3; 122A.09, subdivision 4; 122A.14, by adding subdivisions; 122A.18, subdivisions 2, 2a, by adding subdivisions; 122A.60; 122A.61, subdivision 1; 122A.75, subdivision 1; 123B.14, subdivision 7; 123B.36, subdivision 1; 123B.37, subdivision 1; 123B.51, by adding a subdivision; 123B.59, subdivision 1; 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; 123B.83, subdivision 3; 123B.88, subdivision 3; 124D.09, subdivisions 3, 5, 7, 16, 24; 124D.095, subdivision 10; 124D.10, subdivisions 2a, 4a, 6, 6a, 7, 8, 20, 23; 124D.522; 124D.55; 124D.60, subdivision 1; 124D.68, subdivision 2; 125A.02, subdivision 1; 125A.15; 125A.51; 125A.65, subdivision 4, by adding a subdivision; 125A.744, subdivision 3; 125B.07, by adding a subdivision; 126C.17, subdivision 9; 126C.40, subdivision 6; 134.31, subdivision 6, by adding a subdivision; 205A.03, subdivision 1; 205A.06, subdivision 1a; 260C.007, subdivision 19; 299F.30, subdivision 1; Minnesota Statutes 2007 Supplement, sections 120B.021, subdivision 1; 120B.30; 123B.81, subdivision 4; 124D.095, subdivisions 3, 4, 7; 124D.10, subdivisions 4, 23a; 124D.531, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivision 34; 127A.49, subdivisions 2, 3; 134.31, subdivision 4a; Laws 2007, chapter 146, article 2, section 46, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 4; 120A; 120B; 121A; 123B; 124D; 125B; 126C; 127A; 134; repealing Minnesota Statutes 2006, sections 120A.22, subdivision 8; 121A.67; 126C.21, subdivision 1; Laws 2006,

chapter 263, article 3, section 16.

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 2006, section 123B.14, subdivision 7, is amended to read:

Subd. 7. **Clerk records.** The clerk shall keep a record of all meetings of the district and the board in books provided by the district for that purpose. The clerk shall, within three days after an election, notify all persons elected of their election. By ~~August~~ September 15 of each year the clerk shall file with the board a report of the revenues, expenditures and balances in each fund for the preceding fiscal year. The report together with vouchers and supporting documents shall subsequently be examined by a public accountant or the state auditor, either of whom shall be paid by the district, as provided in section 123B.77, subdivision 3. The board shall by resolution approve the report or require a further or amended report. By ~~August~~ September 15 of each year, the clerk shall make and transmit to the commissioner certified reports, showing:

- (1) ~~The condition and value of school property;~~
- (2) The revenues and expenditures in detail, and such other financial information required by law, rule, or as may be called for by the commissioner;
- ~~(3)~~ (2) The length of school term and the enrollment and attendance by grades; and
- ~~(4)~~ (3) Such other items of information as may be called for by the commissioner.

The clerk shall enter in the clerk's record book copies of all reports and of the teachers' term reports, as they appear in the registers, and of the proceedings of any meeting as furnished by the clerk pro tem, and keep an itemized account of all the expenses of the district. The clerk shall furnish to the auditor of the proper county, by ~~October 10~~ September 30 of each year, an attested copy of the clerk's record, showing the amount of ~~money~~ proposed property taxes voted by the district or the board for school purposes; draw and sign all orders upon the treasurer for the payment of money for bills allowed by the board for salaries of officers and for teachers' wages and all claims, to be countersigned by the chair. Such orders must state the consideration, payee, and the fund and the clerk shall take a receipt therefor. Teachers' wages shall have preference in the order in which they become due, and no money applicable for teachers' wages shall be used for any other purpose, nor shall teachers' wages be paid from any fund except that raised or apportioned for that purpose.

Sec. 2. Minnesota Statutes 2006, section 123B.77, subdivision 3, is amended to read:

Subd. 3. **Statement for comparison and correction.** (a) By November 30 of the calendar year of the submission of the unaudited financial data, the district must provide to the commissioner audited financial data for the preceding fiscal year. The audit must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office of the State Auditor. An audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited financial data shall be submitted to the commissioner and the state

auditor by December 31. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance and a copy of the management letter submitted to the district by the school district's auditor.

(b) By ~~January~~ February 15 of the calendar year following the submission of the unaudited financial data, the commissioner shall convert the audited financial data required by this subdivision into the consolidated financial statement format required under subdivision 1a and publish the information on the department's Web site.

Sec. 3. Minnesota Statutes 2006, section 123B.81, subdivision 3, is amended to read:

Subd. 3. **Debt verification.** The commissioner shall establish a uniform auditing or other verification procedure for districts to determine whether a statutory operating debt exists in any Minnesota school district ~~as of June 30, 1977. This procedure must identify all interfund transfers made during fiscal year 1977 from a fund included in computing statutory operating debt to a fund not included in computing statutory operating debt.~~ The standards for this uniform auditing or verification procedure must be promulgated by the state board pursuant to chapter 14. If a district applies to the commissioner for a statutory operating debt verification ~~or if the unaudited financial statement for the school year ending June 30, 1977 reveals that a statutory operating debt might exist,~~ the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

Sec. 4. Minnesota Statutes 2007 Supplement, section 123B.81, subdivision 4, is amended to read:

Subd. 4. **Debt elimination.** If an audit or other verification procedure conducted pursuant to subdivision 3 determines that a statutory operating debt exists, a district must follow the procedures set forth in ~~this section~~ 123B.83 to eliminate this statutory operating debt.

Sec. 5. Minnesota Statutes 2006, section 123B.81, subdivision 5, is amended to read:

Subd. 5. **Certification of debt.** The commissioner shall certify the amount of statutory operating debt for each district. ~~Prior to June 30, 1979, the commissioner may, on the basis of corrected figures, adjust the total amount of statutory operating debt certified for any district.~~

Sec. 6. Minnesota Statutes 2006, section 123B.83, subdivision 3, is amended to read:

Subd. 3. **Failure to limit expenditures.** If a district does not limit its expenditures in accordance with this section, the commissioner may so notify the appropriate committees of the legislature by no later than ~~January 1~~ February 15 of the year following the end of that fiscal year.

Sec. 7. Minnesota Statutes 2006, section 124D.10, subdivision 6a, is amended to read:

Subd. 6a. **Audit report.** (a) The charter school must submit an audit report to the commissioner by December 31 each year.

(b) The charter school, with the assistance of the auditor conducting the audit, must include with the report a copy of all charter school agreements for corporate management 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.

(c) If the commissioner receives ~~as part of the~~ an audit report ~~a management letter~~ indicating 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 material weakness will be resolved.

(d) Upon the request of an individual, the charter school must make available in a timely fashion the minutes of meetings of members, the board of directors, and committees having any of the authority of the board of directors, and statements showing the financial result of all operations and transactions affecting income and surplus during the school's last annual accounting period and a balance sheet containing a summary of its assets and liabilities as of the closing date of the accounting period.

Sec. 8. Minnesota Statutes 2006, section 124D.10, subdivision 8, is amended to read:

Subd. 8. State and local requirements. (a) A charter school shall meet all ~~applicable~~ federal, state, and local health and safety requirements applicable to school districts.

(b) A school sponsored by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution.

(c) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(d) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled.

(e) 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 five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(f) A charter school may not charge tuition.

(g) A charter school is subject to and must comply with chapter 363A and section 121A.04.

(h) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(i) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district. Audits must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act, if applicable, and section 6.65. 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; 123B.52, subdivision 5; 471.38; 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3, 4, 5, 6, 12, 13, and 15; 471.881; and 471.89. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner. The Department of Education, state auditor, or legislative auditor 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.

(j) A charter school is a district for the purposes of tort liability under chapter 466.

(k) A charter school must comply with sections 13.32; 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

(l) A charter school is subject to the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

Sec. 9. Minnesota Statutes 2006, section 124D.10, subdivision 23, is amended to read:

Subd. 23. **Causes for nonrenewal or termination of charter school contract.** (a) The duration of the contract with a sponsor must be for the term contained in the contract according to subdivision 6. The sponsor may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor 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 the charter school's board of directors may request in writing an informal hearing before the sponsor within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor shall give reasonable notice to the charter school's board of directors of the hearing date. The sponsor shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract by the last day of classes in the school year. If the sponsor is a local board, the school's board of directors may appeal the sponsor's decision to the commissioner.

(b) A contract may be terminated or not renewed upon any of the following grounds:

- (1) failure to meet 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 a contract is terminated or not renewed under this paragraph, the school must be dissolved according to the applicable provisions of chapter 308A or 317A, except when the commissioner approves the decision of a different eligible sponsor to authorize the charter school.

(c) If at the end of a contract term, either the sponsor or the charter school board of directors wants to voluntarily terminate the contract, a change in sponsors is allowed if the commissioner approves the decision of a different eligible sponsor to authorize the charter school. The commissioner shall consider whether the charter school and prospective new sponsor have addressed any outstanding issues raised by the previous sponsor when determining whether to grant the change of sponsor. The party intending to terminate the contract must notify the other party and the commissioner of its intent at least 90 days before the date on which the contract ends. The sponsor that is a party to the existing contract at least must inform the approved different eligible sponsor about the fiscal and student performance of the school. If no different eligible sponsor is approved, the school must be dissolved according to applicable law and the terms of the contract.

(d) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing sponsor, and after providing an opportunity for a public hearing, may

terminate the existing sponsorial relationship if the charter school has a history of:

- (1) financial mismanagement; or
- (2) repeated violations of the law.

Sec. 10. Minnesota Statutes 2006, section 126C.40, subdivision 6, is amended to read:

Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) a racially isolated school district or a school district with a racially identifiable school required to have a comprehensive desegregation or integration plan for the elimination of segregation under Minnesota Rules, parts 3535.0100 to 3535.0180, which is eligible for revenue under section 124D.86, subdivision 3, clause (1), (2), or (3), and whose plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and school desegregation and, for a district eligible for revenue under section 124D.86, subdivision 3, clause (4) or (5), where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

ARTICLE 2

EDUCATION EXCELLENCESection 1. **[1.1499] STATE SPORT.**

Ice hockey is adopted as the official sport of the state of Minnesota.

Sec. 2. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 11. **Data sharing; improving instruction.** The following educational data may be shared between the Department of Education and the Minnesota Office of Higher Education as authorized by the Code of Federal Regulations, title 34, section 99.31(a)(6), to analyze instruction in school districts for purposes of improvement:

- (1) attendance data, including name of school or institution, school district, year or term of attendance, and term type;
- (2) student demographic and enrollment data;
- (3) academic performance and testing data; and
- (4) special academic services received by a student.

Any analysis of or report on the data must contain only summary data.

Sec. 3. Minnesota Statutes 2006, section 120B.02, is amended to read:

120B.02 EDUCATIONAL EXPECTATIONS FOR MINNESOTA'S STUDENTS.

(a) The legislature is committed to establishing rigorous academic standards for Minnesota's public school students. To that end, the commissioner shall adopt in rule statewide academic standards. The commissioner shall not prescribe in rule or otherwise the delivery system, classroom assessments, or form of instruction that school sites must use. For purposes of this chapter, a school site is a separate facility, or a separate program within a facility that a local school board recognizes as a school site for funding purposes.

(b) All commissioner actions regarding the rule must be premised on the following:

- (1) the rule is intended to raise academic expectations for students, teachers, and schools;
- (2) any state action regarding the rule must evidence consideration of school district autonomy; and
- (3) the Department of Education, with the assistance of school districts, must make available information about all state initiatives related to the rule to students and parents, teachers, and the general public in a timely format that is appropriate, comprehensive, and readily understandable.

(c) When fully implemented, the requirements for high school graduation in Minnesota must require students to satisfactorily complete, as determined by the school district, the course credit requirements under section 120B.024 and: successfully pass graduation examinations as required under section 120B.30.

~~(1) for students enrolled in grade 8 before the 2005-2006 school year, to pass the basic skills test requirements; and~~

~~(2) for students enrolled in grade 8 in the 2005-2006 school year and later, to pass the Minnesota Comprehensive Assessments Second Edition (MCA-II)-~~

(d) The commissioner shall periodically review and report on the state's assessment process.

(e) School districts are not required to adopt specific provisions of the federal School-to-Work programs.

Sec. 4. Minnesota Statutes 2007 Supplement, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics;

(3) science;

(4) social studies, including history, geography, economics, and government and citizenship;

(5) physical education;

(6) health and physical education, for which locally developed academic standards apply; and

~~(6)(7)~~ (7) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

(b) To satisfy this subdivision and the one-half credit physical education requirement under section 120B.024, paragraph (a), clause (6), the state physical education standard under paragraph (a) of this subdivision selected by a school district must be consistent with either the six physical education standards developed by the department's quality teaching network or the six National Physical Education Standards developed by the National Association for Sport and Physical Education. To satisfy federal reporting requirements for continued funding under Title VII of the Physical Education for Progress Act, a school district must notify the department, if applicable, of its intent to comply with this subdivision.

(c) The commissioner must submit proposed standards in science and social studies to the legislature by February 1, 2004.

(d) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education plan team has determined that the required academic standards are inappropriate. An individualized education plan team that makes this determination must establish alternative standards with appropriate alternate achievement standards based on these academic standards for students with individualized education plans as described under federal law.

(e) A school district, no later than the 2007-2008 school year, must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule. A school district that incorporates these state graduation requirements before the 2007-2008 school year must provide students who enter the 9th grade in or before the 2003-2004 school year the opportunity to earn a diploma based on existing locally established graduation requirements in effect when the students entered the 9th grade. District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

(f) The commissioner must include the contributions of Minnesota American Indian tribes and communities as they relate to the academic standards during the review and revision of the required academic standards.

EFFECTIVE DATE. This section is effective the day following final enactment except that paragraph (a), clause (5), applies to students entering the ninth grade in the 2009-2010 school year and later.

Sec. 5. Minnesota Statutes 2006, section 120B.021, subdivision 1a, is amended to read:

Subd. 1a. **Rigorous course of study; waiver.** (a) Upon receiving a student's application signed by the student's parent or guardian, a school district, area learning center, or charter school must declare that a student meets or exceeds a specific academic standard required for graduation under this section if the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors determines that the student:

(1) is participating in a course of study, including an advanced placement or international baccalaureate course or program; a learning opportunity outside the curriculum of the district, area learning center, or charter school; or an approved preparatory program for employment or postsecondary education that is equally or more rigorous than the corresponding state or local academic standard required by the district, area learning center, or charter school;

(2) would be precluded from participating in the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program if the student were required to achieve the academic standard to be waived; and

(3) satisfactorily completes the requirements for the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program.

Consistent with the requirements of this section, the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors also may formally determine other circumstances in which to declare that a student meets or exceeds a specific academic standard that the site requires for graduation under this section.

(b) A student who satisfactorily completes a postsecondary enrollment options course or program under section 124D.09, or an advanced placement or international baccalaureate course or program under section 120B.13, is not required to complete other requirements of the academic standards corresponding to that specific rigorous course of study.

(c) Notwithstanding section 120B.021, subdivision 1, a school board shall, upon the written application by the parent or guardian of a student, waive the requirement that the student complete the physical education credit under section 120B.024. This waiver shall not be construed as reducing

the total credits required for graduation.

Sec. 6. Minnesota Statutes 2006, section 120B.023, subdivision 2, is amended to read:

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

- (1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and
- (2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 ~~and 11~~ beginning in the 2010-2011 school year are aligned with the state academic standards in mathematics. The commissioner must ensure that the statewide 11th grade mathematics test assessment administered to students under clause (2) in grade 11 beginning in the 2013-2014 school year must include is aligned with state academic standards in mathematics, including algebra II test items that are aligned with corresponding state academic standards in mathematics. The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. The commissioner also must ensure that the statewide science assessments administered to students as described under section 120B.30, subdivision 1a, beginning in the 2011-2012 school year are aligned with the state academic standards in science. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year.

The commissioner also must ensure that the statewide language arts assessments administered to students in grades 3 through 8 and grade 10 beginning in the 2012-2013 school year are aligned with the state academic standards in language arts. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, physical education, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, physical education, world languages, and career and technical education.

Sec. 7. Minnesota Statutes 2007 Supplement, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.

(a) Students beginning 9th grade in the 2004-2005 school year and later must successfully complete the following high school level course credits for graduation:

(1) four credits of language arts;

(2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard;

(3) three credits of science, including at least one credit in biology;

(4) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;

(5) one credit in the arts; ~~and~~

(6) one-half credit of physical education; and

(7) a minimum of seven six and one-half elective course credits.

A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(b) An agriculture science course may fulfill a science credit requirement in addition to the specified science credits in biology and chemistry or physics under paragraph (a), clause (3).

(c) A career and technical education course may fulfill a science, mathematics, or arts credit

requirement in addition to the specified science, mathematics, or arts credits under paragraph (a), clause (2), (3), or (5).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to students entering ninth grade in the 2009-2010 school year and later.

Sec. 8. Minnesota Statutes 2007 Supplement, section 120B.30, is amended to read:

120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed from and aligned with the state's required academic standards under section 120B.021 and administered annually to all students in grades 3 through 8 and at the high school level. A state-developed test in a subject other than writing, ~~developed after the 2002-2003 school year,~~ must include both machine-scoreable and constructed response questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. Schools selected for stand-alone state field testing or other national sampling by the department must participate as requested. Superintendents or charter school directors may appeal in writing to the commissioner of education or the commissioner's designee for exemption from a selected field test if undue hardship is demonstrated. For students enrolled in grade 8 before the 2005-2006 school year, only Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills testing requirements for a passing state notation. The passing scores of basic skills tests in reading and mathematics are the equivalent of 75 percent correct for students entering grade 9 ~~in 1997 and thereafter,~~ as based on the first uniform test ~~administration of~~ administered in February 1998.

(b) For students enrolled in grade 8 in the 2005-2006 school year and later, only the following options shall fulfill students' state graduation test requirements:

(1) for reading and mathematics:

(i) obtaining an achievement level equivalent to or greater than proficient as determined through a standard setting process on the Minnesota comprehensive assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing score as determined through a standard setting process on the graduation-required assessment for diploma in grade 10 for reading and grade 11 for mathematics or subsequent retests;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in reading and the mathematics test for English language learners or the graduation-required assessment for diploma equivalent of those assessments for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individual education plan or 504 plan;

(iv) obtaining achievement level equivalent to or greater than proficient as determined through a standard setting process on the state-identified alternate assessment or assessments in grade 10 for reading and grade 11 for mathematics for students with an individual education plan; or

(v) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan; and

(2) for writing:

(i) achieving a passing score on the graduation-required assessment for diploma;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in writing for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individual education plan or 504 plan; or

(iv) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan.

(c) The 3rd through 8th grade and high school level test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must disseminate to the public the test results upon receiving those results.

(d) State tests must be constructed and aligned with state academic standards. The commissioner shall determine the testing process and the order of administration ~~shall be determined by the commissioner.~~ The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(e) In addition to the testing and reporting requirements under this section, the commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide testing of all students in grades 3 through 8 and at the high school level that provides appropriate, technically sound accommodations, alternate assessments, or exemptions consistent with applicable federal law, only with parent or guardian approval, for those very few students for whom the student's individual education plan team under sections 125A.05 and 125A.06 determines that the general statewide test is inappropriate for a student, or for a limited English proficiency student under section 124D.59, subdivision 2;

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

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

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

Subd. 1a. Statewide and local assessments; results. (a) The commissioner must develop reading, mathematics, and science assessments aligned with state academic standards that districts

and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual reading and mathematics assessments in grades 3 through 8 and at the high school level for the 2005-2006 school year and later; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 9 8 span, and a life sciences assessment in the grades ~~10~~ 9 through 12 span for the 2007-2008 school year and later.

(b) The commissioner must ensure that all statewide tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(c) Reporting of assessment results must:

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

(2) include, by no later than the 2008-2009 school year, a value-added component that is in addition to a measure for student achievement growth over time; and

(3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine whether students have met the state's basic skills requirements; and

(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine whether students have met the state's academic standards.

(d) Consistent with applicable federal law and subdivision 1, paragraph (d), clause (1), the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for students with limited English proficiency.

(e) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress in achieving the academic standards. If a state assessment is not available, a school, school district, and charter school must determine locally if a student has met the required academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

Subd. 2. Department of Education assistance. The Department of Education shall contract for professional and technical services according to competitive bidding procedures under chapter 16C for purposes of this section.

Subd. 3. Reporting. The commissioner shall report test data publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance. The commissioner shall also report data that compares performance results among

school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum.

Subd. 4. **Access to tests.** The commissioner must adopt and publish a policy to provide public and parental access for review of basic skills tests, Minnesota Comprehensive Assessments, or any other such statewide test and assessment. Upon receiving a written request, the commissioner must make available to parents or guardians a copy of their student's actual responses to the test questions to be reviewed by the parent for their review.

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

Sec. 9. Minnesota Statutes 2006, section 121A.035, subdivision 2, is amended to read:

Subd. 2. **School district and charter school policy.** A school board and a charter school must adopt a crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed cooperatively with administrators, teachers, employees, students, parents, community members, law enforcement agencies, other emergency management officials, county attorney offices, social service agencies, emergency medical responders, and any other appropriate individuals or organizations. The policy must include at least five school lock-down drills, five school fire drills consistent with section 299F.30, ~~and~~ one tornado drill, and an expectation that students be present and participate in these drills.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 10. Minnesota Statutes 2006, section 121A.037, is amended to read:

121A.037 SCHOOL SAFETY DRILLS.

Private schools and educational institutions not subject to section 121A.035 must have at least five school lock-down drills, five school fire drills consistent with section 299F.30, ~~and~~ one tornado drill, and an expectation that students be present and participate in these drills.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 11. **[121A.215] LOCAL SCHOOL DISTRICT WELLNESS POLICIES; WEB SITE.**

When available, a school district must post its current local school wellness policy on its Website.

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

Sec. 12. **[121A.231] RESPONSIBLE FAMILY LIFE AND SEXUALITY EDUCATION PROGRAMS.**

Subdivision 1. **Definitions.** (a) "Responsible family life and sexuality education" means education in grades 7 through 12 that:

- (1) respects community values and encourages family communication;
- (2) develops skills in communication, decision making, and conflict resolution;
- (3) contributes to healthy relationships;
- (4) provides human development and sexuality education that is age-appropriate and medically

accurate;

(5) includes an abstinence-first approach to delaying initiation of sexual activity that emphasizes abstinence while also including education about contraception and disease prevention; and

(6) promotes individual responsibility.

(b) "Age-appropriate" refers to topics, messages, and teaching methods suitable to particular ages or age groups of children and adolescents, based on developing cognitive, emotional, and behavioral capacity typical for the age or age group.

(c) "Medically accurate" means verified or supported by research conducted in compliance with scientific methods and published in peer-reviewed journals, where appropriate, and recognized as accurate and objective by professional organizations and agencies in the relevant field, such as the federal Centers for Disease Control and Prevention, the American Public Health Association, the American Academy of Pediatrics, or the American College of Obstetricians and Gynecologists.

Subd. 2. **Curriculum requirements.** (a) A school district must offer and may independently establish policies, procedures, curriculum, and services for providing responsible family life and sexuality education that is age-appropriate and medically accurate for grades 7 through 12.

(b) A school district must consult with parents or guardians of enrolled students when establishing policies, procedures, curriculum, and services under this subdivision.

Subd. 3. **Notice and parental options.** (a) It is the legislature's intent to encourage pupils to communicate with their parents or guardians about human sexuality and to respect rights of parents or guardians to supervise their children's education on these subjects.

(b) Parents or guardians may excuse their children from all or part of a responsible family life and sexuality education program.

(c) A school district must establish policies and procedures consistent with paragraph (e) and this section for providing parents or guardians reasonable notice with the following information:

(1) if the district is offering a responsible family life and sexuality education program to the parents' or guardians' child during the course of the year;

(2) how the parents or guardians may inspect the written and audiovisual educational materials used in the program and the process for inspection;

(3) if the program is presented by school district personnel or outside consultants, and if outside consultants are used, who they may be; and

(4) parents' or guardians' right to choose not to have the child participate in the program and the procedure for exercising that right.

(d) A school district must establish policies and procedures for reasonably restricting the availability of written and audiovisual educational materials from public view of students who have been excused from all or part of a responsible family life and sexuality education program at the request of a parent or guardian, consistent with paragraph (e) and this section.

(e) A school district may develop a policy for a parent, guardian, or adult student age 18 or older

to review the content of the instructional materials under this section. If a school district develops a policy, it must make reasonable arrangements with school personnel for alternative instruction for those pupils whose parents or guardians object to the content of the instruction, and must not impose an academic or other penalty upon a pupil for arranging the alternative instruction. School personnel may evaluate and assess the quality of the pupil's work completed as part of the alternative instruction.

Sec. 13. [121A.37] ENVIRONMENTALLY SENSITIVE CLEANING AND MAINTENANCE PRODUCTS.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions apply.

(b) "Environmentally sensitive cleaning and maintenance products" means cleaning and maintenance products that minimize adverse impacts on human health and the environment.

(c) "School" has the meaning given under section 120A.22, subdivision 4, excluding home schools.

Subd. 2. **Use of environmentally sensitive cleaning and maintenance products.** By September 1, 2009, a school may follow specifications regarding the purchase and use of environmentally sensitive cleaning and maintenance products, where economically feasible. A school may deplete existing cleaning and maintenance product supplies purchased prior to this date. A school shall annually review the school's cleaning and maintenance product purchasing practices.

Sec. 14. Minnesota Statutes 2006, section 122A.06, subdivision 4, is amended to read:

Subd. 4. **Comprehensive, scientifically based reading instruction.** (a) "Comprehensive, scientifically based reading instruction" includes a program or collection of instructional practices that is based on ~~reliable~~, valid, replicated evidence showing that when these programs or practices are used, students can be expected to achieve, at a minimum, satisfactory reading progress. The program or collection of practices must include, at a minimum, instruction in five areas of reading: phonemic awareness, phonics, fluency, vocabulary development, and ~~text~~ reading comprehension.

Comprehensive, scientifically based reading instruction also includes and integrates instructional strategies for continuously assessing, evaluating, and communicating the student's reading progress and needs in order to design and implement ongoing interventions so that students of all ages and proficiency levels can read and comprehend text and apply higher level thinking skills.

(b) "Phonemic awareness" is the ability of students to notice, think about, and manipulate the individual sounds in spoken syllables and words.

(c) "Phonics" is the understanding that there are systematic and predictable relationships between written letters and spoken words. Phonics instruction is a way of teaching reading that stresses learning how letters correspond to sounds and how to apply this knowledge in reading and spelling.

(d) "Fluency" is the ability of students to be able to read orally with speed, accuracy, and proper expression.

(e) "Vocabulary development" is the process of teaching vocabulary both directly and indirectly, with repetition and multiple exposures to vocabulary items. Learning in rich contexts, incidental

learning, and use of computer technology all enhance the acquisition of vocabulary.

(f) "Reading comprehension" is an active process that requires intentional thinking during which meaning is constructed through interactions between text and reader. Comprehension skills are taught explicitly by demonstrating, explaining, modeling, and implementing specific cognitive strategies to help beginning readers derive meaning by intentional, problem-solving thinking processes.

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

Sec. 15. Minnesota Statutes 2006, section 122A.07, subdivision 2, is amended to read:

Subd. 2. **Eligibility; board composition.** Except for the representatives of higher education and the public, to be eligible for appointment to the Board of Teaching a person must be a teacher currently teaching in a Minnesota school and fully licensed for the position held and have at least five years teaching experience in Minnesota, including the two years immediately preceding nomination and appointment. Each nominee, other than a public nominee, must be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure. The board must be composed of:

(1) six teachers who are currently teaching in a Minnesota school or who were teaching at the time of the appointment, at least four of whom must be teaching in a public school;

(2) one higher education representative, who must be a faculty member preparing teachers;

(3) one school administrator; and

(4) three members of the public, two of whom must be present or former members of school boards.

Sec. 16. Minnesota Statutes 2006, section 122A.07, subdivision 3, is amended to read:

Subd. 3. **Vacant position.** With the exception of a teacher who retires from teaching, the position of a member who leaves Minnesota or whose employment status changes to a category different from that from which appointed is deemed vacant.

Sec. 17. Minnesota Statutes 2006, section 122A.09, subdivision 4, is amended to read:

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 adopt rules requiring a person to successfully complete a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure. Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(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 shall 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. 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.

(e) The board must adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board but not later than September 1, 2001.

(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 licenses.

(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.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

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

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license 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) 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) The board must adopt rules that require all licensed teachers who are renewing their continuing license 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) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in understanding the key warning signs of early-onset mental illness in children and adolescents.

(o) When reviewing and revising rules, the board must align the requirements for teacher preparation programs to reflect the expectation that all students can successfully complete rigorous academic coursework.

Sec. 18. Minnesota Statutes 2006, section 122A.18, subdivision 2, is amended to read:

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.

(b) The board must require a person to successfully complete an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. In addition, the board must require a person to successfully complete an assessment of reading instruction consistent with subdivision 2c before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten or elementary programs. The board must require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination or an assessment of reading instruction, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. 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 the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:

(1) providing evidence of participating in an approved remedial assistance program provided by a school district or postsecondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and

(2) attempting to successfully complete the skills examination during the period of each one-year license.

(d) The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

(e) 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. 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.

EFFECTIVE DATE. This section is effective January 1, 2011.

Sec. 19. Minnesota Statutes 2006, section 122A.18, subdivision 2a, is amended to read:

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 and prepare the licensure candidate, where applicable, for an assessment of reading instruction.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in the application of 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.

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

Sec. 20. Minnesota Statutes 2006, section 122A.18, is amended by adding a subdivision to read:

Subd. 2c. **Assessment of reading instruction.** An assessment of reading instruction, selected by the Board of Teaching, in cooperation with the commissioner of education, must measure, at a minimum, the knowledge, skill, and ability of prekindergarten and elementary licensure candidates in comprehensive, scientifically based reading instruction as defined in section 122A.06. Test content areas must assess foundations of reading development, development of reading comprehension, reading assessment and instruction, and integration of knowledge and understanding. The Board of Teaching may incorporate the requirements of this subdivision into other teacher licensure examinations.

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

Sec. 21. Minnesota Statutes 2006, section 123B.88, subdivision 3, is amended to read:

Subd. 3. **Transportation services contracts; requirements.** (a) The board may contract for the furnishing of authorized transportation under section 123B.52, and may purchase gasoline and furnish same to a contract carrier for use in the performance of a contract with the school district for transportation of school children to and from school.

(b) An initial transportation service contract shall include by contract language, addendum, or supplementary information terms addressing:

(1) a summary of school bus driver training requirements, including the minimum number of preservice training hours and the minimum number of inservice training hours;

(2) a driver recruitment and retention plan;

(3) the reporting to the local school district of all school bus accidents;

(4) the reporting to the local school district of all school bus driver reported traffic convictions, based upon the requirement of commercial drivers to report traffic convictions to their employer under Federal Motor Carrier Safety Administration, rule 383.31;

(5) the reporting within one week to the local school district the results of any Minnesota Highway Patrol inspection of school buses being regularly utilized for the transportation under the transportation contract; and

(6) the date of hire of the employer's current employees identified by their job classification that may include any relevant prior experience. Summer and other regular school breaks should not be considered interruptions to employment.

(c) Notwithstanding section 123B.52, a school district may award a transportation contract in the interest of student safety and cost effectiveness.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 22. Minnesota Statutes 2006, section 124D.10, subdivision 2a, is amended to read:

Subd. 2a. **Charter School Advisory Council.** (a) A Charter School Advisory Council is established under section 15.059 except that the term for each council member shall be three years. The advisory council is composed of seven members from throughout the state who have demonstrated experience with or interest in charter schools. The members of the council shall be appointed by the commissioner. The advisory council shall bring to the attention of the commissioner any matters related to charter schools that the council deems necessary and shall:

(1) encourage school boards to make full use of charter school opportunities;

(2) encourage the creation of innovative schools;

(3) provide leadership and support for charter school sponsors to increase the innovation in and the effectiveness, accountability, and fiscal soundness of charter schools;

(4) serve an ombudsman function in facilitating the operations of new and existing charter schools;

(5) promote timely financial management training for newly elected members of a charter school board of directors and ongoing training for other members of a charter school board of directors; and

(6) facilitate compliance with auditing and other reporting requirements. The advisory council shall refer all its proposals to the commissioner who shall provide time for reports from the council.

(b) The Charter School Advisory Council under this subdivision expires June 30, ~~2007~~ 2011.

EFFECTIVE DATE. This section is effective retroactively from June 30, 2007.

Sec. 23. Minnesota Statutes 2007 Supplement, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) A sponsor may authorize one or more licensed teachers under section 122A.18, subdivision 1, to operate a charter school subject to approval by the commissioner. A board must vote on charter school application for sponsorship no later than 90 days after receiving the application. The school must be organized and operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section. Notwithstanding sections 465.717 and 465.719, a school district may create a corporation for the purpose of creating a charter school.

(b) Before the operators may form and operate a school, the sponsor must file an affidavit with the commissioner stating its intent to authorize a charter school. The affidavit must demonstrate the sponsor's abilities, capacities, and expertise in fulfilling the responsibilities of a sponsor and state the terms and conditions under which the sponsor would authorize a charter school and how the sponsor intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the sponsor and the charter school board of directors under subdivision 6 in the form and manner prescribed by the commissioner. The sponsor must submit an affidavit to the commissioner for each charter school it proposes to authorize. The commissioner must approve or disapprove the sponsor's proposed authorization within 90 days of receipt of the affidavit. Failure to obtain commissioner approval precludes a sponsor from authorizing the charter school that was the subject of the affidavit.

(c) 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 incorporate as a cooperative under chapter 308A or as a nonprofit corporation under chapter 317A and must establish a board of directors composed of at least five nonrelated members until a timely election for members of the charter school board of directors is held according to the school's articles and bylaws. A charter school board of directors must be composed of at least five members. Any staff members who are employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents of children enrolled in the school ~~may~~ are eligible to participate in the election for members of the school's board of directors. Licensed teachers employed at the school, including teachers providing instruction under a contract with a cooperative, must be a majority of the members of the board of directors before the school completes its third year of operation, unless the commissioner waives the requirement for a majority of licensed teachers on the board. Board of director meetings must comply with chapter 13D.

(d) The granting or renewal of a charter by a sponsoring entity must not be conditioned upon the bargaining unit status of the employees of the school.

(e) The granting or renewal of a charter school by a sponsor must not be contingent on the charter school being required to contract, lease, or purchase services from the sponsor. A sponsor is prohibited from entering into a contract to provide management and financial services for a school that it is authorized to sponsor.

(f) A sponsor may authorize the operators of a charter school to expand the operation of the

charter school to additional sites or to add additional grades at the school beyond those described in the sponsor's application as approved by the commissioner only after submitting a supplemental application to the commissioner in a form and manner prescribed by the commissioner. The supplemental application must provide evidence that:

- (1) the expansion of the charter school is supported by need and projected enrollment;
- (2) the charter school is fiscally sound;
- (3) the sponsor supports the expansion; and
- (4) the building of the additional site meets all health and safety requirements to be eligible for lease aid.

~~(f)~~ (g) The commissioner annually must provide timely financial management training to newly elected members of a charter school board of directors and ongoing training to other members of a charter school board of directors. Training must address ways to:

- (1) proactively assess opportunities for a charter school to maximize all available revenue sources;
- (2) establish and maintain complete, auditable records for the charter school;
- (3) establish proper filing techniques;
- (4) document formal actions of the charter school, including meetings of the charter school board of directors;
- (5) properly manage and retain charter school and student records;
- (6) comply with state and federal payroll record-keeping requirements; and
- (7) address other similar factors that facilitate establishing and maintaining complete records on the charter school's operations.

Sec. 24. Minnesota Statutes 2006, section 124D.10, subdivision 4a, is amended to read:

Subd. 4a. **Conflict of interest.** (a) A member of a charter school board of directors is prohibited from serving as a member of the board of directors or as an employee or agent of or a contractor with a for-profit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. A violation of this prohibition renders a contract voidable at the option of the commissioner. The charter school's state aid may be reduced by the commissioner under section 127A.42 if the charter school board fails to correct violations under this subdivision in a timely manner. A member of a charter school board of directors who violates this prohibition shall be individually liable to the charter school for any damage caused by the violation.

(b) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (a) exists.

(c) A member of a charter school board of directors that serves as a member of the board of directors or as an employee or agent of or a contractor with a nonprofit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities, must disclose all potential conflicts to the commissioner. A violation of this requirement renders a contract voidable

at the option of the commissioner. The charter school's aid may be reduced by the commissioner under section 127A.42 if the charter school fails to correct violations under this subdivision in a timely manner.

(d) The conflict of interest provisions under this subdivision do not apply to compensation paid to a teacher employed by the charter school who also serves as a member of the board of directors.

(e) The conflict of interest provisions under this subdivision do not apply to a teacher who provides services to a charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.

Sec. 25. Minnesota Statutes 2006, section 124D.10, subdivision 6, is amended to read:

Subd. 6. **Contract.** The sponsor's authorization for a charter school must be in the form of a written contract signed by the sponsor and the board of directors of the charter school. The contract must be completed within 90 days of the commissioner's approval of the sponsor's proposed authorization. The contract for a charter school must be in writing and contain at least the following:

- (1) a description of a program that carries out one or more of the purposes in subdivision 1;
- (2) specific outcomes pupils are to achieve under subdivision 10;
- (3) admission policies and procedures;
- (4) management and administration of the school;
- (5) requirements and procedures for program and financial audits;
- (6) how the school will comply with subdivisions 8, 13, 16, and 23;
- (7) assumption of liability by the charter school;
- (8) types and amounts of insurance coverage to be obtained by the charter school;
- (9) the term of the contract, which may be up to three years for the initial contract, and up to five years for renewed contracts based on the academic, financial, and operational performance of the school;
- (10) if 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; and
- (11) the process and criteria the sponsor intends to use to monitor and evaluate the fiscal and student performance of the charter school, consistent with subdivision 15.

Sec. 26. Minnesota Statutes 2006, section 124D.10, subdivision 7, is amended to read:

Subd. 7. **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. ~~Except as provided in this section, a charter school is exempt from all statutes and rules applicable to a school, a board, or a district, although it may elect to comply with one or more provisions of statutes or rules.~~ A charter school is exempt from all statutes and rules applicable to a school, board, or district unless provided by this section

or provided in another section of statutes or rules.

Sec. 27. Minnesota Statutes 2006, section 124D.10, subdivision 20, is amended to read:

Subd. 20. **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 the request for a leave or extension of leave be made ~~up to 90 days before the teacher would otherwise have to report for duty~~ before February 1 in the school year preceding the school year in which the teacher wishes to return, or February 1 of the calendar year in which the leave is scheduled to terminate. Except as otherwise provided in this subdivision and except for section 122A.46, subdivision 7, 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 by paying both the employer and employee contributions based upon the annual salary of the teacher for the last full pay period before the leave began. The retirement association may impose reasonable requirements to efficiently administer this subdivision.

Sec. 28. Minnesota Statutes 2006, section 124D.10, subdivision 23, is amended to read:

Subd. 23. **Causes for nonrenewal or termination of charter school contract.** (a) The duration of the contract with a sponsor must be for the term contained in the contract according to subdivision 6. The sponsor may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor shall notify the board of directors of the charter school of the proposed action in writing by registered mail. The notice shall state the grounds for the proposed action in reasonable detail and that the charter school's board of directors may request in writing an informal hearing before the sponsor within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor shall give reasonable notice to the charter school's board of directors of the hearing date. The sponsor shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract ~~by the last day of classes in the school year~~ no later than 15 days before the termination date or the end of the contract. If the sponsor is a local board, the school's board of directors may appeal the sponsor's decision to the commissioner.

(b) A contract may be terminated or not renewed upon any of the following grounds:

- (1) failure to meet 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 a contract is terminated or not renewed under this paragraph, the school must be dissolved

according to the applicable provisions of chapter 308A or 317A, except when the commissioner approves the decision of a different eligible sponsor to authorize the charter school.

(c) If at the end of a contract term, ~~either the sponsor or~~ and the charter school board of directors wants mutually agree to voluntarily terminate the contract, a change in sponsors is allowed if the commissioner approves the decision of a different eligible sponsor to authorize the charter school. ~~The party intending to terminate the contract must notify the other party and the commissioner of its intent at least 90 days before the date on which the contract ends. Both parties must jointly submit in writing to the commissioner its intent to terminate the contract.~~ The sponsor that is a party to the existing contract at least must inform the approved different eligible sponsor about the fiscal and student performance of the school. If no different eligible sponsor is approved, the school must be dissolved according to applicable law and the terms of the contract.

(d) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing sponsor, and after providing an opportunity for a public hearing, may terminate the existing sponsorship relationship if the charter school has a history of:

- (1) sustained failure to meet the requirements for pupil performance contained in the contract;
- (2) financial mismanagement; ~~or~~
- ~~(2)~~ (3) repeated violations of the law; or
- (4) other good cause shown.

Sec. 29. Minnesota Statutes 2007 Supplement, section 124D.10, subdivision 23a, is amended to read:

Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from entering a lease of real property with a related party as defined in ~~subdivision 26~~ this subdivision, unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

(b) For purposes of this subdivision:

(1) "related party" means an affiliate or close relative of the other party in question, an affiliate of a close relative, or a close relative of an affiliate;

(2) "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;

(3) "close relative" means an individual whose relationship by blood, marriage, or adoption to another individual is no more remote than first cousin;

(4) "person" means an individual or entity of any kind; and

(5) "control" includes the terms "controlling," "controlled by," and "under common control with" and means the possession, direct or indirect, of the power to direct or cause the directions of the management, operations, or policies of a person, whether through ownership of voting securities, by contract, or otherwise.

(c) A lease of real property to be used for a charter school, not excluded in paragraph (a), must

contain the following statement: "This lease is subject to Minnesota Statutes, section 124D.10, subdivision 23a."

~~(e)~~ (d) If a charter school enters into as lessee a lease with a related party and the charter school subsequently closes, the commissioner has the right to recover from the lessor any lease payments in excess of those that are reasonable under section 124D.11, subdivision 4, clause (1).

Sec. 30. [127A.70] MINNESOTA P-20 EDUCATION PARTNERSHIP.

Subdivision 1. **Establishment; membership.** (a) A P-20 education partnership is established to create a seamless system of education that maximizes achievements of all students, from early childhood through elementary, secondary, and postsecondary education, while promoting the efficient use of financial and human resources. The partnership shall consist of major statewide educational groups or constituencies or noneducational statewide organizations with a stated interest in P-20 education. The initial membership of the partnership includes the members serving on the Minnesota P-16 Education Partnership and four legislators appointed as follows:

(1) one senator from the majority party and one senator from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and

(2) one member of the house of representatives appointed by the speaker of the house and one member appointed by the minority leader of the house.

The chair of the P-16 education partnership must convene the first meeting of the P-20 partnership. Prospective members may be nominated by any partnership member and new members will be added with the approval of a two-thirds majority of the partnership. The partnership will also seek input from nonmember organizations whose expertise can help inform the partnership's work.

Partnership members shall be represented by the chief executives, presidents, or other formally designated leaders of their respective organizations, or their designees. The partnership shall meet at least three times during each calendar year.

Subd. 2. **Powers and duties; report.** The partnership shall develop recommendations to the governor and the legislature designed to maximize the achievement of all P-20 students while promoting the efficient use of state resources, thereby helping the state realize the maximum value for its investment. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on:

(1) improving the quality of and access to education at all points from preschool through the graduate education;

(2) improving preparation for, and transitions to, postsecondary education and work; and

(3) ensuring educator quality by creating rigorous standards for teacher recruitment, teacher preparation, induction and mentoring of beginning teachers, and continuous professional development for career teachers.

By January 15 of each year, the partnership shall submit a report to the governor and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over P-20 education policy and finance that summarizes the partnership's progress in meeting its

goals and identifies the need for any draft legislation when necessary to further the goals of the partnership to maximize student achievement while promoting efficient use of resources.

Subd. 3. **Expiration.** Notwithstanding section 15.059, subdivision 5, the partnership is permanent and does not expire.

Sec. 31. Minnesota Statutes 2006, section 299F.30, subdivision 1, is amended to read:

Subdivision 1. **Duties of fire marshal.** Consistent with sections 121A.035, 121A.037, and this section, it shall be the duty of the state fire marshal, deputies and assistants, to require public and private schools and educational institutions to have at least five fire drills each school year, to expect students to be present and participate in these drills, and to keep all doors and exits unlocked from the inside of the building during school hours.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 32. **REVIVAL AND REENACTMENT.**

Minnesota Statutes, section 124D.10, subdivision 2a, is revived and reenacted effective retroactively and without interruption from June 30, 2007.

Sec. 33. **ASSESSMENT OF READING INSTRUCTION.**

(a) No later than March 1, 2010, the Board of Teaching, in cooperation with the commissioner of education, shall adopt an assessment of reading instruction for all prekindergarten and elementary licensure candidates consistent with Minnesota Statutes, section 122A.18, subdivision 2c.

(b) The Board of Teaching and the commissioner shall report to the senate and house of representatives committees having jurisdiction over prekindergarten through grade 12 education policy by March 15, 2010, on the assessment of reading instruction that was adopted.

Sec. 34. **READING INSTRUCTION RULES; LEGISLATIVE REVIEW.**

Beginning July 1, 2008, and until July 1, 2009, the Board of Teaching must submit any proposed rules regarding licensure in reading instruction to the chairs of the legislative committees with jurisdiction over kindergarten through grade 12 education policy by February 1, 2009. The board may not adopt the rules until the legislature has adjourned the 2009 regular session.

Sec. 35. **RECESS.**

In kindergarten through grade 6, a school district cannot deny a student's participation in recess as a form of discipline.

Sec. 36. **REPEALER.**

Minnesota Statutes 2006, section 121A.23, is repealed.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2006, section 124D.60, subdivision 1, is amended to read:

Subdivision 1. **Notice.** Within ~~ten~~ 30 days after the enrollment of any pupil in an instructional program for limited English proficient students, the district in which the pupil resides must notify the parent by mail. This notice must:

- (1) be in writing in English and in the primary language of the pupil's parents;
- (2) inform the parents that their child has been enrolled in an instructional program for limited English proficient students;
- (3) contain a simple, nontechnical description of the purposes, method and content of the program;
- (4) inform the parents that they have the right to visit the educational program for limited English proficient students in which their child is enrolled;
- (5) inform the parents of the time and manner in which to request and receive a conference for the purpose of explaining the nature and purpose of the program; and
- (6) inform the parents of their rights to withdraw their child from an educational program for limited English proficient students and the time and manner in which to do so.

The department shall, at the request of the district, prepare the notice in the primary language of the parent.

Sec. 2. Minnesota Statutes 2006, section 125A.02, subdivision 1, is amended to read:

Subdivision 1. **Child with a disability.** Every child who has a hearing impairment, blindness, visual disability, speech or language impairment, physical disability, other health impairment, mental disability, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the standards of the commissioner, is a child with a disability. A licensed physician or a licensed psychologist is qualified to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder for purposes of identifying a child with a disability. In addition, every child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the standards of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

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

Sec. 3. Minnesota Statutes 2006, section 125A.15, is amended to read:

125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

- (a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian, or the district designated by the commissioner if neither parent nor guardian is living within the state.
- (b) If the placement of a pupil for care and treatment is not made by the district of residence, the

district of residence must be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement. When placement has been made without prior consultation with the resident district, the resident district has up to five business days following notice of the emergency placement to respond and must, at that time, be provided an opportunity to participate in the placement decision.

(c) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to and from the care and treatment facility program and an appropriate educational program for the child. The resident district may establish reasonable restrictions on transportation; however, if a court or state agency has ordered the placement at the day care and treatment program and the resident district receives a copy of the order, the resident district must provide transportation to and from the program unless the court or agency otherwise orders. Transportation shall only be provided by the resident district during regular operating hours of the that district. The resident district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

~~(e)~~ (d) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11, except as provided in paragraph ~~(d)~~ (e). However, the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services or the commissioner of corrections or their agents, for reasons other than providing for the child's special educational needs must not become the responsibility of either the district providing the instruction or the district of the child's residence. For the purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

~~(d)~~ (e) A privately owned and operated residential facility may enter into a contract to obtain appropriate educational programs for special education children and services with a joint powers entity. The entity with which the private facility contracts for special education services shall be the district responsible for providing students placed in that facility an appropriate educational program in place of the district in which the facility is located. If a privately owned and operated residential facility does not enter into a contract under this paragraph, then paragraph ~~(e)~~ (d) applies.

~~(e)~~ (f) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs must be paid by the district responsible for providing the transportation and the state must pay transportation aid to that district.

Sec. 4. Minnesota Statutes 2006, section 125A.51, is amended to read:

125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES; EDUCATION AND TRANSPORTATION.

The responsibility for providing instruction and transportation for a pupil without a disability who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the commissioner, and who is temporarily placed for care and treatment for that illness or disability, must be determined as provided in this section.

(a) The school district of residence of the pupil is the district in which the pupil's parent or guardian resides.

(b) When parental rights have been terminated by court order, the legal residence of a child placed in a residential or foster facility for care and treatment is the district in which the child resides.

(c) Before the placement of a pupil for care and treatment, the district of residence must be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement. When placement has been made without prior consultation with the resident district, the resident district has up to five business days following notice of the emergency placement to respond and must, at that time, be provided an opportunity to participate in the placement decision.

(d) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence must provide instruction and necessary transportation to and from the care and treatment facility program for the pupil. The resident district may establish reasonable restrictions on transportation; however, if a Minnesota court or state agency has ordered the placement at the day care and treatment program and the resident district receives a copy of the order, the resident district must provide transportation to and from the program unless the court or agency otherwise orders. Transportation shall only be provided by the resident district during regular operating hours of the that district. The resident district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the state Board of Teaching.

(e) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed must provide instruction for the pupil and necessary transportation while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district must bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs.

(f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or private homeless shelter, then the district that enrolls the pupil under section 127A.47, subdivision 2, shall provide the transportation, unless the district that enrolls the pupil and the district in which the pupil is temporarily placed agree that the district in which the pupil is temporarily placed shall provide transportation. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil must send timely

written notice of the placement to the district of residence. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the state Board of Teaching. For purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

(g) The district of residence must include the pupil in its residence count of pupil units and pay tuition as provided in section 123A.488 to the district providing the instruction. Transportation costs must be paid by the district providing the transportation and the state must pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision must be included in the disabled transportation category if the pupils cannot be transported on a regular school bus route without special accommodations.

Sec. 5. Minnesota Statutes 2006, section 125A.744, subdivision 3, is amended to read:

Subd. 3. **Implementation.** Consistent with section 256B.0625, subdivision 26, school districts may enroll as medical assistance providers or subcontractors and bill the Department of Human Services under the medical assistance fee for service claims processing system for special education services which are covered services under chapter 256B, which are provided in the school setting for a medical assistance recipient, and for whom the district has secured informed consent consistent with section 13.05, subdivision 4, paragraph (d), and section 256B.77, subdivision 2, paragraph (p), to bill for each type of covered service. School districts shall be reimbursed by the commissioner of human services for the federal share of individual education plan health-related services that qualify for reimbursement by medical assistance, minus up to five percent retained by the commissioner of human services for administrative costs, ~~not to exceed \$350,000 per fiscal year.~~ The commissioner may withhold up to five percent of each payment to a school district. Following the end of each fiscal year, the commissioner shall settle up with each school district in order to ensure that collections from each district for departmental administrative costs are made on a pro rata basis according to federal earnings for these services in each district. A school district is not eligible to enroll as a home care provider or a personal care provider organization for purposes of billing home care services under sections 256B.0651 and 256B.0653 to 256B.0656 until the commissioner of human services issues a bulletin instructing county public health nurses on how to assess for the needs of eligible recipients during school hours. To use private duty nursing services or personal care services at school, the recipient or responsible party must provide written authorization in the care plan identifying the chosen provider and the daily amount of services to be used at school.

Sec. 6. **REPEALER.**

Minnesota Statutes 2006, section 121A.67, and Laws 2006, chapter 263, article 3, section 16, are repealed.

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

ARTICLE 4

LIBRARIES

Section 1. Minnesota Statutes 2007 Supplement, section 134.31, subdivision 4a, is amended to read:

Subd. 4a. **Services to the blind and physically handicapped.** The Minnesota Department of Education shall provide specialized services to the blind and physically handicapped through the

Minnesota Braille and Talking Book Library for the Blind and Physically Handicapped under a cooperative plan with the National Library Services for the Blind and Physically Handicapped of the Library of Congress.

Sec. 2. Minnesota Statutes 2006, section 134.31, subdivision 6, is amended to read:

Subd. 6. **Advisory committee.** The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota Braille and Talking Book Library for the Blind and Physically Handicapped on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee except that the committee shall not expire.

Sec. 3. Minnesota Statutes 2006, section 134.31, is amended by adding a subdivision to read:

Subd. 7. **Telephone or electronic meetings.** (a) Notwithstanding section 13D.01, the Advisory Committee for the Minnesota Braille and Talking Book Library may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the committee participating in the meeting, wherever their physical locations, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the committee can hear all discussion, testimony, and votes of the members of the committee;

(3) at least one member of the committee is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's votes on each issue can be identified and recorded.

(b) Each member of the committee participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, to the extent practical, the committee shall allow a person to monitor the meeting electronically from a remote location. The committee may require the person making the connection to pay for the documented marginal costs that the committee incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the committee shall provide notice of the regular meeting location, the fact that some members may participate by telephone or other electronic means, and the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

Sec. 4. **[134.55] ELECTRONIC LIBRARY FOR MINNESOTA.**

Notwithstanding Laws 1998, chapter 398, article 9, section 7, as amended by Laws 1999, chapter 241, article 8, section 3, a school media center, public library as defined by section 134.001, subdivision 2, state government agency library, and public or private college or university library must be given access to the electronic library for Minnesota databases regardless of whether or not they are a member of a regional library system.

ARTICLE 5

STATE AGENCIES

Section 1. Minnesota Statutes 2006, section 125A.65, subdivision 4, is amended to read:

Subd. 4. **Unreimbursed costs.** (a) For fiscal year 2006, in addition to the tuition charge allowed in subdivision 3, the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, after deducting the special education aid under section 125A.76, attributable to the child, if that aide is required by the child's individual education plan. Tuition received under this paragraph must be used by the academies to provide the required service.

(b) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the academies shall be increased by the academy's unreimbursed cost of providing ~~an~~ one to one instructional aide and behavioral management aides assigned to a child, after deducting ~~the~~ the special education aid under section 125A.76 attributable to the child, if ~~that aide is~~ the aides are required by the child's individual education plan. Aid received under this paragraph must be used by the academies to provide the required service.

(c) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the district of the child's residence shall be reduced by the amount paid to the academies for district residents under paragraph (b).

(d) Notwithstanding section 127A.45, subdivision 3, beginning in fiscal year 2008, the commissioner shall make an estimated final adjustment payment to the Minnesota State Academies for general education aid and special education aid for the prior fiscal year by August 15.

(e) For fiscal year 2007, the academies may retain receipts received through mutual agreements with school districts for one to one behavior management aides.

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

Sec. 2. Minnesota Statutes 2006, section 125A.65, is amended by adding a subdivision to read:

Subd. 11. **Third party reimbursement.** The Minnesota State Academies must seek reimbursement under section 125A.21 from third parties for the cost of services provided by the Minnesota State Academies whenever the services provided are otherwise covered by a child's public or private health plan.

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

Sec. 3. **[125B.015] STATE AND SCHOOL DISTRICT TECHNOLOGY STANDARDS.**

(a) The commissioner, the Minnesota Education Technology Task Force, and representatives of school districts must enter into a technology partnership to identify for school districts the robust technology tools and systems that improve the educational achievement of all Minnesota students. The partnership must establish a foundation of flexible shared services that supports state development and implementation of new and more efficient educational business practices, including the use of modern analytical tools that help schools and school districts make data-driven decisions and increase instructional time. The partnership also must anticipate the needs of school districts for effectively using emerging technologies to make the best and most cost-effective use of finite educational resources.

(b) The commissioner, in collaboration with the other members of the technology partnership and other interested and affected stakeholders, must establish and then maintain, revise, and publish every four years beginning June 1, 2012, state and district technology standards and accompanying guidelines. The commissioner must use the technology standards to maintain a uniform data collection system premised on:

- (1) common data definitions for all required data elements;
- (2) a common course catalogue;
- (3) common transcript definitions; and
- (4) school district infrastructure technology standards.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2008-2009 school year and later.

Sec. 4. Minnesota Statutes 2006, section 125B.07, is amended by adding a subdivision to read:

Subd. 8. **Technology data and guidelines.** The department shall maintain a list of technology infrastructure data including, but not limited to, the following data:

- (1) instructional technology;
- (2) technology tools;
- (3) network and data systems administration;
- (4) data practices;
- (5) data management; and
- (6) facilities infrastructure.

ARTICLE 6

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2006, section 120A.05, subdivision 10a, is amended to read:

Subd. 10a. **Kindergarten.** (a) "Kindergarten" means a program designed for pupils five years of age on September 1 of the calendar year in which the school year commences that prepares pupils to enter first grade the following school year. A program designed for pupils younger than five years of age on September 1 of the calendar year in which the school year commences that prepares pupils to enter kindergarten the following school year is a prekindergarten program.

(b) "Full-day kindergarten" means an academic program that prepares pupils to enter first grade the following school year, provides a minimum of 850 hours in a school year, includes curriculum and instruction under section 120B.11, and aligns with academic standards under section 120B.021, subdivision 1. Revenues and expenditures for full-day kindergarten must be accounted for in the school district's general fund. Learning activities provided as a part of a community education program are not kindergarten, and must be accounted for in the school district's community service fund.

Sec. 2. Minnesota Statutes 2006, section 123B.36, subdivision 1, is amended to read:

Subdivision 1. **School boards may require fees.** (a) For purposes of this subdivision, "home school" means a home school as defined in sections 120A.22 and 120A.24 with five or fewer students receiving instruction.

(b) A school board is authorized to require payment of fees in the following areas:

(1) in any program where the resultant product, in excess of minimum requirements and at the pupil's option, becomes the personal property of the pupil;

(2) admission fees or charges for extracurricular activities, where attendance is optional and where the admission fees or charges a student must pay to attend or participate in an extracurricular activity is the same for all students, regardless of whether the student is enrolled in a public or a home school;

(3) a security deposit for the return of materials, supplies, or equipment;

(4) personal physical education and athletic equipment and apparel, although any pupil may personally provide it if it meets reasonable requirements and standards relating to health and safety established by the board;

(5) items of personal use or products that a student has an option to purchase such as student publications, class rings, annuals, and graduation announcements;

(6) fees specifically permitted by any other statute, including but not limited to section 171.05, subdivision 2; provided (i) driver education fees do not exceed the actual cost to the school and school district of providing driver education, and (ii) the driver education courses are open to enrollment to persons between the ages of 15 and 18 who reside or attend school in the school district;

(7) field trips considered supplementary to a district educational program;

(8) any authorized voluntary student health and accident benefit plan;

(9) for the use of musical instruments owned or rented by the district, a reasonable rental fee not to exceed either the rental cost to the district or the annual depreciation plus the actual annual maintenance cost for each instrument;

(10) transportation of pupils to and from extracurricular activities conducted at locations other than school, where attendance is optional;

(11) transportation to and from school of pupils living within two miles from school and all other transportation services not required by law. If a district charges fees for transportation of pupils, it must establish guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay;

(12) motorcycle classroom education courses conducted outside of regular school hours; provided the charge must not exceed the actual cost of these courses to the school district;

(13) transportation to and from postsecondary institutions for pupils enrolled under the postsecondary enrollment options program under section 123B.88, subdivision 22. Fees collected

for this service must be reasonable and must be used to reduce the cost of operating the route. Families who qualify for mileage reimbursement under section 124D.09, subdivision 22, may use their state mileage reimbursement to pay this fee. If no fee is charged, districts must allocate costs based on the number of pupils riding the route; and

(14) the additional cost of an optional full-day kindergarten program in a district or a charter school that also provides a half-time kindergarten option, except that no fee shall be charged for providing a child with a disability a free and appropriate public education in accordance with the child's individualized education program according to section 125A.03. If a district charges fees for a full-day kindergarten program, it must establish a reasonable sliding fee scale but it shall waive the fee for a participant unable to pay.

Sec. 3. Minnesota Statutes 2006, section 123B.37, subdivision 1, is amended to read:

Subdivision 1. **Boards shall not charge certain fees.** (a) A board is not authorized to charge fees in the following areas:

- (1) textbooks, workbooks, art materials, laboratory supplies, towels;
- (2) supplies necessary for participation in any instructional course except as authorized in sections 123B.36 and 123B.38;
- (3) field trips that are required as a part of a basic education program or course;
- (4) graduation caps, gowns, any specific form of dress necessary for any educational program, and diplomas;
- (5) instructional costs for necessary school personnel employed in any course or educational program required for graduation except as authorized in section 123B.36, subdivision 1, clause (14);
- (6) library books required to be utilized for any educational course or program;
- (7) admission fees, dues, or fees for any activity the pupil is required to attend;
- (8) any admission or examination cost for any required educational course or program;
- (9) locker rentals;
- (10) transportation to and from school of pupils living two miles or more from school.

(b) Notwithstanding paragraph (a), clauses (1) and (6), a board may charge fees for textbooks, workbooks, and library books, lost or destroyed by students. The board must annually notify parents or guardians and students about its policy to charge a fee under this paragraph.

Sec. 4. Minnesota Statutes 2006, section 124D.19, subdivision 14, is amended to read:

Subd. 14. **Community education; annual report.** Each district offering a community education program under this section must annually complete a program report to the department ~~information regarding the cost per participant and cost per contact hour for each community education program, including youth after school enrichment programs, that receives aid or levy. The department must include cost per participant and cost per contact hour information by program in the community education annual report.~~

Sec. 5. Minnesota Statutes 2006, section 124D.522, is amended to read:

124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS.

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

(b) The commissioner must establish eligibility criteria and grant application procedures. Grants under this section must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. Beginning in fiscal year 2002, the commissioner may make grants under this section from the state total adult basic education aid set aside for supplemental service grants under section 124D.531. Up to one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult basic education instruction and service delivery. A grant to a single organization cannot exceed ~~\$100,000~~ 15 percent of the total supplemental services aid. Nothing in this section prevents an approved adult basic education program from using state or federal aid to purchase supplemental services.

Sec. 6. Minnesota Statutes 2006, section 124D.55, is amended to read:

124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.

The commissioner shall pay 60 percent of the fee that is charged to an eligible individual for the full battery of a general education development (GED) test, but not more than ~~\$20~~ \$40 for an eligible individual."

Delete the title and insert:

"A bill for an act relating to education; providing for prekindergarten through grade 12 education; including general education, education excellence, special programs, libraries, state agencies, and self-sufficiency and lifelong learning; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 120A.05, subdivision 10a; 120B.02; 120B.021, subdivision 1a; 120B.023, subdivision 2; 121A.035, subdivision 2; 121A.037; 122A.06, subdivision 4; 122A.07, subdivisions 2, 3; 122A.09, subdivision 4; 122A.18, subdivisions 2, 2a, by adding a subdivision; 123B.14, subdivision 7; 123B.36, subdivision 1; 123B.37, subdivision 1; 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; 123B.83, subdivision 3; 123B.88, subdivision 3; 124D.10, subdivisions 2a, 4a, 6, 6a, 7, 8, 20, 23; 124D.19, subdivision 14; 124D.522; 124D.55; 124D.60, subdivision 1; 125A.02, subdivision 1; 125A.15; 125A.51; 125A.65, subdivision 4, by adding a subdivision; 125A.744, subdivision 3; 125B.07, by adding a subdivision; 126C.40, subdivision 6; 134.31, subdivision 6, by adding a subdivision; 299F.30, subdivision 1; Minnesota Statutes 2007 Supplement, sections 120B.021, subdivision 1; 120B.024; 120B.30; 123B.81,

subdivision 4; 124D.10, subdivisions 4, 23a; 134.31, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapters 1; 121A; 125B; 127A; 134; repealing Minnesota Statutes 2006, sections 121A.23; 121A.67; Laws 2006, chapter 263, article 3, section 16."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 3170: A bill for an act relating to human services; amending the MFIP work participation program; changing MFIP child care assistance provisions; making technical changes; amending Minnesota Statutes 2006, sections 119B.011, subdivision 17; 119B.03, subdivisions 1, 6; 119B.09, subdivisions 1, 9; 119B.125, by adding a subdivision; 119B.21, subdivision 10; 256E.30, subdivision 1; 256E.35, subdivision 7; 256J.24, subdivision 5; 256J.425, subdivision 1; 256J.521, subdivision 4; 256J.54, subdivisions 2, 5; 256J.545; Minnesota Statutes 2007 Supplement, sections 119B.125, subdivision 2; 119B.13, subdivisions 1, 7; 119B.21, subdivision 5; 119B.231, subdivision 5; 245A.1435; 245C.08, subdivision 2; 256E.35, subdivision 2; 256J.20, subdivision 3; 256J.49, subdivision 13; 256J.626, subdivision 7; 256J.95, subdivision 3; repealing Minnesota Statutes 2006, section 256K.25.

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

Page 1, delete article 1

Page 6, after line 20, insert:

"Sec. 5. **CHILD CARE ADVISORY TASK FORCE.**

Subdivision 1. **Establishment.** The commissioner of human services shall establish a Child Care Advisory Task Force of stakeholders to review and make recommendations to the legislature to remove barriers facing families applying for and receiving child care assistance under Minnesota Statutes, chapter 119B.

Subd. 2. **Membership.** The commissioner of human services shall appoint Child Care Advisory Task Force members. The Child Care Advisory Task Force shall include, but is not limited to, representatives from:

- (1) the Department of Human Services;
- (2) counties and nonprofit organizations administering the child care assistance programs;
- (3) a parent receiving child care assistance;
- (4) the child care advocacy community; and
- (5) the antipoverty advocacy community.

Subd. 3. **Duties.** The Child Care Advisory Task Force shall review child care assistance laws, rules, and policies and make recommendations to remove barriers facing families applying for child care assistance or completing reauthorization for child care assistance to the legislative committees with jurisdiction over the child care assistance programs under Minnesota Statutes, chapter 119B. Barriers to review include, but are not limited to:

- (1) length of application forms;
- (2) consistency of application and reauthorization forms statewide;
- (3) documentation requirements, including frequency of producing documentation;
- (4) barriers facing parents with limited English; and
- (5) length of reauthorization periods.

Subd. 4. **Report.** By January 15, 2010, the Department of Human Services shall report to the legislative committees with jurisdiction over the child care assistance programs with the Child Care Advisory Task Force recommendations to remove the barriers facing families in applying for and receiving child care assistance.

Subd. 5. **Task force expenses.** Notwithstanding Minnesota Statutes, section 15.059, task force members must not be paid a per diem or reimbursed for any expenses associated with their membership on the task force.

Subd. 6. **Expiration.** The Child Care Advisory Task Force expires June 30, 2010.

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

Page 7, after line 22, insert:

"Sec. 4. Minnesota Statutes 2007 Supplement, section 119B.12, is amended to read:

119B.12 SLIDING FEE SCALE.

Subdivision 1. **Fee schedule.** In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility an amount for federal and state income and Social Security taxes attributable to that income level according to federal and state standardized tax tables. The commissioner shall base the parent fee on the ability of the family to pay for child care. The fee schedule must be designed to use any available tax credits.

PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in subdivision 2:

<u>Income Range (as a percent of the federal poverty guidelinesstate median income, except at the start of the first tier)</u>	<u>Co-payment (as a percentage of adjusted gross income)</u>
<u>0-74.99% of federal poverty guidelines</u>	<u>\$0/month</u>
<u>75.00-99.99% of federal poverty guidelines</u>	<u>\$5/month</u>
<u>100.00-104.99% 100.00% of federal poverty guidelines-27.72%</u>	<u>2.61%</u>
<u>105.00-109.99% 27.73-29.04%</u>	<u>2.61%</u>
<u>110.00-114.99% 29.05-30.36%</u>	<u>2.61%</u>
<u>115.00-119.99% 30.37-31.68%</u>	<u>2.61%</u>
<u>120.00-124.99% 31.69-33.00%</u>	<u>2.91%</u>

125.00-129.99% <u>33.01-34.32%</u>	2.91%
130.00-134.99% <u>34.33-35.65%</u>	2.91%
135.00-139.99% <u>35.66-36.96%</u>	2.91%
140.00-144.99% <u>36.97-38.29%</u>	3.21%
145.00-149.99% <u>38.30-39.61%</u>	3.21%
150.00-154.99% <u>39.62-40.93%</u>	3.21%
155.00-159.99% <u>40.94-42.25%</u>	3.84%
160.00-164.99% <u>42.26-43.57%</u>	3.84%
165.00-169.99% <u>43.58-44.89%</u>	4.46%
170.00-174.99% <u>44.90-46.21%</u>	4.76%
175.00-179.99% <u>46.22-47.53%</u>	5.05%
180.00-184.99% <u>47.54-48.85%</u>	5.65%
185.00-189.99% <u>48.86-50.17%</u>	5.95%
190.00-194.99% <u>50.18-51.49%</u>	6.24%
195.00-199.99% <u>51.50-52.81%</u>	6.84%
200.00-204.99% <u>52.82-54.13%</u>	7.58%
205.00-209.99% <u>54.14-55.45%</u>	8.33%
210.00-214.99% <u>55.46-56.77%</u>	9.20%
215.00-219.99% <u>56.78-58.09%</u>	10.07%
220.00-224.99% <u>58.10-59.41%</u>	10.94%
225.00-229.99% <u>59.42-60.73%</u>	11.55%
230.00-234.99% <u>60.74-62.06%</u>	12.16%
235.00-239.99% <u>62.07-63.38%</u>	12.77%
240.00-244.99% <u>63.39-64.70%</u>	13.38%
245.00-249.99% <u>64.71-66.99%</u>	14.00%
250% <u>67.00%</u>	ineligible

A family's monthly co-payment fee is the fixed percentage established for the income range multiplied by the highest possible income within that income range.

Subd. 2. Parent fee. A family must be assessed a parent fee for each service period. A family's parent fee must be a fixed percentage of its annual gross income. Parent fees must apply to families eligible for child care assistance under sections 119B.03 and 119B.05. Income must be as defined in section 119B.011, subdivision 15. The fixed percent is based on the relationship of the family's annual gross income to 100 percent of the annual ~~federal poverty guidelines~~ state median income. Parent fees must begin at 75 percent of the poverty level. The minimum parent fees for families between 75 percent and 100 percent of poverty level must be \$5 per month. Parent fees must provide for graduated movement to full payment. Payment of part or all of a family's parent fee directly to

the family's child care provider on behalf of the family by a source other than the family shall not affect the family's eligibility for child care assistance, and the amount paid shall be excluded from the family's income. Child care providers who accept third-party payments must maintain family specific documentation of payment source, amount, and time period covered by the payment.

EFFECTIVE DATE. This section is effective July 1, 2008."

Page 16, delete article 4

Renumber the articles and sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon

Page 1, line 3, after the first semicolon, insert "creating a Child Care Advisory Task Force;"

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was referred

S.F. No. 3366: A bill for an act relating to human services; modifying the phase-in of rebased nursing facility operating cost payment rates; amending Minnesota Statutes 2007 Supplement, section 256B.441, subdivisions 1, 55.

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

Page 2, line 12, strike "2012" and insert "2015" and strike "cost"

Page 2, lines 13 and 15, strike "cost"

Page 2, line 14, strike "cost" and after the period, insert "For purposes of this subdivision, the rate determined under section 256B.434 shall not include the portion of the operating payment rate related to the performance-based incentive payments under section 256B.434, subdivision 4, paragraph (d)."

Page 2, line 16, strike the first "cost" and strike the second "cost"

Page 3, after line 21, insert:

"(4) The October 1, 2009, through October 1, 2015, operating payment rate for facilities receiving the maximum percentage increase determined in clause (2) shall be the amount determined under paragraph (a) less the difference between the amount determined under paragraph (a) for October 1, 2008, and the amount allowed under clause (2). This rate restriction shall not apply to rate increases provided in any other section."

Page 3, after line 35, insert:

"Sec. 3. Minnesota Statutes 2007 Supplement, section 256B.441, subdivision 56, is amended to read:

Subd. 56. **Hold harmless.** For the rate years beginning October 1, 2008, to October 1, 2016, no

nursing facility shall receive an operating cost payment rate less than its operating cost payment rate under section 256B.434. For rate years beginning between October 1, 2009, and October 1, 2015, no nursing facility shall receive an operating payment rate less than its operating payment rate in effect on September 30, 2009. The comparison of operating cost payment rates under this section shall be made for a RUG's rate with a weight of 1.00.

Sec. 4. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the terms "operating cost payment rates" or "operating cost payment rate" to "operating payment rates" or "operating payment rate" wherever they appear in Minnesota Statutes, section 256B.441."

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was referred

H.F. No. 3420: A bill for an act relating to local government; revising procedures and fees charged by county registrars of title for registering supplemental declarations of common interest communities; amending Minnesota Statutes 2006, sections 508.82, subdivision 1; 515B.1-116.

Reports the same back with the recommendation that the bill do pass. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 3001, 3170 and 3366 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 3420 was read the second time.

RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Pogemiller from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 3391: Senators Berglin, Lynch, Lourey, Sheran and Rosen.

Senator Pogemiller moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Senators Anderson and Larson were excused from the Session of today. Senator Olson, G. was excused from the Session of today from 1:00 to 1:50 p.m. Senator Ortman was excused from the Session of today from 1:00 to 1:55 p.m. Senator Torres Ray was excused from the Session of today from 1:00 to 2:05 p.m. Senator Berglin was excused from the Session of today from 1:30 to 2:05 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 16, 2008. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

INDEX TO DAILY JOURNAL

Monday, April 14, 2008

EXECUTIVE AND OFFICIAL COMMUNICATIONS

Pages 8591 to 8592

CHAPTER LAWS

S.F. Nos.	H.F. Nos.	Session Laws Chapter No.	Page
	3157	180	8592
	3289	181	8592
	2898	182	8592
	2788	183	8592
	3240	184	8592
	117	185	8592
	2602	186	8592
	2932	187	8592
	1499	188	8592
	3708	189	8592

MESSAGES FROM THE HOUSE AND FIRST READING OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
1298	8593	2904	8595	8596
2379	8592	3391	8595	8596
2402	8594	3391	8608	
		3516	8594	
		3569	8595	8596
		3662	8593	
		4023	8595	8595

CONCURRENCE AND REPASSAGE

S.F. Nos.	Page	H.F. Nos.	Page
2402	8595		

SUSPENSION OF RULES

S.F. Nos.	Page	H.F. Nos.	Page
		3391	.....8596

REPORTS OF COMMITTEES AND SECOND READINGS

S.F. Nos.	Report Page	2nd Reading Page	H.F. Nos.	Report Page	2nd Reading Page
3001	..... 8609	8652	3066	.....8597	8598
3170	..... 8648	8652	3172	.....8598	8598
3366	..... 8651	8652	3420	.....8652	8652

MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
3828	..... 8598		

CONFERENCE COMMITTEE REPORTS AND THIRD READINGS

S.F. Nos.	Page	H.F. Nos.	Page
2822	..... 8600		

CALENDAR

S.F. Nos.	Page	H.F. Nos.	Page
2204	..... 8605	3357	.....8606
2967	..... 8605	3477	.....8603
2988	..... 8604		
3069	..... 8603		
3331	..... 8604		
3441	..... 8607		
3780	..... 8607		

GENERAL ORDERS

S.F. Nos.	Page	H.F. Nos.	Page
3698	..... 8599	3500	.....8599

APPOINTMENTS TO CONFERENCE COMMITTEES

S.F. Nos.	Page	H.F. Nos.	Page
		3391	.....8652
		3516	.....8608
		3662	.....8608

INTRODUCTION AND FIRST READING OF SENATE BILLS

S.F Nos. 3834 to 3835 Page 8599