

THIRTY-SECOND DAY

St. Paul, Minnesota, Monday, March 23, 2015

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

CALL OF THE SENATE

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

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

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

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

Anderson	Dziedzic	Ingebrigtsen	Nienow	Senjem
Bakk	Eaton	Jensen	Ortman	Sheran
Benson	Eken	Johnson	Osmeck	Skoe
Bonoff	Fischbach	Kent	Pappas	Sparks
Brown	Franzen	Kiffmeyer	Petersen, B.	Stumpf
Carlson	Gazelka	Koenen	Pratt	Thompson
Chamberlain	Goodwin	Limmer	Reinert	Tomassoni
Champion	Hall	Lourey	Rest	Torres Ray
Clausen	Hann	Marty	Rosen	Weber
Cohen	Hawj	Metzen	Ruud	Westrom
Dahle	Hayden	Miller	Saxhaug	Wiger
Dahms	Hoffman	Nelson	Scalze	Wiklund
Dibble	Housley	Newman	Schmit	

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 communications were received.

March 19, 2015

The Honorable Sandra L. Pappas
President of the Senate

Dear Madam President:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, Chapter 5, S.F. No. 578.

Sincerely,
Mark Dayton, Governor

March 19, 2015

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2015 Session of the State Legislature has been received from the Office of the Governor and is 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 2015	Date Filed 2015
578		5	2:10 p.m. March 19	March 19

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 841.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 19, 2015

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 841: A bill for an act relating to the military; granting resident status for purposes of higher education grants and scholarships to certain active members of the military who reside in the state; requiring a report; amending Minnesota Statutes 2014, section 136A.101, subdivision 8.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

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

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 380: A bill for an act relating to health; modifying exemption procedures related to immunizations; amending Minnesota Statutes 2014, section 121A.15, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 121A.15, subdivision 3, is amended to read:

Subd. 3. **Exemptions from immunizations.** (a) If a person is at least seven years old and has not been immunized against pertussis, the person must not be required to be immunized against pertussis.

(b) If a person is at least 18 years old and has not completed a series of immunizations against poliomyelitis, the person must not be required to be immunized against poliomyelitis.

(c) If a statement, signed by a physician, is submitted to the administrator or other person having general control and supervision of the school or child care facility stating that an immunization is contraindicated for medical reasons or that laboratory confirmation of the presence of adequate immunity exists, the immunization specified in the statement need not be required.

(d) If a notarized statement signed by the minor child's parent or guardian or by the emancipated person is submitted to the administrator or other person having general control and supervision of the school or child care facility stating that the person has not been immunized as prescribed in subdivision 1 because of the conscientiously held beliefs of the parent or guardian of the minor child or of the emancipated person, the immunizations specified in the statement shall not be required. This statement must also be forwarded to the commissioner of the Department of Health. A child shall be exempt, in whole or in part, from the immunization requirements of subdivision 1, upon the submission to the administrator or other person having general control and supervision of the school, school-based early childhood program as defined by Minnesota Rules, part 4604.0200, or child care facility of a certificate of exemption, using a form developed by the commissioner of health. The certificate may be completed on paper or produced by entry in the Minnesota Immunization Information Connection. The certificate must state that the parent or guardian, or the child if emancipated, is declining one or more required immunizations on the basis of their personal beliefs. The certificate must contain the following:

(1) specification of the particular vaccine or vaccines for which an exemption is being requested;

(2) a statement from a health care provider, including a licensed physician, licensed physician assistant, or advanced practice registered nurse, as defined in section 148.171, subdivision 3, who provides immunizations, containing the health care provider's name, address, and phone number, and verifying that:

(i) the health care provider has entered into the child's medical record a statement written by the parent or guardian, or by the child if emancipated, which explains the reasons for requesting the exemption; and

(ii) the health care provider has reviewed with the parent or guardian, or the child if emancipated, information about the risks and benefits of the vaccines that is consistent with information published by the Centers for Disease Control and Prevention; and

(3) an acknowledgement that the child may be prohibited from attending school, school-based early childhood programs as defined by Minnesota Rules, part 4604.0200, or the child care facility during an outbreak of the disease for which the child has not been immunized.

(e) If the person is under 15 months, the person is not required to be immunized against measles, rubella, or mumps.

(f) If a person is at least five years old and has not been immunized against haemophilus influenzae type b, the person is not required to be immunized against haemophilus influenzae type b.

(g) If a person who is not a Minnesota resident enrolls in a Minnesota school online learning course or program that delivers instruction to the person only by computer and does not provide any teacher or instructor contact time or require classroom attendance, the person is not subject to the immunization, statement, and other requirements of this section.

(h) A person who has submitted a certificate of exemption under paragraph (d) prior to entering grade 7 must renew the certificate, in the form and manner specified by the commissioner of health, or meet the requirements of subdivision 1, whenever a new immunization requirement applies to the person, including in order to enroll in grade 7.

EFFECTIVE DATE. This section is effective August 1, 2016."

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

Senator Marty from the Committee on Environment and Energy, to which was re-referred

S.F. No. 886: A resolution memorializing the Surface Transportation Board to require an environmental impact statement on construction of railroad connector track in Crystal, Minnesota, which permits an alternative routing of unit trains transporting oil products through the Twin Cities metropolitan area.

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

Senator Marty from the Committee on Environment and Energy, to which was re-referred

S.F. No. 1074: A bill for an act relating to transportation; requiring an environmental impact statement prior to construction for certain rail projects connecting track.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1732: A bill for an act relating to solid waste; establishing textile waste diversion goal; amending Minnesota Statutes 2014, section 115A.551, by adding a subdivision.

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1415: A bill for an act relating to energy; providing factors to be considered in approving solar photovoltaic modules for a public utility solar project; appropriating money.

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

Page 1, delete section 1 and insert:

"Section 1. **PUBLIC UTILITY SOLAR PROJECT.**

The public utility for a solar project by or in cooperation with the public utility and the Minnesota Army National Guard at a military and civilian training facility in Morrison County must install when completing the solar project only solar photovoltaic modules that:

(1) meet the "Made in Minnesota" qualification requirements under Minnesota Statutes, section 216C.413;

(2) comply with the "Made in USA" standard established by the United States Federal Trade Commission because all or virtually all of the product's significant parts and processing are of United States origin;

(3) provide local economic benefits derived from the purchase and use of modules manufactured in-state;

(4) demonstrate the manufacturer's and suppliers' total combined experience as supported by evidence of years of solar manufacturing experience, manufacturing certifications, component sourcing criteria, testing, and number of years of actual field experience;

(5) have the projected performance of the solar modules over an expected life of 30 years or more as supported by product design, third-party lab testing, and manufacturers and component suppliers' field experience;

(6) have the projected durability, safety, and reliability of the solar modules over an expected life of 30 years or more, as supported by product design, third-party lab testing, and manufacturers' and component suppliers' field experience;

(7) offer a minimum ten-year solar module workmanship warranty and 30-year solar module power warranty, with a minimum warranted power performance of 80 percent in year 30; and

(8) provide a third-party certification supporting the environmental sustainability of module component sources and manufacturing processes.

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

Page 2, line 15, delete "evaluation required for a" and insert "approval of the"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 925: A bill for an act relating to energy; increasing the size limit of natural gas utilities not subject to rate regulations; expanding the scope of energy improvement projects whose costs can be repaid via a property tax surcharge; exempting propane tank purchases from the sales tax; adding definitions; transferring unused funds; requiring a report; appropriating money; amending Minnesota Statutes 2014, sections 216B.02, by adding subdivisions; 216B.16, subdivision 12; 216B.2421, subdivision 2; 216C.435, subdivision 5; 297A.67, by adding a subdivision.

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

Pages 1 to 4, delete sections 1 to 8

Page 4, line 31, delete "2015" and insert "2016" and delete "2016" and insert "2017"

Page 5, line 1, delete "Notwithstanding"

Page 5, delete line 2

Page 5, line 3, delete everything before "Propane"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 to 5

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was re-referred

S.F. No. 1303: A bill for an act relating to natural resources; modifying certain authorities; extending expiration of citizen oversight committees; providing for compliance with federal law; modifying enforcement provisions; modifying provisions to take, possess, and transport wild animals; providing for certain licenses; modifying landowner's bill of rights; requiring certain permission for traps and snares set; modifying penalty for certain firearms possession; establishing a pilot program; modifying seizure of licenses; providing criminal penalties; requiring rulemaking; amending Minnesota Statutes 2014, sections 84.027, subdivision 13a; 84.0274, subdivisions 3, 5; 84D.03, subdivision 3; 97A.045, subdivision 11; 97A.055, subdivision 4b; 97A.057, subdivision 1; 97A.211, subdivisions 1, 2; 97A.255, subdivision 4; 97A.338; 97A.420, subdivision 1; 97A.421, subdivision 2a; 97A.435, subdivision 4; 97A.465, by adding a subdivision; 97B.031, subdivision 5, by adding a subdivision; 97B.041; 97B.081, subdivision 3; 97B.085, subdivision 2; 97B.301, by adding a subdivision; 97B.668; 97B.903; 97B.931, subdivision 2; 97C.005, subdivision 3; 97C.301, by adding a subdivision; 97C.345, by adding a subdivision; 97C.501, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97A; 97B; repealing Minnesota Statutes 2014, section 97A.475, subdivision 25; Minnesota Rules, part 6264.0400, subparts 27, 28.

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

Page 15, line 10, before the semicolon, insert ", and that is constructed, improved, or maintained"

Page 15, line 11, delete "managed" and insert "constructed, improved, and maintained"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 455: A bill for an act relating to elections; modifying various provisions related to election administration, including provisions related to school districts, voters, ballots, candidates, political party designation, military and overseas voting, and other election-related provisions; establishing the Elections Emergency Planning Task Force; enacting the Uniform Faithful Presidential Electors Act; amending voter registration procedures; restoring right to vote upon release from incarceration for a felony offense; providing for early voting; requiring use of actual address for redistricting purposes; making conforming changes; making technical changes; appropriating money; amending Minnesota Statutes 2014, sections 13.607, by adding a subdivision; 103C.311, subdivision 2; 123B.09, subdivision 1, by adding a subdivision; 200.02, subdivisions 7, 23, by adding subdivisions; 201.014, by adding a subdivision; 201.022, subdivision 1; 201.054, subdivisions 1, 2; 201.061, by adding a subdivision; 201.071, subdivision 1; 201.091, subdivision 4; 201.12, subdivisions 2, 3; 201.13, subdivision 3; 201.14; 201.157; 201.158; 201.161; 203B.001; 203B.01, subdivision 3, by adding a subdivision; 203B.03, subdivision 1; 203B.05, subdivision 1; 203B.07, subdivision 1; 203B.08, subdivisions 1, 3; 203B.081; 203B.085; 203B.121, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 203B.16, subdivisions 1, 2; 203B.17, subdivisions 1, 2; 204B.06, subdivision 1b; 204B.07, subdivision 2; 204B.145; 204B.19, subdivision 6; 204B.28, subdivision 2; 204B.36, subdivisions 1, 2, 3, 4; 204B.45, subdivisions 1, 2; 204C.04, subdivision 2; 204C.08, subdivision 1d; 204C.10; 204C.13, subdivisions 2, 3, 5; 204C.15, subdivision 1; 204C.22, subdivisions 3, 4, 7, 10; 204C.35, subdivisions 1, 2; 204C.36, subdivisions 1, 2; 204C.40, subdivision 2; 204D.11, subdivision 4; 204D.27, subdivision 11; 205.84, subdivision 1; 206.82, subdivision 1; 206.83; 206.90, subdivision 6; 208.02; 208.03; 208.06; 209.01, subdivision 2; 209.021, subdivisions 2, 3; 209.09, subdivision 2; 365.22, subdivisions 2, 3; 367.31, subdivision 4; 368.85, subdivision 4; 375.025, subdivision 1; 375A.09, subdivision 4; 376.04; 383B.68, subdivision 4; 412.551, subdivision 2; 473.123, subdivision 3a; 609.165, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 123B; 201; 203B; 208; 241; 243; repealing Minnesota Statutes 2014, sections 123B.09, subdivision 5; 201.155; 201.275; 204B.14, subdivision 6; 204C.13, subdivision 4; 204C.30, subdivision 1; 208.07; 208.08; 383A.555.

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

Page 28, after line 7, insert:

"(4) one individual appointed by the Minnesota State Council on Disability;"

Page 28, line 8, delete "(4)" and insert "(5)"

Page 28, line 9, delete "(5)" and insert "(6)"

Page 28, line 10, delete "(6)" and insert "(7)"

Page 28, line 12, delete "(7)" and insert "(8)"

Page 28, line 13, delete "(8)" and insert "(9)"

Page 28, line 14, delete "(9)" and insert "(10)"

Page 28, line 16, delete "(10)" and insert "(11)"

Page 28, line 17, delete "(11)" and insert "(12)"

Page 28, line 19, delete "(12)" and insert "(13)"

Page 28, line 20, delete "(13)" and insert "(14)"

Page 38, line 20, delete "sections" and insert "section"

Page 38, line 21, delete "and 201.155"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 1325: A bill for an act relating to game and fish; modifying requirements for certain traps; requiring certain permission for traps and snares set; requiring reporting; requiring license forfeiture for certain violations; providing criminal penalties; amending Minnesota Statutes 2014, sections 97A.421, subdivision 1; 97B.903; proposing coding for new law in Minnesota Statutes, chapter 97B.

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

Page 3, line 1, delete "PET OR COMPANION" and insert "DOG OR COLLARED"

Page 3, line 3, delete everything after "finds a" and insert "dog or collared animal"

Page 3, line 4, delete everything before "taken"

Page 3, line 9, delete "3.197" and insert "3.195"

Page 3, line 10, delete everything after "kills a" and insert "dog or collared animal and is convicted of setting an illegal"

Page 3, line 11, delete "illegally set" and after "their" insert "annual"

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

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 1539: A bill for an act relating to civil law; requiring certificates of dissolution; adding requirements to the certificate of dissolution form; amending Minnesota Statutes 2014, section 518.148.

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

Page 1, line 9, before "The" insert "(a)"

Page 1, after line 14, insert:

"(b) If a certificate of dissolution has not been prepared, either party may make a written request for a certificate of dissolution and the court shall approve a request pursuant to this section. The

court may require the requesting party or their attorney to prepare the certificate of dissolution and submit the certificate to the court."

Page 1, strike lines 20 and 21

Page 1, line 22, strike "(4)" and insert "(3)"

Page 1, line 23, strike "(5)" and insert "(4)"

Page 2, line 1, strike "(6)"

Page 2, line 3, before "if" insert "(5)"

Page 2, line 8, before the period, insert ", except that subdivision 1, paragraph (b), applies to judgments and decrees granted before, on, or after August 1, 2015."

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

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 1705: A bill for an act relating to transportation; specifying causes and types of damage for which railroads are responsible; amending Minnesota Statutes 2014, sections 219.76; 219.761.

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

Page 1, line 9, strike "corporation owning or" and strike "a railroad"

Page 1, line 14, strike "corporation"

Page 1, line 20, before "A" insert "(a)"

Page 2, line 8, after the second period, insert "For purposes of this paragraph, reasonable response expenses include all expenses incurred by a fire department or other emergency responder in supplying mutual aid assistance, regardless of whether the fire department or emergency responder is entitled to reimbursement from the entity requesting assistance."

Page 2, line 9, before "If" insert "(b)"

Page 2, line 10, after "government" insert a comma and reinstate the stricken language and before "other" insert ", or"

Page 2, line 16, after "chiefs" insert a comma and strike "and"

Page 2, line 17, delete the new language and insert ", representatives of local government entities, nonprofit firefighting corporations, and other emergency responders"

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

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 918: A bill for an act relating to railroads; requiring two-person crew on trains carrying freight; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 219.

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

Delete everything after the enacting clause and insert:

"Section 1. [219.752] MINIMUM CREW SIZE.

No Class I or Class II railroad shall allow the operation of a railroad train or locomotive in this state, used in connection with the movement of freight or passengers, without a crew composed of a minimum of two individuals, except hostling and helper operations, remote control locomotives in yards, and as otherwise provided by Code of Federal Regulations, title 49, part 218, subpart B. A railroad that violates this section is guilty of a misdemeanor and, in addition to any other sanctions authorized in law, shall be ordered to pay a fine of at least \$250 for a first-time violation of this section, and \$1,000 for a second or subsequent violation.

EFFECTIVE DATE. This section is effective August 1, 2015, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 3, after "prescribing" insert "criminal"

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

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 1525: A bill for an act relating to transportation; modifying various provisions impacting or enforced by the Department of Transportation; making technical changes; amending Minnesota Statutes 2014, sections 160.20, subdivision 4; 160.266, subdivisions 2, 3, by adding subdivisions; 161.321, subdivisions 2a, 2c, 4.

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

Page 4, line 25, after the period, insert "The court may refer the matter to the Office of Administrative Hearing only if all parties in the project, including condemnees, consent to the referral."

Page 4, line 28, after the period, insert "Minnesota Statutes, section 117.145, applies to an appeal of the administrative law judge's determination and award of damages."

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

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 1816: A bill for an act relating to property; regulating property transfers; enacting amendments to the Uniform Fraudulent Transfer Act recommended by the National Conference of Commissioners on Uniform State Laws for enactment by the states; amending Minnesota Statutes 2014, sections 513.41; 513.42; 513.43; 513.44; 513.45; 513.46; 513.47; 513.48; 513.51; proposing coding for new law in Minnesota Statutes, chapter 513.

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

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 1416: A bill for an act relating to local government; permitting local governments to donate certain surplus equipment to nonprofit organizations; creating an exception to tort liability; amending Minnesota Statutes 2014, section 466.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 385: A bill for an act relating to public safety; modifying forfeiture laws on how proceeds from the sale of forfeited property are used, what reports are required and how they are financed, and how policies are adopted; amending Minnesota Statutes 2014, sections 84.7741, subdivision 10; 169A.63, subdivision 10; 609.531, subdivision 8; 609.5315, subdivisions 1, 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 6.74, is amended to read:

6.74 INFORMATION COLLECTED FROM LOCAL GOVERNMENTS.

Subdivision 1. General reporting requirements. The state auditor, or a designated agent, shall collect annually from all city, county, and other local units of government, information as to the assessment of property, collection of taxes, receipts from licenses and other sources including administrative fines assessed and collected pursuant to section 169.999, the expenditure of public funds for all purposes, borrowing, debts, principal and interest payments on debts, and such other information as may be needful.

Subd. 2. Annual forfeiture expenditures reporting. Each appropriate agency and prosecuting authority required to report to the state auditor under section 609.5315, subdivision 6, shall annually report the total dollar amount of expenditures in each of the following four categories that were made using forfeiture funds during the reporting period:

(1) substance abuse prevention programs, gang programs, informant fees, buy money, witness protection, and victim reparation;

(2) travel, meals, entertainment, training, and conferences;

(3) vehicles, canines, firearms, police equipment, furniture, computers, office equipment, and other capital equipment; and

(4) other uses.

Subd. 3. Forms; state auditor examinations. The data shall be supplied upon forms prescribed by the state auditor, and all public officials so called upon shall fill out properly and return promptly all forms so transmitted. The state auditor or assistants, may examine local records in order to complete or verify the information.

EFFECTIVE DATE. This section applies to reporting of financial information for years ending on or after December 31, 2016.

Sec. 2. Minnesota Statutes 2014, section 84.7741, subdivision 10, is amended to read:

Subd. 10. Disposition of forfeited vehicle. (a) If the vehicle is administratively forfeited under subdivision 8, or if the court finds under subdivision 9 that the vehicle is subject to forfeiture under subdivisions 6 and 7, the appropriate agency shall:

(1) sell the vehicle and distribute the proceeds under paragraph (b); or

(2) keep the vehicle for official use. If the agency keeps a forfeited off-highway vehicle for official use, the agency shall make reasonable efforts to ensure that the off-highway vehicle is

available for use by the agency's officers who participate in off-highway vehicle enforcement or education programs.

(b) The proceeds from the sale of forfeited vehicles, after payment of seizure, towing, storage, forfeiture, and sale expenses and satisfaction of valid liens against the property, must be distributed as follows:

(1) 70 percent of the proceeds must be forwarded to the appropriate agency for deposit as a supplement to the state or local agency's operating fund or similar fund for use in purchasing equipment for off-highway vehicle enforcement, training, and education; and

(2) 30 percent of the money or proceeds must be forwarded to the prosecuting authority that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes.

(c) If a vehicle is sold under paragraph (a), the appropriate agency shall not sell the vehicle to: (1) an officer or employee of the agency that seized the property or to a person related to the officer or employee by blood or marriage; or (2) the prosecuting authority or any individual working in the same office or a person related to the authority or individual by blood or marriage.

(d) Sales of forfeited vehicles under this section must be conducted in a commercially reasonable manner.

(e) If a vehicle is forfeited administratively under this section and no demand for judicial determination is made, the appropriate agency shall provide the prosecuting authority with a copy of the forfeiture or evidence receipt, the notice of seizure and intent to forfeit, a statement of probable cause for forfeiture of the property, and a description of the property and its estimated value. Upon review and certification by the prosecuting authority that (1) the appropriate agency provided a receipt in accordance with subdivision 2, paragraph (c), (2) the appropriate agency served notice in accordance with subdivision 8, and (3) probable cause for forfeiture exists based on the officer's statement, the appropriate agency may dispose of the property in any of the ways listed in this subdivision.

(f) The appropriate agency or prosecuting authority may not use the proceeds from the sale of forfeited vehicles to pay base salaries, benefits, overtime, or bonuses to personnel, or to pay a private attorney for services related to forfeiture litigation.

Sec. 3. Minnesota Statutes 2014, section 169A.63, subdivision 10, is amended to read:

Subd. 10. **Disposition of forfeited vehicle.** (a) If the vehicle is administratively forfeited under subdivision 8, or if the court finds under subdivision 9 that the vehicle is subject to forfeiture under subdivisions 6 and 7, the appropriate agency shall:

(1) sell the vehicle and distribute the proceeds under paragraph (b); or

(2) keep the vehicle for official use. If the agency keeps a forfeited motor vehicle for official use, it shall make reasonable efforts to ensure that the motor vehicle is available for use by the agency's officers who participate in the drug abuse resistance education program.

(b) The proceeds from the sale of forfeited vehicles, after payment of seizure, towing, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be distributed as follows:

(1) 70 percent of the proceeds must be forwarded to the appropriate agency for deposit as a supplement to the state or local agency's operating fund or similar fund for use in DWI-related enforcement, training, and education; and

(2) 30 percent of the money or proceeds must be forwarded to the prosecuting authority that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes.

(c) If a vehicle is sold under paragraph (a), the appropriate agency shall not sell the vehicle to: (1) an officer or employee of the agency that seized the property or to a person related to the officer or employee by blood or marriage; or (2) the prosecuting authority or any individual working in the same office or a person related to the authority or individual by blood or marriage.

(d) Sales of forfeited vehicles under this section must be conducted in a commercially reasonable manner.

(e) If a vehicle is forfeited administratively under this section and no demand for judicial determination is made, the appropriate agency shall provide the prosecuting authority with a copy of the forfeiture or evidence receipt, the notice of seizure and intent to forfeit, a statement of probable cause for forfeiture of the property, and a description of the property and its estimated value. Upon review and certification by the prosecuting authority that (1) the appropriate agency provided a receipt in accordance with subdivision 2, paragraph (c), (2) the appropriate agency served notice in accordance with subdivision 8, and (3) probable cause for forfeiture exists based on the officer's statement, the appropriate agency may dispose of the property in any of the ways listed in this subdivision.

(f) The appropriate agency or prosecuting authority may not use the proceeds from the sale of forfeited vehicles to pay base salaries, benefits, overtime, or bonuses to personnel, or to pay a private attorney for services related to forfeiture litigation.

Sec. 4. Minnesota Statutes 2014, section 609.531, subdivision 8, is amended to read:

Subd. 8. Forfeiture policies; statewide model policy required. ~~(a) By December 1, 2010, the Peace Officer Standards and Training Board, after consulting with the Minnesota County Attorneys Association, the Minnesota Sheriffs' Association, the Minnesota Chiefs of Police Association, and the Minnesota Police and Peace Officers Association, shall develop a model policy that articulates best practices for forfeiture and is designed to encourage the uniform application of forfeiture laws statewide. At a minimum, the policy shall address the following:~~

- ~~(1) best practices in pursuing, seizing, and tracking forfeitures;~~
- ~~(2) type and frequency of training for law enforcement on forfeiture laws; and~~
- ~~(3) situations in which forfeitures should not be pursued.~~

~~(b) By December 1, 2010, the Minnesota County Attorneys Association, after consulting with the attorney general, the Peace Officer Standards and Training Board, the Minnesota Sheriffs' Association, the Minnesota Chiefs of Police Association, and the Minnesota Police and Peace Officers Association, shall develop a model policy that articulates best practices for forfeiture and is designed to encourage the uniform application of forfeiture laws statewide. At a minimum, the policy shall address the following:~~

- ~~(1) statutory role of prosecuting authorities in forfeiture procedures;~~
- ~~(2) best practices for timely and fair resolution of forfeiture cases;~~
- ~~(3) type and frequency of training for prosecuting authorities on forfeiture laws; and~~
- ~~(4) situations in which forfeitures should not be pursued.~~

~~(c) By December 1, 2010, the Minnesota County Attorneys Association and the Peace Officer Standards and Training Board shall forward an electronic copy of its respective model policy to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice and civil law policy.~~

~~(d) By March 1, 2011, The chief law enforcement officer of every state and local law enforcement agency and every prosecution office in the state shall adopt and implement maintain a written policy on forfeiture that is identical or substantially similar to the consistent with the model policies developed under paragraphs (a) and (b) Laws 2010, chapter 391, section 11. The written policy shall be made available to the public upon request.~~

Sec. 5. Minnesota Statutes 2014, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. **Disposition.** (a) Subject to paragraph (b), if the court finds under section 609.5313, 609.5314, or 609.5318 that the property is subject to forfeiture, it shall order the appropriate agency to do one of the following:

(1) unless a different disposition is provided under clause (3) or (4), either destroy firearms, ammunition, and firearm accessories that the agency decides not to use for law enforcement purposes under clause (8), or sell them to federally licensed firearms dealers, as defined in section 624.7161, subdivision 1, and distribute the proceeds under subdivision 5 or 5b;

(2) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5 or 5b;

(3) sell antique firearms, as defined in section 624.712, subdivision 3, to the public and distribute the proceeds under subdivision 5 or 5b;

(4) destroy or use for law enforcement purposes semiautomatic military-style assault weapons, as defined in section 624.712, subdivision 7;

(5) take custody of the property and remove it for disposition in accordance with law;

(6) forward the property to the federal drug enforcement administration;

(7) disburse money as provided under subdivision 5, 5b, or 5c; or

(8) keep property other than money for official use by the agency and the prosecuting agency.

(b) Notwithstanding paragraph (a), the Hennepin or Ramsey County sheriff may not sell firearms, ammunition, or firearm accessories if the policy is disapproved by the applicable county board.

(c) If property is sold under paragraph (a), the appropriate agency shall not sell property to: (1) an officer or employee of the agency that seized the property or to a person related to the officer or employee by blood or marriage; or (2) the prosecuting authority or any individual working in the same office or a person related to the authority or individual by blood or marriage.

(d) Sales of forfeited property under this section must be conducted in a commercially reasonable manner.

(e) The appropriate agency or prosecuting authority may not use the proceeds from the sale of forfeited property to pay base salaries, benefits, overtime, or bonuses to personnel, or to pay a private attorney for services related to forfeiture litigation.

Sec. 6. Minnesota Statutes 2014, section 609.5315, subdivision 6, is amended to read:

Subd. 6. **Reporting requirement.** (a) For each forfeiture occurring in the state regardless of the authority for it, the appropriate agency and the prosecuting authority shall provide a written record of the forfeiture incident to the state auditor. The record shall include the amount forfeited, the statutory authority for the forfeiture, its date, a brief description of the circumstances involved, and whether the forfeiture was contested.

For controlled substance and driving while impaired forfeitures, the record shall indicate whether the forfeiture was initiated as an administrative or a judicial forfeiture. The record shall also list the number of firearms forfeited and the make, model, and serial number of each firearm forfeited. The record shall indicate how the property was or is to be disposed of.

(b) An appropriate agency or the prosecuting authority shall report to the state auditor all instances in which property seized for forfeiture is returned to its owner either because forfeiture is not pursued or for any other reason.

(c) Reports shall be made on a monthly basis in a manner prescribed by the state auditor. The state auditor shall report annually to the legislature on the nature and extent of forfeitures.

(d) For forfeitures resulting from the activities of multijurisdictional law enforcement entities, the entity on its own behalf shall report the information required in this subdivision.

(e) The prosecuting authority is not required to report information required by this subdivision unless the prosecuting authority has been notified by the state auditor that the appropriate agency has not reported it.

(f) Annually, an appropriate agency or the prosecuting authority shall report forfeiture expenditures as required by section 6.74.

EFFECTIVE DATE. This section applies to reporting of financial information for years ending on or after December 31, 2016."

Amend the title as follows:

Page 1, line 3, delete everything after "required"

Page 1, line 4, delete "financed"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 1580: A bill for an act relating to health; requiring commissioner of health to develop a list of authorized entities; allowing certain individuals to obtain and administer epinephrine without a prescription; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.999] LIFE-SAVING ALLERGY MEDICATION.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Administer" means the direct application of an epinephrine auto-injector to the body of an individual.

(c) "Authorized entity" means recreation camps, colleges and universities, preschools and daycares, and any other category of entities or organizations that the commissioner authorizes to obtain and administer epinephrine auto-injectors without a prescription. This definition does not include a school covered under section 121A.2207.

(d) "Commissioner" means the commissioner of health.

(e) "Epinephrine auto-injector" means a single-use device used for the automatic injection of a premeasured dose of epinephrine into the human body.

(f) "Provide" means to supply one or more epinephrine auto-injectors to an individual or the individual's parent, legal guardian, or caretaker.

Subd. 2. **Commissioner duties.** The commissioner may identify additional categories of entities or organizations to be authorized entities if the commissioner determines that individuals may come in contact with allergens capable of causing anaphylaxis. Beginning July 1, 2016, the commissioner may annually review the list of authorized entities and authorize additions to the list as the commissioner deems appropriate. The commissioner may contract with a vendor to perform the review and identification of authorized entities.

Subd. 3. **Obtaining and storing epinephrine auto-injectors.** (a) Notwithstanding section 151.37, an authorized entity may obtain and possess epinephrine auto-injectors to be provided or administered to an individual if, in good faith, an employee or agent of an authorized entity believes that the individual is experiencing anaphylaxis regardless of whether the individual has a prescription for an epinephrine auto-injector. The administration of an epinephrine auto-injector in accordance with this section is not the practice of medicine.

(b) An authorized entity may obtain epinephrine auto-injectors from pharmacies licensed as wholesalers pursuant to section 151.44. Prior to an authorized entity obtaining an epinephrine auto-injector, an owner, manager, or otherwise authorized agent of the entity must present to the pharmacy or manufacturer a valid certificate of training obtained pursuant to subdivision 5.

(c) An authorized entity shall store epinephrine auto-injectors in a location readily accessible in an emergency and in accordance with the epinephrine auto-injector's instructions for use and any

additional requirements that may be established by the commissioner. An authorized entity shall designate employees or agents who have completed the training program required under subdivision 5 to be responsible for the storage, maintenance, and control of epinephrine auto-injectors obtained and possessed by the authorized entity.

Subd. 4. **Use of epinephrine auto-injectors.** (a) Any employee or agent of an authorized entity who has completed the training required under subdivision 5 may:

(1) provide an epinephrine auto-injector for immediate administration to an individual or the individual's parent, legal guardian, or caregiver if the employee or agent believes, in good faith, the individual is experiencing anaphylaxis, regardless of whether the individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy; or

(2) administer an epinephrine auto-injector to an individual who the employee or agent believes, in good faith, is experiencing anaphylaxis, regardless of whether the individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy.

(b) Nothing in this section shall be construed to require any authorized entity to maintain a stock of epinephrine auto-injectors.

Subd. 5. **Training.** (a) In order to use an epinephrine auto-injector as authorized under subdivision 4, an employee or agent of an authorized entity must complete, every two years, an anaphylaxis training program conducted by a nationally recognized organization experienced in training laypersons in emergency health treatment or an entity or individual approved by the commissioner to provide an anaphylaxis training program. The commissioner may approve specific entities or individuals to conduct the training program or may approve categories of entities or individuals to conduct the training program. Training may be conducted online or in person and, at a minimum, must cover:

(1) how to recognize signs and symptoms of severe allergic reactions, including anaphylaxis;

(2) standards and procedures for the storage and administration of an epinephrine auto-injector;
and

(3) emergency follow-up procedures.

(b) The entity or individual conducting the training shall issue a certificate to each person who successfully completes the anaphylaxis training program. The commissioner may develop, approve, and disseminate a standard certificate of completion. The certificate of completion shall be valid for two years from the date issued.

Subd. 6. **Good samaritan protections.** Any act or omission taken pursuant to this section by an authorized entity that possesses and makes available epinephrine auto-injectors and its employees or agents, a pharmacy or manufacturer that dispenses epinephrine auto-injectors to an authorized entity, or an individual or entity that conducts the training described in subdivision 5 is considered "emergency care, advice, or assistance" under section 604A.01."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 1757: A bill for an act relating to health; modifying the definition of lodging establishment; amending Minnesota Statutes 2014, section 157.15, subdivision 8.

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

Page 1, line 11, delete "used as,"

Page 1, line 13, delete "to patients and their families" and insert "exclusively to patients, their families, and caregivers"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 1311: A bill for an act relating to health; requiring suicide prevention training; requiring training for law enforcement in techniques to de-escalate mental health crises; requiring a report; appropriating money; amending Minnesota Statutes 2014, sections 122A.09, subdivision 4; 145.56, subdivisions 2, 4; 626.8452, subdivision 3; 626.8455, subdivision 1.

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

Page 5, delete sections 4 and 5

Page 6, delete section 7

Page 6, line 25, delete "health" and insert "human services"

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 383: A bill for an act relating to health occupations; changing provisions for licensing of optometrists, doctors, and chiropractors; amending Minnesota Statutes 2014, sections 148.52; 148.54; 148.57; 148.574; 148.575; 148.577; 148.59; 148.603; 364.09; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 2014, sections 148.571; 148.572; 148.573, subdivision 1; 148.576, subdivisions 1, 2; 151.37, subdivision 11.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 148.52, is amended to read:

148.52 BOARD OF OPTOMETRY.

The Board of Optometry shall consist of two public members as defined by section 214.02 and five ~~qualified~~ Minnesota licensed optometrists appointed by the governor. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09.

The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 2. Minnesota Statutes 2014, section 148.54, is amended to read:

148.54 BOARD; SEAL.

The Board of Optometry shall elect from among its members a president, vice president, and secretary and may adopt a seal.

Sec. 3. Minnesota Statutes 2014, section 148.57, is amended to read:

148.57 LICENSE.

Subdivision 1. **Examination.** (a) A person not authorized to practice optometry in the state and desiring to do so shall apply to the state Board of Optometry by filling out and swearing to an application for a license granted by the board ~~and accompanied by a fee in an amount of \$87.~~ With the submission of the application form, the candidate shall prove that the candidate:

(1) is of good moral character;

(2) has obtained a clinical doctorate degree from a board-approved school or college of optometry, or is currently enrolled in the final year of study at such an institution; and

(3) has passed all parts of an examination.

(b) The examination shall include both a written portion and a clinical practical portion and shall thoroughly test the fitness of the candidate to practice in this state. In regard to the written and clinical practical examinations, the board may:

(1) prepare, administer, and grade the examination itself;

(2) recognize and approve in whole or in part an examination prepared, administered and graded by a national board of examiners in optometry; or

(3) administer a recognized and approved examination prepared and graded by or under the direction of a national board of examiners in optometry.

(c) The board shall issue a license to each applicant who satisfactorily passes the examinations and fulfills the other requirements stated in this section ~~and section 148.575 for board certification for the use of legend drugs. Applicants for initial licensure do not need to apply for or possess a certificate as referred to in sections 148.571 to 148.574. The fees mentioned in this section are for the use of the board and in no case shall be refunded.~~

Subd. 2. **Endorsement.** (a) An optometrist who holds a current license from another state, and who has practiced in that state not less than three years immediately preceding application, may apply for licensure in Minnesota by filling out and swearing to an application for license by endorsement furnished by the board. The completed application with all required documentation shall be filed at the board office along with a fee of \$87. The application fee shall be for the use of the board and in no case shall be refunded.

(b) To verify that the applicant possesses the knowledge and ability essential to the practice of optometry in this state, the applicant must provide evidence of:

(1) having obtained a clinical doctorate degree from a board-approved school or college of optometry;

(2) successful completion of both written and practical examinations for licensure in the applicant's original state of licensure that thoroughly tested the fitness of the applicant to practice;

(3) successful completion of an examination of Minnesota state optometry laws;

(4) compliance with the requirements for board certification in section 148.575;

(5) compliance with all continuing education required for license renewal in every state in which the applicant currently holds an active license to practice; and

(6) being in good standing with every state board from which a license has been issued.

(c) Documentation from a national certification system or program, approved by the board, which supports any of the listed requirements, may be used as evidence. The applicant may then be issued a license if the requirements for licensure in the other state are deemed by the board to be equivalent to those of sections 148.52 to 148.62.

Subd. 3. **Revocation, suspension.** The board may revoke the license or suspend or restrict the right to practice of any person who has been convicted of any violation of sections 148.52 to 148.62 or of any other criminal offense, or who violates any provision of sections 148.571 to 148.576 or who is found by the board to be incompetent or guilty of unprofessional conduct. "Unprofessional conduct" means any conduct of a character likely to deceive or defraud the public, including, among other things, free examination advertising, the loaning of a license by any licensed optometrist to any person; the employment of "cappers" or "steerers" to obtain business; splitting or dividing a fee with any person; the obtaining of any fee or compensation by fraud or misrepresentation; employing directly or indirectly any suspended or unlicensed optometrist to perform any work covered by sections 148.52 to 148.62; the advertising by any means of optometric practice or treatment or advice in which untruthful, improbable, misleading, or impossible statements are made. After one year, upon application and proof that the disqualification has ceased, the board may reinstate such person.

Subd. 4. **Peddling or canvassing forbidden.** Every licensed optometrist who shall temporarily practice optometry outside or away from the regular registered place of business shall display the license and deliver to each customer or person there fitted or supplied with glasses a receipt or record which shall contain the signature, permanent registered place of business or post office address, and number of license of the optometrist, together with the amount charged therefor, but nothing contained in this section shall be construed as to permit peddling or canvassing by licensed optometrists.

Subd. 5. **Change of address.** A person regulated by the board shall maintain a current name and address with the board and shall notify the board in writing within 30 days of any change in name or address. If a name change only is requested, the regulated person must request revised credentials and return the current credentials to the board. The board may require the regulated person to substantiate the name change by submitting official documentation from a court of law or agency authorized under law to receive and officially record a name change. If an address change only is requested, no request for revised credentials is required. If the regulated person's current credentials have been lost, stolen, or destroyed, the person shall provide a written explanation to the board.

Sec. 4. Minnesota Statutes 2014, section 148.574, is amended to read:

148.574 PROHIBITIONS RELATING TO LEGEND DRUGS; ~~AUTHORIZING SALES BY PHARMACISTS UNDER CERTAIN CONDITIONS.~~

~~An optometrist shall not purchase, possess, administer, prescribe or give any legend drug as defined in section 151.01 or 152.02 to any person except as is expressly authorized by sections 148.571 to 148.577. Nothing in chapter 151 shall prevent a pharmacist from selling topical ocular drugs to an optometrist authorized to use such drugs according to sections 148.571 to 148.577. Notwithstanding sections 151.37 and 152.12, an optometrist is prohibited from dispensing legend drugs at retail, unless the legend drug is within the scope designated in section 148.56, subdivision 1, and is administered to the eye through an ophthalmic good as defined in section 145.711, subdivision 4.~~

Sec. 5. Minnesota Statutes 2014, section 148.575, is amended to read:

148.575 ~~CERTIFICATE REQUIRED~~ REQUIREMENT FOR USE OF TOPICAL LEGEND DRUGS.

~~Subdivision 1. **Certificate required for use of legend drugs.** A licensed optometrist must be board certified to use legend drugs for therapy under section 148.576.~~

Subd. 2. **Board-certified Requirements defined.** ~~"Board certified" means that A licensed optometrist has been issued a certificate by the Board of Optometry certifying that the optometrist has complied shall comply with the following requirements for the use of legend drugs described in section 148.576:~~

~~(1) successful completion of at least 60 hours of study in general and ocular pharmacology emphasizing drugs used for examination or treatment purposes, their systemic effects and management or referral of adverse reactions;~~

~~(2) (1) successful completion of at least 100 hours of study in the examination, diagnosis, and treatment of conditions of the human eye with legend drugs;~~

~~(3) (2) successful completion of two years of supervised clinical experience in differential diagnosis of eye disease or disorders as part of optometric training or one year of that experience and ten years of actual clinical experience as a licensed optometrist; and~~

~~(4) (3) successful completion of a nationally standardized examination approved or administered by the board on the subject of treatment and management of ocular disease.~~

~~Subd. 3. **Display of certificate required.** A certificate issued under this section to a licensed optometrist by the Board of Optometry supersedes any previously issued certificate limited to topical ocular drugs described in sections 148.571 to 148.574 and must be displayed in a prominent place in the licensed optometrist's office.~~

Subd. 4. **Accreditation of courses.** The Board of Optometry may approve courses of study in general or ocular pharmacology and examination, diagnosis, and treatment of conditions of the human eye only if they are taught by an institution that meets the following criteria:

(1) the institution has facilities for both didactic and clinical instruction in pharmacology and ocular disease treatment;

(2) the institution certifies to the Board of Optometry that the course of instruction is comparable in content to courses of instruction required by other health-related licensing boards whose license holders or registrants are permitted to administer pharmaceutical agents in their professional practice for either diagnostic or therapeutic purposes or both; and

(3) the institution is accredited by a regional or professional accrediting organization recognized by the Council for Higher Education Accreditation or its successor agency.

~~Subd. 5. **Notice to Board of Pharmacy.** The Board of Optometry shall notify the Board of Pharmacy of each licensed optometrist who meets the certification requirements in this section.~~

~~Subd. 6. **Board certification required.** Optometrists who were licensed in this state prior to August 1, 2007, must have met the board certification requirements under this section by August 1, 2012, in order to renew their license.~~

Sec. 6. Minnesota Statutes 2014, section 148.577, is amended to read:

148.577 STANDARD OF CARE.

A licensed optometrist who is board certified under section 148.575 is held to the same standard of care in the use of those legend drugs as physicians licensed by the state of Minnesota.

Sec. 7. Minnesota Statutes 2014, section 148.59, is amended to read:

148.59 LICENSE RENEWAL; FEE LICENSE AND REGISTRATION FEES.

~~A licensed optometrist shall pay to the state Board of Optometry a fee as set by the board in order to renew a license as provided by board rule.~~

Listed fees may not exceed the following amounts but may be adjusted lower by board direction and are for the exclusive use of the board. No fees shall be refunded.

- (1) Optometry licensure application, \$160.
- (2) Optometry annual licensure renewal, \$135.
- (3) Optometry late penalty fee, \$75.
- (4) Annual license renewal card, \$10.
- (5) CE provider application, \$45.
- (6) Emeritus registration, \$10.

(7) Endorsement/reciprocity application, \$160.

(8) Replacement of initial license, \$12.

(9) License verification, \$50.

Sec. 8. Minnesota Statutes 2014, section 148.603, is amended to read:

148.603 FORMS OF GROUNDS FOR DISCIPLINARY ACTIONS ACTION.

When grounds exist under section 148.57, subdivision 3, or other statute or rule which the board is authorized to enforce, the board may take one or more of the following disciplinary actions, provided that disciplinary or corrective action may not be imposed by the board on any regulated person except after a contested case hearing conducted pursuant to chapter 14 or by consent of the parties:

(1) deny an application for a credential;

(2) revoke the regulated person's credential;

(3) suspend the regulated person's credential;

(4) impose limitations on the regulated person's credential;

(5) impose conditions on the regulated person's credential;

(6) censure or reprimand the regulated person;

(7) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the person of any economic advantage gained by reason of the violation or to discourage similar violations or to reimburse the board for the cost of the investigation and proceeding. For purposes of this section, the cost of the investigation and proceeding may include, but is not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members; or

(8) when grounds exist under section 148.57, subdivision 3, or a board rule, enter into an agreement with the regulated person for corrective action which may include requiring the regulated person:

(i) to complete an educational course or activity;

(ii) to submit to the executive director or designated board member a written protocol or reports designed to prevent future violations of the same kind;

(iii) to meet with a board member or board designee to discuss prevention of future violations of the same kind; or

(iv) to perform other action justified by the facts.

Listing the measures in clause (8) does not preclude the board from including them in an order for disciplinary action. The board may refuse to grant a license or may impose disciplinary action as described in section 148.607 against any optometrist for the following:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or in rules of the board. The burden of proof shall be on the applicant to demonstrate the qualifications or the satisfaction of the requirements;

(2) obtaining a license by fraud or cheating, or attempting to subvert the licensing examination process. Conduct which subverts or attempts to subvert the licensing examination process includes, but is not limited to: (i) conduct which violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (ii) conduct which violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf;

(3) conviction, during the previous five years, of a felony or gross misdemeanor, reasonably related to the practice of optometry. Conviction as used in this section shall include a conviction of an offense which if committed in this state would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon;

(4) revocation, suspension, restriction, limitation, or other disciplinary action against the person's optometry license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction;

(5) advertising which is false or misleading, which violates any rule of the board, or which claims without substantiation the positive cure of any disease;

(6) violating a rule promulgated by the board or an order of the board, a state or federal law, which relates to the practice of optometry, or a state or federal narcotics or controlled substance law;

(7) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient; or practice of optometry which is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, which in any of the cases, proof of actual injury need not be established;

(8) failure to supervise an optometrist's assistant or failure to supervise an optometrist under any agreement with the board;

(9) aiding or abetting an unlicensed person in the practice of optometry, except that it is not a violation of this section for an optometrist to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of that person's license or registration or delegated authority;

(10) adjudication as mentally incompetent, mentally ill, or developmentally disabled, or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality by a court of competent jurisdiction, within or

without this state. Such adjudication shall automatically suspend a license for the duration of the license unless the board orders otherwise;

(11) engaging in unprofessional conduct which includes any departure from or the failure to conform to the minimal standards of acceptable and prevailing practice in which case actual injury to a patient need not be established;

(12) inability to practice optometry with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills;

(13) revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(14) improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to sections 144.291 to 144.298 or to furnish a medical record or report required by law;

(15) fee splitting, including without limitation:

(i) paying, offering to pay, receiving, or agreeing to receive a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of patients or the prescription of drugs or devices; and

(ii) dividing fees with another optometrist, other health care provider, or a professional corporation, unless the division is in proportion to the services provided and the responsibility assumed by each professional and the optometrist has disclosed the terms of the division;

(16) engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws;

(17) becoming addicted or habituated to a drug or intoxicant;

(18) prescribing a drug or device for other than accepted therapeutic or experimental or investigative purposes authorized by the state or a federal agency;

(19) engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient;

(20) failure to make reports as required by section 148.604 or to cooperate with an investigation of the board as required by section 148.606;

(21) knowingly providing false or misleading information that is directly related to the care of a patient; and

(22) practice of a board-regulated profession under lapsed or nonrenewed credentials.

Sec. 9. [148.604] REPORTING OBLIGATIONS.

Subdivision 1. **Permission to report.** A person who has knowledge of any conduct constituting grounds for discipline under sections 148.52 to 148.62 may report the violation to the board.

Subd. 2. **Institutions.** Any hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the board any action taken by the institution

or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition an optometrist's privilege to practice or treat patients in the institution, or as part of the organization, any denial of privileges, or any other disciplinary action. The institution or organization shall also report the resignation of any optometrist prior to the conclusion of any disciplinary proceeding, or prior to the commencement of formal charges but after the optometrist had knowledge that formal charges were contemplated or in preparation. Each report made under this subdivision must state the nature of the action taken, state in detail the reasons for the action, and identify the specific patient medical records upon which the action was based. No report shall be required of an optometrist voluntarily limiting the practice of the optometrist at a hospital provided that the optometrist notifies all hospitals where the optometrist has privileges of the voluntary limitation and the reasons for it.

Subd. 3. **Licensed professionals.** A licensed optometrist shall report to the board personal knowledge of any conduct by any optometrist which the person reasonably believes constitutes grounds for disciplinary action under sections 148.52 to 148.62, including any conduct indicating that the person may be incompetent, may have engaged in unprofessional conduct, or may be physically unable to safely engage in the practice of optometry.

Subd. 4. **Self-reporting.** An optometrist shall report to the board any personal action which would require that a report be filed with the board by any person, health care facility, business, or organization pursuant to subdivisions 2 and 3.

Subd. 5. **Deadlines; forms; rulemaking.** Reports required by subdivisions 2 to 4 must be submitted not later than 30 days after the occurrence of the reportable event or transaction. The board may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms provided, and may adopt rules necessary to ensure prompt and accurate reporting.

Subd. 6. **Subpoenas.** The board may issue subpoenas for the production of any reports required by subdivisions 2 to 4 or any related documents.

Sec. 10. **[148.605] IMMUNITY.**

Subdivision 1. **Reporting.** Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report to the board pursuant to section 148.604 or for otherwise reporting to the board violations or alleged violations of section 148.603, if they are acting in good faith and in the exercise of reasonable care.

Subd. 2. **Investigation; indemnification.** (a) Members of the board, persons employed by the board, consultants retained by the board for the purpose of investigation of violations, the preparation of charges, and management of board orders on behalf of the board, are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under sections 148.52 to 148.62, if they are acting in good faith and in the exercise of reasonable care.

(b) Members of the board and persons employed by the board or engaged in maintaining records and making reports regarding adverse health care events are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under sections 148.52 to 148.62, if they are acting in good faith and in the exercise of reasonable care.

(c) For purposes of this section, a member of the board or a consultant described in paragraph (a) is considered a state employee under section 3.736, subdivision 9.

Sec. 11. [148.606] OPTOMETRIST COOPERATION.

An optometrist who is the subject of an investigation by or on behalf of the board shall cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation and providing copies of patient medical records, as reasonably requested by the board, to assist the board in its investigation. If the board does not have written consent from a patient permitting access to the patient's records, the optometrist shall delete any data in the record which identifies the patient before providing it to the board. The board shall maintain any records obtained pursuant to this section as investigative data pursuant to chapter 13.

Sec. 12. [148.607] DISCIPLINARY ACTIONS.

When the board finds that a licensed optometrist under section 148.57 has violated a provision or provisions of sections 148.52 to 148.62, it may do one or more of the following:

(1) revoke the license;

(2) suspend the license;

(3) impose limitations or conditions on the optometrist's practice of optometry, including the limitation of scope of practice to designated field specialties; the imposition of retraining or rehabilitation requirements; the requirement of practice under supervision; or the conditioning of continued practice on demonstration of knowledge or skills by appropriate examination or other review of skill and competence;

(4) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the optometrist of any economic advantage gained by reason of the violation charged or to reimburse the board for the cost of the investigation and proceeding; and

(5) censure or reprimand the licensed optometrist.

Sec. 13. REPEALER.

Minnesota Statutes 2014, sections 148.571; 148.572; 148.573, subdivision 1; and 148.576, subdivisions 1 and 2, are repealed."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 1771: A bill for an act relating to health; changing provisions in the medical cannabis program; amending Minnesota Statutes 2014, sections 144.99, subdivision 1; 152.22, subdivision 4; 152.25, subdivision 1; 152.26; 152.27, subdivisions 2, 6; 152.29, subdivisions 1, 2, 3; 152.32, subdivision 2; Laws 2014, chapter 311, section 20; proposing coding for new law in Minnesota Statutes, chapter 152.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 152.25, subdivision 1, is amended to read:

Subdivision 1. **Medical cannabis manufacturer registration.** (a) The commissioner shall register two in-state manufacturers for the production of all medical cannabis within the state by December 1, 2014, unless the commissioner obtains an adequate supply of federally sourced medical cannabis by August 1, 2014. The commissioner shall register new manufacturers or reregister the existing manufacturers by December 1 ~~of each year~~ every two years, using the factors described in paragraph (c). The commissioner shall continue to accept applications after December 1, 2014, if two manufacturers that meet the qualifications set forth in this subdivision do not apply before December 1, 2014. The commissioner's determination that no manufacturer exists to fulfill the duties under sections 152.22 to 152.37 is subject to judicial review in Ramsey County District Court. Data submitted during the application process are private data on individuals or nonpublic data as defined in section 13.02 until the manufacturer is registered under this section. Data on a manufacturer that is registered are public data, unless the data are trade secret or security information under section 13.37.

(b) As a condition for registration, a manufacturer must agree to:

- (1) begin supplying medical cannabis to patients by July 1, 2015; and
- (2) comply with all requirements under sections 152.22 to 152.37.

(c) The commissioner shall consider the following factors when determining which manufacturer to register:

- (1) the technical expertise of the manufacturer in cultivating medical cannabis and converting the medical cannabis into an acceptable delivery method under section 152.22, subdivision 6;
- (2) the qualifications of the manufacturer's employees;
- (3) the long-term financial stability of the manufacturer;
- (4) the ability to provide appropriate security measures on the premises of the manufacturer;
- (5) whether the manufacturer has demonstrated an ability to meet the medical cannabis production needs required by sections 152.22 to 152.37; and
- (6) the manufacturer's projection and ongoing assessment of fees on patients with a qualifying medical condition.

(d) The commissioner shall require each medical cannabis manufacturer to contract with an independent laboratory to test medical cannabis produced by the manufacturer. The commissioner shall approve the laboratory chosen by each manufacturer and require that the laboratory report testing results to the manufacturer in a manner determined by the commissioner.

Sec. 2. Minnesota Statutes 2014, section 152.27, subdivision 6, is amended to read:

Subd. 6. **Patient enrollment.** (a) After receipt of a patient's application, application fees, and signed disclosure, the commissioner shall enroll the patient in the registry program and issue the patient and patient's registered designated caregiver or parent or legal guardian, if applicable, a

registry verification. The commissioner shall approve or deny a patient's application for participation in the registry program within 30 days after the commissioner receives the patient's application and application fee. The commissioner may approve applications up to 60 days after the receipt of a patient's application and application fees until January 1, 2016. A patient's enrollment in the registry program shall only be denied if the patient:

(1) does not have certification from a health care practitioner that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed and returned the disclosure form required under subdivision 3, paragraph (c), to the commissioner;

(3) does not provide the information required;

(4) has previously been removed from the registry program for violations of section 152.30 or 152.33; or

(5) provides false information.

(b) The commissioner shall give written notice to a patient of the reason for denying enrollment in the registry program.

(c) Denial of enrollment into the registry program is considered a final decision of the commissioner and is subject to judicial review under the Administrative Procedure Act pursuant to chapter 14.

(d) A patient's enrollment in the registry program may only be revoked upon the death of the patient or if a patient violates a requirement under section 152.30 or 152.33.

(e) The commissioner shall develop a registry verification to provide to the patient, the health care practitioner identified in the patient's application, and to the manufacturer. The registry verification shall include:

(1) the patient's name and date of birth;

(2) the patient registry number assigned to the patient;

(3) the patient's qualifying medical condition as provided by the patient's health care practitioner in the certification; and

(4) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent or legal guardian if the parent or legal guardian will be acting as a caregiver.

Sec. 3. Minnesota Statutes 2014, section 152.29, subdivision 1, is amended to read:

Subdivision 1. **Manufacturer; requirements.** (a) A manufacturer shall operate four distribution facilities, which may include the manufacturer's single location for cultivation, harvesting, manufacturing, packaging, and processing but is not required to include that location. A manufacturer is required to begin distribution of medical cannabis from at least one distribution facility by July 1, 2015. All distribution facilities must be operational and begin distribution of medical cannabis by July 1, 2016. The distribution facilities shall be located based on geographical need throughout the state to improve patient access. A manufacturer shall disclose the proposed locations for the distribution facilities to the commissioner during the registration process. A manufacturer shall operate only one location where all cultivation, harvesting, manufacturing,

packaging, and processing shall be conducted. Any additional distribution facilities may dispense medical cannabis and medical cannabis products but may not contain any medical cannabis in a form other than those forms allowed under section 152.22, subdivision 6, and the manufacturer shall not conduct any cultivation, harvesting, manufacturing, packaging, or processing at an additional distribution facility site. Any distribution facility operated by the manufacturer is subject to all of the requirements applying to the manufacturer under sections 152.22 to 152.37, including, but not limited to, security and distribution requirements.

(b) A medical cannabis manufacturer shall contract with a laboratory approved by the commissioner, subject to ~~the commissioner's approval of the laboratory and~~ any additional requirements set by the commissioner, for purposes of testing medical cannabis manufactured by the medical cannabis manufacturer as to content, contamination, and consistency to verify the medical cannabis meets the requirements of section 152.22, subdivision 6. The cost of laboratory testing shall be paid by the manufacturer.

(c) The operating documents of a manufacturer must include:

(1) procedures for the oversight of the manufacturer and procedures to ensure accurate record keeping; and

(2) procedures for the implementation of appropriate security measures to deter and prevent the theft of medical cannabis and unauthorized entrance into areas containing medical cannabis.

(d) A manufacturer shall implement security requirements, including requirements for protection of each location by a fully operational security alarm system, facility access controls, perimeter intrusion detection systems, and a personnel identification system.

(e) A manufacturer shall not share office space with, refer patients to a health care practitioner, or have any financial relationship with a health care practitioner.

(f) A manufacturer shall not permit any person to consume medical cannabis on the property of the manufacturer.

(g) A manufacturer is subject to reasonable inspection by the commissioner.

(h) For purposes of sections 152.22 to 152.37, a medical cannabis manufacturer is not subject to the Board of Pharmacy licensure or regulatory requirements under chapter 151.

(i) A medical cannabis manufacturer may not employ any person who is under 21 years of age or who has been convicted of a disqualifying felony offense. An employee of a medical cannabis manufacturer must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees for submission to the Bureau of Criminal Apprehension before an employee may begin working with the manufacturer. The bureau must conduct a Minnesota criminal history records check and the superintendent is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau shall return the results of the Minnesota and federal criminal history records checks to the commissioner.

(j) A manufacturer may not operate in any location, whether for distribution or cultivation, harvesting, manufacturing, packaging, or processing, within 1,000 feet of a public or private school existing before the date of the manufacturer's registration with the commissioner.

(k) A manufacturer shall comply with reasonable restrictions set by the commissioner relating to signage, marketing, display, and advertising of medical cannabis.

Sec. 4. Laws 2014, chapter 311, section 17, subdivision 2, is amended to read:

Subd. 2. **Certified annual audit.** A medical cannabis manufacturer shall submit the results of an annual certified financial audit to the commissioner no later than May 1 of each year for the calendar year beginning January 2015. The annual audit shall be conducted by an independent certified public accountant and the costs of the audit are the responsibility of the medical cannabis manufacturer. Results of the audit shall be provided to the medical cannabis manufacturer and the commissioner. The commissioner may also require another audit of the medical cannabis manufacturer by a certified public accountant chosen by the commissioner with the costs of the audit paid by the medical cannabis manufacturer.

Sec. 5. Laws 2014, chapter 311, section 20, is amended to read:

Sec. 20. **INTRACTABLE PAIN.**

The commissioner of health shall consider the addition of intractable pain, as defined in Minnesota Statutes, section 152.125, subdivision 1, to the list of qualifying medical conditions under Minnesota Statutes, section 152.22, subdivision 14, prior to the consideration of any other new qualifying medical conditions. The commissioner shall report findings on the need for adding intractable pain to the list of qualifying medical conditions to the task force established under Minnesota Statutes, section 152.36, no later than ~~July~~ January 1, 2016."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 1637: A bill for an act relating to human services; modifying requirements for child care assistance redeterminations of eligibility and recovery of overpayments; amending Minnesota Statutes 2014, sections 119B.025, subdivision 1, by adding a subdivision; 119B.09, subdivision 4; 119B.11, subdivision 2a.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Sheran from the Committee on Health, Human Services and Housing, to which was re-referred

S.F. No. 1530: A bill for an act relating to insurance; requiring health plan companies to offer enrollees a choice in pharmacy providers; requiring coverage for health care services provided by licensed pharmacists; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 1390: A bill for an act relating to landlord and tenant; providing for alternative notice periods of intention to quit; specifying residential landlord notice requirements for intention to quit or a rent increase; proposing coding for new law in Minnesota Statutes, chapter 504B.

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

Delete everything after the enacting clause and insert:

"Section 1. **[504B.146] TIME PERIOD FOR NOTICE TO QUIT OR RENT INCREASE.**

Subdivision 1. **Application.** This section applies to a residential lease that provides a time period for the landlord to give a notice to quit the premises or a notice of a rent increase that is different than the time period the tenant is required to give for a notice of intention to quit the premises. For purposes of this section, "notice to quit" includes a notice of a nonrenewal of a lease.

Subd. 2. **Tenant option to choose notice period.** The tenant may give a notice of an intention to quit the premises using either:

(1) the time period provided in the lease for the tenant to give a notice of intention to quit the premises; or

(2) the time period provided in the lease for the landlord to give a notice to quit the premises or a notice of a rent increase.

Subd. 3. **Landlord notice requirements.** The landlord may not give a notice to quit the premises or notice of a rent increase that is shorter than the time period the lease provides for the tenant to give notice of an intention to quit the premises.

Subd. 4. **No waiver.** The requirements of this section may not be waived or modified by the parties to a residential lease. Any provision, whether oral or written, of a lease or other agreement by which any provision of this section is waived by a tenant is contrary to public policy and void.

EFFECTIVE DATE. This section applies to leases entered into or renewed on or after August 1, 2015.

Sec. 2. Minnesota Statutes 2014, section 504B.206, subdivision 3, is amended to read:

Subd. 3. **Liability for rent; termination of tenancy.** (a) A tenant who is a sole tenant and is terminating a lease under subdivision 1 is responsible for the rent payment for the full month in which the tenancy terminates. The tenant forfeits all claims for the return of the security deposit under section 504B.178 and is relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. In a sole tenancy, the tenancy terminates on the date specified in the notice provided to the landlord as required under subdivision 1.

(b) In a tenancy with multiple tenants, one of whom is terminating the lease under subdivision 1, any lease governing all tenants is terminated at the ~~latter~~ later of the end of the month or the end of the rent interval in which one tenant terminates the lease under subdivision 1. All tenants are responsible for the rent payment for the full month in which the tenancy terminates. Upon termination, all tenants forfeit all claims for the return of the security deposit under section 504B.178 and are relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of

the lease, except as provided in this section. Any tenant whose tenancy was terminated under this paragraph may reapply to enter into a new lease with the landlord.

(c) This section does not affect a tenant's liability for delinquent, unpaid rent or other amounts owed to the landlord before the lease was terminated by the tenant under this section."

Amend the title numbers accordingly

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

Senator Latz from the Committee on Judiciary, to which was referred

S.F. No. 1478: A bill for an act relating to corrections; repealing the old Interstate Compact for Juveniles; repealing Minnesota Statutes 2014, sections 260.51; 260.53.

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

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 1461: A bill for an act relating to transportation; data practices; classifying data pertaining to certain construction project schedules; amending Minnesota Statutes 2014, section 13.72, by adding a subdivision.

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

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 1473: A bill for an act relating to data practices; authorizing certain data on disability certificate holders to be released for purposes of enforcing parking restrictions in cities and towns; amending Minnesota Statutes 2014, section 13.69, subdivision 1.

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

Page 1, line 12, delete "and," and insert ", and"

Page 1, line 13, delete "for purposes of" and insert "data necessary for" and delete the comma and insert "may be released"

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

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 1663: A bill for an act relating to horse racing; modifying and providing definitions; clarifying commission powers and duties; modifying and providing for licensure requirements and other regulatory provisions; providing for industry-related revenue; amending Minnesota Statutes 2014, sections 240.01, subdivision 22, by adding subdivisions; 240.011; 240.03; 240.08, subdivisions 2, 4, 5; 240.10; 240.13, subdivisions 5, 6; 240.135; 240.15, subdivisions 1, 6; 240.16, subdivision 1; 240.22; 240.23; 364.09; repealing Minnesota Statutes 2014, section 240.01, subdivisions 12, 23.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Latz from the Committee on Judiciary, to which was re-referred

S.F. No. 1471: A bill for an act relating to health; making changes to provisions governing receivership of nursing homes or certified boarding care homes; amending Minnesota Statutes 2014, sections 144A.15; 256B.0641, subdivision 3; 256B.495, subdivisions 1, 5; repealing Minnesota Statutes 2014, sections 144A.14; 256B.495, subdivisions 1a, 2, 4.

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

Page 3, line 6, delete "one day" and insert "two days"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Dibble from the Committee on Transportation and Public Safety, to which was re-referred

S.F. No. 1679: A bill for an act relating to auto insurance; providing transportation network financial responsibility; amending Minnesota Statutes 2014, section 65B.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 65B.

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

Page 3, delete line 28 and insert "\$50,000 for death and personal injury per person, \$100,000 for death and personal injury per incident, and \$30,000 for property damage;"

Page 3, delete line 29 and insert:

"(2) a transportation network company shall also maintain insurance coverage that provides excess coverage insuring the transportation network company and the driver in the amount of at least \$200,000 per occurrence to cover any liability arising from a participating driver using a vehicle in connection with a transportation network company's online-enabled application or platform within the time periods specified in this subdivision, which liability exceeds the required coverage limits in clause (1);"

Page 3, line 30, delete "(2)" and insert "(3)"

Page 4, line 1, delete "(3)" and insert "(4)"

Page 4, line 5, delete "(4)" and insert "(5)"

Page 4, line 8, delete "(5)" and insert "(6)"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 224: A bill for an act relating to transportation; amending requirements governing driver's licenses and Minnesota identification cards; amending Minnesota Statutes 2014, section 171.06, subdivision 3, by adding a subdivision; repealing Minnesota Rules, part 7410.0410, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2014, section 171.01, is amended by adding a subdivision to read:

Subd. 30a. **Driving card.** (a) "Driving card" means a class D driver's license, provisional license, instruction permit, motorized bicycle operator's permit, or motorized bicycle instruction permit, that is issued or issuable under the laws of this state by the commissioner to a person who is unable to demonstrate lawful presence in this country through current lawful admission status, permanent resident status, indefinite authorized presence status, or United States citizenship.

(b) For purposes of this chapter unless specifically provided otherwise, a driver's license, instruction permit, or provisional license includes the respective driving card.

Sec. 2. Minnesota Statutes 2014, section 171.02, is amended by adding a subdivision to read:

Subd. 6. **Driving card.** A driving card may only be used to operate the appropriate type of motor vehicle. A driving card may not be used or accepted for voter registration purposes under section 201.061.

Sec. 3. Minnesota Statutes 2014, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
Classified Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
<u>Driving card</u>	<u>D-\$17.25</u>	=	=	=
Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
Instruction Permit				\$5.25
Enhanced Instruction Permit				\$20.25
Commercial Learner's Permit				\$2.50
Provisional License				\$8.25
Enhanced Provisional License				\$23.25
Duplicate License or duplicate identification card				\$6.75
Enhanced Duplicate License or enhanced duplicate identification card				\$21.75
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$11.25

Enhanced Minnesota
identification card

\$26.25

In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

(d) In addition to the fee required under paragraph (a), a driver's license agent may charge and retain a filing fee as provided under section 171.061, subdivision 4.

(e) In addition to the fee required under paragraph (a), the commissioner shall charge a filing fee at the same amount as a driver's license agent under section 171.061, subdivision 4. Revenue collected under this paragraph must be deposited in the driver services operating account.

(f) An application for a Minnesota identification card, instruction permit, provisional license, driving card, or driver's license, including an application for renewal, must contain a provision that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075."

Page 3, line 5, delete ", instruction permit, or driver's license" and insert "or driving card"

Page 3, after line 21, insert:

"Sec. 6. Minnesota Statutes 2014, section 171.07, is amended by adding a subdivision to read:

Subd. 1c. **Designation for certain licenses and identification cards.** (a) A driving card must be designed to say "FOR DRIVING ONLY" on the back side of the card.

(b) A Minnesota identification card issued to an applicant who is unable to demonstrate lawful presence in this country through current lawful admission status, permanent resident status, indefinite authorized presence status, or United States citizenship, must be designed to say "FOR IDENTITY ONLY" on the back side of the card.

Sec. 7. **COUNTY NOTIFICATION; ELECTION JUDGE TRAINING.**

(a) The secretary of state shall inform each county auditor that a driving card or Minnesota identification card must not be used or accepted for voter registration purposes under Minnesota

Statutes, section 201.061, if it bears an inscription specified under Minnesota Statutes, section 171.07, subdivision 1c.

(b) Each county auditor must inform all election officials and election judges hired for an election that driver's licenses and Minnesota identification cards identified under paragraph (a) must not be used or accepted for voter registration purposes under Minnesota Statutes, section 201.061. County auditors and municipal clerks must include this information in all election judge training courses."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing issuance of driving card; establishing fee for issuance of driving card; requiring notification and training for election judges;"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was re-referred

S.F. No. 934: A bill for an act relating to health care coverage; modifying utilization review and prior authorization requirements for prescription drug coverage; requiring prescription drug benefit transparency and disclosure; amending Minnesota Statutes 2014, sections 62J.497, subdivisions 1, 3, 4; 62M.02, subdivisions 12, 14, 15, 17, by adding subdivisions; 62M.05, subdivisions 3a, 3b, 4; 62M.06, subdivisions 2, 3; 62M.07; 62M.09, subdivisions 3, 6; 62M.10, subdivision 7; 62M.11; 256B.0625, subdivision 13f; 256B.69, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 62M; 62Q.

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

Page 14, delete subdivision 6 and insert:

"Subd. 6. **Prescription Drug Advisory Council.** (a) A Prescription Drug Advisory Council has 11 members appointed by the commissioner of health with representation as follows:

- (1) three patients;
- (2) one physician licensed to practice medicine in Minnesota;
- (3) two nonphysicians who are licensed in Minnesota to prescribe prescription drugs;
- (4) one pharmacist licensed in Minnesota;
- (5) one person representing a health plan company;
- (6) one person representing a pharmacy benefit manager;
- (7) one person representing pharmaceutical manufacturers; and
- (8) one person who purchases health benefits for a group or an employer.

(b) Terms and removal of public members are as provided in section 15.0575, except that members will serve without compensation or expense reimbursement. A vacancy on the council

may be filled by the appointing authority for the remainder of the unexpired term. Vacancies will be filled as provided in section 15.0597.

(c) The council shall select a chair from among its members. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(d) The duty of the council is to provide guidance to the commissioner of health in monitoring changes and trends in prescription drug coverage and formulary design. The council must consult with the commissioner to assist the commissioner in preparing the report required under paragraph (g).

(e) The commissioner of health will provide administrative support and meeting space for the council to perform its duties.

(f) The Prescription Drug Advisory Council expires on January 30, 2021.

(g) Beginning January 15, 2017, and on at least a biennial basis thereafter, the commissioner, in consultation with the advisory group, shall submit a report to the chairs and lead minority members of the legislative committees with jurisdiction over health care coverage describing trends in prescription drug coverage, formulary design, medication exception requests, and benefit design. Health plan companies must cooperate in providing information necessary for the advisory group to carry out its responsibilities."

Page 17, after line 2, insert:

"Sec. 28. PRESCRIPTION DRUG ADVISORY COUNCIL.

The commissioner of health shall make the first appointments to the Prescription Drug Advisory Council established in Minnesota Statutes, section 62Q.83, subdivision 6, by October 2, 2015, and convene the first meeting by November 1, 2015. The council will select a chair from among its members at the first meeting of the council."

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 1688: A bill for an act relating to state government; requiring policies and procedures that certain entities in the executive branch and the Minnesota State Colleges and Universities must follow when investigating an entity's own employee; amending Minnesota Statutes 2014, sections 16A.06, by adding a subdivision; 136F.06, by adding a subdivision.

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

Page 1, line 11, delete "boards, commissions, and other entities"

Page 1, line 16, delete "board, commission, and other entity"

Page 1, line 17, delete "board, commission, or other entity"

Page 1, line 18, delete the comma

Page 1, line 19, delete "boards, commissions, and other entities"

Page 1, line 21, after the period, insert "For purposes of this subdivision, "agencies in the executive branch" means all agencies in the executive branch except the Minnesota State Colleges and Universities. Nothing in this section creates authority for an agency to conduct an investigation that it is not otherwise authorized to conduct."

Page 2, line 11, after the period, insert "Nothing in this section creates authority for the Minnesota State Colleges and Universities to conduct an investigation that it is not otherwise authorized to conduct."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 1703: A bill for an act relating to state government; establishing the American Indian and Indigenous Peoples Day; proposing coding for new law in Minnesota Statutes, chapter 10.

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

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 1560: A bill for an act relating to metropolitan government; establishing a task force to study and make recommendations on metropolitan governance.

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

Page 1, line 8, delete "17" and insert "19" and after "appointed" insert "by July 31, 2015,"

Page 1, line 9, delete "persons" and insert "legislators"

Page 1, line 13, delete "Metro" and insert "the Association of Metropolitan Municipalities"

Page 1, line 14, delete "Cities"

Page 2, line 3, delete "two" and insert "four"

Page 2, line 7, delete "Chair" and insert "First meeting; chair" and before "The" insert "The member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration will convene the first meeting of the task force by August 30, 2015."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 656: A bill for an act relating to local government; allowing for cancellation of tax forfeiture in certain circumstances in St. Louis County; proposing coding for new law in Minnesota Statutes, chapter 383C.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Torres Ray from the Committee on State and Local Government, to which was referred

S.F. No. 1438: A bill for an act relating to administrative rules; modifying requirements of a retired workers' compensation judges provision; amending Minnesota Statutes 2014, section 14.49.

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

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

S.F. No. 1495: A bill for an act relating to education; providing for policy for early childhood and kindergarten through grade 12 education, including general education, education excellence, special education, facilities and technology, early childhood education, libraries, and state agencies; amending Minnesota Statutes 2014, sections 16A.103, subdivision 1c; 120B.022, subdivisions 1, 1b; 120B.024, subdivision 2; 120B.12, subdivision 2; 120B.125; 120B.30, subdivisions 1, 1a, 3, 4, by adding subdivisions; 120B.31, subdivision 2; 122A.31, subdivisions 1, 2; 122A.414, subdivision 3; 122A.60, subdivision 4; 123A.24, subdivision 1; 123B.77, subdivision 3; 123B.88, subdivision 1; 124D.09, subdivisions 5a, 9; 124D.10, subdivisions 3, 4, 8, 9, 12, 14, by adding a subdivision; 124D.128, subdivision 1; 124D.165, subdivisions 2, 3, 4, by adding subdivisions; 124D.72; 124D.73, subdivisions 3, 4; 124D.74, subdivisions 1, 3, 6; 124D.75, subdivisions 1, 2, 3, 9; 124D.76; 124D.78; 124D.79, subdivisions 1, 2; 124D.791, subdivision 4; 125A.023, subdivisions 3, 4; 125A.027; 125A.21; 125A.28; 125A.63, subdivisions 4, 5; 125A.75, subdivision 9; 125A.76, subdivisions 1, 2c; 125B.26, subdivision 2; 126C.10, subdivision 13a; 126C.13, subdivisions 3a, 4; 126C.17, subdivisions 1, 2; 126C.48, subdivision 8; 127A.05, subdivision 6, by adding a subdivision; 127A.49, subdivision 1; 127A.70, subdivision 1; 134.20, subdivision 2; Laws 2014, chapter 312, article 16, section 15; repealing Minnesota Statutes 2014, sections 120B.128; 120B.35, subdivision 5; 125A.63, subdivisions 1, 2, 3; 126C.12, subdivision 6; 126C.41, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2014, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal year 2015 and later, a district may levy an amount not more than the product of its operating capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals \$14,500.

EFFECTIVE DATE. This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 2. Minnesota Statutes 2014, section 126C.13, subdivision 3a, is amended to read:

Subd. 3a. **Student achievement rate.** The commissioner must establish the student achievement rate by ~~July 1~~ September 30 of each year for levies payable in the following year. The student achievement rate must be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The student achievement rate must be the rate that raises \$20,000,000 for fiscal year 2015 and later years. The student achievement rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the rate has been established.

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

Sec. 3. Minnesota Statutes 2014, section 126C.13, subdivision 4, is amended to read:

Subd. 4. **General education aid.** (a) ~~For fiscal years 2013 and 2014 only, a district's general education aid is the sum of the following amounts:~~

~~(1) general education revenue, excluding equity revenue, total operating capital revenue, alternative teacher compensation revenue, and transition revenue;~~

~~(2) operating capital aid under section 126C.10, subdivision 13b;~~

~~(3) equity aid under section 126C.10, subdivision 30;~~

~~(4) alternative teacher compensation aid under section 126C.10, subdivision 36;~~

~~(5) transition aid under section 126C.10, subdivision 33;~~

~~(6) shared time aid under section 126C.01, subdivision 7;~~

~~(7) referendum aid under section 126C.17, subdivisions 7 and 7a; and~~

~~(8) online learning aid according to section 124D.096.~~

(b) For fiscal year 2015 and later, a district's general education aid equals:

(1) general education revenue, excluding operating capital revenue, equity revenue, local optional revenue, and transition revenue, minus the student achievement levy, multiplied times the ratio of the actual amount of student achievement levy levied to the permitted student achievement levy; plus

(2) operating capital aid under section 126C.10, subdivision 13b;

~~(2)~~ (3) equity aid under section 126C.10, subdivision 30; plus

~~(3)~~ (4) transition aid under section 126C.10, subdivision 33; plus

~~(4)~~ (5) shared time aid under section 126C.10, subdivision 7; plus

~~(5)~~ (6) referendum aid under section 126C.17, subdivisions 7 and 7a; plus

~~(6)~~ (7) online learning aid under section 124D.096; plus

~~(7)~~ (8) local optional aid according to section 126C.10, subdivision 2d, paragraph (d).

EFFECTIVE DATE. This section is effective for fiscal year 2015 and later.

Sec. 4. Minnesota Statutes 2014, section 126C.17, subdivision 1, is amended to read:

Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance equals the result of the following calculations:

(1) multiply the referendum allowance the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on elections held before July 1, 2013, by the resident marginal cost pupil units the district would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;

(2) add to the result of clause (1) the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013;

(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year 2015;

(4) add to the result of clause (3) any additional referendum allowance per adjusted pupil unit authorized by elections held between July 1, 2013, and December 31, 2013;

(5) add to the result in clause (4) any additional referendum allowance resulting from inflation adjustments approved by the voters prior to January 1, 2014;

(6) subtract from the result of clause (5), the sum of a district's actual local optional levy and local optional aid under section 126C.10, subdivision 2e, divided by the adjusted pupil units of the district for that school year; and

(7) if the result of clause (6) is less than zero, set the allowance to zero.

(b) A district's referendum allowance equals the sum of the district's initial referendum allowance, plus any new referendum allowance authorized between July 1, 2013, and December 31, 2013, under subdivision 9a, plus any additional referendum allowance per adjusted pupil unit authorized after December 31, 2013, minus any allowances expiring in fiscal year 2016 or later, provided that the allowance may not be less than zero. For a district with more than one referendum allowance for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated under paragraph (a), clause (3), must be divided into components such that the same percentage of the district's allowance expires at the same time as the old allowances would have expired under Minnesota Statutes 2012, section 126C.17. For a district with more than one allowance for fiscal year 2015 that expires in the same year, the reduction under paragraph (a), clause (6), to offset local optional revenue shall be made first from any allowances that do not have an inflation adjustment approved by the voters.

EFFECTIVE DATE. This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 5. Minnesota Statutes 2014, section 126C.17, subdivision 2, is amended to read:

Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal year 2015 and later, a district's referendum allowance must not exceed the annual inflationary increase as calculated under paragraph (b) times the greatest of:

(1) \$1,845;

(2) the sum of the referendum revenue the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections held before July 1, 2013, and the adjustment the district would have received under Minnesota Statutes 2012, section

127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015;

(3) the product of the referendum allowance limit the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the resident marginal cost pupil units the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015; minus \$424 for a district receiving local optional revenue under section 126C.10, subdivision 2d, paragraph (a), minus \$212 for a district receiving local optional revenue under section 126C.10, subdivision 2d, paragraph (b); or

(4) for a newly reorganized district created after July 1, 2013, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its adjusted pupil units for the year preceding reorganization.

(b) For purposes of this subdivision, for fiscal year 2016 and later, "inflationary increase" means one plus the percentage change in the Consumer Price Index for urban consumers, as prepared by the United States Bureau of Labor Standards, for the current fiscal year to fiscal year 2015. For fiscal year 2016 and later, for purposes of paragraph (a), clause (3), the inflationary increase equals one-fourth of the percentage increase in the formula allowance for that year compared with the formula allowance for fiscal year 2015.

EFFECTIVE DATE. This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 6. Minnesota Statutes 2014, section 126C.48, subdivision 8, is amended to read:

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

(2) Notwithstanding any other law to the contrary, districts that have revenue pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A₂, excluding the student achievement levy under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's revenue specified under this clause and the amount attributable to the same production year distributed to the cities and townships within the school district under section 298.28, subdivision 2, paragraph (c).

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

tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved debt levies.

(4) Before computing the reduction pursuant to this subdivision of the health and safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner shall ascertain from each affected school district the amount it proposes to levy under each section or subdivision. The reduction shall be computed on the basis of the amount so ascertained.

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

Sec. 7. **REPEALER.**

Minnesota Statutes 2014, section 126C.41, subdivision 1, is repealed.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2014, section 13.32, subdivision 5, is amended to read:

Subd. 5. **Directory information.** Information designated as directory information pursuant to the provisions of United States Code, title 20, section 1232g and Code of Federal Regulations, title 34, section 99.37 which are in effect on January 1, ~~2007~~ 3, 2012, is public data on individuals, to the extent required under federal law. When conducting the directory information designation and notice process required by federal law, an educational agency or institution shall give parents and students notice of the right to refuse to let the agency or institution designate any or all data about the student as directory information. This notice may be given by any means reasonably likely to inform the parents and students of the right.

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

Sec. 2. Minnesota Statutes 2014, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the ~~commissioner~~ board under section ~~124D.126~~ 124D.122.

Sec. 3. Minnesota Statutes 2014, section 120B.021, subdivision 4, is amended to read:

Subd. 4. **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 ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian tribes and communities as related to the academic standards during the review and revision of the required academic standards.

(b) The commissioner must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph (b). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the ~~2015-2016~~ 2020-2021 school year and every ten years thereafter.

(c) The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year and every ten years thereafter.

(d) The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year and every ten years thereafter.

(e) The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year and every ten years thereafter.

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year and every ten years thereafter.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, 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, world languages, and career and technical education.

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

Sec. 4. Minnesota Statutes 2014, section 120B.022, subdivision 1a, is amended to read:

Subd. 1a. **Foreign language and culture; proficiency certificates.** (a) World languages teachers and other school staff should develop and implement world languages programs that acknowledge and reinforce the language proficiency and cultural awareness that non-English language speakers already possess, and encourage students' proficiency in multiple world languages. Programs under this section must encompass indigenous American Indian languages and cultures, among other world languages and cultures. The department shall consult with postsecondary institutions in developing related professional development opportunities for purposes of this section.

(b) Any Minnesota public, charter, or nonpublic school may award Minnesota World Language Proficiency Certificates or ~~Minnesota World Language Proficiency High Achievement Certificates~~, consistent with this subdivision.

(c) The Minnesota World Language Proficiency Certificate recognizes students who demonstrate listening, speaking, reading, and writing language skills at the American Council on the Teaching of Foreign Languages' Intermediate-Low level on a valid and reliable assessment tool. ~~For languages listed as Category 3 by the United States Foreign Service Institute or Category 4 by the United States Defense Language Institute, the standard is Intermediate-Low for listening and speaking and Novice-High for reading and writing.~~

(d) ~~The Minnesota World Language Proficiency High Achievement Certificate recognizes students who demonstrate listening, speaking, reading, and writing language skills at the American Council on the Teaching of Foreign Languages' Pre-Advanced level for K-12 learners on a valid and reliable assessment tool. For languages listed as Category 3 by the United States Foreign Service Institute or Category 4 by the United States Defense Language Institute, the standard is Pre-Advanced for listening and speaking and Intermediate-Mid for reading and writing.~~

Sec. 5. Minnesota Statutes 2014, section 120B.022, subdivision 1b, is amended to read:

Subd. 1b. **State bilingual and multilingual seals.** (a) Consistent with efforts to strive for the world's best workforce under sections 120B.11 and 124D.10, subdivision 8, paragraph (u), and close the academic achievement and opportunity gap under sections 124D.861 and 124D.862, voluntary state bilingual and multilingual seals are established to recognize high school ~~graduates~~ students who demonstrate level 3 an advanced-low level or an intermediate-high level of functional native proficiency in listening, speaking, reading, and writing on either the Foreign Services Institute language assessments aligned with American Council on the Teaching of Foreign Languages' (ACTFL) proficiency tests guidelines or on equivalent valid and reliable assessments in one or more languages in addition to English. American Sign Language is a language other than English for purposes of this subdivision and a world language for purposes of subdivision 1a.

(b) In addition to paragraph (a), to be eligible to receive a seal:

- (1) students must satisfactorily complete all required English language arts credits; and
- (2) ~~students whose primary language is other than English~~ must demonstrate mastery of Minnesota's English language proficiency standards.

(c) Consistent with this subdivision, a high school graduate who demonstrates an intermediate-high ACTFL level of functional native proficiency in one language in addition to English is eligible to receive the state bilingual gold seal. A high school graduate who demonstrates an intermediate-high ACTFL level of functional native proficiency in more than one language in addition to English is eligible to receive the state multilingual gold seal. A high school graduate who demonstrates an advanced-low ACTFL level of functional proficiency in one language in addition to English is eligible to receive the state bilingual platinum seal. A high school graduate who demonstrates an advanced-low ACTFL level of functional proficiency in more than one language in addition to English is eligible to receive the state multilingual platinum seal.

(d) ~~School districts and charter schools, in consultation with regional centers of excellence under section 120B.115, must~~ may give students periodic opportunities to demonstrate their level of proficiency in listening, speaking, reading, and writing in a language in addition to English.

Where valid and reliable assessments are unavailable, a school district or charter school may rely on ~~a licensed foreign language immersion teacher or a nonlicensed community expert under section 122A.25~~ evaluators trained in assessing under ACTFL proficiency guidelines to assess a student's level of foreign, heritage, or indigenous language proficiency under this section. School districts and charter schools must maintain appropriate records to identify high school graduates eligible to receive the state bilingual or multilingual seal gold and platinum seals. The school district or charter school must affix the appropriate seal to the transcript of each high school graduate who meets the requirements of this subdivision and may affix the seal to the student's diploma. A school district or charter school must not charge the high school graduate a fee for this seal.

(e) A school district or charter school may award elective course credits in world languages to a student who demonstrates the requisite proficiency in a language other than English under this section.

(f) A school district or charter school may award community service credit to a student who demonstrates ~~level 3~~ an intermediate-high or advanced-low ACTFL level of functional native proficiency in listening, speaking, reading, and writing in a language other than English and who participates in community service activities that are integrated into the curriculum, involve the participation of teachers, and support biliteracy in the school or local community.

(g) ~~The commissioner must develop a Web page for the electronic delivery of these seals. The commissioner must list on the Web page those assessments that are equivalent to the Foreign Services Institute language aligned to ACTFL proficiency tests guidelines.~~

(h) By August 1, 2015, the colleges and universities of the Minnesota State Colleges and Universities system must award foreign language credits to a student who receives a state bilingual seal or a state multilingual seal under this subdivision and may establish criteria to translate the seals into college credits based on the World Language course equivalencies identified by the Minnesota State Colleges and Universities faculty and staff and, upon request from an enrolled student, the Minnesota State Colleges and Universities may award foreign language credits to a student who receives a Minnesota World Language Proficiency Certificate or a Minnesota World Language Proficiency High Achievement Certificate under subdivision 1a. Students enrolled in a Minnesota State Colleges and Universities institution must request college credits for their seal or proficiency certificate within three academic years after graduating from high school. The University of Minnesota is encouraged to award students foreign language academic credits consistent with this paragraph.

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

Sec. 6. Minnesota Statutes 2014, section 120B.024, subdivision 2, is amended to read:

Subd. 2. **Credit equivalencies.** (a) A one-half credit of economics taught in a school's agriculture education or business department may fulfill a one-half credit in social studies under subdivision 1, clause (5), if the credit is sufficient to satisfy all of the academic standards in economics.

(b) An agriculture science or career and technical education credit may fulfill ~~the credit in chemistry or physics or~~ the elective science credit required under subdivision 1, clause (4), if the credit meets the state ~~chemistry or physics, or district biology~~ physical science, life science, earth and space science, chemistry, or physics academic standards or a combination of these academic standards as approved by the district. An agriculture or career and technical education credit may fulfill the credit in chemistry or physics required under subdivision 1, clause (4), if the credit meets

the state chemistry or physics academic standards as approved by the district. A student must satisfy either all of the chemistry academic standards or all of the physics academic standards prior to graduation. An agriculture science or career and technical education credit may not fulfill the required biology credit under subdivision 1, clause (4).

(c) A career and technical education credit may fulfill a mathematics or arts credit requirement under subdivision 1, clause (2) or (6).

(d) An agriculture education teacher is not required to meet the requirements of Minnesota Rules, part 3505.1150, subpart 1, item B, to meet the credit equivalency requirements of paragraph (b) above.

(e) A computer science credit may fulfill a mathematics credit requirement under subdivision 1, clause (2), if the credit meets state academic standards in mathematics.

(f) A Project Lead the Way credit may fulfill a science or mathematics credit requirement under subdivision 1, clause (2) or (4), if the credit meets the state academic standards in science or mathematics.

EFFECTIVE DATE. This section is effective for the 2015-2016 school year and later.

Sec. 7. Minnesota Statutes 2014, section 120B.11, subdivision 2, is amended to read:

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

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

(2) a process for assessing and evaluating each student's progress toward meeting state and local academic standards and identifying the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students' progress and growth toward career and college readiness, including the career and college readiness composite scores under section 120B.30, subdivision 3, paragraph (c), and leading to the world's best workforce;

(3) a process for determining grade promotion or retention that supports each student's progress and growth toward career and college readiness;

~~(3)~~ (4) a system to periodically review and evaluate the effectiveness of all instruction and curriculum, taking into account strategies and best practices, student outcomes, school principal evaluations under section 123B.147, subdivision 3, and teacher evaluations under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

~~(4)~~ (5) strategies for improving instruction, curriculum, and student achievement, including the English and, where practicable, the native language development and the academic achievement of English learners;

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

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

EFFECTIVE DATE. This section is effective for plans adopted on or after July 1, 2015.

Sec. 8. Minnesota Statutes 2014, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level no later than the end of grade 3, including English learners. The plan must be consistent with section 122A.06, subdivision 4, and include the following:

(1) a process to assess students' level of reading proficiency; and data to support the effectiveness of an assessment used to screen and identify a student's level of reading proficiency;

(2) a process to notify and involve parents; ~~intervene with;~~

(3) a description of how schools in the district will determine the proper reading intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level; ~~and identify and meet and progress-monitoring to provide information on the effectiveness of the intervention;~~

(5) identification of staff development needs, including a program to meet those needs; and

(6) a description of how schools in the district will provide explicit and systematic instruction in basic phonology and language decoding skills.

(b) The district must post its literacy plan on the official school district Web site.

EFFECTIVE DATE. This section is effective for the 2015-2016 school year and later.

Sec. 9. Minnesota Statutes 2014, section 120B.125, is amended to read:

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

(a) Consistent with sections ~~120B.128~~, 120B.13, 120B.131, 120B.132, 120B.14, 120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school districts, beginning in the 2013-2014 school year, must assist all students by no later than grade 9 to explore their educational, college, and career interests, aptitudes, and aspirations and develop a plan for a smooth and successful transition to postsecondary education or employment. All students' plans must:

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

(2) emphasize academic rigor and high expectations;

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

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

(5) help students access education and career options;

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

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

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

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

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

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

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

Sec. 10. Minnesota Statutes 2014, section 120B.30, subdivision 1, is amended to read:

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 as computer-adaptive reading and mathematics assessments for students that are~~ aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and are administered annually to all students:

(1) in mathematics grades 3 5 through 7 8 and 11;

(2) in reading, grades 3 through 5, 8, and 10; and

(3) in science, grades 5, 8, and once in high school. The high school test shall assess the life science standards.

Assessments under this section must comply with the requirements under the federal No Child Left Behind flexibility waiver. Before any change to state standardized assessment is effective, the Department of Education must obtain a corresponding amendment to its federal flexibility waiver.

(b) Reading and mathematics assessments for all students in grade 8 must be aligned with the state's required reading and mathematics standards, be administered annually, and include multiple choice questions. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. The commissioner shall determine the testing process and order of administration.

(c) The state assessment system must be aligned to the most recent version of academic standards as described in section 120B.023 three school years from the effective date of the academic standards rule. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts.

(d) For purposes of conforming with existing federal educational accountability requirements, the commissioner must develop and implement computer-adaptive reading and mathematics assessments for grades 3 through 8 and high school reading and mathematics tests aligned with state academic standards, and science assessments under paragraph (a), clause (2), that districts and sites must use to monitor student growth toward achieving those standards.

(e) The commissioner must ensure that for annual computer-adaptive assessments:

(1) individual student performance data and achievement reports are available within three school days of when students take an assessment except in a year when an assessment reflects new performance standards;

(2) growth information is available for each student from the student's first assessment to each proximate assessment using a constant measurement scale;

(3) parents, teachers, and school administrators are able to use elementary and middle school student performance data to project students' secondary and postsecondary achievement; and

(4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to teachers and school administrators for improving student instruction and indicating the specific skills and concepts that should be introduced and developed for students at given performance levels, organized by strands within subject areas, and aligned to state academic standards.

Subd. 1c. Assessment graduation requirements. ~~(+)~~ (a) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be assessed under ~~(i)~~ (1) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (c), clauses (1) and (2), and (d), ~~(ii)~~ (2) the WorkKeys job skills assessment, ~~(iii)~~ (3) the Compass college placement test, ~~(iv)~~ (4) the ACT assessment for college admission, or ~~(v)~~ (5) a nationally recognized armed services vocational aptitude test.

~~(2)~~ (b) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible to be assessed under ~~(i)~~ (1) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraph (c), clauses (1) and (2), ~~(ii)~~ (2) the WorkKeys job skills assessment, ~~(iii)~~ (3) the Compass college placement test, ~~(iv)~~ (4) the ACT assessment for college admission, or ~~(v)~~ (5) a nationally recognized armed services vocational aptitude test.

~~(3)~~ (c) For students under ~~clause (1) or (2)~~ paragraph (a) or (b), a school district may substitute a score from an alternative, equivalent assessment to satisfy the requirements of this paragraph.

~~(b)~~ The state assessment system must be aligned to the most recent revision of academic standards as described in section 120B.023 in the following manner:

~~(1)~~ mathematics;

~~(i)~~ grades 3 through 8 beginning in the 2010-2011 school year; and

~~(ii)~~ high school level beginning in the 2013-2014 school year;

~~(2)~~ science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year; and

~~(3)~~ language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

~~(c)~~ (d) For students enrolled in grade 8 in the 2012-2013 school year and later, students' state graduation requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:

~~(1)~~ demonstrate understanding of required academic standards participation on a nationally normed college entrance exam, in grade 11;

~~(2)~~ achievement and career and college readiness tests in mathematics, reading, and writing, consistent with paragraph (e) and to the extent available, to monitor students' continuous development of and growth in requisite knowledge and skills; analyze students' progress and performance levels, identifying students' academic strengths and diagnosing areas where students require curriculum or instructional adjustments, targeted interventions, or remediation; and, based on analysis of students' progress and performance data, determine students' learning and instructional needs and the instructional tools and best practices that support academic rigor for the student; and

~~(3)~~ (2) consistent with this paragraph and section 120B.125, age-appropriate exploration and planning activities and career assessments to encourage students to identify personally relevant career interests and aptitudes and help students and their families develop a regularly reexamined transition plan for postsecondary education or employment without need for postsecondary remediation. Districts and schools, on an annual basis, must use the career exploration elements to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations. Districts and schools must use timely regional labor market information and partnerships, among other resources, to help students and their families successfully develop, pursue, review, and revise an individualized plan for postsecondary education or a career. This process must help increase students' engagement in and connection to school, improve students' knowledge and skills, and

deepen students' understanding of career pathways as a sequence of academic and career courses that lead to an industry-recognized credential, an associate's degree, or a bachelor's degree and are available to all students, whatever their interests and career goals.

(e) Based on appropriate state guidelines, students with an individualized education program may satisfy state graduation requirements by achieving an individual score on the state-identified alternative assessments.

~~Expectations of schools, districts, and the state for career or college readiness under this subdivision must be comparable in rigor, clarity of purpose, and rates of student completion.~~

(f) ~~A high school student under clause (2) not yet ready for career and college must receive targeted, relevant, academically rigorous, and resourced instruction, which may include a targeted instruction and intervention plan focused on improving the student's knowledge and skills in core subjects so that the student has a reasonable chance to succeed in a career or college without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091, 124D.49, and related sections, an enrolling school or district must actively encourage a student in grade 11 or 12 who is identified as academically ready for a career or college to participate in courses and programs awarding college credit to high school students. Students are not required to achieve a specified score or level of proficiency on an assessment under this subdivision to graduate from high school.~~

~~(f) (g) To improve the secondary and postsecondary outcomes of all students, the alignment between secondary and postsecondary education programs and Minnesota's workforce needs, and the efficiency and cost-effectiveness of secondary and postsecondary programs, the commissioner, after consulting with the chancellor of the Minnesota State Colleges and Universities and using a request for proposal process, shall contract for a series of assessments that are consistent with this subdivision, aligned with state academic standards, and include career and college readiness benchmarks. Mathematics, reading, and writing assessments for students in grades 8 and 10 must be predictive of a nationally normed assessment for career and college readiness. This nationally recognized assessment must be a college entrance exam and given to students in grade 11. This series of assessments must include a college placement diagnostic exam and contain career exploration elements. The commissioner and the chancellor of the Minnesota State Colleges and Universities must collaborate in aligning instruction and assessments for adult basic education students and English learners to provide the students with diagnostic information about any targeted interventions, accommodations, modifications, and supports they need so that assessments and other performance measures are accessible to them and they may seek postsecondary education or employment without need for postsecondary remediation. When administering formative or summative assessments used to measure the academic progress, including the oral academic development, of English learners and inform their instruction, schools must ensure that the assessments are accessible to the students and students have the modifications and supports they need to sufficiently understand the assessments.~~

~~(f) Districts and schools, on an annual basis, must use the career exploration elements in these assessments to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations. Districts and schools must use timely regional labor market information and partnerships, among other resources, to help students and their families successfully develop, pursue, review, and revise an individualized plan for postsecondary education or a career. This process must help increase~~

students' engagement in and connection to school, improve students' knowledge and skills, and deepen students' understanding of career pathways as a sequence of academic and career courses that lead to an industry-recognized credential, an associate's degree, or a bachelor's degree and are available to all students, whatever their interests and career goals.

(2) Students in grade 10 or 11 not yet academically ready for a career or college based on their growth in academic achievement between grades 8 and 10 must take the college placement diagnostic exam before taking the college entrance exam under clause (3). Students, their families, the school, and the district can then use the results of the college placement diagnostic exam for targeted instruction, intervention, or remediation and improve students' knowledge and skills in core subjects sufficient for a student to graduate and have a reasonable chance to succeed in a career or college without remediation.

(3) All students except those eligible for alternative assessments must be given the college entrance part of these assessments in grade 11. A student under this clause who demonstrates attainment of required state academic standards, which include career and college readiness benchmarks, on these assessments is academically ready for a career or college and is encouraged to participate in courses awarding college credit to high school students. Such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

(4) (h) As appropriate, students through grade 12 must continue to participate in targeted instruction, intervention, or remediation and be encouraged to participate in courses awarding college credit to high school students.

(5) A study to determine the alignment between these assessments and state academic standards under this chapter must be conducted. Where alignment exists, the commissioner must seek federal approval to, and immediately upon receiving approval, replace the federally required assessments referenced under subdivision 1a and section 120B.35, subdivision 2, with assessments under this paragraph.

(e) In developing, supporting, and improving students' academic readiness for a career or college, schools, districts, and the state must have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so that students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for postsecondary remediation. The commissioner, in consultation with local school officials and educators, and Minnesota's public postsecondary institutions must ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements.

(f) (i) For students in grade 8 in the 2012-2013 school year and later, a school, district, or charter school must record on the high school transcript a student's progress toward career and college readiness, and for other students as soon as practicable.

(g) (j) The school board granting students their diplomas may formally decide to include a notation of high achievement on the high school diplomas of those graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.

~~(h) The 3rd through 7th grade computer-adaptive assessment results and grade 8 and high school 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 establish empirically derived benchmarks on adaptive assessments in grades 3 through 7 that reveal a trajectory toward career and college readiness. The commissioner must disseminate to the public the computer-adaptive assessments, grade 8, and high school test results upon receiving those results.~~

~~(i) The grades 3 through 7 computer-adaptive assessments and grade 8 and high school tests must be aligned with state academic standards. The commissioner shall determine the testing process and the order of administration. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.~~

~~(j) The commissioner shall include the following components in the statewide public reporting system:~~

~~(1) uniform statewide computer-adaptive assessments of all students in grades 3 through 7 and testing at the grade 8 and high school levels that provides appropriate, technically sound accommodations or alternate assessments;~~

~~(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.~~

~~(k) For purposes of statewide accountability, "career and college ready" means a high school graduate has the knowledge, skills, and competencies to successfully pursue a career pathway, including postsecondary credit leading to a degree, diploma, certificate, or industry-recognized credential and employment. Students who are career and college ready are able to successfully complete credit-bearing coursework at a two- or four-year college or university or other credit-bearing postsecondary program without need for remediation.~~

~~(l) For purposes of statewide accountability, "cultural competence," "cultural competency," or "culturally competent" means the ability and will to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.~~

~~(l) Students are not required to achieve a specific score or level of proficiency on an assessment under this subdivision to graduate from high school.~~

Sec. 11. Minnesota Statutes 2014, section 120B.30, subdivision 1a, is amended to read:

Subd. 1a. **Statewide and local assessments; results.** (a) For purposes of this section, the following definitions have the meanings given them.

(1) "Computer-adaptive assessments" means fully adaptive assessments.

(2) "Fully adaptive assessments" include test items that are on-grade level and items that may be above or below a student's grade level.

(3) "On-grade level" test items contain subject area content that is aligned to state academic standards for the grade level of the student taking the assessment.

(4) "Above-grade level" test items contain subject area content that is above the grade level of the student taking the assessment and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards above the grade level of the student taking the assessment. Notwithstanding the student's grade level, administering above-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(5) "Below-grade level" test items contain subject area content that is below the grade level of the student taking the test and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards below the student's current grade level. Notwithstanding the student's grade level, administering below-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(6) For purposes of statewide accountability, "cultural competence," "cultural competency," or "culturally competent" means the ability and will to interact effectively with people of diverse cultures, native languages, and socioeconomic backgrounds.

~~(b) The commissioner must use fully adaptive mathematics and reading assessments for grades 3 through 7 beginning in the 2015-2016 school year and later.~~

~~(c) For purposes of conforming with existing federal educational accountability requirements, the commissioner must develop and implement computer-adaptive reading and mathematics assessments for grades 3 through 7, state-developed grade 8 and high school reading and mathematics tests aligned with state academic standards, and science assessments under clause (2) 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 computer-adaptive reading and mathematics assessments in grades 3 through 7, and grade 8 and high school reading and mathematics tests; and~~

~~(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the commissioner must not require students to achieve a passing score on high school science assessments as a condition of receiving a high school diploma.~~

~~(d) The commissioner must ensure that for annual computer-adaptive assessments:~~

~~(1) individual student performance data and achievement reports are available within three school days of when students take an assessment except in a year when an assessment reflects new performance standards;~~

~~(2) growth information is available for each student from the student's first assessment to each proximate assessment using a constant measurement scale;~~

~~(3) parents, teachers, and school administrators are able to use elementary and middle school student performance data to project students' secondary and postsecondary achievement; and~~

~~(4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to teachers and school administrators for improving student instruction and indicating the specific skills and concepts that should be introduced and developed for students at given performance levels, organized by strands within subject areas, and aligned to state academic standards:~~

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

~~(f) Reporting of state assessment results must:~~

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

~~(2) include a growth indicator of student achievement; and~~

~~(3) determine whether students have met the state's academic standards:~~

~~(g) (c) Consistent with applicable federal law, 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 English learners.~~

~~(h) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress toward career and college readiness in the context of the state's 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.~~

Sec. 12. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision to read:

Subd. 1b. **Special and extenuating circumstances.** The Department of Education shall develop a list of circumstances in which a student may be unable to test. The list shall include but not be limited to: students transferring to Minnesota from another state, students transferring from nonpublic to public school, students hospitalized, and parental opting out of the student's testing. Students unable to participate in statewide assessment due to a circumstance on the list authorized under this subdivision shall not be penalized for missing the opportunity to take a test.

Sec. 13. Minnesota Statutes 2014, section 120B.30, subdivision 3, is amended to read:

Subd. 3. **Reporting.** (a) The commissioner shall report test results 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 test results must not include personally identifiable information as defined in Code of Federal Regulations, title 34, section 99.3. 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. The commissioner shall disseminate to charter school authorizers a more comprehensive report containing testing information that contains anonymized data where

cell count data are sufficient to protect student identity and that meets the authorizer's needs in fulfilling its obligations under section 124D.10.

(b) Reporting of state assessment results must:

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

(2) include a growth indicator of student achievement; and

(3) determine whether students have met the state's academic standards.

(c) The grade 3 through 7 computer-adaptive assessment results and grade 8 and high school 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 establish empirically derived benchmarks on adaptive assessments in grades 3 through 7 that reveal a trajectory toward career and college readiness. The commissioner shall establish composite career and college-ready scores in grades 5, 8, and high school. The composite scores shall predict performance on a college entrance exam. The commissioner must disseminate to the public test results upon receiving those results.

(d) The commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide computer-adaptive assessments of all students in grades 3 through 8 and high school levels that provide appropriate, technically sound accommodations or alternate assessments;

(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 ACT; 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.

Sec. 14. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision to read:

Subd. 3a. **Administration and usage.** A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress toward career and college readiness in the context of the state's 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.

Sec. 15. Minnesota Statutes 2014, section 120B.30, subdivision 4, is amended to read:

Subd. 4. **Access to tests.** Consistent with section 13.34, 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 developed assessments which would not compromise the objectivity or fairness of the testing or examination process. 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 for their review.~~

Sec. 16. Minnesota Statutes 2014, section 120B.31, subdivision 2, is amended to read:

Subd. 2. **Statewide testing.** Each school year, all school districts shall give a uniform statewide test to students at specified grades to provide information on the status, needs and performance of Minnesota students, consistent with section 120B.30.

Sec. 17. Minnesota Statutes 2014, 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 require all candidates for teacher licensure to pass demonstrate a passing score on a board-adopted skills examination in reading, writing, and mathematics or attain either a composite score composed of the average of the scores in English and writing, reading, and mathematics on the ACT Plus Writing recommended by the board, or an equivalent composite score composed of the average of the scores in critical reading, mathematics, and writing on the SAT recommended by the board, as a requirement for initial teacher licensure, except that the board may issue up to two four temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed the board-adopted skills exam or attained the requisite composite score on the ACT Plus Writing or SAT. Such rules~~ The board 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 board-adopted skills examination or attain the requisite composite score on the ACT Plus Writing or SAT, including those for whom English is a second language. The requirement to pass a board-adopted reading, writing, and mathematics skills examination or attain the requisite composite score on the ACT Plus Writing or SAT does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1. A teacher candidate's official ACT Plus Writing or SAT composite score report to the board must not be more than ten years old at the time of licensure The Board of Teaching and the entity administering the content, pedagogy, and skills examinations must allow any individual who produces documentation of a disability in the form of an evaluation, 504 plan, or individual education program (IEP) to receive the same testing accommodations on the content, pedagogy, and skills examinations that the applicant received during their secondary or postsecondary education.

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

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

on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. Teacher preparation programs including alternative teacher preparation programs under section 122A.245, among other programs, must include a content-specific, board-approved, performance-based assessment that measures teacher candidates in three areas: planning for instruction and assessment; engaging students and supporting learning; and assessing student learning. The board's redesign rules must include creating flexible, specialized teaching licenses, credentials, and other endorsement forms to increase students' participation in language immersion programs, world language instruction, career development opportunities, work-based learning, early college courses and careers, career and technical programs, Montessori schools, and project and place-based learning, among other career and college ready learning offerings.

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

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

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

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

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses. The board must require licensed teachers who are renewing a continuing license to include in the renewal requirements further preparation in English language development and specially designed content instruction in English for English learners.

(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, first, in understanding the key warning signs of early-onset mental illness in children and adolescents and then, during subsequent licensure renewal periods, preparation may include providing a more in-depth understanding of students' mental illness trauma, accommodations for students' mental illness, parents' role in addressing students' mental illness, Fetal Alcohol Spectrum Disorders, autism, the requirements of section 125A.0942 governing restrictive procedures, and de-escalation methods, among other similar topics.

(o) To license applicants under sections 122A.23 and 122A.245, the board must consider: a teaching license from another state in a similar content field; completion of a state-approved teacher preparation program; teaching experience as the teacher of record in a similar licensure field; depth of content knowledge; depth of content methods or general pedagogy; subject-specific professional development and contribution to the field; and classroom performance as measured by student growth on normed assessments or documented effectiveness on evaluations. The board must require an applicant that does not have student teaching experience or specific methods coursework to have a minimum of four years of teaching experience in a same or similar licensure field.

Sec. 18. Minnesota Statutes 2014, section 122A.14, subdivision 3, is amended to read:

Subd. 3. **Rules for continuing education requirements.** The board shall adopt rules establishing continuing education requirements that promote continuous improvement and acquisition of new and relevant skills by school administrators. Continuing education programs, among other things, must provide school administrators with information and training about building coherent and effective English learner strategies that include relevant professional development, accountability for student progress, students' access to the general curriculum, and sufficient staff capacity to effect these strategies. ~~A retired school principal who serves as a substitute principal or assistant principal for the same person on a day-to-day basis for no more~~

than 15 consecutive school days is not subject to continuing education requirements as a condition of serving as a substitute principal or assistant principal.

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

Sec. 19. Minnesota Statutes 2014, 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, including those meeting the standards adopted under section 122A.09, subdivision 4, paragraph (o).

(b) ~~The board must require a person to pass an~~ candidate for teacher licensure to demonstrate a passing score on a board-adopted examination of skills in reading, writing, and mathematics or attain either a composite score composed of the average of the scores in English and writing, reading, and mathematics on the ACT Plus Writing recommended by the board, or an equivalent composite score composed of the average of the scores in critical reading, mathematics, and writing on the SAT recommended by the board, before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs, except that the board may issue up to ~~two~~ four temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed ~~the~~ a board-adopted skills exam or attained the requisite composite score on the ACT Plus Writing or SAT. The board must require colleges and universities offering a board approved teacher preparation program to make available upon request remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on ~~the~~ a board-adopted skills examination or attain the requisite composite ACT Plus Writing or SAT score, including those for whom English is a second language. The colleges and universities must make available assistance in the specific academic areas of candidates' deficiency. School districts may make available upon request similar, appropriate, and timely remedial assistance that includes a formal diagnostic component to those persons employed by the district who completed their teacher education program, who did not achieve a qualifying score on ~~the~~ a board-adopted skills examination, or attain the requisite composite ACT Plus Writing or SAT score, and who received a temporary license to teach in Minnesota. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking ~~the~~ a board-adopted skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, 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, and the candidates who have not attained the requisite composite ACT Plus Writing or SAT score or have not passed a content or pedagogy exam, disaggregated by categories of race, ethnicity, and eligibility for financial aid.

(c) The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes passing ~~the~~ a board-adopted skills examination in reading, writing, and mathematics or attaining the requisite composite ACT Plus Writing or SAT score consistent with paragraph (b), and the exceptions in section 122A.09, subdivision 4, paragraph (b), that are consistent with this paragraph. The requirement to pass a board-adopted reading, writing, and mathematics skills examination, or attain the requisite composite score on the ACT Plus Writing or SAT does not apply to nonnative English speakers, as

verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1. ~~A teacher candidate's official ACT Plus Writing or SAF composite score report to the board must not be more than ten years old at the time of licensure.~~

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

Sec. 20. Minnesota Statutes 2014, section 122A.18, is amended by adding a subdivision to read:

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

Sec. 21. Minnesota Statutes 2014, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Board of Teaching or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

- (1) immoral character or conduct;
- (2) failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) gross inefficiency or willful neglect of duty;
- (4) failure to meet licensure requirements; or
- (5) fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) The Board of Teaching or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree under section 609.322, subdivision 1, engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, sexual abuse under section

609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352, interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor, using minors in a sexual performance under section 617.246, or possessing pornographic works involving a minor under section 617.247, or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the Court of Appeals or the Supreme Court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) For purposes of this subdivision, the Board of Teaching is delegated the authority to suspend or revoke coaching licenses.

Sec. 22. Minnesota Statutes 2014, section 122A.21, subdivision 2, is amended to read:

Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via portfolio to obtain an initial licensure or to add a licensure field, consistent with the applicable Board of Teaching licensure rules.

(b) A candidate for initial licensure must submit to the ~~Educator Licensing Division at the department~~ Board of Teaching one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

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

(d) The Board of Teaching must approve or disapprove candidates' portfolios under paragraph (b) or (c) within 90 calendar days after receiving the portfolio. If the portfolio is not approved, the board must immediately inform the candidate how to revise the portfolio to successfully demonstrate the requisite competence. The candidate may resubmit a revised portfolio within 90 calendar days of receiving notification from the board and the board must approve or disapprove the portfolio within 60 calendar days of receiving it.

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

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all portfolios submitted to the Board of Teaching after that date.

Sec. 23. Minnesota Statutes 2014, section 122A.23, is amended to read:

122A.23 APPLICANTS TRAINED IN OTHER STATES.

Subdivision 1. **Preparation equivalency.** When a license to teach is authorized to be issued to any holder of a diploma or a degree of a Minnesota state university, or of the University of Minnesota, or of a liberal arts university, or a technical training institution, such license may also, in the discretion of the Board of Teaching or the commissioner of education, whichever has jurisdiction, be issued to any holder of a diploma or a degree of a teacher training institution of equivalent rank and standing of any other state. The diploma or degree must be granted by virtue of completing a course in teacher preparation essentially equivalent in content to that required by such Minnesota state university or the University of Minnesota or a liberal arts university in Minnesota or a technical training institution as preliminary to the granting of a diploma or a degree of the same rank and class. For purposes of granting a Minnesota teaching license to a person who receives a diploma or degree from a state-accredited, out-of-state teacher training program leading to licensure, the Board of Teaching must ~~establish~~ publish established criteria and streamlined procedures by January 1, 2016, to recognize the experience and professional credentials of the person holding the out-of-state diploma or degree and allow that person to demonstrate to the board the person's qualifications for receiving a Minnesota teaching license based on performance measures the board adopts by January 1, 2016, under this section.

Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a teaching license or a temporary teaching license under paragraphs (b) to (e) to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held a similar out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes field-specific teaching methods and student teaching or essentially equivalent experience.

(b) The Board of Teaching must issue a teaching license to an applicant who:

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

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels if the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license.

(c) The Board of Teaching, consistent with board rules and paragraph (h), must issue up to three one-year temporary teaching licenses to an applicant who holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, but has not successfully completed all exams and human relations preparation components required by the Board of Teaching.

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

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

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

The applicant may complete field-specific teaching methods and student teaching or equivalent experience by successfully participating in a one-year school district mentorship program consistent with board-adopted standards of effective practice and Minnesota graduation requirements.

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

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

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

(f) ~~The Board of Teaching must not issue to an applicant more than three one-year temporary teaching licenses under this subdivision~~ may issue a two-year limited provisional license to an applicant under this subdivision to teach in a shortage area, consistent with section 122A.18, subdivision 4a.

(g) The Board of Teaching must not issue a license under this subdivision if the applicant has not attained the additional degrees, credentials, or licenses required in a particular licensure field.

(h) The Board of Teaching must require an applicant for a teaching license or a temporary teaching license under this subdivision to pass a board-adopted skills examination in reading, writing, and mathematics ~~or demonstrate, consistent with section 122A.09, subdivision 4, the applicant's attainment of either the requisite composite ACT Plus Writing or SAT score~~ before the board issues the license unless, notwithstanding other provisions of this subdivision, an applicable board-approved National Association of State Directors of Teacher Education interstate reciprocity agreement exists to allow fully certified teachers from other states to transfer their certification to Minnesota.

Subd. 3. Teacher licensure agreements with adjoining states. (a) Notwithstanding any other law to the contrary, the Board of Teaching must enter into National Association of State Directors of Teacher Education and Certification (NASDTEC) interstate agreements for teacher licensure to allow fully certified teachers from adjoining states to transfer their certification to Minnesota. The board must enter into these interstate agreements only after determining that the rigor of the teacher licensure or certification requirements in the adjoining state is commensurate with the rigor of Minnesota's teacher licensure requirements. The board may limit an interstate agreement to particular content fields or grade levels based on established priorities or identified shortages. This subdivision does not apply to out-of-state applicants holding only a provisional teaching license.

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

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

Sec. 24. Minnesota Statutes 2014, section 122A.245, subdivision 1, is amended to read:

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

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

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

(b) ~~Before participating in this program~~ becoming a teacher of record, a candidate must:

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

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

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

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

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

Sec. 25. Minnesota Statutes 2014, section 122A.245, subdivision 7, is amended to read:

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

Sec. 26. Minnesota Statutes 2014, section 122A.30, is amended to read:

122A.30 EXEMPTION FOR TECHNICAL COLLEGE EDUCATION INSTRUCTORS.

(a) Notwithstanding section 122A.15, subdivision 1, and upon approval of the local employer school board, a person who teaches in a part-time vocational or career and technical education program not more than 61 hours per fiscal year is exempt from a license requirement.

(b) This section expires June 30, 2020.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all technical education instructors hired after that date.

Sec. 27. Minnesota Statutes 2014, section 122A.40, subdivision 8, is amended to read:

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

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

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

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

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

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

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

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

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

(7) may include mentoring and induction programs;

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 28. Minnesota Statutes 2014, section 122A.41, subdivision 5, is amended to read:

Subd. 5. Development, evaluation, and peer coaching for continuing contract teachers. (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop an annual teacher evaluation and peer review process for probationary and nonprobationary teachers through joint agreement. If a

school board and the exclusive representative of the teachers in the district do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan developed under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

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

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

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

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

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

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

(7) may include mentoring and induction programs;

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

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

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

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

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

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge,

nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

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

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

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

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

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

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

Sec. 29. Minnesota Statutes 2014, section 122A.69, is amended to read:

122A.69 PRACTICE OR STUDENT TEACHERS.

The Board of Teaching may, by agreements with teacher ~~preparing preparation~~ institutions, arrange for classroom experience in the district for practice or student teachers who have completed ~~not less than at least~~ two years of an approved teacher education preparation program. Such practice and student teachers must be ~~provided with appropriate supervision~~ appropriately supervised by a fully qualified teacher under rules ~~promulgated~~ adopted by the board. A practice or student teacher must be placed with a cooperating licensed teacher who has at least three years of teaching experience and is not in the improvement process under section 122A.40, subdivision 8, paragraph (b), clause (12), or section 122A.41, subdivision 5, paragraph (b), clause (12). Practice and student teachers are ~~deemed~~ employees of the school district in which they are rendering services for purposes of workers' compensation; liability insurance, if provided for other district employees in accordance with ~~under~~ section 123B.23; and legal counsel ~~in accordance with the provisions of~~ under section 123B.25.

EFFECTIVE DATE. This section is effective for the 2015-2016 school year and later.

Sec. 30. Minnesota Statutes 2014, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian courses offered under subdivision 10, if (1) after all 11th and 12th grade students have applied for a course, additional students are necessary to offer the course or (2) the course is a world language course. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit, the institution must notify the pupil about payment in the customary manner used by the institution.

Sec. 31. Minnesota Statutes 2014, section 124D.09, subdivision 5a, is amended to read:

Subd. 5a. **Authorization; career or technical education.** A 10th, 11th, or 12th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may enroll in a career or technical education course offered by a Minnesota state college or university. A 10th grade pupil applying for enrollment in a career or technical education course under this subdivision must have received a passing score on the 8th grade Minnesota Comprehensive Assessment in reading as a condition of enrollment. A current 10th grade pupil who did not take the 8th grade Minnesota Comprehensive Assessment in reading may substitute another reading assessment accepted by the enrolling postsecondary institution. A secondary pupil may enroll in the pupil's first postsecondary options enrollment course under this subdivision. A student who is refused enrollment by a Minnesota state college or university under this subdivision may apply to an eligible institution offering a career or technical education course. The postsecondary institution must give priority to its students according to subdivision 9. If a secondary student receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for secondary credit at that institution, not to exceed the limits in subdivision 8. A "career or technical course" is a course that is part of a career and technical education program that provides individuals with coherent, rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provide technical skill proficiency, an industry recognized credential, and a certificate, a diploma, or an associate degree.

Sec. 32. Minnesota Statutes 2014, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** (a) A postsecondary institution shall give priority to its postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its

programs on educational and programmatic grounds only except, notwithstanding other law to the contrary, and for the 2014-2015 through 2019-2020 school years only, an eligible postsecondary institution may advertise or otherwise recruit or solicit a secondary pupil residing in a school district with 700 students or more in grades 10, 11, and 12, to enroll in its programs on educational, programmatic, or financial grounds.

(b) An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate and enrolled in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program. A middle or early college program must be specifically designed to allow the student to earn dual high school and college credit with a well-defined pathway to allow the student to earn a postsecondary degree or credential. In this case, the student shall receive developmental college credit and not college credit for completing remedial or developmental courses.

(c) Once a pupil has been enrolled in any postsecondary course under this section, the pupil shall not be displaced by another student.

(b) (d) If a postsecondary institution enrolls a secondary school pupil in a course under this section, the postsecondary institution also must enroll in the same course an otherwise enrolled and qualified postsecondary student who qualifies as a veteran under section 197.447, and demonstrates to the postsecondary institution's satisfaction that the institution's established enrollment timelines were not practicable for that student.

Sec. 33. Minnesota Statutes 2014, section 124D.10, subdivision 3, is amended to read:

Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under paragraph (c) before that authorizer is able to submit any affidavit to charter to a school.

"Application" under subdivision 4 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.

"Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under subdivision 4 attesting to its review and approval process before chartering a school.

(b) The following organizations may authorize one or more charter schools:

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

(2) a charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986, excluding a nonpublic sectarian or religious institution; any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under

common control with the nonpublic sectarian or religious institution; and any other charitable organization under this clause that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that:

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

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

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

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

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

(5) single-purpose authorizers formed as charitable, nonsectarian organizations under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota under chapter 317A as a corporation with no members or under section 322B.975 as a nonprofit limited liability company for the sole purpose of chartering schools. Eligible organizations interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph (c) and a five-year financial plan. Such authorizers shall consider and approve charter school applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

(c) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this section. The commissioner must approve or disapprove an application within 45 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the specific deficiencies in writing and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. After the 20 business days expire, the commissioner has 15 business days to make a final decision to approve or disapprove the application. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

(1) capacity and infrastructure;

(2) application criteria and process;

(3) contracting process;

(4) ongoing oversight and evaluation processes; and

(5) renewal criteria and processes.

(d) An applicant must include in its application to the commissioner to be an approved authorizer at least the following:

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

(2) a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;

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

(4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6;

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

(6) a description of the criteria and process the authorizer will use to grant expanded applications under subdivision 4, paragraph (j);

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

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

(e) A disapproved applicant under this section may resubmit an application during a future application period.

(f) If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 23, the authorizer must notify all its chartered schools and the commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year, regardless of when the authorizer's five-year term of approval ends. The commissioner may approve the transfer of a charter school to a new authorizer under this paragraph after the new authorizer submits an affidavit to the commissioner.

(g) The authorizer must participate in department-approved training.

(h) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer. If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the

authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action. If the commissioner terminates a contract between an authorizer and a charter school under this paragraph, the commissioner may assist the charter school in acquiring a new authorizer.

(i) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under paragraph (c) under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors;

(3) unsatisfactory performance as an approved authorizer; or

(4) any good cause shown that provides the commissioner a legally sufficient reason to take corrective action against an authorizer.

Sec. 34. Minnesota Statutes 2014, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under paragraph (b). The school must be organized and operated as a 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, subject to this section and section 124D.11, may create a corporation for the purpose of establishing a charter school.

(b) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. An authorizer must file an affidavit ~~by May 1 to be able to charter a new school in the next school year after the commissioner approves the authorizer's affidavit~~ at least 14 months before July 1 of the year the new charter school plans to serve students. The affidavit must state the terms and conditions under which the authorizer would charter a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

(c) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this section or does not meet the ready-to-open standards that are part of the authorizer's oversight and evaluation process or are stipulated in the charter school contract.

(d) 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 nonprofit corporation under chapter 317A and must establish a board of directors composed of at least five members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph (f). A charter school board of directors must be composed of at least five members who are not related parties. Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of the board of directors, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election. Board of director meetings must comply with chapter 13D.

(e) A charter school shall publish and maintain on the school's official Web site: (1) the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority, for at least one calendar year from the date of publication; (2) directory information for members of the board of directors and committees having board-delegated authority; and (3) identifying and contact information for the school's authorizer. Identifying and contact information for the school's authorizer must be included in other school materials made available to the public. Upon request of an individual, the charter school must also make available in a timely fashion financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must include that same information about its authorizer in other school materials that it makes available to the public.

(f) Every charter school board member shall attend annual training throughout the member's term on the board. All new board members shall attend initial training on the board's role and responsibilities, employment policies and practices, and financial management. A new board member who does not begin the required initial training within six months after being seated and complete that training within 12 months of being seated on the board is automatically ineligible to continue to serve as a board member. The school shall include in its annual report the training attended by each board member during the previous year.

(g) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed for holidays, breaks, or vacations. The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed as a teacher at the school or providing instruction under contract between the charter school and a cooperative; (ii) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (iii) at least one interested community member who resides in Minnesota and is not employed by the charter school and does not have a child enrolled in the school. The board may include a majority of teachers described in this paragraph or parents or community members, or it may have no clear majority. The chief financial officer and the chief administrator may only serve as ex-officio nonvoting board members. No charter

school employees shall serve on the board other than teachers under item (i). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school. Board bylaws shall outline the process and procedures for changing the board's governance structure, consistent with chapter 317A. A board may change its governance structure only:

(1) by a majority vote of the board of directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

Any change in board governance structure must conform with the composition of the board established under this paragraph.

(h) The granting or renewal of a charter by an authorizer must not be conditioned upon the bargaining unit status of the employees of the school.

(i) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services from the authorizer. Any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

(j) A charter school may apply to the authorizer to amend the school charter to expand the operation of the school to additional grades or sites that would be students' primary enrollment site beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a supplementary affidavit in the form and manner prescribed by the commissioner. The authorizer must file a supplement affidavit by October 1 to be eligible to expand in the next school year. The supplementary affidavit must document that the school has demonstrated to the satisfaction of the authorizer the following:

(1) the need for the expansion with supporting long-range enrollment projections;

(2) a longitudinal record of demonstrated student academic performance and growth on statewide assessments under chapter 120B or on other academic assessments that measure longitudinal student performance and growth approved by the charter school's board of directors and agreed upon with the authorizer;

(3) a history of sound school finances and a finance plan to implement the expansion in a manner to promote the school's financial sustainability; and

(4) board capacity and an administrative and management plan to implement its expansion.

(k) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer in writing of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. The school may not expand grades or add sites

until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Sec. 35. Minnesota Statutes 2014, section 124D.10, subdivision 8, is amended to read:

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

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A school authorized 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.

(d) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. An authorizer may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution. A charter school student must be released for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

(e) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled. This paragraph does not apply to shared time aid under section 126C.19.

(f) 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 older than 18 years of age. A charter school may offer a free or fee-based preschool or prekindergarten that meets high-quality early learning instructional program standards that are aligned with Minnesota's early learning standards for children. Students enrolled in a fee-based prekindergarten program are not eligible to be counted as pupil units under section 126C.05 and must not be included in the calculation of general education revenue under section 126C.10.

(g) Except as provided in paragraph (f), a charter school may not charge tuition.

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

(i) Once a student is enrolled in the school, the student is considered enrolled in the school until the student formally withdraws or is expelled under the Pupil Fair Dismissal Act in sections 121A.40 to 121A.56. 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.

(j) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under subdivision 6a. 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; 471.38; 471.391; 471.392; and 471.425. 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 and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance audits. A charter

school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

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

(l) A charter school must comply with chapters 13 and 13D; and sections 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

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

(n) A charter school offering online courses or programs must comply with section 124D.095.

(o) A charter school and charter school board of directors are subject to chapter 181.

(p) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

(q) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19.

(r) A charter school that provides school-sponsored youth athletic activities must comply with section 121A.38.

(s) A charter school is subject to and must comply with continuing truant notification under section 260A.03.

(t) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13). The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

(u) A charter school must adopt a policy, plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for the world's best workforce.

(v) A charter school must comply with section 121A.031 governing policies on prohibited conduct.

(w) A charter school must comply with all pupil transportation requirements in section 123B.88, subdivision 1. A charter school must not require parents to surrender their rights to pupil transportation under section 123B.88, subdivision 2.

Sec. 36. Minnesota Statutes 2014, section 124D.10, subdivision 9, is amended to read:

Subd. 9. **Admission requirements.** (a) A charter school may limit admission to:

(1) pupils within an age group or grade level;

(2) pupils who are eligible to participate in the graduation incentives program under section 124D.68; or

(3) residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations.

(b) A charter school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils must be accepted by lot. The charter school must develop and publish, including on its Web site, a lottery policy and process that it must use when accepting pupils by lot.

(c) A charter school shall give enrollment preference to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's staff before accepting other pupils by lot. A charter school may give enrollment preference to children who are eligible to receive a free or reduced-price lunch when the percent of enrolled charter school students who are eligible to receive a free or reduced-price lunch is lower than either the statewide percent of students who are eligible to receive a free or reduced-price lunch or the district-wide percent of students who are eligible to receive a free or reduced-price lunch in the district in which the charter school is located. A charter school must ask on its enrollment application whether the student is eligible for and interested in the enrollment preference. A charter school may send an Application for Educational Benefits form to the household of an interested student and ask on the application form whether the household wants their student considered for the enrollment preference. Charter schools must use the department's direct certification and approval process for determining students' eligibility for meal benefits. Once established, this enrollment preference continues unless and until a majority of the members of the charter school board of directors votes to discontinue the enrollment preference. A charter school that complies with the enrollment preference based on eligibility to receive a free or reduced-price lunch in good faith is not responsible for misinformation provided to it by parents under this provision. A charter school that is located in Duluth township in St. Louis County and admits students in kindergarten through grade 6 must give enrollment preference to students residing within a five-mile radius of the school and to the siblings of enrolled children. ~~A~~ If a charter school has a preschool or prekindergarten program under subdivision 8, paragraph (f), that is free to all participants, the charter school may give enrollment preference to children currently enrolled in the school's free preschool or prekindergarten program under subdivision 8, paragraph (f); who are eligible to enroll in kindergarten in the next school year.

(d) A person shall not be admitted to a charter school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that a charter school may establish ~~and publish on its Web site~~ a policy for admission of selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b) and (c). If established, an early admissions policy must describe the process and procedures for comprehensive evaluation in cognitive, social, and emotional developmental domains to help determine the child's ability to meet kindergarten grade expectations and progress to first grade in the subsequent year. The comprehensive evaluation must use valid and reliable instrumentation, be aligned with state kindergarten expectations, and include a parent report and teacher observations of the child's knowledge, skills, and abilities. The early admissions policy must be made available to parents in an accessible format and is subject to review by the commissioner of education.

(e) Except as permitted in paragraph (d), a charter school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability and may not establish any criteria or requirements for admission that are inconsistent with this subdivision.

(f) The charter school shall not distribute any services or goods of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

Sec. 37. Minnesota Statutes 2014, section 124D.10, subdivision 10, is amended to read:

Subd. 10. **Pupil performance.** (a) A charter school must design its programs to at least meet the outcomes adopted by the commissioner for public school students. In the absence of the commissioner's requirements, the school must meet the outcomes contained in the contract with the authorizer. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the commissioner for public school students.

(b) Notwithstanding other law to the contrary, a charter school where at least 70 percent of enrolled pupils are eligible to participate in the graduation incentives program under section 124D.68 or where the charter school contract limits admission to pupils eligible to participate in the graduation incentives program under section 124D.68 is subject to statewide accountability measures applicable to public schools under chapter 120B, but consistent with the alternative measures established under this paragraph and Minnesota Graduation Standards. For eligible schools, the written charter contract under subdivision 6 between the charter school authorizer and the school's board of directors shall be based on the student academic, career and college readiness, and student engagement performance measures established under this paragraph.

(1) Thirty percent of any performance evaluation of a charter school under this paragraph shall be based on longitudinal data showing student achievement and growth on a nationally or state-normed assessment for groups of ten or more students who are continuously enrolled in the charter school for at least 120 school days before the assessment is administered.

(2) Forty percent of any student performance evaluation of a charter school under this paragraph shall be based on demonstrated growth in any four of the following postsecondary and workforce readiness measures, as stipulated in the charter school contract and demonstrated by the requisite evidence: a three-year average graduation rate for students who complete high school in four, five, or six years; a three-year graduation rate for noncontinuously enrolled students who complete high school in seven years; average student drop-out rate for students who leave the charter school in a single year without pursuing an education alternative; the participation rate and composite score of those students in a school year taking a national postsecondary or workforce readiness assessment such as the ACT, PSAT, SAT, ACCUPLACER, or ASVAB; the percentage of students in the 12th grade cohort as identified by the number of completed course credits at the beginning of the school year who graduate within that school year; the percentage of students in a school year who successfully transfer to another education program, including those leading to a diploma, credential or degree, or care and treatment program; the percentage of students in the previous school year who complete an education program, receive a diploma, enroll in a postsecondary program or institution, enlist in the military, or obtain full-time employment; the percentage of students in a school year who successfully complete the number of course credits they need to stay on track to graduate within an established timeline; the percentage of students in a school year who successfully meet work certification or preapprenticeship program requirements; or the percentage of students in a school year who earn dual enrollment credits through the Postsecondary Enrollment Options Act or other dual credit program.

(3) Thirty percent of any student performance evaluation of a charter school under this paragraph shall be based on data from any three of the following student engagement measures applied to groups of ten or more students who are continuously enrolled in the charter school for at least

120 days: a three-year average daily attendance rate; a demonstrated percentage improvement in attendance by a cohort; a three-year average of the total number of days students are reported as truant; the number of student dropouts who enroll in the school and remain continuously enrolled throughout that school year; the percentage of students in a school year or a 12-month period who participate in and demonstrate growth on character and social competency assessments measuring decision-making skills, career readiness, education or aspiration goals, and similar characteristics or competencies; and the percentage of students in a school year who meet the community service goals in their individual learning plan as measured by the charter school's citizenship and community outcomes rubric.

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

Sec. 38. Minnesota Statutes 2014, section 124D.10, subdivision 12, is amended to read:

Subd. 12. **Pupils with a disability.** A charter school must comply with sections 125A.02, 125A.03 to 125A.24, and 125A.65, and 125A.75 and rules relating to the education of pupils with a disability as though it were a district.

EFFECTIVE DATE. This section is effective for fiscal year 2016 and later.

Sec. 39. Minnesota Statutes 2014, section 124D.10, subdivision 14, is amended to read:

Subd. 14. **Annual public reports.** (a) A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, innovative practices and implementation, and future plans. A charter school may combine this report with the reporting required under section 120B.11. A charter school must post the annual report on the school's official Web site. A charter school must also distribute the annual report by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school. The reports are public data under chapter 13.

(b) The commissioner shall establish specifications for an authorizer's annual public report that is part of the system to evaluate authorizer performance under subdivision 3, paragraph (h). The report shall at least include key indicators of school academic, operational, and financial performance.

Sec. 40. Minnesota Statutes 2014, section 124D.10, is amended by adding a subdivision to read:

Subd. 24a. **Merger.** (a) Two or more charter schools may merge under chapter 317A. The effective date of a merger must be July 1. The merged school must continue under the identity of one of the merging schools. A new charter contract under subdivision 6 must be executed by July 1. The authorizer must submit to the commissioner a copy of the new signed charter contract within ten business days of its execution.

(b) Each merging school must submit a separate year-end report for the previous year for that school only. After the final fiscal year of the premerger schools is closed out, the fund balances and debts from the merging schools must be transferred to the merged school.

(c) For its first year of operation, the merged school is eligible to receive aid from programs requiring approved applications equal to the sum of the aid of all of the merging schools. For aids based on prior year data, the merged school is eligible to receive aid for its first year of operation based on the combined data of all of the merging schools.

Sec. 41. Minnesota Statutes 2014, section 124D.121, is amended to read:

124D.121 DEFINITION OF FLEXIBLE LEARNING YEAR PROGRAM.

"Flexible learning year program" means any district plan ~~approved by the commissioner~~ that utilizes buildings and facilities during the entire year or that provides forms of optional scheduling of pupils and personnel during the learning year in elementary and secondary schools or residential facilities for children with a disability.

Sec. 42. Minnesota Statutes 2014, section 124D.122, is amended to read:

124D.122 ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.

The board of any district or a consortium of districts, ~~with the approval of the commissioner,~~ may establish and operate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. Consortiums may use a single ~~application and~~ evaluation process, though results, public hearings, and board approvals must be obtained for each district as required under appropriate sections.

Sec. 43. Minnesota Statutes 2014, section 124D.126, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** The commissioner must:

~~(1) promulgate rules necessary to the operation of sections 124D.12 to 124D.127;~~

~~(2) (1) cooperate with and provide supervision of flexible learning year programs to determine compliance with the provisions of sections 124D.12 to 124D.127, the commissioner's standards and qualifications, and the proposed program as submitted and approved;~~

~~(3) (2) provide any necessary adjustments of (a) attendance and membership computations and (b) the dates and percentages of apportionment of state aids; and~~

~~(4) (3) consistent with the definition of "average daily membership" in section 126C.05, subdivision 8, furnish the board of a district implementing a flexible learning year program with a formula for computing average daily membership. This formula must be computed so that tax levies to be made by the district, state aids to be received by the district, and any and all other formulas based upon average daily membership are not affected solely as a result of adopting this plan of instruction.~~

Sec. 44. Minnesota Statutes 2014, section 124D.127, is amended to read:

124D.127 TERMINATION OF FLEXIBLE LEARNING YEAR PROGRAM.

The board of any district, ~~with the approval of the commissioner of education,~~ may terminate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. This section shall not be construed to permit an exception to section 120A.22, 127A.41, subdivision 7, or 127A.43.

Sec. 45. Minnesota Statutes 2014, section 124D.128, subdivision 1, is amended to read:

Subdivision 1. **Program established.** A learning year program provides instruction throughout the year on an extended year calendar, extended school day calendar, or both. ~~A pupil may participate in the program and accelerate attainment of grade level requirements or graduation requirements.~~

A learning year program may begin after the close of the regular school year in June. The program may be for students in one or more grade levels from kindergarten through grade 12.

Sec. 46. Minnesota Statutes 2014, section 124D.72, is amended to read:

124D.72 POLICY.

The legislature finds that a more adequate and relevant education is needed for American Indian people in the state of Minnesota. The legislature recognizes the unique educational and culturally related academic needs of American Indian people. The legislature also is concerned about the lack of American Indian teachers as well as other professionals in the state. Therefore, pursuant to the policy of the state to ensure equal educational opportunity to every individual, it is the purpose of sections 124D.71 to 124D.82 to provide for American Indian education programs specially specifically designed to meet these unique educational or culturally related academic needs or both.

Sec. 47. Minnesota Statutes 2014, section 124D.73, subdivision 3, is amended to read:

Subd. 3. ~~Advisory task force~~ **Tribal Nations Education Committee.** "Advisory task force" "Tribal Nations Education Committee" means the state advisory task force committee established through tribal directive that the commissioner seeks consultation with on American Indian education programs, policy, and all matters pertaining to the education of Minnesota's American Indian students.

Sec. 48. Minnesota Statutes 2014, section 124D.73, subdivision 4, is amended to read:

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

- (1) is not operated by a school district; and
- (2) is eligible for a grant under federal Title IV of the Indian VII of the Elementary and Secondary Education Act for the education of American Indian children.

Sec. 49. Minnesota Statutes 2014, section 124D.73, is amended by adding a subdivision to read:

Subd. 5. **Public school designation.** For purposes of membership in professional organizations or associations, participating schools as defined in subdivision 4 are considered to be public schools.

Sec. 50. Minnesota Statutes 2014, section 124D.74, subdivision 1, is amended to read:

Subdivision 1. **Program described.** American Indian education programs are programs in public elementary and secondary schools, nonsectarian nonpublic, community, tribal, charter, or alternative schools enrolling American Indian children designed to:

- (1) support postsecondary preparation for pupils;
- (2) support the academic achievement of American Indian students ~~with identified focus to improve reading and mathematic skills;~~
- (3) make the curriculum ~~more~~ relevant to the needs, interests, indigenous language, and cultural heritage of American Indian pupils;
- (4) provide positive reinforcement of the self-image of American Indian pupils;
- (5) develop intercultural awareness among pupils, parents, and staff; and

(6) supplement, not supplant, state and federal educational and cocurricular programs.

~~Program components may include: development of support components for students services designed to increase completion and graduation rates of American Indian students must include emphasis in the areas of academic achievement, retention, and attendance; development of support components services for staff, including in-service training and technical assistance in methods of teaching American Indian pupils; research projects, including experimentation with innovative teaching approaches and evaluation of methods of relating to American Indian pupils; provision of personal and vocational career counseling to American Indian pupils; modification of curriculum, instructional methods, and administrative procedures to meet the needs of American Indian pupils; and supplemental instruction in American Indian language, literature, history, and culture. Districts offering programs may make contracts for the provision of program components services by establishing cooperative liaisons with tribal programs and American Indian social service agencies. These programs may also be provided as components of early childhood and family education programs.~~

Sec. 51. Minnesota Statutes 2014, section 124D.74, subdivision 3, is amended to read:

Subd. 3. **Enrollment of other children; shared time enrollment.** To the extent it is economically feasible, a district or participating school may make provision for the voluntary enrollment of non-American Indian children in the instructional components of an American Indian education program in order that they may acquire an understanding of the cultural heritage of the American Indian children for whom that particular program is designed. However, in determining eligibility to participate in a program, priority must be given to American Indian children. American Indian children and other children enrolled in an existing nonpublic school system may be enrolled on a shared time basis in all academic, targeted services, and American Indian education programs.

Sec. 52. Minnesota Statutes 2014, section 124D.74, subdivision 6, is amended to read:

Subd. 6. **Nonverbal courses and extracurricular activities.** In predominantly nonverbal subjects, such as art, music, and physical education, American Indian children shall participate fully and on an equal basis with their contemporaries peers in school classes provided for these subjects. Every school district or participating school shall ensure to children enrolled in American Indian education programs an equal and meaningful opportunity to participate fully with other children in all extracurricular activities. This subdivision shall not be construed to prohibit instruction in nonverbal subjects or extracurricular activities which relate to the cultural heritage of the American Indian children, or which are otherwise necessary to accomplish the objectives described in sections 124D.71 to 124D.82.

Sec. 53. Minnesota Statutes 2014, section 124D.75, subdivision 1, is amended to read:

Subdivision 1. **American Indian language and culture education licenses.** The Board of Teaching, in consultation with the Tribal Nations Education Committee, must grant initial and continuing teaching licenses in American Indian language and culture education that bear the same duration as other initial and continuing licenses. The board must grant licenses to persons who present satisfactory evidence that they:

(1) possess competence in an American Indian language or possess unique qualifications relative to or knowledge and understanding of American Indian history and culture; or

(2) possess a bachelor's degree or other academic degree approved by the board or meet such requirements as to course of study and training as the board may prescribe, or possess such relevant experience as the board may prescribe.

This evidence may be presented by affidavits, tribal resolutions, or by such other methods as the board may prescribe. Individuals may present applications for licensure on their own behalf or these applications may be submitted by the superintendent or other authorized official of a school district, participating school, or an American Indian school.

Sec. 54. Minnesota Statutes 2014, section 124D.75, subdivision 2, is amended to read:

Subd. 2. **Persons holding general teaching licenses.** A person holding a general teaching license who presents the board with satisfactory evidence of competence in an American Indian language, or deep knowledge and understanding of American Indian history and culture may be licensed under this section.

Sec. 55. Minnesota Statutes 2014, section 124D.75, subdivision 3, is amended to read:

Subd. 3. **Resolution or letter.** All persons applying for a license under this section must submit to the board a resolution or letter of support signed by an American Indian tribal government ~~or its designee~~. All persons holding a license under this section ~~on July 1, 1995~~, must have on file or file with the board a resolution or letter of support signed by a tribal government ~~or its designee~~ by ~~January 1, 1996, or the next renewal date of the license thereafter~~.

Sec. 56. Minnesota Statutes 2014, section 124D.75, subdivision 9, is amended to read:

Subd. 9. **Affirmative efforts in hiring.** In hiring for all positions in these programs, school districts and participating schools shall give preference to and make affirmative efforts to seek, recruit, and employ persons who share the culture of the American Indian children who are enrolled in the program. The district or participating school ~~shall~~ must provide procedures for the involvement of the parent advisory committees in ~~designing the procedures for~~ the recruitment, screening and selection of applicants. This subdivision shall not be construed to limit the school board's authority to hire and discharge personnel.

Sec. 57. Minnesota Statutes 2014, section 124D.76, is amended to read:

124D.76 TEACHERS—AIDES; COMMUNITY COORDINATORS, INDIAN HOME/SCHOOL LIAISONS, PARAPROFESSIONALS.

In addition to employing American Indian language and culture education teachers, each district or participating school providing programs pursuant to sections 124D.71 to 124D.82 may employ ~~teachers' aides paraprofessionals~~. Teachers' aides Paraprofessionals must not be employed for the purpose of supplanting American Indian language and culture education teachers.

Any district or participating school which conducts American Indian education programs pursuant to sections 124D.71 to 124D.82 must employ one or more full-time or part-time community coordinators or Indian home/school liaisons if there are 100 or more American Indian students enrolled in the program district. Community coordinators shall promote communication understanding, and cooperation between the schools and the community and shall visit the homes of children who are to be enrolled in an American Indian education program in order to convey information about the program.

Sec. 58. Minnesota Statutes 2014, section 124D.78, is amended to read:

124D.78 PARENT AND COMMUNITY PARTICIPATION.

Subdivision 1. **Parent committee.** School boards and American Indian schools must provide for the maximum involvement of parents of children enrolled in education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, the board of a school district in which there are ten or more American Indian ~~children~~ students enrolled and each American Indian school must establish ~~a an~~ an American Indian education parent advisory committee. If a committee whose membership consists of a majority of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee may serve as the committee required by this section and is subject to, at least, the requirements of this subdivision and subdivision 2.

The American Indian education parent advisory committee must develop its recommendations in consultation with the curriculum advisory committee required by section 120B.11, subdivision 3. This committee must afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. ~~The committee must also address the need for adult education programs for American Indian people in the community.~~ The school board or American Indian school must ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of children students served by the programs.

Subd. 2. **Resolution of concurrence.** Prior to ~~December~~ March 1, the school board or American Indian school must submit to the department a copy of a resolution adopted by the American Indian education parent advisory committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian children students offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations shall be submitted with the resolution. By resolution, the board must respond in writing within 60 days, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations.

Subd. 3. **Membership.** The American Indian education parent advisory committee must be composed of parents of children eligible to be enrolled in American Indian education programs; secondary students eligible to be served; American Indian language and culture education teachers and aides paraprofessionals; American Indian teachers; counselors; adult American Indian people enrolled in educational programs; and representatives from community groups. A majority of each committee must be parents of children enrolled or eligible to be enrolled in the programs. The number of parents of American Indian and non-American Indian children shall reflect approximately the proportion of children of those groups enrolled in the programs.

Subd. 4. **Alternate committee.** If the organizational membership or the board of directors of an American Indian school consists of parents of children attending the school, that membership or board may serve also as the American Indian education parent advisory committee.

Sec. 59. Minnesota Statutes 2014, section 124D.79, subdivision 1, is amended to read:

Subdivision 1. **American Indian community involvement.** The commissioner must provide for the maximum involvement of the state committees on American Indian education Tribal Nations Education Committee, parents of American Indian children, secondary students eligible to

be served, American Indian language and culture education teachers, American Indian teachers, ~~teachers' aides~~ paraprofessionals, representatives of community groups, and persons knowledgeable in the field of American Indian education, in the formulation of policy and procedures relating to the administration of sections 124D.71 to 124D.82. The commissioner must annually hold a field hearing on Indian education to gather input from American Indian educators, parents, and students on the state of American Indian education in Minnesota. Results of the hearing must be made available to all 11 tribal nations for review and comment.

Sec. 60. Minnesota Statutes 2014, section 124D.79, subdivision 2, is amended to read:

Subd. 2. **Technical assistance.** The commissioner shall provide technical assistance to districts, schools and postsecondary institutions for preservice and in-service training for ~~teachers~~, American Indian education teachers and ~~teacher's aides~~, paraprofessionals specifically designed to implement culturally responsive teaching methods, culturally based curriculum development, testing and testing mechanisms, and the development of materials for American Indian education programs.

Sec. 61. Minnesota Statutes 2014, section 124D.791, subdivision 4, is amended to read:

Subd. 4. **Duties; powers.** The Indian education director shall:

(1) serve as the liaison for the department with the Tribal Nations Education Committee, the 11 ~~reservations~~ tribal communities in Minnesota, the Minnesota Chippewa tribe, and the Minnesota Indian Affairs Council, ~~and the Urban Advisory Council~~;

(2) evaluate the state of American Indian education in Minnesota;

(3) engage the tribal bodies, community groups, parents of children eligible to be served by American Indian education programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian education programs, the tribally controlled schools, and other persons knowledgeable in the field of American Indian education and seek their advice on policies that can improve the quality of American Indian education;

(4) advise the commissioner on American Indian education issues, including:

(i) issues facing American Indian students;

(ii) policies for American Indian education;

(iii) awarding scholarships to eligible American Indian students and in administering the commissioner's duties regarding awarding of American Indian ~~postsecondary preparation~~ education grants to school districts; and

(iv) administration of the commissioner's duties under sections 124D.71 to 124D.82 and other programs for the education of American Indian people;

(5) propose to the commissioner legislative changes that will improve the quality of American Indian education;

(6) develop a strategic plan and a long-term framework for American Indian education, in conjunction with the Minnesota Indian Affairs Council, that is updated every five years and implemented by the commissioner, with goals to:

(i) increase American Indian student achievement, including increased levels of proficiency and growth on statewide accountability assessments;

- (ii) increase the number of American Indian teachers in public schools;
 - (iii) close the achievement gap between American Indian students and their more advantaged peers;
 - (iv) increase the statewide graduation rate for American Indian students; and
 - (v) increase American Indian student placement in postsecondary programs and the workforce;
- and
- (7) keep the American Indian community informed about the work of the department by reporting to the Tribal Nations Education Committee at each committee meeting.

Sec. 62. Minnesota Statutes 2014, section 124D.98, is amended to read:

124D.98 LITERACY INCENTIVE AID.

Subdivision 1. **Literacy incentive aid.** ~~In fiscal year 2013 and later,~~ A district's literacy incentive aid equals the sum of the proficiency aid under subdivision 2, and the growth aid under subdivision 3.

Subd. 2. **Proficiency aid.** ~~In fiscal year 2013 and later,~~ The proficiency aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's proficiency allowance times the number of third grade pupils at the school on October 1 of the previous fiscal year. A school's proficiency allowance is equal to the percentage of students in each building that meet or exceed proficiency on the third grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times \$530.

Subd. 3. **Growth aid.** ~~In fiscal year 2013 and later,~~ The growth aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's growth allowance times the number of fourth grade pupils enrolled at the school on October 1 of the previous fiscal year. A school's growth allowance is equal to the percentage of students at that school making medium or high growth, under section 120B.299, on the fourth grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times \$530.

EFFECTIVE DATE. This section is effective for fiscal year 2016 and later.

Sec. 63. Minnesota Statutes 2014, section 125A.01, is amended to read:

125A.01 DEFINITIONS.

Subdivision 1. **General application.** For purposes of this chapter, the words defined in section 120A.05 have the same meaning.

Subd. 2. **Dyslexia.** "Dyslexia" means a specific learning disability that is neurological in origin. It is characterized by difficulties with accurate or fluent recognition of words and by poor spelling and decoding abilities. These difficulties typically result from a deficit in the phonological component of language that is often unexpected in relation to other cognitive abilities and the provision of effective classroom instruction. Secondary consequences may include problems in reading comprehension and reduced reading experience that can impede the growth of vocabulary

and background knowledge. A diagnosis of dyslexia must not be the sole basis for qualification for special education services under this chapter.

Sec. 64. Minnesota Statutes 2014, section 126C.15, subdivision 1, is amended to read:

Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10, subdivision 4, must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Basic skills revenue may also be used for programs designed to prepare children and their families for entry into school whether the student first enrolls in kindergarten or first grade. Any of the following may be provided to meet these learners' needs:

(1) direct instructional services under the assurance of mastery program according to section 124D.66;

(2) remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;

(3) additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;

(4) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;

(5) comprehensive and ongoing staff development consistent with district and site plans according to section 122A.60 and to implement plans under section 120B.12, subdivision 4a, for teachers, teacher aides, principals, and other personnel to improve their ability to identify the needs of these learners and provide appropriate remediation, intervention, accommodations, or modifications;

(6) instructional materials, digital learning, and technology appropriate for meeting the individual needs of these learners;

(7) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services;

(8) bilingual programs, bicultural programs, and programs for English learners;

(9) all-day kindergarten;

(10) early education programs, parent-training programs, school readiness programs, kindergarten programs for four-year-olds, voluntary home visits under section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten;

(11) extended school day and extended school year programs; and

(12) substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and

the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian.

EFFECTIVE DATE. This section is effective for fiscal year 2016 and later.

Sec. 65. Laws 2014, chapter 312, article 16, section 15, is amended to read:

Sec. 15. **TEACHER DEVELOPMENT AND EVALUATION REVENUE.**

(a) For fiscal year 2015 only, teacher development and evaluation revenue for a school district, intermediate school district, or charter school with any school site that does not have an alternative professional pay system agreement under Minnesota Statutes, section 122A.414, subdivision 2, equals \$302 times the number of full-time equivalent teachers employed on October 1 of the previous school year in each school site without an alternative professional pay system under Minnesota Statutes, section 122A.414, subdivision 2. Except for charter schools, revenue under this section must be reserved for teacher development and evaluation activities consistent with Minnesota Statutes, section 122A.40, subdivision 8, or Minnesota Statutes, section 122A.41, subdivision 5. For the purposes of this section, "teacher" has the meaning given it in Minnesota Statutes, section 122A.40, subdivision 1, or Minnesota Statutes, section 122A.41, subdivision 1.

(b) Notwithstanding paragraph (a), the state total teacher development and evaluation revenue entitlement must not exceed \$10,000,000 for fiscal year 2015. The commissioner must limit the amount of revenue under this section so as not to exceed this limit.

EFFECTIVE DATE. This section is effective for fiscal year 2015.

Sec. 66. **SCHOOL START DATE FOR THE 2015-2016 SCHOOL YEAR ONLY.**

Notwithstanding Minnesota Statutes, section 120A.40, or other law to the contrary, for the 2015-2016 school year only, school districts may begin the school year on September 1.

EFFECTIVE DATE. This section is effective for the 2015-2016 school year only.

Sec. 67. **REPORT ON ASSESSING STUDENTS' PROFICIENCY IN FOREIGN LANGUAGES FOR WHICH ACTFL ASSESSMENTS ARE NOT AVAILABLE.**

By February 1, 2016, the commissioner of education, in consultation with the chancellor of the Minnesota State Colleges and Universities, may prepare and submit to the K-12 and higher education committees of the legislature a report recommending how best to: assess students' foreign language proficiency under Minnesota Statutes, section 120B.022, subdivisions 1a and 1b, when ACTFL or equivalent valid and reliable language proficiency assessments are not available; create guidelines for curriculum, instruction, and assessments for foreign languages for which no written forms exist; and, if needed, train a corps of individuals qualified to assess students' foreign language proficiency. The commissioner, when preparing the report, must also consult with postsecondary world languages faculty, teachers of English to speakers of other languages, other experts on teaching language and culture and acquiring language, state councils whose constituencies include non-native English language speakers, and other stakeholders.

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

Sec. 68. **CAREER AND TECHNICAL EDUCATOR LICENSING.**

The Department of Education must convene a group of stakeholders, beginning no later than September 1, 2015, to review the current status of career and technical educator licenses and provide recommendations on any changes needed to the licensure requirements and methods to increase access for school districts to licensed career and technical educators. The stakeholders convened shall include representatives from the Board of Teaching; colleges and universities offering a board-approved teacher preparation program; science, technology, engineering, and math programs such as Project Lead the Way; secondary school administrators, including superintendents, principals, and assistant principals; and representatives of other interested groups as determined by the commissioner of education. The commissioner must report by January 15, 2016, to the legislative committees having jurisdiction over kindergarten through grade 12 and higher education. The report must include recommendations for any changes, if needed, to the career and technical educator licensure requirements and how to increase access to licensed career and technical educators in Minnesota.

Sec. 69. **REPEALER.**

(a) Minnesota Statutes 2014, sections 120B.128; 120B.35, subdivision 5; and 126C.12, subdivision 6, are repealed.

(b) Minnesota Rules, part 3500.1000, is repealed.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2014, section 121A.46, is amended by adding a subdivision to read:

Subd. 5. **Elementary discipline policy.** (a) A school district must adopt a disciplinary policy for elementary pupils. The policy must outline effective alternatives to suspension including, but not limited to, the strategies outlined in section 121A.575. For students in kindergarten through grade 3, the policy shall allow an administrator to suspend a pupil only when alternatives were attempted and proven ineffective. The policy may, in addition, allow an administrator to suspend a pupil when:

(1) the pupil poses a risk of harm to himself or herself or others; or

(2) the pupil's presence constitutes a significant disruption of the educational process for other students.

(b) The policy described in this subdivision shall:

(1) have an immediate goal of preventing and reducing the suspension of pupils, particularly in kindergarten through grade 3;

(2) be designed to create a positive school climate with a focus on prevention;

(3) include clear, appropriate, and consistent expectations and consequences to address disruptive pupil behaviors;

(4) ensure fairness, equity, and continuous improvement; and

(5) be developed with input from parents, teachers, administrators, and community partners.

Sec. 2. Minnesota Statutes 2014, section 121A.46, is amended by adding a subdivision to read:

Subd. 6. **Programming.** A district shall identify and develop programming to address underlying causes of disruptive behavior with the goal of reducing suspensions.

Sec. 3. Minnesota Statutes 2014, section 121A.46, is amended by adding a subdivision to read:

Subd. 7. **Annual report.** The superintendent shall annually report to the board on suspensions. The report must describe the effectiveness of the interventions and strategies on reducing suspensions. The board shall consider and implement needed changes in district programming to continue reducing suspensions.

Sec. 4. Minnesota Statutes 2014, section 121A.53, subdivision 1, is amended to read:

Subdivision 1. **Exclusions and expulsions.** The school board must report through the department electronic reporting system each exclusion or, expulsion, or written agreement of parents to withdraw a child from school as an alternative to expulsion within 30 days of the effective date of the action to the commissioner of education. This report must include a statement of alternative educational services given the pupil and the reason for, the effective date, and the duration of the exclusion or expulsion. The report must also include the student's age, grade, gender, race, and special education status.

Sec. 5. Minnesota Statutes 2014, section 121A.575, is amended to read:

121A.575 ALTERNATIVES TO PUPIL SUSPENSION.

Notwithstanding any law to the contrary and in accordance with sections 121A.40 to 121A.56, after a school administration notifies a pupil of the grounds for suspension, the school administration may, instead of imposing the suspension, do one or more of the following:

- (1) strongly encourage a parent or guardian of the pupil to attend school with the pupil for one day;
 - (2) assign the pupil to attend school on Saturday as supervised by the principal or the principal's designee; ~~and~~
 - (3) petition the juvenile court that the student is in need of services under chapter 260C;
 - (4) implement an alternate restorative consequence;
 - (5) impose an in-school suspension;
 - (6) develop a positive behavior intervention plan based on a functional behavioral assessment;
- or
- (7) coordinate with crisis services in the community.

Sec. 6. Minnesota Statutes 2014, section 121A.61, subdivision 3, is amended to read:

Subd. 3. **Policy components.** The policy must include at least the following components:

- (a) rules governing student conduct and procedures for informing students of the rules;
- (b) the grounds for removal of a student from a class;
- (c) the authority of the classroom teacher to remove students from the classroom pursuant to procedures and rules established in the district's policy;

(d) the procedures for removal of a student from a class by a teacher, school administrator, or other school district employee;

(e) the period of time for which a student may be removed from a class, which may not exceed five class periods for a violation of a rule of conduct;

(f) provisions relating to the responsibility for and custody of a student removed from a class;

(g) the procedures for return of a student to the specified class from which the student has been removed;

(h) the procedures for notifying a student and the student's parents or guardian of violations of the rules of conduct and of resulting disciplinary actions;

(i) any procedures determined appropriate for encouraging early involvement of parents or guardians in attempts to improve a student's behavior;

(j) any procedures determined appropriate for encouraging early detection of behavioral problems;

(k) any procedures determined appropriate for referring a student in need of special education services to those services;

(l) the procedures for consideration of whether there is a need for a further assessment or of whether there is a need for a review of the adequacy of a current individualized education program of a student with a disability who is removed from class;

(m) procedures for detecting and addressing chemical abuse problems of a student while on the school premises;

(n) the minimum consequences for violations of the code of conduct;

(o) procedures for immediate and appropriate interventions tied to violations of the code;

(p) a provision that states that a teacher, school employee, school bus driver, or other agent of a district may use reasonable force in compliance with section 121A.582 and other laws; and

(q) an agreement regarding procedures to coordinate crisis services, including the use of mobile crisis response teams, to the extent funds are available with the county board responsible for implementing sections 245.487 to 245.4889 for students ~~with a serious emotional disturbance or other students who have an individualized education program~~ whose behavior may be addressed by crisis intervention.

Sec. 7. Minnesota Statutes 2014, section 121A.67, is amended by adding a subdivision to read:

Subd. 3. **Notification of parents.** A school administrator must make reasonable efforts to immediately contact the parent of any student who is removed from a school building, or school grounds by a peace officer, unless otherwise prohibited by law.

Sec. 8. Minnesota Statutes 2014, section 122A.31, subdivision 1, is amended to read:

Subdivision 1. **Requirements for American sign language/English interpreters.** (a) In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must:

(1) hold current interpreter and transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf (NAD), or a comparable state certification from the commissioner of education; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

(b) New graduates of an interpreter/transliterator program affiliated with an accredited education institution shall be granted a two-year provisional certificate by the commissioner. During the two-year provisional period, the interpreter/transliterator must develop and implement an education plan in collaboration with a mentor under paragraph (c).

(c) A mentor of a provisionally certified interpreter/transliterator must be an interpreter/transliterator who has either NAD level IV or V certification or RID certified interpreter and certified transliterator certification and have at least three years interpreting/transliterating experience in any educational setting. The mentor, in collaboration with the provisionally certified interpreter/transliterator, shall develop and implement an education plan designed to meet the requirements of paragraph (a), clause (1), and include a weekly on-site mentoring process.

(d) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying time line for meeting the requirements of this subdivision. A committee composed of the ~~director of the Minnesota Resource Center Serving Deaf and Hard-of-Hearing, or the director's designee~~ deaf and hard-of-hearing state specialist, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf, and other appropriate persons selected by the commissioner must develop the plan and time line for the person receiving the extension.

(e) A school district may employ only an interpreter/transliterator who has been certified under paragraph (a) or (b), or for whom a time-limited extension has been granted under paragraph (d).

Sec. 9. Minnesota Statutes 2014, section 122A.31, subdivision 2, is amended to read:

Subd. 2. Oral or cued speech transliterators. (a) In addition to any other requirements that a school district establishes, any person employed to provide oral transliterating or cued speech transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must hold a current applicable transliterator certificate awarded by the national certifying association or comparable state certification from the commissioner of education.

(b) To provide oral or cued speech transliterator services on a full-time or part-time basis, a person employed in a school district must comply with paragraph (a). The commissioner shall grant a nonrenewable, two-year certificate to a school district on behalf of a person who has not yet attained a current applicable transliterator certificate under paragraph (a). A person for whom a nonrenewable, two-year certificate is issued must work under the direction of a licensed teacher who is skilled in language development of individuals who are deaf or hard-of-hearing. A person for whom a nonrenewable, two-year certificate is issued also must enroll in a state-approved training program and demonstrate progress towards the certification required under paragraph (a) sufficient for the person to be certified at the end of the two-year period.

(c) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission Serving Deaf and Hard-of-Hearing People, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying time line for meeting the requirements of this subdivision. A committee composed of the ~~director of the Minnesota Resource Center Serving Deaf and Hard-of-Hearing, or the director's designee~~ deaf and hard-of-hearing state specialist, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf, and other appropriate persons selected by the commissioner must develop the plan and time line for the person receiving the extension.

Sec. 10. Minnesota Statutes 2014, section 123B.88, subdivision 1, is amended to read:

Subdivision 1. **Providing transportation.** The board may provide for the transportation of pupils to and from school and for any other purpose. The board may also provide for the transportation of pupils to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. In any district, the board must arrange for the attendance of all pupils living two miles or more from the school, except pupils whose transportation privileges have been voluntarily surrendered under subdivision 2, or whose privileges have been revoked under section 123B.91, subdivision 1, clause (6), or 123B.90, subdivision 2. The district may provide for the transportation of or the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. Arrangements for attendance may include a requirement that parents or guardians request transportation before it is provided. The board must provide necessary transportation to and from the home of consistent with section 123B.92, subdivision 1, paragraph (b), clause (4), for a child with a disability not yet enrolled in kindergarten when for the provision of special instruction and services under sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided in a

~~location other than in the child's home.~~ Special instruction and services for a child with a disability not yet enrolled in kindergarten include an individualized education program team placement in an early childhood program when that placement is necessary to address the child's level of functioning and needs. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children, the determination of fees, and any other matter relating thereto must be within the sole discretion, control, and management of the board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 11. Minnesota Statutes 2014, section 125A.023, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section and section 125A.027, the following terms have the meanings given them:

(a) "Health plan" means:

- (1) a health plan under section 62Q.01, subdivision 3;
- (2) a county-based purchasing plan under section 256B.692;
- (3) a self-insured health plan established by a local government under section 471.617; or
- (4) self-insured health coverage provided by the state to its employees or retirees.

(b) For purposes of this section, "health plan company" means an entity that issues a health plan as defined in paragraph (a).

(c) "Interagency intervention service system" means a system that coordinates services and programs required in state and federal law to meet the needs of eligible children with disabilities ages birth through 21, including:

(1) services provided under the following programs or initiatives administered by state or local agencies:

- (i) the maternal and child health program under title V of the Social Security Act;
- (ii) the Minnesota children with special health needs program under sections 144.05 and 144.07;
- (iii) the Individuals with Disabilities Education Act, Part B, section 619, and Part C as amended;
- (iv) medical assistance under title 42, chapter 7, of the Social Security Act;
- (v) developmental disabilities services under chapter 256B;
- (vi) the Head Start Act under title 42, chapter 105, of the Social Security Act;
- (vii) vocational rehabilitation services provided under chapters 248 and 268A and the Rehabilitation Act of 1973;
- (viii) Juvenile Court Act services provided under sections 260.011 to 260.91; 260B.001 to 260B.446; and 260C.001 to 260C.451;
- (ix) Minnesota Comprehensive Children's Mental Health Act under section 245.487;

- (x) the community health services grants under sections 145.88 to 145.9266;
- (xi) the Local Public Health Act under chapter 145A; and
- (xii) the Vulnerable Children and Adults Act, sections 256M.60 to 256M.80;
- (2) service provision and funding that can be coordinated through:
 - (i) the children's mental health collaborative under section 245.493;
 - (ii) the family services collaborative under section 124D.23;
 - (iii) the community transition interagency committees under section 125A.22; and
 - (iv) the interagency early intervention committees under section 125A.259;

(3) financial and other funding programs to be coordinated including medical assistance under title 42, chapter 7, of the Social Security Act, the MinnesotaCare program under chapter 256L, Supplemental Social Security Income, Developmental Disabilities Assistance, and any other employment-related activities associated with the Social Security Administration; and services provided under a health plan in conformity with an individual family service plan or an individualized education program or an individual interagency intervention plan; and

(4) additional appropriate services that local agencies and counties provide on an individual need basis upon determining eligibility and receiving a request from (i) the interagency early intervention committee school board or county board and (ii) the child's parent.

(d) "Children with disabilities" has the meaning given in section 125A.02.

(e) A "standardized written plan" means those individual services or programs, with accompanying funding sources, available through the interagency intervention service system to an eligible child other than the services or programs described in the child's individualized education program or the child's individual family service plan.

Sec. 12. Minnesota Statutes 2014, section 125A.023, subdivision 4, is amended to read:

Subd. 4. **State Interagency Committee.** (a) The commissioner of education, on behalf of the governor, shall convene an interagency committee to develop and implement a coordinated, multidisciplinary, interagency intervention service system for children ages three to 21 with disabilities. The commissioners of commerce, education, health, human rights, human services, employment and economic development, and corrections shall each appoint two committee members from their departments; and the Association of Minnesota Counties, Minnesota School Boards Association, the Minnesota Administrators of Special Education, and the School Nurse Association of Minnesota shall each appoint one committee member. The committee shall select a chair from among its members.

(b) The committee shall:

(1) identify and assist in removing state and federal barriers to local coordination of services provided to children with disabilities;

(2) identify adequate, equitable, and flexible funding sources to streamline these services;

(3) develop guidelines for implementing policies that ensure a comprehensive and coordinated system of all state and local agency services, including multidisciplinary assessment practices for children with disabilities ages three to 21, including:

(i) develop, consistent with federal law, a standardized written plan for providing services to a child with disabilities;

(ii) identify how current systems for dispute resolution can be coordinated;

(iii) develop an evaluation process to measure the success of state and local interagency efforts in improving the quality and coordination of services to children with disabilities ages three to 21; and

(iv) develop guidelines to assist the governing boards of the interagency early intervention committees in carrying out the duties assigned in section 125A.027, subdivision 1, paragraph (b); and

(4) carry out other duties necessary to develop and implement within communities a coordinated, multidisciplinary, interagency intervention service system for children with disabilities.

(c) The committee shall consult on an ongoing basis with the state Special Education Advisory Panel and the governor's Interagency Coordinating Council in carrying out its duties under this section, including assisting the governing school boards of the interagency early intervention committees and county boards.

Sec. 13. Minnesota Statutes 2014, section 125A.027, is amended to read:

125A.027 INTERAGENCY — EARLY — INTERVENTION — COMMITTEE RESPONSIBILITIES LOCAL AGENCY COORDINATION RESPONSIBILITIES.

Subdivision 1. **Additional duties School board and county board responsibilities.** (a) It is the joint responsibility of school and county boards to coordinate, provide, and pay for appropriate services and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 125A.02 and receiving services from two or more public agencies of which one is the public school must be determined in consultation with parents, physicians, and other education, medical health, and human services providers. The services provided must conform with a standardized written plan for each eligible child ages three to 21.

(b) Appropriate services include those services listed on a child's standardized written plan. These services are those that are required to be documented on a plan under federal and state law or rule.

(c) School and county boards shall coordinate interagency services. Service responsibilities for eligible children, ages three to 21, may be established in interagency agreements or joint powers board agreements. In addition, interagency agreements or joint powers board agreements may be developed to establish agency responsibility that ensures that coordinated interagency services are coordinated, provided, and paid for and that payment is facilitated from public and private sources. School boards must provide, pay for, and facilitate payment for special education services as required under sections 125A.03 and 125A.06. County boards must provide, pay for, and facilitate payment for those programs over which they have service and fiscal responsibility as referenced in section 125A.023, subdivision 3, paragraph (c), clause (1).

Subd. 1a. **Local governance structure.** (a) The governing school boards of the interagency early intervention committees and county boards are responsible for developing and implementing interagency policies and procedures to coordinate services at the local level for children with disabilities ages three to 21 under guidelines established by the state interagency committee under section 125A.023, subdivision 4. Consistent with the requirements in this section and section 125A.023, the governing school boards of the interagency early intervention committees and county boards may organize as a joint powers board under section 471.59 or enter into an interagency agreement that establishes a governance structure.

(b) ~~The governing board of each interagency early intervention committee as defined in section 125A.30, paragraph (a), which may include a juvenile justice professional, shall:~~

~~(1) identify state and federal barriers to local coordination of services provided to children with disabilities;~~

~~(2) implement policies that ensure a comprehensive and coordinated system of all state and local agency services, including practices on multidisciplinary assessment, standardized written plans, dispute resolution, and system evaluation for children with disabilities ages three to 21;~~

~~(3) coordinate services and facilitate payment for services from public and private institutions, agencies, and health plan companies; and~~

~~(4) share needed information consistent with state and federal data practices requirements.~~

Subd. 2. **Appropriate and necessary services.** (a) Parents, physicians, other health care professionals including school nurses, and education and human services providers jointly must determine appropriate and necessary services for eligible children with disabilities ages three to 21. The services provided to the child under this section must conform with the child's standardized written plan. The governing school board of an interagency early intervention committee or county board must provide those services contained in a child's individualized education program and those services for which a legal obligation exists.

(b) Nothing in this section or section 125A.023 increases or decreases the obligation of the state, county, regional agency, local school district, or local agency or organization to pay for education, health care, or social services.

(c) A health plan may not exclude any medically necessary covered service solely because the service is or could be identified in a child's individual family service plan, individualized education program, a plan established under section 504 of the federal Rehabilitation Act of 1973, or a student's individual health plan. This paragraph reaffirms the obligation of a health plan company to provide or pay for certain medically necessary covered services, and encourages a health plan company to coordinate this care with any other providers of similar services. Also, a health plan company may not exclude from a health plan any medically necessary covered service such as an assessment or physical examination solely because the resulting information may be used for an individualized education program or a standardized written plan.

Subd. 4. **Responsibilities of school and county boards.** (a) ~~It is the joint responsibility of school and county boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate service for children eligible under section 125A.02 and receiving service from two or more public agencies of which one is the public school must be determined in consultation with parents, physicians, and other education, medical health,~~

~~and human services providers. The services provided must be in conformity with a standardized written plan for each eligible child ages 3 to 21.~~

~~(b) Appropriate services include those services listed on a child's standardized written plan. These services are those that are required to be documented on a plan under federal and state law or rule.~~

~~(c) School and county boards shall coordinate interagency services. Service responsibilities for eligible children, ages 3 to 21, may be established in interagency agreements or joint powers board agreements. In addition, interagency agreements or joint powers board agreements may be developed to establish agency responsibility that assures that coordinated interagency services are coordinated, provided, and paid for, and that payment is facilitated from public and private sources. School boards must provide, pay for, and facilitate payment for special education services as required under sections 125A.03 and 125A.06. County boards must provide, pay for, and facilitate payment for those programs over which they have service and fiscal responsibility as referenced in section 125A.023, subdivision 3, paragraph (c), clause (1).~~

Sec. 14. Minnesota Statutes 2014, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 15. [125A.083] STUDENT INFORMATION SYSTEMS; TRANSFERRING RECORDS.

To efficiently and effectively meet federal and state compliance and accountability requirements using an online case management reporting system, school districts may contract only for a student information system that is Schools Interoperability Framework (SIF) compliant and compatible with the online system for compliance reporting under section 125A.085 beginning in the 2018-2019 school year and later. A district's information system under this section must facilitate the seamless transfer of student records for a student with disabilities who transfers between school districts,

including records containing the student's evaluation report, service plan, and other due process forms and information, regardless of what information system any one district uses.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all district contracts with student information system vendors entered into or modified after that date.

Sec. 16. Minnesota Statutes 2014, section 125A.085, is amended to read:

125A.085 ONLINE REPORTING OF REQUIRED DATA.

(a) To ensure a strong focus on outcomes for children with disabilities informs federal and state compliance and accountability requirements and to increase opportunities for special educators and related-services providers to focus on teaching children with disabilities, the commissioner must customize a streamlined, user-friendly statewide online system, with a single model online form, for effectively and efficiently collecting and reporting required special education-related data to individuals with a legitimate educational interest and who are authorized by law to access the data.

(b) The commissioner must consult with qualified experts, including information technology specialists, licensed special education teachers and directors of special education, related-services providers, third-party vendors, a designee of the commissioner of human services, parents of children with disabilities, representatives of advocacy groups representing children with disabilities, and representatives of school districts and special education cooperatives on integrating, field testing, customizing, and sustaining this simple, easily accessible, efficient, and effective online data system for uniform statewide reporting of required due process compliance data. Among other outcomes, the system must:

(1) reduce special education teachers' paperwork burden and thereby increase the teachers' opportunities to focus on teaching children;

(2) to the extent authorized by chapter 13 or other applicable state or federal law governing access to and dissemination of educational records, provide for efficiently and effectively transmitting the records of all transferring children with disabilities, including highly mobile and homeless children with disabilities, among others, and avoid fragmented service delivery;

(3) address language and other barriers and disparities that prevent parents from understanding and communicating information about the needs of their children with disabilities; and

(4) help continuously improve the interface among the online systems serving children with disabilities in order to maintain and reinforce the children's ability to learn.

(c) The commissioner must use the federal Office of Special Education Programs model forms for the (1) individualized education program, (2) notice of procedural safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate and customize a state-sponsored universal special education online case management system, consistent with the requirements of state law and this section for customizing a statewide online reporting system. The commissioner must use a request for proposal process to contract for the technology and software needed for customizing the online system in order for the system to be fully functional, consistent with the requirements of this section. This online system must be made available to school districts without charge beginning in the 2015-2016 school year. For the 2015-2016 ~~through 2017-2018~~ and later school years, school districts may use this online system or may contract with an outside vendor for

compliance reporting. ~~Beginning in the 2018-2019 school year and later, school districts must use this online system for compliance reporting.~~

(d) All data on individuals maintained in the statewide reporting system are classified as provided in chapter 13 or other applicable state or federal law. An authorized individual's ability to enter, update, or access data must be limited through the use of role-based access codes corresponding to that individual's official duties or training level, and the statutory authorization that grants access for a particular purpose. Any action in which data in the system are entered, updated, accessed, or shared or disseminated outside of the system must be recorded in an audit trail. The audit trail must identify the specific user responsible for the action, the date and time the action occurred, and the purpose for the action. Data contained in the audit trail maintain the same classification as the underlying data affected by the action, provided the responsible authority makes the data available to a student or the student's parent upon request, and the responsible authority may access the data to audit the system's user activity and security safeguards. Before entering data on a student, the responsible authority must provide the student or the student's parent written notice of the data practices rights and responsibilities required by this section and a reasonable opportunity to refuse consent to have the student's data included in the system. Upon receiving the student or the student's parent written refusal to consent, the school district must not enter data on that student into the system and must delete any existing data on that student currently in the system.

(e) Consistent with this section, the commissioner must establish a public Internet Web interface to provide information to educators, parents, and the public about the form and content of required special education reports, to respond to queries from educators, parents, and the public about specific aspects of special education reports and reporting, and to use the information garnered from the interface to streamline and revise special education reporting on the online system under this section. The public Internet Web interface must have a prominently linked page describing the rights and responsibilities of students and parents whose data are included in the statewide reporting system, and include information on the data practices rights of students and parents provided by this section and a form students or parents may use to refuse consent to have a student's data included in the system. The public Internet Web interface must not provide access to the educational records of any individual child.

(f) The commissioner annually by February 1 must submit to the legislature a report on the status, recent changes, and sustainability of the online system under this section.

Sec. 17. Minnesota Statutes 2014, section 125A.21, is amended to read:

125A.21 THIRD-PARTY PAYMENT.

Subdivision 1. **Obligation to pay.** Nothing in sections 125A.03 to 125A.24 and 125A.65 relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family. A school district shall pay the nonfederal share of medical assistance services provided according to section 256B.0625, subdivision 26. Eligible expenditures must not be made from federal funds or funds used to match other federal funds. Any federal disallowances are the responsibility of the school district. A school district may pay or reimburse co-payments, coinsurance, deductibles, and other enrollee cost-sharing amounts, on behalf of the student or family, in connection with health and related services provided under an individual educational plan or individualized family service plan.

Subd. 2. **Third-party reimbursement.** (a) Beginning July 1, 2000, districts shall seek reimbursement from insurers and similar third parties for the cost of services provided by the district whenever the services provided by the district are otherwise covered by the child's health coverage. Districts shall request, but may not require, the child's family to provide information about the child's health coverage when a child with a disability begins to receive services from the district of a type that may be reimbursable, and shall request, but may not require, updated information after that as needed.

(b) For children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health coverage, a district shall provide an initial and annual written notice to the enrolled child's parent or legal representative of its intent to seek reimbursement from medical assistance or MinnesotaCare for the individualized education program or individualized family service plan health-related services provided by the district. The initial notice must give the child's parent or legal representative the right to request a copy of the child's education records on the health-related services that the district provided to the child and disclosed to a third-party payer.

(c) The district shall give the parent or legal representative annual written notice of:

(1) the district's intent to seek reimbursement from medical assistance or MinnesotaCare for individualized education program or individualized family service plan health-related services provided by the district;

(2) the right of the parent or legal representative to request a copy of all records concerning individualized education program or individualized family service plan health-related services disclosed by the district to any third party; and

(3) the right of the parent or legal representative to withdraw consent for disclosure of a child's records at any time without consequence.

The written notice shall be provided as part of the written notice required by Code of Federal Regulations, title 34, section 300.504 or 303.520. The district must ensure that the parent of a child with a disability is given notice, in understandable language, of federal and state procedural safeguards available to the parent under this paragraph and paragraph (b).

(d) In order to access the private health care coverage of a child who is covered by private health care coverage in whole or in part, a district must:

(1) obtain annual written informed consent from the parent or legal representative, in compliance with subdivision 5; and

(2) inform the parent or legal representative that a refusal to permit the district or state Medicaid agency to access their private health care coverage does not relieve the district of its responsibility to provide all services necessary to provide free and appropriate public education at no cost to the parent or legal representative.

(e) If the commissioner of human services obtains federal approval to exempt covered individualized education program or individualized family service plan health-related services from the requirement that private health care coverage refuse payment before medical assistance may be billed, paragraphs (b), (c), and (d) shall also apply to students with a combination of private health care coverage and health care coverage through medical assistance or MinnesotaCare.

(f) In the event that Congress or any federal agency or the Minnesota legislature or any state agency establishes lifetime limits, limits for any health care services, cost-sharing provisions, or otherwise provides that individualized education program or individualized family service plan health-related services impact benefits for persons enrolled in medical assistance or MinnesotaCare, the amendments to this subdivision adopted in 2002 are repealed on the effective date of any federal or state law or regulation that imposes the limits. In that event, districts must obtain informed consent consistent with this subdivision as it existed prior to the 2002 amendments and subdivision 5, before seeking reimbursement for children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health care coverage.

Subd. 3. **Use of reimbursements.** Of the reimbursements received, districts may:

(1) retain an amount sufficient to compensate the district for its administrative costs of obtaining reimbursements;

(2) regularly obtain from education- and health-related entities training and other appropriate technical assistance designed to improve the district's ability to access third-party payments for individualized education program or individualized family service plan health-related services; or

(3) reallocate reimbursements for the benefit of students with individualized education programs or individualized family service plans in the district.

Subd. 4. **Parents not obligated to use health coverage.** To the extent required by federal law, a school district may not require parents of children with disabilities, if they would incur a financial cost, to use private or public health coverage to pay for the services that must be provided under an individualized education program or individualized family service plan.

Subd. 5. **Informed consent.** When obtaining informed consent, consistent with sections 13.05, subdivision 4a; 256B.77, subdivision 2, paragraph (p); and Code of Federal Regulations, title 34, parts 99 and 300, and 303, to bill health plans for covered services, the school district must notify the legal representative (1) that the cost of the person's private health insurance premium may increase due to providing the covered service in the school setting, (2) that the school district may pay certain enrollee health plan costs, including but not limited to, co-payments, coinsurance, deductibles, premium increases or other enrollee cost-sharing amounts for health and related services required by an individual service plan, or individualized family service plan, and (3) that the school's billing for each type of covered service may affect service limits and prior authorization thresholds. The informed consent may be revoked in writing at any time by the person authorizing the billing of the health plan.

Subd. 6. **District obligation to provide service.** To the extent required by federal law, no school district may deny, withhold, or delay any service that must be provided under an individualized education program or individualized family service plan because a family has refused to provide informed consent to bill a health plan for services or a health plan company has refused to pay any, all, or a portion of the cost of services billed.

Subd. 7. **District disclosure of information.** A school district may disclose information contained in a student's individualized education program, consistent with section 13.32, subdivision 3, paragraph (a), and Code of Federal Regulations, title 34, parts 99 and 300, and 303; including records of the student's diagnosis and treatment, to a health plan company only with the signed and dated consent of the student's parent, or other legally authorized individual. The school district shall disclose only that information necessary for the health plan company to decide

matters of coverage and payment. A health plan company may use the information only for making decisions regarding coverage and payment, and for any other use permitted by law.

Sec. 18. Minnesota Statutes 2014, section 125A.28, is amended to read:

125A.28 STATE INTERAGENCY COORDINATING COUNCIL.

An Interagency Coordinating Council of at least 17, but not more than 25 members is established, in compliance with Public Law 108-446, section 641. The members must be appointed by the governor and reasonably represent the population of Minnesota. Council members must elect the council chair, who may not be a representative of the Department of Education. The council must be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, local Head Start director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, a representative from the state agency responsible for child care, foster care, mental health, homeless coordinator of education of homeless children and youth, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 4, apply to the council. The council must meet at least quarterly.

The council must address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

~~On the date that Minnesota Part C Annual Performance Report is submitted to~~ Within 30 days of receiving the annual determination from the federal Office of Special Education on the Minnesota Part C Annual Performance Report, the council must recommend to the governor and the commissioners of education, health, human services, commerce, and employment and economic development policies for a comprehensive and coordinated system.

Annually, the council must prepare and submit a report to the governor and the secretary of the federal Department of Education on the status of early intervention services and programs for infants and toddlers with disabilities and their families under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part C, Public Law 102-119), as operated in Minnesota. The Minnesota Part C annual performance report may serve as the report.

Notwithstanding any other law to the contrary, the State Interagency Coordinating Council does not expire unless federal law no longer requires the existence of the council or committee.

Sec. 19. Minnesota Statutes 2014, section 125A.63, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) The ~~resource centers~~ department must offer summer institutes or other training programs throughout the state for deaf or hard-of-hearing, blind or visually impaired, and multiply disabled pupils. The ~~resource centers~~ department must also offer workshops for teachers, and leadership development for teachers.

~~A program~~ (b) Training and workshop programs offered through the resource centers under paragraph (a) must help promote and develop education programs offered by school districts or other organizations. The program programs must assist school districts or other organizations to develop innovative programs.

Sec. 20. Minnesota Statutes 2014, section 125A.63, subdivision 3, is amended to read:

Subd. 3. **Programs by nonprofits.** The ~~resource centers~~ department may contract to have nonprofit organizations provide programs ~~through the resource centers~~ under subdivision 2.

Sec. 21. Minnesota Statutes 2014, section 125A.63, subdivision 4, is amended to read:

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

(b) The advisory committee ~~for the Resource Center~~ for the deaf and hard of hearing shall meet periodically at least four times per year and submit an annual report to the commissioner, the education policy and finance committees of the legislature, and the Commission of Deaf, DeafBlind, and ~~Hard-of-Hearing~~ Hard-of-Hearing Minnesotans. The report must, at least:

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

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

Sec. 22. Minnesota Statutes 2014, section 125A.63, subdivision 5, is amended to read:

Subd. 5. **Statewide hearing loss early education intervention coordinator.** (a) The coordinator shall:

(1) collaborate with the early hearing detection and intervention coordinator for the Department of Health, the ~~director of the Department of Education Resource Center for Deaf and Hard-of-Hearing~~ deaf and hard-of-hearing state specialist, and the Department of Health Early Hearing Detection and Intervention Advisory Council;

(2) coordinate and support Department of Education early hearing detection and intervention teams;

(3) leverage resources by serving as a liaison between interagency early intervention committees; part C coordinators from the Departments of Education, Health, and Human Services; Department of Education regional low-incidence facilitators; service coordinators from school districts; Minnesota children with special health needs in the Department of Health; public health nurses; child find; Department of Human Services Deaf and Hard-of-Hearing Services Division; and others as appropriate;

(4) identify, support, and promote culturally appropriate and evidence-based early intervention practices for infants with hearing loss, and provide training, outreach, and use of technology to increase consistency in statewide service provision;

(5) identify culturally appropriate specialized reliable and valid instruments to assess and track the progress of children with hearing loss and promote their use;

(6) ensure that early childhood providers, parents, and members of the individual family service and intervention plan are provided with child progress data resulting from specialized assessments;

(7) educate early childhood providers and teachers of the deaf and hard-of-hearing to use developmental data from specialized assessments to plan and adjust individual family service plans; and

(8) make recommendations that would improve educational outcomes to the early hearing detection and intervention committee, the commissioners of education and health, the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, and the advisory council of the Minnesota Department of Education Resource Center for the deaf and hard-of-hearing.

(b) The Department of Education must provide aggregate data regarding outcomes of deaf and hard-of-hearing children who receive early intervention services within the state in accordance with the state performance plan.

Sec. 23. Minnesota Statutes 2014, section 125A.76, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79, the definitions in this subdivision apply.

(b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

(c) "Essential personnel" means teachers, cultural liaisons, related services, and support services staff providing services to students. Essential personnel may also include special education paraprofessionals or clericals providing support to teachers and students by preparing paperwork and making arrangements related to special education compliance requirements, including parent meetings and individualized education programs. Essential personnel does not include administrators and supervisors.

(d) "Average daily membership" has the meaning given it in section 126C.05.

(e) "Program growth factor" means 1.046 for fiscal years 2012 through 2015, 1.0 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the program growth factor for the previous year for fiscal year 2018 and later.

(f) "Nonfederal special education expenditure" means all direct expenditures that are necessary and essential to meet the district's obligation to provide special instruction and services to children with a disability according to sections 124D.454, 125A.03 to 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by the department under section 125A.75, subdivision 4, excluding expenditures:

- (1) reimbursed with federal funds;
- (2) reimbursed with other state aids under this chapter;
- (3) for general education costs of serving students with a disability;
- (4) for facilities;
- (5) for pupil transportation; and
- (6) for postemployment benefits.

(g) "Old formula special education expenditures" means expenditures eligible for revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

(h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and fringe benefits of one-to-one instructional and behavior management aides and one-to-one licensed, certified professionals assigned to a child attending the academy, if the aides or professionals are required by the child's individualized education program.

(i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014 and 2.27 percent for fiscal year 2015.

(j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48 for fiscal year 2015.

(k) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100 for fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education aid increase limit for the previous fiscal year and \$40.

(l) "District" means a school district, a charter school, or a cooperative unit as defined in section 123A.24, subdivision 2. Notwithstanding section 123A.26, cooperative units as defined in section 123A.24, subdivision 2, are eligible to receive special education aid under this section and section 125A.79.

EFFECTIVE DATE. This section is effective for fiscal year 2016 and later.

Sec. 24. Minnesota Statutes 2014, section 125A.76, subdivision 2c, is amended to read:

Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a district's special education aid equals the sum of the district's special education aid under subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the district's excess cost aid under section 125A.79, subdivision 7.

(b) For fiscal year 2016 and later, a district's special education aid equals the sum of the district's special education initial aid under subdivision 2a and the district's excess cost aid under section 125A.79, subdivision 5.

(c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for a school district must not exceed the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, and the product of the district's average daily membership served and the special education aid increase limit.

(d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education aid for a school district must not exceed the sum of: (i) the product of the district's average daily membership served and the special education aid increase limit and (ii) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's average daily membership served for the current fiscal year to the district's average daily membership served for fiscal year 2016, and the program growth factor.

(e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special education aid for a school district, not including a charter school or cooperative unit as defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal special education expenditures for that fiscal year or (2) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the program growth factor.

(f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first year of operation shall generate special education aid based on current year data. A newly formed cooperative unit as defined in section 123A.24 may apply to the commissioner for approval to generate special education aid for its first year of operation based on current year data, with an offsetting adjustment to the prior year data used to calculate aid for programs at participating school districts or previous cooperatives that were replaced by the new cooperative.

Sec. 25. **REPEALER.**

Minnesota Statutes 2014, section 125A.63, subdivision 1, is repealed.

ARTICLE 4

FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2014, section 125B.26, subdivision 2, is amended to read:

Subd. 2. **E-rates.** To be eligible for aid under this section, a district, charter school, or intermediate school district is required to file an e-rate application either separately or through its telecommunications access cluster ~~and have a current technology plan on file with the department.~~ Discounts received on telecommunications expenditures shall be reflected in the costs submitted to the department for aid under this section.

ARTICLE 5**EARLY CHILDHOOD EDUCATION**

Section 1. Minnesota Statutes 2014, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have a child three or four years of age on September 1 of the current school year, who has not yet started kindergarten; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or child and adult care food program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212.

(b) Notwithstanding the other provisions of this section, a parent under age 21 who is pursuing a high school or general education equivalency diploma or postsecondary education or training is eligible for an early learning scholarship if the parent has a child age zero to five years old and meets the income eligibility guidelines in this subdivision.

(c) Any siblings between the ages zero to five years old of a child who has been awarded a scholarship under this section must be awarded a scholarship upon request, provided the sibling attends the same program as long as funds are available.

(d) Beginning September 1, 2015, any child under the age of five years old on September 1 of the current school year who has not started kindergarten and is a recipient of an Early Learning Scholarship funded under the federal Race to the Top - Early Learning Challenge Grant must receive a scholarship under this section at the end of the child's Race to the Top - Early Learning Challenge Grant scholarship in an equal amount as long as funds are available.

~~(d)~~ (e) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

~~(e)~~ (f) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

Sec. 2. Minnesota Statutes 2014, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs.

(b) The commissioner may prioritize applications on factors including:

- (1) family income;
- (2) geographic location; and
- (3) whether the child's family child:
 - (i) is in foster care;
 - (ii) is experiencing homelessness;
 - (iii) is on a waiting list for a publicly funded program providing early education or child care services; or
 - (iv) has a parent under age 21 who is pursuing a high school or general education equivalency diploma or postsecondary education or training.

(b) (c) For fiscal years 2014 and 2015 only, scholarships may not exceed \$5,000 per year for each eligible child. For fiscal year 2016 and later, the commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02.

(e) (d) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) (e) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten six months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

(e) (f) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program.

(f) (g) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (e) (d) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (e) (d) according to the metered payment system or another schedule established by the commissioner.

EFFECTIVE DATE. This section is effective for fiscal year 2016 and later.

Sec. 3. Minnesota Statutes 2014, section 124D.165, subdivision 4, is amended to read:

Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an early learning scholarship, a program must:

- (1) participate in the quality rating and improvement system under section 124D.142; and

(2) beginning July 1, 2016, have a three- or four-star rating in the quality rating and improvement system.

~~(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.~~

~~(e) (b)~~ Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program pilot sites are eligible to accept an early learning scholarship under this section.

(c) A provider is not eligible to participate in the scholarship program under this section if:

(1) the provider has been disqualified from receiving payment for child care services from the child care assistance program under chapter 119B due to wrongfully obtaining child care assistance under section 256.98, subdivision 8, paragraph (c);

(2) the program or individual is currently on the national disqualified list for the Child and Adult Care Food Program; or

(3) the program or provider has been convicted of any activity that occurred during the past seven years indicating a lack of business integrity, including fraud, making false statements, receiving stolen property, making false claims, or obstruction of justice.

EFFECTIVE DATE. This section is effective for fiscal year 2016 and later.

Sec. 4. Minnesota Statutes 2014, section 124D.165, is amended by adding a subdivision to read:

Subd. 4a. **Record-keeping requirements.** A program participating under this section must maintain and make available upon request by the commissioner of education attendance records and records of charges and payments for all children participating in this program, including payments from sources other than this program.

Sec. 5. Minnesota Statutes 2014, section 124D.165, is amended by adding a subdivision to read:

Subd. 6. **Use of funds.** (a) Scholarships must be used to supplement and not supplant federal funding.

(b) A scholarship must be used in a program that the child attends on a regular basis respective to that program's schedule in order to ensure the child's access to the general curriculum of the program.

ARTICLE 6

STATE AGENCIES

Section 1. Minnesota Statutes 2014, section 120B.12, subdivision 2, is amended to read:

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

report summary assessment results ~~to the commissioner by July 1~~ in the report required under section 120B.11, subdivision 5.

Sec. 2. Minnesota Statutes 2014, section 122A.414, subdivision 3, is amended to read:

Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate school districts, school sites, and charter schools must report on the implementation and effectiveness of the alternative teacher professional pay system, particularly addressing each requirement under subdivision 2 and make annual recommendations by June 15 to their school boards. The school board or board of directors shall ~~transmit~~ include a copy of the report with a summary of the findings and recommendations of the district, intermediate school district, school site, or charter school ~~to the commissioner~~ in the report required under section 120B.11, subdivision 5.

(b) If the commissioner determines that a school district, intermediate school district, school site, or charter school that receives alternative teacher compensation revenue is not complying with the requirements of this section, the commissioner may withhold funding from that participant. Before making the determination, the commissioner must notify the participant of any deficiencies and provide the participant an opportunity to comply.

Sec. 3. Minnesota Statutes 2014, section 122A.60, subdivision 4, is amended to read:

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

(b) The report must break down expenditures for:

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

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

(c) The commissioner shall report the staff development progress and expenditure data to the house of representatives and senate committees having jurisdiction over education by February ~~15~~ 1 each year.

Sec. 4. Minnesota Statutes 2014, section 123A.24, subdivision 1, is amended to read:

Subdivision 1. **Distribution of assets and liabilities.** (a) If a district withdraws from a cooperative unit defined in subdivision 2, the distribution of assets and assignment of liabilities to the withdrawing district shall be determined according to this subdivision.

(b) The withdrawing district remains responsible for its share of debt incurred by the cooperative unit according to section 123B.02, subdivision 3. The district and cooperative unit may mutually agree, through a board resolution by each, to terms and conditions of the distribution of assets and the assignment of liabilities.

(c) If the cooperative unit and the district cannot agree on the terms and conditions, the commissioner shall resolve the dispute by determining the district's proportionate share of assets and liabilities based on the district's enrollment, financial contribution, usage, or other factor or combination of factors determined appropriate by the commissioner. If the dispute requires the commissioner to involve an administrative law judge, any fees due to the Office of Administrative Hearings must be equally split between the district and cooperative unit. The assets must be disbursed to the withdrawing district in a manner that minimizes financial disruption to the cooperative unit.

(d) Assets related to an insurance pool shall not be disbursed to a member district under paragraph (c).

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

Sec. 5. Minnesota Statutes 2014, section 123B.77, subdivision 3, is amended to read:

Subd. 3. **Statement for comparison and correction.** (a) By November ~~30~~ 15 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~~ 15. 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 February ~~15~~ 1 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. 6. Minnesota Statutes 2014, section 125A.75, subdivision 9, is amended to read:

Subd. 9. **Litigation costs; annual report.** (a) By November 30 of each year, a school district must annually report the district's special education litigation costs, including attorney fees and costs of due process hearings, to the commissioner of education, consistent with the Uniform Financial Accounting and Reporting Standards.

(b) By ~~January 15~~ February 1 of each year, the commissioner shall report school district special education litigation costs to the house of representatives and the senate committees having jurisdiction over kindergarten through grade 12 education finance.

Sec. 7. Minnesota Statutes 2014, section 127A.05, subdivision 6, is amended to read:

Subd. 6. **Survey of districts.** The commissioner of education shall survey the state's school districts and teacher preparation programs and report to the education committees of the legislature

by ~~January 15~~ February 1 of each odd-numbered year on the status of teacher early retirement patterns, the teacher shortage, and the substitute teacher shortage, including patterns and shortages in subject areas and regions of the state. The report must also include how districts are making progress in hiring teachers and substitutes in the areas of shortage and a five-year projection of teacher demand for each district.

Sec. 8. Minnesota Statutes 2014, section 127A.05, is amended by adding a subdivision to read:

Subd. 7. **Annual reports.** The commissioner of education may combine into one report to be delivered annually by February 1 to the legislative committees with jurisdiction over education policy and finance the following reports:

- (1) dangerous weapons and disciplinary incidents under section 121A.06;
- (2) staff development under section 122A.60, subdivision 4;
- (3) achievement and integration plan evaluation under section 124D.861, subdivision 5;
- (4) reducing the use of restrictive procedures under section 125A.0942, subdivision 3;
- (5) students who are deaf or hard-of-hearing under section 125A.63, subdivision 4;
- (6) special education litigation costs under section 125A.75, subdivision 9;
- (7) teacher supply and demand under subdivision 6; and
- (8) Minnesota High School League under section 128C.20.

Sec. 9. Minnesota Statutes 2014, section 127A.49, subdivision 1, is amended to read:

Subdivision 1. **Omissions.** No adjustments to any aid payments made pursuant to this chapter or chapters 120B, 122A, 123A, 123B, 124D, 125A, and 126C resulting from omissions in district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December ~~30~~ 15 of the next school year, unless otherwise specifically provided by law.

Sec. 10. Minnesota Statutes 2014, section 127A.70, subdivision 1, is amended to read:

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 of representatives.

(b) 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.

(c) 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.

(d) The P-20 education partnership shall be the state council for the Interstate Compact on Educational Opportunity for Military Children under section 127A.85 with the chair commissioner or commissioner's designee serving as the compact commissioner responsible for the administration and management of the state's participation in the compact. When conducting business required under section 127A.85, the P-20 partnership shall include a representative from a military installation appointed by the adjutant general of the Minnesota National Guard.

ARTICLE 7

CHARTER SCHOOL STATUTES RECODIFICATION

Section 1. Minnesota Statutes 2014, section 124D.10, subdivision 1, is amended to read:

Subdivision 1. **Purposes.** (a) The primary purpose of this section is to improve all pupil learning and all student achievement. Additional purposes include to:

- (1) increase learning opportunities for all pupils;
- (2) encourage the use of different and innovative teaching methods;
- (3) measure learning outcomes and create different and innovative forms of measuring outcomes;
- (4) establish new forms of accountability for schools; or
- (5) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(b) This section does not provide a means to keep open a school that a school board decides to close. However, a school board may endorse or authorize the establishing of a charter school to replace the school the board decided to close. Applicants seeking a charter under this circumstance must demonstrate to the authorizer that the charter sought is substantially different in purpose and program from the school the board closed and that the proposed charter satisfies the requirements of this subdivision. If the school board that closed the school authorizes the charter, it must document in its affidavit to the commissioner that the charter is substantially different in program and purpose from the school it closed.

(c) An authorizer shall not approve an application submitted by a charter school developer under subdivision 4, paragraph (a), if the application does not comply with this subdivision. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

Sec. 2. Minnesota Statutes 2014, section 124D.10, subdivision 3, is amended to read:

Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under paragraph ~~(c)~~ (d) before that authorizer is able to submit any affidavit to charter to a school.

"Application" under subdivision 4 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.

"Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under subdivision 4 attesting to its review and approval process before chartering a school.

(b) The following organizations may authorize one or more charter schools:

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

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

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

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

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

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

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

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

(c) Eligible organizations interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph ~~(c)~~ (d) and

a five-year financial plan. Such authorizers shall consider and approve charter school applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

~~(c)~~ (d) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this section. The commissioner must approve or disapprove an application within 45 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the specific deficiencies in writing and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. After the 20 business days expire, the commissioner has 15 business days to make a final decision to approve or disapprove the application. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

- (1) capacity and infrastructure;
- (2) application criteria and process;
- (3) contracting process;
- (4) ongoing oversight and evaluation processes; and
- (5) renewal criteria and processes.

~~(d)~~ (e) An applicant must include in its application to the commissioner to be an approved authorizer at least the following:

- (1) how chartering schools is a way for the organization to carry out its mission;
- (2) a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;
- (3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters;
- (4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6;
- (5) the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;
- (6) a description of the criteria and process the authorizer will use to grant expanded applications under subdivision 4, paragraph ~~(j)~~ (s);
- (7) the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates the academic, organizational, and financial competency of the

school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and

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

~~(e)~~ (f) A disapproved applicant under this section may resubmit an application during a future application period.

~~(f)~~ (g) If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 23, the authorizer must notify all its chartered schools and the commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year. The commissioner may approve the transfer of a charter school to a new authorizer under this paragraph after the new authorizer submits an affidavit to the commissioner.

~~(g)~~ (h) The authorizer must participate in department-approved training.

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

(j) If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action. If the commissioner terminates a contract between an authorizer and a charter school under this paragraph, the commissioner may assist the charter school in acquiring a new authorizer.

~~(i)~~ (k) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under paragraph ~~(e)~~ (d) under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors;

(3) unsatisfactory performance as an approved authorizer; or

(4) any good cause shown that provides the commissioner a legally sufficient reason to take corrective action against an authorizer.

Sec. 3. Minnesota Statutes 2014, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1,

to operate a school subject to the commissioner's approval of the authorizer's affidavit under paragraph ~~(b)~~ (d).

(b) The school must be organized and operated as a nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section.

(c) Notwithstanding sections 465.717 and 465.719, a school district, subject to this section and section 124D.11, may create a corporation for the purpose of establishing a charter school.

~~(b)~~ (d) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. An authorizer must file an affidavit by May 1 to be able to charter a new school in the next school year after the commissioner approves the authorizer's affidavit. The affidavit must state the terms and conditions under which the authorizer would charter a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

~~(c)~~ (e) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this section or does not meet the ready-to-open standards that are part of the authorizer's oversight and evaluation process or are stipulated in the charter school contract.

~~(d)~~ (f) 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 nonprofit corporation under chapter 317A ~~and~~.

(g) ~~The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must establish a board of directors composed of at least five members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph (f) (l). A charter school board of directors must be composed of at least five members who are not related parties.~~

(h) Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of the board of directors, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election.

(i) Board of director meetings must comply with chapter 13D.

(e) (j) A charter school shall publish and maintain on the school's official Web site: (1) the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority, for at least one calendar year from the date of publication; (2) directory information for members of the board of directors and committees having board-delegated authority; and (3) identifying and contact information for the school's authorizer. Identifying and contact information for the school's authorizer must be included in other school materials made available to the public.

(k) Upon request of an individual, the charter school must also make available in a timely fashion financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must include that same information about its authorizer in other school materials that it makes available to the public.

(f) (l) Every charter school board member shall attend annual training throughout the member's term on the board. All new board members shall attend initial training on the board's role and responsibilities, employment policies and practices, and financial management. A new board member who does not begin the required initial training within six months after being seated and complete that training within 12 months of being seated on the board is automatically ineligible to continue to serve as a board member. The school shall include in its annual report the training attended by each board member during the previous year.

(g) (m) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed for holidays, breaks, or vacations.

(n) The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed as a teacher at the school or providing instruction under contract between the charter school and a cooperative; (ii) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (iii) at least one interested community member who resides in Minnesota and is not employed by the charter school and does not have a child enrolled in the school. The board may include a majority of teachers described in this paragraph or parents or community members, or it may have no clear majority. The chief financial officer and the chief administrator may only serve as ex-officio nonvoting board members. No charter school employees shall serve on the board other than teachers under item (i). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school.

(o) Board bylaws shall outline the process and procedures for changing the board's governance structure, consistent with chapter 317A. A board may change its governance structure only:

(1) by a majority vote of the board of directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

Any change in board governance structure must conform with the composition of the board established under this paragraph.

~~(h)~~ (p) The granting or renewal of a charter by an authorizer must not be conditioned upon the bargaining unit status of the employees of the school.

~~(i)~~ (q) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services from the authorizer.

(r) Any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

~~(j)~~ (s) A charter school may apply to the authorizer to amend the school charter to expand the operation of the school to additional grades or sites that would be students' primary enrollment site beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a supplementary affidavit in the form and manner prescribed by the commissioner. The authorizer must file a supplement affidavit by October 1 to be eligible to expand in the next school year. The supplementary affidavit must document that the school has demonstrated to the satisfaction of the authorizer the following:

- (1) the need for the expansion with supporting long-range enrollment projections;
- (2) a longitudinal record of demonstrated student academic performance and growth on statewide assessments under chapter 120B or on other academic assessments that measure longitudinal student performance and growth approved by the charter school's board of directors and agreed upon with the authorizer;
- (3) a history of sound school finances and a finance plan to implement the expansion in a manner to promote the school's financial sustainability; and
- (4) board capacity and an administrative and management plan to implement its expansion.

~~(k)~~ (t) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer in writing of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. The school may not expand grades or add sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Sec. 4. Minnesota Statutes 2014, section 124D.10, subdivision 8, is amended to read:

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

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A school authorized 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.

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

(e) A charter school student must be released for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

~~(e)~~ (f) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled. This paragraph does not apply to shared time aid under section 126C.19.

~~(f)~~ (g) 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 older than 18 years of age. A charter school may offer a free preschool or prekindergarten that meets high-quality early learning instructional program standards that are aligned with Minnesota's early learning standards for children.

~~(g)~~ (h) A charter school may not charge tuition.

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

~~(i)~~ (j) Once a student is enrolled in the school, the student is considered enrolled in the school until the student formally withdraws or is expelled under the Pupil Fair Dismissal Act in sections 121A.40 to 121A.56. A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, ~~and~~.

~~(k)~~ (k) A charter school is subject to and must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

~~(j)~~ (l) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under subdivision 6a. 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; 471.38; 471.391; 471.392; and 471.425. 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 and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

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

~~(l)~~ (n) A charter school must comply with chapters 13 and 13D; and sections 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

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

~~(n)~~ (p) A charter school offering online courses or programs must comply with section 124D.095.

~~(o)~~ (q) A charter school and charter school board of directors are subject to chapter 181.

~~(p)~~ (r) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

~~(q)~~ (s) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19.

~~(r)~~ (t) A charter school that provides school-sponsored youth athletic activities must comply with section 121A.38.

~~(s)~~ (u) A charter school is subject to and must comply with continuing truant notification under section 260A.03.

~~(t)~~ (v) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13). The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

~~(u)~~ (w) A charter school must adopt a policy, plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for the world's best workforce.

~~(v)~~ (x) A charter school must comply with section 121A.031 governing policies on prohibited conduct.

~~(w)~~ (y) A charter school must comply with all pupil transportation requirements in section 123B.88, subdivision 1. A charter school must not require parents to surrender their rights to pupil transportation under section 123B.88, subdivision 2.

Sec. 5. Minnesota Statutes 2014, section 124D.11, subdivision 9, is amended to read:

Subd. 9. Payment of aids to charter schools. (a) Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is 90 or greater, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 24 payment dates. Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is less than 90, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 16 payment dates in July through February.

(b) Notwithstanding paragraph (a) and section 127A.45, for a charter school ceasing operation on or prior to June 30 of a school year, for the payment periods occurring after the school ceases serving students, the commissioner shall withhold the estimated state aid owed the school. The charter school board of directors and authorizer must submit to the commissioner a closure plan under chapter 308A or 317A, and financial information about the school's liabilities and assets. After receiving the closure plan, financial information, an audit of pupil counts, documentation of lease expenditures, and monitoring of special education expenditures, the commissioner may release cash withheld and may continue regular payments up to the current year payment percentages if further amounts are owed. If, based on audits and monitoring, the school received state aid in excess of the amount owed, the commissioner shall retain aid withheld sufficient to eliminate the aid overpayment. For a charter school ceasing operations prior to, or at the end of, a school year, notwithstanding section 127A.45, subdivision 3, preliminary final payments may be made after receiving the closure plan, audit of pupil counts, monitoring of special education expenditures,

documentation of lease expenditures, and school submission of Uniform Financial Accounting and Reporting Standards (UFARS) financial data for the final year of operation. Final payment may be made upon receipt of audited financial statements under section 123B.77, subdivision 3.

(c) If a charter school fails to comply with the commissioner's directive to return, for cause, federal or state funds administered by the department, the commissioner may withhold an amount of state aid sufficient to satisfy the directive.

(d) If, within the timeline under section 471.425, a charter school fails to pay the state of Minnesota, a school district, intermediate school district, or service cooperative after receiving an undisputed invoice for goods and services, the commissioner may withhold an amount of state aid sufficient to satisfy the claim and shall distribute the withheld aid to the interested state agency, school district, intermediate school district, or service cooperative. An interested state agency, school district, intermediate school district, or education cooperative shall notify the commissioner when a charter school fails to pay an undisputed invoice within 75 business days of when it received the original invoice.

~~(e) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day of student attendance for that school year.~~

~~(f)~~ (e) In order to receive state aid payments under this subdivision, a charter school in its first three years of operation must submit a school calendar in the form and manner requested by the department and a quarterly report to the Department of Education. The report must list each student by grade, show the student's start and end dates, if any, with the charter school, and for any student participating in a learning year program, the report must list the hours and times of learning year activities. The report must be submitted not more than two weeks after the end of the calendar quarter to the department. The department must develop a Web-based reporting form for charter schools to use when submitting enrollment reports. A charter school in its fourth and subsequent year of operation must submit a school calendar and enrollment information to the department in the form and manner requested by the department.

~~(g)~~ (f) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter school and satisfaction of creditors, cash and investment balances remaining shall be returned to the state.

~~(h)~~ (g) A charter school must have a valid, signed contract under section 124D.10, subdivision 6, on file at the Department of Education at least 15 days prior to the date of first payment of state aid for the fiscal year.

~~(i)~~ (h) State aid entitlements shall be computed for a charter school only for the portion of a school year for which it has a valid, signed contract under section 124D.10, subdivision 6.

Sec. 6. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor of statutes may alter the renumbering to incorporate statutory changes made during the 2015 regular legislative session. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering in this instruction and the relettering of paragraphs in sections 1 to 5.

Column A

124D.10, subd. 1, paragraph (a)
124D.10, subd. 1, paragraph (b)
124D.10, subd. 1, paragraph (c)
124D.10, subd. 2
124D.10, subd. 3, paragraph (a)
124D.10, subd. 3, paragraph (b)
124D.10, subd. 3, paragraph (c)
124D.10, subd. 3, paragraph (d)
124D.10, subd. 3, paragraph (e)
124D.10, subd. 3, paragraph (f)
124D.10, subd. 3, paragraph (g)
124D.10, subd. 3, paragraph (h)
124D.10, subd. 3, paragraph (i)
124D.10, subd. 3, paragraph (j)
124D.10, subd. 3, paragraph (k)
124D.10, subd. 4, paragraph (a)
124D.10, subd. 4, paragraph (b)
124D.10, subd. 4, paragraph (c)
124D.10, subd. 4, paragraph (d)
124D.10, subd. 4, paragraph (e)
124D.10, subd. 4, paragraph (f)
124D.10, subd. 4, paragraph (g)
124D.10, subd. 4, paragraph (h)
124D.10, subd. 4, paragraph (i)
124D.10, subd. 4, paragraph (j)
124D.10, subd. 4, paragraph (k)
124D.10, subd. 4, paragraph (l)
124D.10, subd. 4, paragraph (m)
124D.10, subd. 4, paragraph (n)
124D.10, subd. 4, paragraph (o)
124D.10, subd. 4, paragraph (p)
124D.10, subd. 4, paragraph (q)

Column B

124E.01, subd. 1
124E.06, subd. 3, paragraph (d)
124E.06, subd. 1, paragraph (b)
124E.01, subd. 2
124E.02, paragraph (a)
124E.05, subd. 1
124E.05, subd. 2, paragraph (a)
124E.05, subd. 3, paragraph (a)
124E.05, subd. 4
124E.05, subd. 3, paragraph (b)
124E.05, subd. 7
124E.05, subd. 2, paragraph (b)
124E.05, subd. 5
124E.05, subd. 6, paragraph (a)
124E.05, subd. 6, paragraph (b)
124E.06, subd. 1, paragraph (a)
124E.06, subd. 2, paragraph (a)
124E.06, subd. 2, paragraph (c)
124E.06, subd. 4
124E.06, subd. 3, paragraph (g)
124E.06, subd. 2, paragraph (b)
124E.07, subd. 1
124E.07, subd. 5
124E.07, subd. 8, paragraph (a)
124E.07, subd. 8, paragraph (b)
124E.17, subd. 2
124E.07, subd. 7
124E.07, subd. 2
124E.07, subd. 3, paragraph (a)
124E.07, subd. 4
124E.10, subd. 2, paragraph (c)
124E.10, subd. 2, paragraph (b)

<u>124D.10, subd. 4, paragraph (r)</u>	<u>124E.10, subd. 2, paragraph (a)</u>
<u>124D.10, subd. 4, paragraph (s)</u>	<u>124E.06, subd. 5, paragraph (a)</u>
<u>124D.10, subd. 4, paragraph (t)</u>	<u>124E.06, subd. 5, paragraph (b)</u>
<u>124D.10, subd. 4a, paragraph (a)</u>	<u>124E.07, subd. 3, paragraph (b)</u>
<u>124D.10, subd. 4a, paragraph (b)</u>	<u>124E.14, paragraph (a)</u>
<u>124D.10, subd. 4a, paragraph (c)</u>	<u>124E.07, subd. 3, paragraph (c)</u>
<u>124D.10, subd. 4a, paragraph (d)</u>	<u>124E.07, subd. 3, paragraph (d)</u>
<u>124D.10, subd. 4a, paragraph (e)</u>	<u>124E.14, paragraph (b)</u>
<u>124D.10, subd. 4a, paragraph (f)</u>	<u>124E.14, paragraph (c)</u>
<u>124D.10, subd. 5</u>	<u>124E.06, subd. 6</u>
<u>124D.10, subd. 6</u>	<u>124E.10, subd. 1, paragraph (a)</u>
<u>124D.10, subd. 6a</u>	<u>124E.16, subd. 1, paragraphs (b) to (e)</u>
<u>124D.10, subd. 7</u>	<u>124E.03, subd. 1</u>
<u>124D.10, subd. 8, paragraph (a)</u>	<u>124E.03, subd. 2, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (b)</u>	<u>124E.03, subd. 2, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (c)</u>	<u>124E.06, subd. 3, paragraph (e)</u>
<u>124D.10, subd. 8, paragraph (d)</u>	<u>124E.06, subd. 3, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (e)</u>	<u>124E.03, subd. 4, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (f)</u>	<u>124E.06, subd. 3, paragraph (c)</u>
<u>124D.10, subd. 8, paragraph (g)</u>	<u>124E.06, subd. 3, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (h)</u>	<u>124E.06, subd. 3, paragraph (f)</u>
<u>124D.10, subd. 8, paragraph (i)</u>	<u>124E.03, subd. 4, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (j)</u>	<u>124E.11, paragraph (g)</u>
<u>124D.10, subd. 8, paragraph (k)</u>	<u>124E.03, subd. 2, paragraph (c)</u>
<u>124D.10, subd. 8, paragraph (l)</u>	<u>124E.16, subd. 1, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (m)</u>	<u>124E.03, subd. 2, paragraph (d)</u>
<u>124D.10, subd. 8, paragraph (n)</u>	<u>124E.03, subd. 5, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (o)</u>	<u>124E.03, subd. 2, paragraph (e)</u>
<u>124D.10, subd. 8, paragraph (p)</u>	<u>124E.03, subd. 7, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (q)</u>	<u>124E.03, subd. 2, paragraph (f)</u>
<u>124D.10, subd. 8, paragraph (r)</u>	<u>124E.03, subd. 5, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (s)</u>	<u>124E.03, subd. 7, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (t)</u>	<u>124E.03, subd. 7, paragraph (c)</u>

<u>124D.10, subd. 8, paragraph (u)</u>	<u>124E.03, subd. 2, paragraph (g)</u>
<u>124D.10, subd. 8, paragraph (v)</u>	<u>124E.03, subd. 2, paragraph (h)</u>
<u>124D.10, subd. 8, paragraph (w)</u>	<u>124E.03, subd. 2, paragraph (i)</u>
<u>124D.10, subd. 8, paragraph (x)</u>	<u>124E.03, subd. 4, paragraph (c)</u>
<u>124D.10, subd. 8, paragraph (y)</u>	<u>124E.15, paragraph (a)</u>
<u>124D.10, subd. 8a</u>	<u>124E.25, subd. 3, paragraph (a)</u>
<u>124D.10, subd. 8b</u>	<u>124E.25, subd. 3, paragraph (b)</u>
<u>124D.10, subd. 9</u>	<u>124E.11, paragraphs (a) to (f)</u>
<u>124D.10, subd. 10</u>	<u>124E.10, subd. 1, paragraph (b)</u>
<u>124D.10, subd. 11, paragraph (a)</u>	<u>124E.12, subd. 1</u>
<u>124D.10, subd. 11, paragraph (b)</u>	<u>124E.12, subd. 2</u>
<u>124D.10, subd. 11, paragraph (c)</u>	<u>124E.07, subd. 6</u>
<u>124D.10, subd. 11, paragraph (d)</u>	<u>124E.12, subd. 5</u>
<u>124D.10, subd. 12</u>	<u>124E.03, subd. 3</u>
<u>124D.10, subd. 13</u>	<u>124E.03, subd. 6</u>
<u>124D.10, subd. 14</u>	<u>124E.16, subd. 2</u>
<u>124D.10, subd. 15, paragraphs (a) to (e)</u>	<u>124E.10, subd. 3, paragraphs (a) to (e)</u>
<u>124D.10, subd. 15, paragraph (f)</u>	<u>124E.05, subd. 8</u>
<u>124D.10, subd. 16</u>	<u>124E.15, paragraphs (b) to (d)</u>
<u>124D.10, subd. 17</u>	<u>124E.13, subd. 1</u>
<u>124D.10, subd. 17a</u>	<u>124E.13, subd. 3</u>
<u>124D.10, subd. 17b</u>	<u>124E.13, subd. 4</u>
<u>124D.10, subd. 19</u>	<u>124E.17, subd. 1</u>
<u>124D.10, subd. 20</u>	<u>124E.12, subd. 6</u>
<u>124D.10, subd. 21</u>	<u>124E.12, subd. 3</u>
<u>124D.10, subd. 22</u>	<u>124E.12, subd. 4</u>
<u>124D.10, subd. 23, paragraphs (a) and (b)</u>	<u>124E.10, subd. 4, paragraphs (a) to (b)</u>
<u>124D.10, subd. 23, paragraph (c)</u>	<u>124E.10, subd. 5</u>
<u>124D.10, subd. 23, paragraph (d)</u>	<u>124E.10, subd. 4, paragraph (c)</u>
<u>124D.10, subd. 23a, paragraph (a)</u>	<u>124E.13, subd. 2, paragraph (a)</u>
<u>124D.10, subd. 23a, paragraph (b)</u>	<u>124E.02, paragraph (b)</u>
<u>124D.10, subd. 23a, paragraph (c)</u>	<u>124E.13, subd. 2, paragraph (b)</u>
<u>124D.10, subd. 23a, paragraph (d)</u>	<u>124E.13, subd. 2, paragraph (c)</u>

<u>124D.10, subd. 24</u>	<u>124E.10, subd. 6</u>
<u>124D.10, subd. 25</u>	<u>124E.09</u>
<u>124D.10, subd. 27</u>	<u>124E.08</u>
<u>124D.11, subd. 1</u>	<u>124E.20, subd. 1</u>
<u>124D.11, subd. 2</u>	<u>124E.23</u>
<u>124D.11, subd. 3</u>	<u>124E.20, subd. 2</u>
<u>124D.11, subd. 4</u>	<u>124E.22</u>
<u>124D.11, subd. 5</u>	<u>124E.21</u>
<u>124D.11, subd. 6</u>	<u>124E.24</u>
<u>124D.11, subd. 7</u>	<u>124E.26</u>
<u>124D.11, subd. 9, paragraph (a)</u>	<u>124E.25, subd. 1, paragraph (a)</u>
<u>124D.11, subd. 9, paragraph (b)</u>	<u>124E.25, subd. 1, paragraph (b)</u>
<u>124D.11, subd. 9, paragraph (c)</u>	<u>124E.25, subd. 4, paragraph (a)</u>
<u>124D.11, subd. 9, paragraph (d)</u>	<u>124E.25, subd. 4, paragraph (b)</u>
<u>124D.11, subd. 9, paragraph (e)</u>	<u>124E.25, subd. 2, paragraph (a)</u>
<u>124D.11, subd. 9, paragraph (f)</u>	<u>124E.25, subd. 1, paragraph (c)</u>
<u>124D.11, subd. 9, paragraph (g)</u>	<u>124E.25, subd. 2, paragraph (b)</u>
<u>124D.11, subd. 9, paragraph (h)</u>	<u>124E.25, subd. 2, paragraph (c)"</u>

Amend the title numbers accordingly

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

REPORT OF VOTES IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Dahms amendment to S.F. No. 1495.

There were yeas 11 and nays 9, as follows:

Those who voted in the affirmative were:

Senators Bonoff; Chamberlain; Dahms; Hoffman; Housley; Kiffmeyer; Nienow; Peterson, B.; Pratt; Torres Ray and Weber.

Those who voted in the negative were:

Senators Clausen, Dahle, Jensen, Johnson, Kent, Saxhaug, Stumpf, Wiger and Wiklund.

The amendment was adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Chamberlain amendment to S.F. No. 1495.

There were yeas 7 and nays 10, as follows:

Those who voted in the affirmative were:

Senators Chamberlain; Dahms; Housley; Kiffmeyer; Nienow; Peterson, B. and Weber.

Those who voted in the negative were:

Senators Bonoff, Clausen, Dahle, Jensen, Johnson, Saxhaug, Stumpf, Torres Ray, Wiger and Wiklund.

The amendment was not adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1550: A bill for an act relating to natural resources; establishing the Mississippi Blufflands Trail; amending Minnesota Statutes 2014, section 85.015, by adding a subdivision.

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

Page 1, after line 15, insert:

"Sec. 2. APPROPRIATION.

\$50,000 is appropriated in fiscal year 2016 from the general fund to the commissioner of natural resources for development of a master plan for the Mississippi Blufflands Trail, including work on possible extensions or connections to other state or regional trails. This is a onetime appropriation that is available until June 30, 2017."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1178: A bill for an act relating to energy; conservation; modifying eligibility for energy conservation plans; establishing a Made in Minnesota energy storage system rebate program; appropriating money; amending Minnesota Statutes 2014, section 216B.241, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216C.

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

Page 3, line 23, delete "(a) The commissioner shall work with all"

Page 3, delete lines 24 and 25

Page 3, line 26, delete "(b)"

Page 3, line 28, delete everything after the period

Page 3, delete lines 29 to 35

Page 4, delete lines 1 to 5

Page 5, line 28, delete everything after "in" and insert "that section."

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1431: A bill for an act relating to energy; modifying the renewable energy standard; enhancing the energy assurance and emergency conservation plan; establishing a petroleum end user program; modifying energy auditor standards; modifying eligibility for various siting requirements; amending Minnesota Statutes 2014, sections 216B.1691, subdivision 2a; 216C.16, subdivisions 1, 2; 216C.31; 216E.01, subdivision 5; 216E.021; 216E.03, subdivision 3; 216E.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 216C; 216E; repealing Minnesota Statutes 2014, section 216C.15.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 16C.144, is amended to read:

16C.144 GUARANTEED ENERGY-SAVINGS PROGRAM.

Subdivision 1. **Definitions.** The following definitions apply to this section.

(a) "Utility" means electricity, natural gas, or other energy resource, water, and wastewater.

(b) "Utility cost savings" means the difference between the utility costs after installation of the utility cost-savings measures pursuant to the guaranteed energy-savings agreement and the baseline utility costs after baseline adjustments have been made.

(c) "Baseline" means the preagreement utilities, operations, and maintenance costs.

(d) "Utility cost-savings measure" means a measure that produces utility cost savings or operation and maintenance cost savings.

(e) "Operation and maintenance cost savings" means a measurable difference between operation and maintenance costs after the installation of the utility cost-savings measures pursuant to the guaranteed energy-savings agreement and the baseline operation and maintenance costs after inflation adjustments have been made. Operation and maintenance costs savings shall not include savings from in-house staff labor.

(f) "Guaranteed energy-savings agreement" means an agreement for the installation of one or more utility cost-savings measures that includes the qualified provider's guarantee as required under subdivision 2.

(g) "Baseline adjustments" means adjusting the utility cost-savings baselines annually for changes in the following variables:

- (1) utility rates;
- (2) number of days in the utility billing cycle;
- (3) square footage of the facility;
- (4) operational schedule of the facility;
- (5) facility temperature set points;
- (6) weather; and

(7) amount of equipment or lighting utilized in the facility.

(h) "Inflation adjustment" means adjusting the operation and maintenance cost-savings baseline annually for inflation.

(i) "~~Lease purchase agreement~~ Project financing" means ~~an agreement~~ any type of financing including but not limited to lease, lease purchase, installment agreements, or bonds for those other than the state who have bonding authority, obligating the state to make regular lease payments to satisfy the lease costs of the utility cost-savings measures until the final payment, after which time the utility cost-savings measures become the sole property of the state of Minnesota.

(j) "Qualified provider" means a person or business experienced in the design, implementation, and installation of utility cost-savings measures.

(k) "Engineering report" means a report prepared by a professional engineer licensed by the state of Minnesota summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, and estimates of the amounts by which utility and operation and maintenance costs will be reduced.

(l) "Capital cost avoidance" means money expended by a state agency to pay for utility cost-savings measures with a guaranteed savings agreement so long as the measures that are being implemented to achieve the utility, operation, and maintenance cost savings are a significant portion of an overall project as determined by the commissioner.

(m) "Guaranteed energy-savings program guidelines" means policies, procedures, and requirements of guaranteed savings agreements established by the Department of Administration.

Subd. 2. **Guaranteed energy-savings agreement.** The commissioner may enter into a guaranteed energy-savings agreement with a qualified provider if:

(1) the qualified provider is selected through a competitive process in accordance with the guaranteed energy-savings program guidelines within the Department of Administration;

(2) the qualified provider agrees to submit an engineering report prior to the execution of the guaranteed energy-savings agreement. The cost of the engineering report may be considered as part of the implementation costs if the commissioner enters into a guaranteed energy-savings agreement with the provider;

(3) the term of the guaranteed energy-savings agreement shall not exceed 25 years from the date of final installation;

(4) the commissioner finds that the amount it would spend, less amount contributed for capital cost avoidance, on the utility cost-savings measures recommended in the engineering report will not exceed the amount to be saved in utility operation and maintenance costs over 25 years from the date of implementation of utility cost-savings measures;

(5) the qualified provider provides a written guarantee that the annual utility, operation, and maintenance cost savings during the term of the guaranteed energy-savings agreement will meet or exceed the annual payments due under ~~a lease purchase agreement~~ the project financing. The qualified provider shall reimburse the state for any shortfall of guaranteed utility, operation, and maintenance cost savings; and

(6) the qualified provider gives a sufficient bond in accordance with section 574.26 to the commissioner for the faithful implementation and installation of the utility cost-savings measures.

Subd. 3. ~~Lease purchase agreement project financing.~~ **Project financing.** The commissioner may enter into a ~~lease purchase agreement project financing~~ with any party for the implementation of utility cost-savings measures in accordance with the guaranteed energy-savings agreement. ~~The implementation costs of the utility cost-savings measures recommended in the engineering report shall not exceed the amount to be saved in utility and operation and maintenance costs over the term of the lease purchase agreement.~~ The term of the ~~lease purchase agreement project financing~~ shall not exceed 25 years from the date of final installation. The ~~lease project financing~~ is assignable in accordance with terms approved by the commissioner of management and budget.

Subd. 4. **Use of capital cost avoidance.** The affected state agency may contribute funds for capital cost avoidance for guaranteed energy-savings agreements. Use of capital cost avoidance is subject to the guaranteed energy-savings program guidelines within the Department of Administration.

Subd. 5. **Independent report.** For each guaranteed energy-savings agreement entered into, the commissioner of administration shall contract with an independent third party to evaluate the cost-effectiveness of each utility cost-savings measure implemented to ensure that such measures were the least-cost measures available. For the purposes of this section, "independent third party" means an entity not affiliated with the qualified provider, that is not involved in creating or providing conservation project services to that provider, and that has expertise (or access to expertise) in energy-savings practices.

Sec. 2. Minnesota Statutes 2014, section 216B.02, is amended by adding a subdivision to read:

Subd. 3a. **Propane.** "Propane" means a gas made of primarily propane and butane, and stored in liquid form in pressurized tanks.

Sec. 3. Minnesota Statutes 2014, section 216B.02, is amended by adding a subdivision to read:

Subd. 3b. **Propane storage facility.** "Propane storage facility" means a facility designed to store or capable of storing propane in liquid form in pressurized tanks.

Sec. 4. Minnesota Statutes 2014, section 216B.02, is amended by adding a subdivision to read:

Subd. 6b. **Synthetic gas.** "Synthetic gas" means flammable gas created from (1) gaseous, liquid, or solid hydrocarbons, or (2) other organic or inorganic matter. Synthetic gas includes hydrogen or methane produced through processing, but does not include propane.

Sec. 5. Minnesota Statutes 2014, section 216B.02, is amended by adding a subdivision to read:

Subd. 11. **Repowering.** "Repowering" means the modification of large wind energy conversion system or a solar-powered large energy facility to increase efficiency, replace a large wind energy conversion system, or, if the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase, an increase to the nameplate capacity of the wind energy conversion system.

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

Sec. 6. Minnesota Statutes 2014, section 216B.16, subdivision 6, is amended to read:

Subd. 6. **Factors considered, generally.** The commission, in the exercise of its powers under this chapter to determine just and reasonable rates for public utilities, shall give due consideration to the public need for adequate, efficient, and reasonable service and to the need of the public utility for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its utility property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in such property. In determining the rate base upon which the utility is to be allowed to earn a fair rate of return, the commission shall give due consideration to evidence of the cost of the property when first devoted to public use, to prudent acquisition cost to the public utility less appropriate depreciation on each, to construction work in progress, to offsets in the nature of capital provided by sources other than the investors, and to other expenses of a capital nature. For purposes of determining rate base, the commission shall consider the original cost of utility property included in the base and shall make no allowance for its estimated current replacement value. In the event the commission requires a generation asset to shut down operations for policy reasons prior to end of the book life of the facility, the public utility shall be allowed to recover any reasonable remaining costs as determined by the commission.

Sec. 7. Minnesota Statutes 2014, section 216B.16, subdivision 7, is amended to read:

Subd. 7. **Energy and emission control products cost adjustment.** Notwithstanding any other provision of this chapter, the commission may permit a public utility to file rate schedules containing provisions for the automatic adjustment of charges for public utility service in direct relation to changes in:

- (1) federally regulated wholesale rates for energy delivered through interstate facilities;
- (2) direct costs for natural gas delivered;
- (3) costs for fuel used in generation of electricity or the manufacture of gas; or

(4) prudent costs incurred by a public utility for sorbents, reagents, or chemicals used to control emissions from an electric generation facility, provided that these costs are not recovered elsewhere in rates. The utility must track and report annually the volumes and costs of sorbents, reagents, or chemicals using separate accounts by generating plant.

The charges collected under this subdivision may be adjusted to reflect different energy costs imposed on the system by different categories of customers.

Sec. 8. Minnesota Statutes 2014, section 216B.16, subdivision 7b, is amended to read:

Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs net of associated revenues of:

(i) new transmission facilities that have been separately filed and reviewed and approved by the commission under section 216B.243 or are certified as a priority project or deemed to be a priority transmission project under section 216B.2425;

(ii) new transmission facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed, to the extent approval is required by the laws of that state, and determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system; and

(iii) charges incurred by a utility under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system.

(b) Upon filing by a public utility or utilities providing transmission service, the commission may approve, reject, or modify, after notice and comment, a tariff that:

(1) allows the utility to recover on a timely basis the costs net of revenues of facilities approved under section 216B.243 or certified or deemed to be certified under section 216B.2425 or exempt from the requirements of section 216B.243;

(2) allows the utility to recover charges incurred under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system. These charges must be reduced or offset by revenues received by the utility and by amounts the utility charges to other regional transmission owners, to the extent those revenues and charges have not been otherwise offset;

(3) allows the utility to recover on a timely basis the costs net of revenues of facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed and determined by the Midcontinent Independent System Operator to benefit the utility or integrated transmission system;

(4) costs associated with distribution planning required under section 216B.2425, including, but not limited to, all reasonable incremental labor, material, and capital costs;

(5) costs associated with grid modernization required under section 216B.2425, including, but not limited to, all reasonable incremental labor, material, and capital costs;

(6) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;

~~(5)~~ (7) provides a current return on construction work in progress, provided that recovery from Minnesota retail customers for the allowance for funds used during construction is not sought through any other mechanism;

~~(6)~~ (8) allows for recovery of other expenses if shown to promote a least-cost project option or is otherwise in the public interest;

~~(7)~~ (9) allocates project costs appropriately between wholesale and retail customers;

~~(8)~~ (10) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the project or projects or is otherwise in the public interest; and

~~(9)~~ (11) terminates recovery once costs have been fully recovered or have otherwise been reflected in the utility's general rates.

(c) A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

(1) a description of and context for the facilities included for recovery;

(2) a schedule for implementation of applicable projects;

- (3) the utility's costs for these projects;
- (4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the project; and
- (5) calculations to establish that the rate adjustment is consistent with the terms of the tariff established in paragraph (b).

(d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in paragraph (b), the commission shall approve the annual rate adjustments provided that, after notice and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest feasible and prudent cost to ratepayers.

Sec. 9. Minnesota Statutes 2014, section 216B.16, subdivision 12, is amended to read:

Subd. 12. **Exemption for small gas utility franchise.** (a) A municipality may file with the commission a resolution of its governing body requesting exemption from the provisions of this section for a public utility that is under a franchise with the municipality to supply natural, manufactured, or mixed gas and that serves 650 or fewer customers in the municipality as long as the public utility serves no more than a total of ~~2,000~~ 5,000 customers.

(b) The commission shall grant an exemption from this section for that portion of a public utility's business that is requested by each municipality it serves. Furthermore, the commission shall also grant the public utility an exemption from this section for any service provided outside of a municipality's border that is considered by the commission to be incidental. The public utility shall file with the commission and the department all initial and subsequent changes in rates, tariffs, and contracts for service outside the municipality at least 30 days in advance of implementation.

(c) However, the commission shall require the utility to adopt the commission's policies and procedures governing disconnection during cold weather. The utility shall annually submit a copy of its municipally approved rates to the commission.

(d) In all cases covered by this subdivision in which an exemption for service outside of a municipality is granted, the commission may initiate an investigation under section 216B.17, on its own motion or upon complaint from a customer.

(e) If a municipality files with the commission a resolution of its governing body rescinding the request for exemption, the commission shall regulate the public utility's business in that municipality under this section.

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

Sec. 10. Minnesota Statutes 2014, section 216B.16, subdivision 19, is amended to read:

Subd. 19. **Multiyear rate plan.** (a) A public utility may propose, and the commission may approve, approve as modified, or reject, a multiyear rate plan as provided in this subdivision. The term "multiyear rate plan" refers to a plan establishing the rates the utility may charge for each year of the specified period of years, which cannot exceed ~~three~~ five years, to be covered by the plan. If the utility proposes a multiyear rate plan, the utility shall provide a general description of the utility's major planned investments over the plan period. The commission may also require the utility to provide a set of reasonable performance metrics and incentives that are quantifiable, verifiable, and

consistent with state policies. The commission may allow the utility to adjust recovery of its cost of capital or other costs in a reasonable manner within the plan period. The utility may propose:

(1) recovery of the utility's forecast rate base, including its planned capital investments and investment-related costs, including income tax impacts, depreciation, and property taxes, as well as forecasted capacity-related costs from purchased power agreements that are not recovered through section 216B.16, subdivision 7, based on a formula, a budget forecast, a fixed escalation rate, individually or in combination;

(2) recovery of operations and maintenance expenses, based on an electricity-related price index or other formula;

(3) tariffed rates and service options to expand the products and services available to customers to improve energy efficiency, affordability and reliability, renewable energy, grid modernization and stability, or promote economic development. These tariffs and service options may include time-of-day or location-based rates, an affordability rate for low-income residential customers, or a rate for large, energy-intensive customers that demonstrate electric rates impede their ability to compete in the global market; and

(4) adjustments to the rates approved under the plan for rate changes that the commission determines to be just and reasonable, including, but not limited to, changes in the utility's cost of operating its nuclear facilities or other significant investments not contemplated in the plan.

(b) A utility may file a multiyear rate plan based on a prior final rate order from the commission, provided the rate order was issued within 12 months of submitting a multiyear rate plan, provided that the plan contains a mechanism for returning excess earnings above the allowed return on equity to its customers.

(c) A utility may request to implement interim rates for the first and second years of the multiyear plan. Interim rates may be implemented in the same manner as interim rates under section 216B.16, subdivision 3.

(d) The commission may approve a multiyear rate plan only if it finds that the plan establishes just and reasonable rates for the utility, applying the factors described in subdivision 6. Consistent with subdivision 4, the burden of proof to demonstrate that the multiyear rate plan is just and reasonable is on the public utility proposing the plan.

(b) (e) Rates charged under the multiyear rate plan must be based only upon the utility's reasonable and prudent costs of service over the term of the plan, as determined by the commission, provided that the costs are not being recovered elsewhere in rates. Rate adjustments authorized under subdivisions 6b and 7 may continue outside of a plan authorized under this subdivision.

(e) (f) The commission may, by order, establish terms, conditions, and procedures for a multiyear rate plan necessary to implement this section and ensure that rates remain just and reasonable during the course of the plan, including terms and procedures for rate adjustment. At any time prior to conclusion of a multiyear rate plan, the commission, upon its own motion or upon petition of any party, has the discretion to examine the reasonableness of the utility's rates under the plan, and adjust rates as necessary.

(d) (g) In reviewing a multiyear rate plan proposed in a general rate case under this section, the commission may extend the time requirements for issuance of a final determination prescribed in

this section by an additional 90 days beyond its existing authority under subdivision 2, paragraph (f).

(e) (h) A utility may not file a multiyear rate plan that would establish rates under the terms of the plan until after May 31, 2012.

Sec. 11. **[216B.1638] RECOVERY OF NATURAL GAS EXTENSION PROJECT COSTS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Contribution in aid of construction" means a monetary contribution, paid by a developer or local unit of government to a utility providing natural gas service to a community receiving that service as the result of a natural gas extension project, that reduces or offsets the difference between the total revenue requirement of the project and the revenue generated from the customers served by the project.

(c) "Developer" means a developer of the project or a person that owns or will own the property served by the project.

(d) "Local unit of government" means a city, county, township, commission, district, authority, or other political subdivision or instrumentality of this state.

(e) "Natural gas extension project" or "project" means the construction of new infrastructure or upgrades to existing natural gas facilities necessary to serve currently unserved or inadequately served areas.

(f) "Revenue deficiency" means the deficiency in funds that results when projected revenues from customers receiving natural gas service as the result of a natural gas extension project, plus any contributions in aid of construction paid by these customers, fall short of the total revenue requirement of the natural gas extension project.

(g) "Total revenue requirement" means the total cost of extending and maintaining service to a currently unserved or inadequately served area.

(h) "Unserved or inadequately served area" means an area in this state lacking adequate natural gas pipeline infrastructure to meet the demand of existing or potential end-use customers.

Subd. 2. **Filing.** (a) A public utility may petition the commission outside of a general rate case for a rider that shall include all of the utility's customers, including transport customers, to recover the revenue deficiency from a natural gas extension project.

(b) The petition shall include:

(1) a description of the natural gas extension project, including the number and location of new customers to be served and the distance over which natural gas will be distributed to serve the unserved or inadequately served area;

(2) the project's construction schedule;

(3) the proposed project budget;

(4) the amount of any contributions in aid of construction;

(5) a description of efforts made by the public utility to offset the revenue deficiency through contributions in aid to construction;

(6) the proposed method and amount of recovery by customer class and whether the utility is proposing that the rider be a flat fee, a volumetric charge, or another form of recovery;

(7) how recovery of the revenue deficiency will be allocated between industrial, commercial, residential, and transport customers;

(8) the proposed termination date of the rider to recover the revenue deficiency; and

(9) a description of benefits to the public utility's existing natural gas customers that will accrue from the natural gas extension project.

Subd. 3. **Review; approval.** (a) The commission shall allow opportunity for comment on the petition.

(b) The commission may approve a public utility's petition for a rider to recover the costs of a natural gas extension project if it determines that:

(1) the project is designed to extend natural gas service to an unserved or inadequately served area; and

(2) project costs are reasonable and prudently incurred.

(c) The commission must not approve a rider under this section that allows a utility to recover more than 33 percent of the costs of a natural gas extension project.

(d) The revenue deficiency from a natural gas extension project recoverable through a rider under this section must include the currently authorized rate of return, incremental income taxes, incremental property taxes, incremental depreciation expenses, and any incremental operation and maintenance costs.

Subd. 4. **Commission authority; order.** The commission may issue orders necessary to implement and administer this section.

Subd. 5. **Implementation.** Nothing in this section commits a public utility to implement a project approved by the commission. The public utility seeking to provide natural gas service shall notify the commission whether it intends to proceed with the project as approved by the commission.

Subd. 6. **Evaluation and report.** By January 15, 2017, and every three years thereafter, the commission shall report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over energy:

(1) the number of public utilities and projects proposed and approved under this section;

(2) the total cost of each project;

(3) rate impacts of the cost recovery mechanism; and

(4) an assessment of the effectiveness of the cost recovery mechanism in realizing increased natural gas service to unserved or inadequately served areas from natural gas extension projects.

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

Sec. 12. Minnesota Statutes 2014, section 216B.1691, subdivision 2a, is amended to read:

Subd. 2a. **Eligible energy technology standard.** (a) Except as provided in paragraph (b), each electric utility shall generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

- | | | |
|-----|-------------|----------------------------------|
| (1) | 2012 | 12 percent |
| (2) | 2016 | 17 percent |
| (3) | 2020 | 20 <u>25</u> percent |
| (4) | 2025 | 25 <u>32</u> percent: |
| (5) | <u>2030</u> | <u>40</u> percent. |

(b) An electric utility that owned a nuclear generating facility as of January 1, 2007, must meet the requirements of this paragraph rather than paragraph (a). An electric utility subject to this paragraph must generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota or the retail customer of a distribution utility to which the electric utility provides wholesale electric service so that at least the following percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

- | | | |
|-----|-------------|--------------------|
| (1) | 2010 | 15 percent |
| (2) | 2012 | 18 percent |
| (3) | 2016 | 25 percent |
| (4) | 2020 | 30 percent: |
| (5) | <u>2025</u> | <u>35</u> percent |
| (6) | <u>2030</u> | <u>40</u> percent. |

~~Of the 30 percent in 2020, at least 25 percent must be generated by solar energy or wind energy conversion systems and the remaining five percent by other eligible energy technology. Of the 25 percent that must be generated by wind or solar, no more than one percent may be solar generated and the remaining 24 percent or greater must be wind generated.~~

Sec. 13. Minnesota Statutes 2014, section 216B.1691, subdivision 2b, is amended to read:

Subd. 2b. **Off ramps; modification or delay of standard.** (a) The commission shall modify or delay the implementation of a standard obligation, in whole or in part, if the commission determines it is in the public interest to do so. The commission, when requested to modify or delay implementation of a standard, must consider:

- (1) the impact of implementing the standard on its customers' utility costs, including the economic and competitive pressure on the utility's customers;
- (2) the effects of implementing the standard on the reliability of the electric system;

- (3) technical advances or technical concerns;
- (4) delays in acquiring sites or routes due to rejection or delays of necessary siting or other permitting approvals;
- (5) delays, cancellations, or nondelivery of necessary equipment for construction or commercial operation of an eligible energy technology facility;
- (6) transmission constraints preventing delivery of service; and
- (7) other statutory obligations imposed on the commission or a utility.

The commission may modify or delay implementation of a standard obligation under clauses (1) to (3) only if it finds implementation would cause significant rate impact, requires significant measures to address reliability, or raises significant technical issues. The commission may modify or delay implementation of a standard obligation under clauses (4) to (6) only if it finds that the circumstances described in those clauses were due to circumstances beyond an electric utility's control and make compliance not feasible.

(b) When considering whether to delay or modify implementation of a standard obligation, the commission must give due consideration to a preference for electric generation through use of eligible energy technology and to the achievement of the standards set by this section.

(c) An electric utility requesting a modification or delay in the implementation of a standard must file a plan to comply with its modified or delayed standard obligation in the same proceeding that it is requesting the delay.

Sec. 14. Minnesota Statutes 2014, section 216B.2401, is amended to read:

216B.2401 ENERGY SAVINGS POLICY GOAL.

The legislature finds that energy savings are an energy resource, and that cost-effective energy savings are preferred over all other energy resources. The legislature further finds that cost-effective energy savings should be procured systematically and aggressively in order to reduce utility costs for businesses and residents, improve the competitiveness and profitability of businesses, create more energy-related jobs, reduce the economic burden of fuel imports, and reduce pollution and emissions that cause climate change. Therefore, it is the energy policy of the state of Minnesota to achieve annual energy savings equal to at least ~~1.5~~ two percent of annual retail energy sales of electricity and natural gas through cost-effective energy conservation improvement programs and rate design, energy efficiency achieved by energy consumers without direct utility involvement, energy codes and appliance standards, programs designed to transform the market or change consumer behavior, energy savings resulting from efficiency improvements to the utility infrastructure and system, and other efforts to promote energy efficiency and energy conservation.

Sec. 15. Minnesota Statutes 2014, section 216B.241, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.

- (a) "Commission" means the Public Utilities Commission.
- (b) "Commissioner" means the commissioner of commerce.
- (c) "Department" means the Department of Commerce.

(d) "Energy conservation" means demand-side and supply-side management of energy supplies resources resulting in a net reduction in energy use. Load management that reduces overall energy use is energy conservation.

(e) "Energy conservation improvement" means a project that results in energy efficiency or energy conservation. Energy conservation improvement may include waste heat that is recovered and converted into electricity, ~~but does not~~ and may include electric utility infrastructure projects approved by the commission under section 216B.1636. Energy conservation improvement also includes waste heat recovered and used as thermal energy.

(f) "Energy efficiency" means measures or programs, including energy conservation measures or programs, that target consumer behavior, facility performance, equipment, processes, operations and maintenance, or devices designed to produce either an absolute decrease in consumption of electric energy or natural gas or a decrease in consumption of electric energy or natural gas on a per unit of production basis without a reduction in the quality or level of service provided to the energy consumer, or energy use intensity defined as a net reduction in energy consumed per square foot of a facility.

(g) "Gross annual retail energy sales" means annual electric sales to all retail customers in a utility's or association's Minnesota service territory or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. For purposes of this section, gross annual retail energy sales exclude:

(1) gas sales to:

(i) a large energy facility;

(ii) a large customer facility whose natural gas utility has been exempted by the commissioner under subdivision 1a, paragraph (b), with respect to natural gas sales made to the large customer facility; and

(iii) a commercial gas customer facility whose natural gas utility has been exempted by the commissioner under subdivision 1a, paragraph (c), with respect to natural gas sales made to the commercial gas customer facility; and

(2) electric sales to a large customer facility whose electric utility has been exempted by the commissioner under subdivision 1a, paragraph (b), with respect to electric sales made to the large customer facility.

(h) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

(i) "Large customer facility" means all buildings, structures, equipment, and installations at a single site that collectively (1) impose a peak electrical demand on an electric utility's system of not

less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes or (2) consume not less than 500 million cubic feet of natural gas annually. In calculating peak electrical demand, a large customer facility may include demand offset by on-site cogeneration facilities and, if engaged in mineral extraction, may aggregate peak energy demand from the large customer facility's mining and processing operations.

(j) "Large energy facility" has the meaning given it in section 216B.2421, subdivision 2, clause (1).

(k) "Load management" means an activity, service, or technology to change the timing or the efficiency of a customer's use of energy that allows a utility or a customer to respond to wholesale market fluctuations or to reduce peak demand for energy or capacity.

(l) "Low-income programs" means energy conservation improvement programs that directly serve the needs of low-income persons, including low-income renters.

(m) "Qualifying utility" means a utility that supplies the energy to a customer that enables the customer to qualify as a large customer facility.

(n) "Waste heat recovered and used as thermal energy" means capturing heat energy that would otherwise be exhausted or dissipated to the environment from machinery, buildings, or industrial processes and productively using such recovered thermal energy where it was captured or distributing it as thermal energy to other locations where it is used to reduce demand-side consumption of natural gas, electric energy, or both.

(o) "Waste heat recovery converted into electricity" means an energy recovery process that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines or manufacturing or industrial processes, or the reduction of high pressure in water or gas pipelines.

Sec. 16. Minnesota Statutes 2014, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. **Conservation improvement by cooperative association or municipality.** (a) This subdivision applies to:

- (1) a cooperative electric association that provides retail service to its members;
- (2) a municipality that provides electric service to retail customers; and
- (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales to natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

- (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and
- (2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are

appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load-management activities may be used to meet 50 percent of the conservation investment and spending requirements of this subdivision.

(f) A generation and transmission cooperative electric association that provides energy services to cooperative electric associations that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.

(g) Each municipality or cooperative shall file energy conservation improvement plans by June 1 on a schedule determined by order of the commissioner, but at least every three years. Plans received by June 1 must be approved or approved as modified by the commissioner by December 1 of the same year. The municipality or cooperative shall provide an evaluation to the commissioner detailing its energy conservation improvement spending and investments for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department. The commissioner shall review each evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities.

(h) MS 2010 [Expired, 1Sp2003 c 11 art 3 s 4; 2007 c 136 art 2 s 5]

(i) The commissioner shall consider and may require a utility, association, or other entity providing energy efficiency and conservation services under this section to undertake a program suggested by an outside source, including a political subdivision, nonprofit corporation, or community organization.

(j) A municipality or cooperative electric association may appeal a decision of the commissioner under this subdivision, to the commission under subdivision 2. In reviewing a decision of the commissioner under this subdivision, the commission shall rescind the decision if it finds that the required investments or spending will:

(1) not result in cost-effective energy conservation improvements; or

(2) otherwise not be in the public interest.

Sec. 17. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to read:

Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

(b) Each individual electric utility and association shall have an annual energy-savings goal equivalent to ~~1.5~~ two percent and each individual natural gas utility shall have annual energy-saving goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the commissioner under paragraph (d). The savings goals must be calculated based on the most recent three-year weather-normalized average. ~~A~~ An electric utility or association may elect to carry forward energy savings in excess of ~~1.5~~ two percent and a natural gas utility may elect to carry forward energy savings in excess of 1.5 percent for a year to the succeeding ~~three~~ five calendar years, except that savings from electric utility infrastructure projects allowed under paragraph (d) may be carried forward for five years. A particular energy savings can be used only for one year's goal upon achievement of a minimum 1.5 percent energy savings from demand-side energy conservation improvements for electric utilities and achievement of a minimum one percent energy savings from demand-side energy conservation improvements for natural gas utilities.

(c) The commissioner must adopt a filing schedule that is designed to have all utilities and associations operating under an energy-savings plan with the goals indicated in this subdivision by calendar year ~~2010~~ 2017.

(d) In its energy conservation improvement plan filing, a utility or association may request the commissioner to adjust its annual energy-savings percentage goal based on its historical conservation investment experience, customer class makeup, load growth, a conservation potential study, or other factors the commissioner determines warrants an adjustment. The commissioner may not approve a plan of a public utility that provides for providing electric service an annual energy-savings goal of less than one 1.5 percent of gross annual retail energy sales from demand-side energy conservation improvements, and less than a one percent goal of gross annual retail energy sales from demand-side energy conservation improvements from a public utility providing natural gas service.

A An electric utility or association may include in its energy conservation plan energy savings from electric utility infrastructure projects approved by the commission under section 216B.1636 or waste heat recovery converted into electricity projects that may count as energy savings in addition to a minimum energy-savings goal of at least one 1.5 percent for demand-side energy conservation improvements. Electric utility infrastructure projects must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity.

(e) An energy-savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy-savings goal established in this subdivision.

(f) An association or utility is not required to make energy conservation investments to attain the energy-savings goals of this subdivision that are not cost-effective even if the investment is necessary to attain the energy-savings goals. For the purpose of this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner shall consider the rate at which an

association or municipal utility is increasing its energy savings and its expenditures on energy conservation.

(g) On an annual basis, the commissioner shall produce and make publicly available a report on the annual energy savings and estimated carbon dioxide reductions achieved by the energy conservation improvement programs for the two most recent years for which data is available. The commissioner shall report on program performance both in the aggregate and for each entity filing an energy conservation improvement plan for approval or review by the commissioner.

(h) By January 15, 2010, the commissioner shall report to the legislature whether the spending requirements under subdivisions 1a and 1b are necessary to achieve the energy-savings goals established in this subdivision.

Sec. 18. Minnesota Statutes 2014, section 216B.2421, subdivision 2, is amended to read:

Subd. 2. **Large energy facility.** "Large energy facility" means:

(1) any electric power generating plant or combination of plants at a single site with a combined capacity of 50,000 kilowatts or more and transmission lines directly associated with the plant that are necessary to interconnect the plant to the transmission system;

(2) any high-voltage transmission line with a capacity of 200 kilovolts or more and greater than 1,500 feet in length;

(3) any high-voltage transmission line with a capacity of 100 kilovolts or more with more than ten miles of its length in Minnesota or that crosses a state line;

(4) any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum fuels or oil, or their derivatives;

(5) any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch with more than 50 miles of its length in Minnesota;

(6) any facility designed for or capable of storing on a single site more than 100,000 gallons of liquefied natural gas or synthetic gas, excluding propane storage facilities;

(7) any underground gas storage facility requiring a permit pursuant to section 103I.681;

(8) any nuclear fuel processing or nuclear waste storage or disposal facility; and

(9) any facility intended to convert any material into any other combustible fuel and having the capacity to process in excess of 75 tons of the material per hour.

Sec. 19. Minnesota Statutes 2014, section 216B.2425, is amended to read:

216B.2425 STATE TRANSMISSION AND DISTRIBUTION PLAN.

Subdivision 1. **List.** The commission shall maintain a list of certified high-voltage transmission line projects.

Subd. 2. **List development; transmission projects report.** (a) By November 1 of each odd-numbered year, a transmission projects report must be submitted to the commission by each utility, organization, or company that:

(1) is a public utility, a municipal utility, a cooperative electric association, the generation and transmission organization that serves each utility or association, or a transmission company; and

(2) owns or operates electric transmission lines in Minnesota, except a company or organization that owns a transmission line that serves a single customer or interconnects a single generating facility.

(b) The report may be submitted jointly or individually to the commission.

(c) The report must:

(1) list specific present and reasonably foreseeable future inadequacies in the transmission system in Minnesota;

(2) identify alternative means of addressing each inadequacy listed;

(3) identify general economic, environmental, and social issues associated with each alternative; **and**

(4) identify incremental investments needed to modernize the existing transmission and distribution grid, including, but not limited to, two-way meters and communication technologies, control technologies, energy storage and microgrids, outage management, investments to enable demand response, and incremental investments to enhance reliability and security against cyber and physical threats; and

(5) provide a summary of public input related to the list of inadequacies and the role of local government officials and other interested persons in assisting to develop the list and analyze alternatives.

(d) To meet the requirements of this subdivision, reporting parties may rely on available information and analysis developed by a regional transmission organization or any subgroup of a regional transmission organization and may develop and include additional information as necessary.

Subd. 3. **Commission approval.** By June 1 of each even-numbered year, the commission shall adopt a state transmission project list and shall require, certify, certify as modified, or deny certification of the projects proposed under subdivision 2. The commission may only certify a project that is a high-voltage transmission line as defined in section 216B.2421, subdivision 2, that the commission finds is:

(1) necessary to maintain or enhance the reliability of electric service to Minnesota consumers;

(2) needed, applying the criteria in section 216B.243, subdivision 3; and

(3) in the public interest, taking into account electric energy system needs and economic, environmental, and social interests affected by the project.

Subd. 4. **List; effect.** Certification of a project as a priority electric transmission project satisfies section 216B.243. A certified project on which construction has not begun more than six years after being placed on the list, must be reapproved by the commission.

Subd. 5. **Transmission inventory.** The Department of Commerce shall create, maintain, and update annually an inventory of transmission lines in the state.

Subd. 6. **Exclusion.** This section does not apply to any transmission line proposal that has been approved by, or was pending before, a local unit of government, the Environmental Quality Board, or the Public Utilities Commission on August 1, 2001.

Subd. 7. **Transmission needed to support renewable resources.** (a) Each entity subject to this section shall determine necessary transmission upgrades to support development of renewable energy resources required to meet objectives under section 216B.1691 and shall include those upgrades in its report under subdivision 2.

(b) MS 2008 [Expired]

Subd. 8. **Distribution study to support distributed generation resources.** Each entity subject to this section shall conduct a distribution study to identify interconnection points on its distribution system for small-scale distributed generation resource and shall identify necessary distribution upgrades to support continued development of distributed generation resources.

Sec. 20. **[216B.247] LARGE SOLAR ENERGY SYSTEM OR LWECs REPOWERING.**

(a) A large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar-powered large energy facility, as defined in section 216B.2421, subdivision 2, engaging in a repowering project that will not result in the facility exceeding the nameplate capacity under its most recent interconnection agreement is exempt from the certificate of need requirements under section 216B.241.

(b) A large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar-powered large energy facility, as defined in section 216B.2421, subdivision 2, engaging in a repowering project that will result in the facility exceeding the nameplate capacity under its most recent interconnection agreement is exempt from the certificate of need requirements under section 216B.241, if the project has obtained a signed generator interconnection agreement from the Midcontinent Independent System Operator that reflects the net power increase.

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

Sec. 21. Minnesota Statutes 2014, section 216C.05, subdivision 2, is amended to read:

Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

(1) annual energy savings equal to at least ± 5 two percent of annual retail energy sales of electricity and natural gas be achieved through cost-effective energy efficiency;

(2) the per capita use of fossil fuel as an energy input be reduced by 15 percent by the year 2015, through increased reliance on energy efficiency and renewable energy alternatives; and

(3) 25 percent of the total energy used in the state be derived from renewable energy resources by the year 2025.

Sec. 22. **[216C.155] ENERGY ASSURANCE AND EMERGENCY CONSERVATION PLAN.**

Subdivision 1. **Plan requirements.** (a) The commissioner shall maintain an energy assurance and emergency conservation plan. The plan shall:

(1) profile the state's energy sectors, including an assessment of the risk within each energy sector and the character of the vulnerabilities;

(2) establish priorities for Minnesota's long-term preparedness activities to ensure the availability of energy resources critical for the safety, health, and welfare of the state's citizens;

(3) include Minnesota's three main energy sectors of electricity, natural gas, and liquid fuels, including renewable and biological sources of energy available in each sector;

(4) identify relevant legal authorities governing the commissioner's actions during an energy emergency and any necessary allocation of limited energy resources under the emergency conservation section of the plan; and

(5) establish response protocols for the commissioner's actions in the event of an energy supply emergency.

(b) At least once every five years, the commissioner shall review and update the plan. Revisions of the plan directly relating to the emergency conservation requirements of the plan must be adopted under the rulemaking procedures of chapter 14.

Subd. 2. **Long-term preparedness.** (a) The commissioner shall establish priorities for Minnesota's long-term preparedness activities, with the primary goal of reducing the consequences of any energy disruption by increasing Minnesota's resilience to short- and long-term disruptions of energy delivery to government, commercial, industrial, nonprofit, and citizen energy consumers.

(b) Long-term preparedness goals must also include:

(1) increasing the utilization of Minnesota-derived energy sources;

(2) reducing overall demand for energy through both cost-effective energy efficiency and conservation activities;

(3) developing new energy production technologies, new consumer-level energy monitoring mechanisms, and new energy provider business models; and

(4) minimizing consumer and ratepayer costs, and maximizing the economic benefits for the state as a result of these preparedness activities.

Subd. 3. **Emergency energy conservation protocols.** (a) The commissioner shall establish protocols for responding to an energy supply emergency. These protocols must be consistent with the responsibilities identified in chapter 12, the Minnesota Emergency Operations Plan, the State All-Hazard Mitigation Plan, and relevant guidelines issued by the National Association of State Energy Officials.

(b) The protocols must:

(1) include a plan for coordinating information and any required response actions with private-sector energy providers;

(2) include a plan for providing uniform, timely, and accurate information to the public and to state agencies with responsibilities for emergency management and disaster response; and

(3) ensure that emergency energy conservation actions by private-sector energy providers minimize disruption for critical facilities as identified by state and local emergency management officials.

(c) Whenever possible, the emergency energy conservation protocols should place a priority on broader energy conservation activities that reduce the severity and duration of an energy supply disruption, for the purpose of limiting the number of critical facilities experiencing a complete disruption of energy at individual facilities.

Subd. 4. **Emergency energy allocation protocols.** (a) The commissioner shall establish guidelines and criteria for allocation of energy supplies to critical facilities and priority users, in the case of a widespread or severe disruption to the state's energy sector. The guidelines and criteria shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and allow a choice of appropriate responses, based on reasonable energy savings or transfers from scarce energy resources.

(b) Consistent with requirements of federal emergency energy conservation and allocation laws and regulations, the guidelines and criteria must:

(1) require that all individuals, state agencies, local subdivisions of government, businesses, and public transit agencies requesting emergency allocation of energy resources demonstrate they have adopted an emergency energy conservation plan and have engaged in energy-saving measures;

(2) ensure maintenance of reasonable job safety conditions and minimize environmental sacrifices;

(3) ensure the availability of energy resources to emergency authorities, including state and local law enforcement, emergency medical services, and other first responders;

(4) prioritize allocating fuel, electricity, and other available energy resources to those critical facilities identified by state and local emergency management officials;

(5) as necessary, control the use, sale, or distribution of commodities, materials, goods, or services that will prevent the restoration of adequate energy supply conditions to affected individuals, state agencies, local subdivisions of government, businesses, and public transit agencies;

(6) as necessary, determine at what level of an energy supply emergency the Pollution Control Agency shall be requested to ask the governor to petition the president for a temporary emergency suspension of air quality standards as required by the Clean Air Act, United States Code, title 42, section 7410f; and

(7) ensure all affected entities maintain their rights to due process, including a fair and equitable review of complaints and requests for special exemptions.

Subd. 5. **Declaration of energy supply emergency.** (a) The governor or the Executive Council may declare an energy supply emergency when an acute shortage of energy exists by issuing a declaration indicating the nature of the emergency, the area or areas threatened if less than the whole state is threatened, and the conditions causing the emergency.

(b) An energy supply emergency exists only when the state and private sector energy partners have exhausted all economical and reasonable means of meeting the energy needs of the state and its citizens, including operating energy facilities at their emergency capacity, importing additional external energy resources, and implementing all available voluntary energy conservation measures.

(c) An energy supply emergency declaration shall be disseminated promptly by means calculated to bring its contents to the attention of the general public and shall be promptly filed with the commissioner, the commissioner of public safety, and the secretary of state. Upon a declaration of an energy supply emergency, the governor and the commissioner, in consultation with the commissioner of public safety, shall implement and enforce the emergency and energy allocation protocols or any part thereof.

(d) The Executive Council may terminate an energy supply emergency at any time by issuing a termination declaration and indicating the condition or conditions supporting termination. No energy supply emergency may continue for longer than 30 days unless renewed by the Executive Council. Each renewed energy supply emergency may not continue for longer than 30 days unless otherwise provided by law. Each person shall carry out the responsibilities specified in the emergency conservation allocation plan, and violation of any provision of such emergency conservation or allocation requirements shall be deemed a violation of sections 216C.05 to 216C.30 and the rules adopted thereunder for purposes of enforcement under section 216C.30.

Sec. 23. Minnesota Statutes 2014, section 216C.16, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of this section is to grant to the commissioner authority to exercise specific power to deal with shortages of refined petroleum products. Authority granted shall be exercised for the purpose of minimizing the adverse impacts of prolonged petroleum shortages and dislocations upon the citizens and the economy of the state and nation.

Sec. 24. Minnesota Statutes 2014, section 216C.16, subdivision 2, is amended to read:

Subd. 2. **Establishment.** The commissioner shall establish and is responsible for a state set-aside system for motor gasoline and middle distillates to provide emergency petroleum requirements and thereby relieve the hardship caused by shortage, prolonged petroleum shortages and supply dislocations, or other emergencies. The commissioner, for purposes of administration, may exercise all of the powers granted by this chapter.

Sec. 25. [216C.165] PETROLEUM END USER PROGRAM.

Subdivision 1. Purpose. The purpose of this section is to grant to the commissioner authority to ensure availability of necessary supplies of motor gasoline, middle distillates, and propane for priority end users essential to ensure the health, safety, and welfare of the general public.

Subd. 2. Establishment. The commissioner shall establish and is responsible for a state priority end user program for motor gasoline, middle distillates, and propane to provide emergency petroleum requirements and thereby relieve the hardship caused by emergency petroleum shortages. The commissioner, for purposes of administration, may exercise all of the powers granted by this chapter.

Subd. 3. Definitions. (a) For the purposes of this section, the following terms have the meaning given them.

(b) "Current requirements" means the supply of motor gasoline, distillate fuel oil, and propane needed by an end user or wholesale purchaser to meet its present priority end use needs.

(c) "End user" means any person who is an ultimate consumer of a petroleum product other than a wholesale purchaser-consumer.

(d) "Middle distillates" means distillates obtained between kerosene and lubricating oil fractions in the refining process, including but not limited to kerosene, number one and number two heating oil, and diesel fuel.

(e) "Motor gasoline" means a liquid mixture of hydrocarbons produced by the distillation of petroleum and used chiefly as a fuel in internal combustion engines.

(f) "Prime supplier" means the producer or supplier now or hereafter making the first sale of middle distillates or motor gasoline subject to the state set-aside for consumption within the state.

(g) "Propane" means a normally gaseous paraffinic compound that boils at a temperature of -43.67 degrees Fahrenheit, and is used primarily for heating and cooking. It does not include the propane portion of any natural gas liquid mixes, including a butane-propane mix.

(h) "Supplier" means any prime supplier or any other firm which presently, or during the last 12 months, supplies, sells, transfers, or otherwise furnishes motor gasoline, distillate oil, and propane to wholesale purchasers or end users, including but not limited to a refiner, importer, reseller, jobber, or retailer.

Subd. 4. **Priority end user program; declaration.** (a) The commissioner may implement the priority end user program only upon:

(1) declaration of an energy supply emergency under the authority of section 216C.155, or a declaration of an emergency under chapter 12; and

(2) a finding by the commissioner that (i) major petroleum suppliers are unable to fully satisfy contractually obligated volumes and have limited customers to a percentage of their historical purchases or contractual volumes, and (ii) public services and public health and safety are either interrupted or threatened due to insufficient supplies of petroleum products.

(b) A declaration implementing the priority end user program shall remain in effect for 60 days from date of declaration unless otherwise amended, superseded, or rescinded.

Subd. 5. **Supplier responsibilities.** Upon commissioner order implementing the program and within 30 days of submission of the sworn statement required under this section, petroleum suppliers shall supply 100 percent of the current requirements of motor gasoline, middle distillates, and propane each month to certified priority end users.

Subd. 6. **Priority end users.** (a) The commissioner shall certify as priority end users those end users whose continuity of operations in an emergency is critical for public health, safety, and welfare. Such priority end users shall include the Minnesota State Patrol, local law enforcement, fire fighting units, emergency medical services, and any other end users as certified by the commissioner.

(b) Priority end users shall present to a petroleum supplier evidence of this certification and the following information:

(1) the most recent 12 months of fuel purchases, in gallons;

(2) anticipated requirements for the next 12 months;

(3) written justification explaining the need for any volumes in excess of historical or contractual purchases; and

(4) a sworn statement that the information provided in the certification is true and accurate and that the petroleum product to be provided will only be used for priority use as indicated.

Subd. 7. **Appeal process.** (a) A person aggrieved by certification of priority end use may file a written petition of appeal to the Office of Administrative Hearings. The petition must include:

- (1) the name and address of the petitioner;
- (2) a concise statement of facts surrounding the case, including the reason for the appeal and relief sought; and
- (3) the names and addresses of persons known to the petitioner who may be affected adversely by the outcome of the appeal.

(b) The petitioner shall attach a sworn statement to the petition which states that the information provided in the petition is true to the best of the petitioner's knowledge.

(c) The Office of Administrative Hearings shall, within three work days after the filing of a petition, serve a copy of the petition on known persons who might be affected adversely by the outcome of the appeal. Persons served with a petition may, not later than five working days from service of the petition, file a written reply, supported by a sworn statement to the effect that the information in the reply is true to the best of the respondent's knowledge. A copy of the response shall be made available to the petitioner.

(d) Within 20 working days after the petition of appeal is filed, the Office of Administrative Hearings shall render a decision on the appeal and serve it upon all persons who participated in the appellate proceeding and any other person who is aggrieved by the decision and order. A supplier is deemed to have exhausted all administrative remedies once a decision has been rendered on the appeal.

Sec. 26. Minnesota Statutes 2014, section 216C.31, is amended to read:

216C.31 ENERGY AUDIT PROGRAMS.

The commissioner shall develop state or approve programs of for energy audits of residential and commercial buildings including the training and qualifications necessary ~~of for energy audits of residential and commercial buildings including the training and qualifications necessary~~ auditors for the auditing of residential and commercial buildings under ~~the auspices of~~ a program created under section 216B.241, 216C.436, or any other energy program.

Sec. 27. Minnesota Statutes 2014, section 216C.435, subdivision 3a, is amended to read:

Subd. 3a. **Cost-effective energy improvements.** "Cost-effective energy improvements" mean energy improvements that have been identified in an energy audit or renewable energy system feasibility study as repaying their purchase and installation costs in 20 years or less, based on the amount of ~~future~~ energy saved and estimated future energy prices.

Sec. 28. Minnesota Statutes 2014, section 216C.435, subdivision 4, is amended to read:

Subd. 4. **Energy audit.** "Energy audit" means a formal evaluation of the energy consumption of a building by a ~~certified energy auditor, whose certification is approved by the commissioner~~ qualified professional, for the purpose of identifying appropriate energy improvements that could be made to the building and including an estimate of the length of time a specific energy improvement will

take to repay its purchase and installation costs, based on the amount of energy saved and estimated future energy prices.

Sec. 29. Minnesota Statutes 2014, section 216C.435, subdivision 5, is amended to read:

Subd. 5. **Energy improvement.** "Energy improvement" means:

(1) any renovation or retrofitting of a building to improve energy efficiency that is permanently affixed to the property and that results in a net reduction in energy consumption without altering the principal source of energy;

(2) permanent installation of new or upgraded electrical circuits and related equipment to enable electrical vehicle charging; ~~or~~

(3) a renewable energy system attached to, installed within, or proximate to a building that generates electrical or thermal energy from a renewable energy source; or

(4) the installation of infrastructure, machinery, and appliances that will allow natural gas to be used as a heating fuel on the premises of a building that was previously not connected to a source of natural gas.

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

Sec. 30. Minnesota Statutes 2014, section 216C.435, subdivision 10, is amended to read:

Subd. 10. **Renewable energy system feasibility study.** "Renewable energy system feasibility study" means a written study, conducted by a ~~contractor~~ qualified professional trained to perform that analysis, for the purpose of determining the feasibility of installing a renewable energy system in a building, including an estimate of the length of time a specific renewable energy system will take to repay its purchase and installation costs, based on the amount of energy saved and estimated future energy prices. For a geothermal energy improvement, the feasibility study must calculate net savings in terms of nongeothermal energy and costs.

Sec. 31. Minnesota Statutes 2014, section 216C.435, is amended by adding a subdivision to read:

Subd. 13. **Qualified professional.** "Qualified professional" means an individual who has successfully completed one of the programs developed or approved by the commissioner, as referenced in section 216C.31.

Sec. 32. Minnesota Statutes 2014, section 216C.436, subdivision 1, is amended to read:

Subdivision 1. **Program authority.** An implementing entity may establish a program to finance energy improvements to enable owners of qualifying real property to pay for cost-effective energy improvements to the qualifying real property ~~with the net proceeds and interest earnings of revenue bonds authorized in this section.~~ An implementing entity may limit the number of qualifying real properties for which a property owner may receive program financing.

Sec. 33. Minnesota Statutes 2014, section 216C.436, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** ~~A~~ The implementing entity must ensure that a financing program must:

(1) ~~impose~~ imposes requirements and conditions on financing arrangements to ensure timely repayment;

(2) require requires an energy audit or renewable energy system feasibility study to be conducted on the qualifying real property and reviewed by the implementing entity prior to approval of the financing;

(3) require requires the inspection of all installations and a performance verification of at least ten percent of the energy improvements financed by the program;

(4) does not prohibit the financing of all cost-effective energy improvements not otherwise prohibited by this section;

(5) require requires that all cost-effective energy improvements be made to a qualifying real property are completed and operational prior to, or in conjunction with, ~~an applicant's repayment of financing for energy improvements for that property~~ the first scheduled assessment payment due to the taxing authority;

(6) have has energy improvements financed by the program performed by licensed contractors as required by chapter 326B or other law or ordinance;

(7) require requires disclosures to borrowers by the implementing entity of the risks involved in borrowing, including the risk of ~~foreclosure~~ forfeiture if a tax delinquency results from a default;

(8) provide provides financing only to those who demonstrate an ability to repay;

(9) does not provide financing for a qualifying real property in which the owner is not current on mortgage or real property tax payments;

(10) require requires a petition to the implementing entity by all owners of the qualifying real property requesting collections of repayments as a special assessment under section 429.101;

(11) provide provides that payments and assessments are not accelerated due to a default and that a tax delinquency exists only for assessments not paid when due; and

(12) require requires that liability for special assessments related to the financing runs with the qualifying real property.

Sec. 34. Minnesota Statutes 2014, section 216E.01, subdivision 5, is amended to read:

Subd. 5. **Large electric power generating plant.** "Large electric power generating plant" shall mean electric power generating equipment and associated facilities designed for or capable of operation at a capacity of 50,000 kilowatts or more, or a solar energy generating system designed for or capable of operation at a capacity of 10,000 kilowatts or more.

Sec. 35. Minnesota Statutes 2014, section 216E.021, is amended to read:

216E.021 SOLAR ENERGY SYSTEM SIZE DETERMINATION.

(a) This section must be used to determine whether a combination of solar energy generating systems meets the definition of large electric power generating plant and is subject to the commission's siting authority jurisdiction under this chapter. The alternating current nameplate capacity of one solar energy generating system must be combined with the alternating current nameplate capacity of any other solar energy generating system that:

(1) is constructed within the same 12-month period as the solar energy generating system; and

(2) exhibits characteristics of being a single development, including but not limited to ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing arrangements, and common debt or equity financing.

(b) An application to a county or municipality for a permit to construct a solar energy generating system with a capacity of 1,000 kilowatts or greater is not complete unless it includes a solar energy system size determination under this section.

~~(b)~~(c) The commissioner of commerce shall provide forms and assistance for applicants to make a request for a size determination. Upon written request of an applicant, the commissioner shall provide a written size determination within 30 days of receipt of the request and of any information requested by the commissioner. In the case of a dispute, the chair of the Public Utilities Commission shall make the final size determination.

Sec. 36. Minnesota Statutes 2014, section 216E.03, subdivision 3, is amended to read:

Subd. 3. **Application.** Any person seeking to construct a large electric power generating plant or a high-voltage transmission line must apply to the commission for a site or route permit. The application shall contain such information as the commission may require. The applicant shall propose at least two sites for a large electric power generating plant and two routes for a high-voltage transmission line, except that an applicant shall only be required to propose one site for a large electric power generating plant that is a solar energy generating system. Neither of the two proposed routes may be designated as a preferred route and all proposed routes must be numbered and designated as alternatives. The commission shall determine whether an application is complete and advise the applicant of any deficiencies within ten days of receipt. An application is not incomplete if information not in the application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.

Sec. 37. Minnesota Statutes 2014, section 216E.05, subdivision 2, is amended to read:

Subd. 2. **Applicable projects.** Applicants may seek approval from local units of government to construct the following projects:

(1) large electric power generating plants, except solar energy generating systems, with a capacity of less than 80 megawatts;

(2) large electric power generating plants of any size that burn natural gas and are intended to be a peaking plant;

(3) high-voltage transmission lines of between 100 and 200 kilovolts;

(4) substations with a voltage designed for and capable of operation at a nominal voltage of 100 kilovolts or more;

(5) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length; and

(6) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line.

Sec. 38. [216E.055] SOLAR FACILITY PERMIT AUTHORITY; ASSUMPTION BY COUNTIES AND MUNICIPALITIES.

(a) A county or municipality may, by resolution and upon written notice to the Public Utilities Commission, assume responsibility for processing applications for permits required under this chapter for large electric power generating plants solely within their jurisdiction that are solar energy generating systems up to 25,000 kilowatts. If a county or municipality assumes the responsibility for permit application processing, the county or municipality may delegate the authority to issue the permit to an appropriate county officer or employee; or the county or municipality may determine the permit application should be processed as a conditional use in accordance with procedures and processes established under chapter 394 or 462.

(b) A county or municipality that exercises its option under paragraph (a) may issue, deny, modify, impose conditions upon, or revoke permits pursuant to this section. The action of the county or municipality about a permit application is final, subject to appeal.

(c) The commission shall, by order, establish general permit standards, including appropriate set-backs, governing site permits for solar energy generating systems under this chapter. The order must consider existing and historic commission standards for permits issued by the commission. The general permit standards shall apply to permits issued by counties and municipalities under this section and to permits issued by the commission under this chapter. The commission or a county or municipality may grant a variance from a general permit standard if the variance is found to be in the public interest.

(d) A county or municipality may by ordinance adopt standards for solar energy generating systems that are more stringent than standards in commission rules or in the commission's permit standards. The commission, when considering a permit application for a solar energy generating system in a jurisdiction that has assumed permitting authority under this section, shall consider and apply the jurisdiction's more stringent standards unless the commission finds good cause to not apply the standards.

(e) The commission and the commissioner of commerce shall provide technical assistance to a county or municipality with respect to the processing of site permit applications for solar energy generating systems under this section.

(f) This section does not exempt applicants from the requirements under section 216E.021.

Sec. 39. Minnesota Statutes 2014, section 453A.02, subdivision 5, is amended to read:

Subd. 5. **Gas.** "Gas" means either natural or synthetic gas, ~~including~~ propane, manufactured gas, methane from coal beds, geothermal gas, or any mixture thereof, whether in gaseous or liquid form, or any by-product resulting therefrom.

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

Sec. 40. Minnesota Statutes 2014, section 500.30, is amended by adding a subdivision to read:

Subd. 2a. **Lease of wind rights extension.** Notwithstanding subdivision 2, a wind energy project that meets the requirements of this subdivision shall extend lease of wind rights to an eight-year period. In order to qualify for the extension under this subdivision a facility must:

(1) utilize between 35 and 41 wind turbines;

(2) have a nameplate capacity of between 75 and 82 megawatts; and

(3) have commenced construction of the facility before June 1, 2015.

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

Sec. 41. **STUDY OF PERFORMANCE METRICS.**

The commission may initiate a proceeding to determine a set of performance metrics that are quantifiable, verifiable, and consistent with state policy.

Sec. 42. **COMPETITIVE RATE FOR ENERGY-INTENSIVE, TRADE-EXPOSED ELECTRIC UTILITY CUSTOMER.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Energy-intensive, trade-exposed customer" is defined as:

(1) a retail customer of an investor-owned electric utility that has facilities at a single site that:

(i) collectively impose a peak electrical demand of at least 10,000 kilowatts on the electric utility's system; and

(ii) have a combined annual average load factor in excess of 80 percent; and

(2) any other globally competitive electric utility customer who can demonstrate that energy costs are a significant portion of the customer's overall cost of production and impedes the customer's ability to compete in the global market.

(c) "EITE rate schedule" means a rate schedule of an investor-owned electric utility that establishes the terms of service for an individual or group of energy-intensive, trade-exposed customers.

(d) "EITE rate" means the rate or rates offered by the utility under an EITE rate schedule.

Subd. 2. **Rates and terms of EITE rate schedule.** (a) An investor-owned electric utility that has at least 50 percent of its load from 15 or fewer customers may propose an EITE rate schedule for commission approval that includes various EITE rate options such as fixed rates, market-based rates.

(b) Notwithstanding Minnesota Statutes, section 216B.03, 216B.05, 216B.06, 216B.07, or 216B.16, the commission shall approve a proposed EITE rate schedule, if it finds the schedule provides net benefits to the utility and its customers, considering among other things:

(1) potential cost impacts to the utility customers;

(2) the net benefit to the local or state economy through the retention of or increase to existing jobs;

(3) a net increase in economic development in the utility's service territory; and

(4) avoiding a significant increase in rates due to a reduction of EITE customer load.

(c) An EITE rate offered by an electric utility under an approved EITE rate schedule must be filed with the commission. The commission shall review and approve the EITE rate offered by an

electric utility if it finds the rate provides net benefits to the utility and its customers as described above. The commission shall make a final determination in any proceeding begun under this section within 90 days of a miscellaneous rate filing by the electric utility.

(d) Upon approval of an EITE rate, the utility may recover the incremental costs, or refund the incremental revenues, associated with providing service to a customer under the EITE rate from the utility's nonenergy-intensive, trade-exposed customers, except low-income residential ratepayers, as defined in Minnesota Statutes, section 216B.16, subdivision 15.

Sec. 43. **REPEALER.**

Minnesota Statutes 2014, sections 216C.15; and 216C.436, subdivision 6, are repealed."

Delete the title and insert:

"A bill for an act relating to energy; modifying the guaranteed energy-savings program; increasing the size limit of natural gas utilities not subject to rate regulations; allowing performance-based, multiyear rate plans; allowing public utility commission approval for rate recovery for natural gas extension projects; modifying the renewable energy standard; modifying certificate of need exemptions; enhancing the energy assurance and emergency conservation plan; establishing a petroleum end user program; modifying energy auditor standards; making changes to the energy improvements program for local governments; modifying eligibility for various siting requirements; allowing an extension of certain lease of wind rights; providing for a competitive rate for energy-intensive, trade-exposed electric utility customers; amending Minnesota Statutes 2014, sections 16C.144; 216B.02, by adding subdivisions; 216B.16, subdivisions 6, 7, 7b, 12, 19; 216B.1691, subdivisions 2a, 2b; 216B.2401; 216B.241, subdivisions 1, 1b, 1c; 216B.2421, subdivision 2; 216B.2425; 216C.05, subdivision 2; 216C.16, subdivisions 1, 2; 216C.31; 216C.435, subdivisions 3a, 4, 5, 10, by adding a subdivision; 216C.436, subdivisions 1, 2; 216E.01, subdivision 5; 216E.021; 216E.03, subdivision 3; 216E.05, subdivision 2; 453A.02, subdivision 5; 500.30, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C; 216E; repealing Minnesota Statutes 2014, sections 216C.15; 216C.436, subdivision 6."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 380, 886, 1732, 1325, 1539, 1705, 918, 1525, 1816, 1416, 1390, 1478, 1461, 1473, 1703, 1438, 1495 and 1431 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Eken introduced—

S.F. No. 1925: A bill for an act relating to regulatory reform; modifying legislative approval of certain rules; amending Minnesota Statutes 2014, section 14.127.

Referred to the Committee on State and Local Government.

Senator Skoe introduced—

S.F. No. 1926: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public waters.

Referred to the Committee on Environment and Energy.

Senator Thompson introduced—

S.F. No. 1927: A bill for an act relating to education finance; modifying pupil transportation procedures for certain nonresident charter school pupils; amending Minnesota Statutes 2014, sections 123B.88, by adding a subdivision; 124D.10, subdivision 16.

Referred to the Committee on Finance.

Senator Hann introduced—

S.F. No. 1928: A bill for an act relating to retirement; permitting the Hopkins Volunteer Firefighter Relief Association to allow a deferred member to apply for a disability benefit for a non-duty-related disability.

Referred to the Committee on State and Local Government.

Senator Johnson introduced—

S.F. No. 1929: A bill for an act relating to retirement; authorizing purchase of service credit from the public employees retirement association for omitted service.

Referred to the Committee on State and Local Government.

Senator Dahle introduced—

S.F. No. 1930: A bill for an act relating to alcohol; allowing learner's permits for adults as identification for the purchase of alcohol; amending Minnesota Statutes 2014, section 340A.503, subdivision 6.

Referred to the Committee on Commerce.

Senators Hoffman and Johnson introduced—

S.F. No. 1931: A bill for an act relating to public safety; appropriating money for fire-fighting foam needed to extinguish oil-related fires.

Referred to the Committee on Finance.

Senator Latz introduced—

S.F. No. 1932: A bill for an act relating to employment; prohibiting abusive work environment practices and establishing remedies; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senator Nienow introduced—

S.F. No. 1933: A bill for an act relating to education finance; creating a financial incentive for districts that enhance proficiency for English language learners; amending Minnesota Statutes 2014, sections 124D.59, subdivision 2; 124D.65, subdivision 5; 126C.10, subdivision 4.

Referred to the Committee on Finance.

Senators Westrom, Anderson, Limmer, Brown and Thompson introduced—

S.F. No. 1934: A bill for an act relating to health; limiting use of funds for state-sponsored health programs for funding abortions.

Referred to the Committee on Health, Human Services and Housing.

Senator Wiger introduced—

S.F. No. 1935: A bill for an act relating to education finance; clarifying the general education basic formula allowance; amending Minnesota Statutes 2014, section 126C.10, subdivision 2.

Referred to the Committee on Finance.

Senator Wiger introduced—

S.F. No. 1936: A bill for an act relating to education finance; clarifying the definition of general education revenue; amending Minnesota Statutes 2014, section 126C.10, subdivision 1.

Referred to the Committee on Finance.

Senator Osmek introduced—

S.F. No. 1937: A bill for an act relating to parks and trails; modifying an appropriation from the parks and trails fund to allow use for a safe trail crossing; amending Laws 2013, chapter 137, article 3, section 4.

Referred to the Committee on Finance.

Senators Kiffmeyer and Benson introduced—

S.F. No. 1938: A bill for an act relating to education finance; modifying definition of equity region; amending Minnesota Statutes 2014, section 126C.10, subdivision 28.

Referred to the Committee on Finance.

Senator Johnson introduced—

S.F. No. 1939: A bill for an act relating to education; clarifying that children under age seven who voluntarily enroll in school are subject to the compulsory attendance law; amending Minnesota Statutes 2014, section 120A.22, subdivision 6.

Referred to the Committee on Education.

Senator Dahle introduced—

S.F. No. 1940: A bill for an act relating to commerce; prohibiting the sale of powdered alcohol for one year; requiring agency testimony on the impact of powdered alcohol on law enforcement and public health.

Referred to the Committee on Commerce.

Senators Dahms, Bonoff and Hann introduced—

S.F. No. 1941: A bill for an act relating to employment; modifying the minimum wage for certain employees receiving gratuities; amending Minnesota Statutes 2014, section 177.24, subdivision 1; repealing Minnesota Statutes 2014, section 177.24, subdivision 2.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senators Tomassoni, Ingebrigtsen and Saxhaug introduced—

S.F. No. 1942: A bill for an act relating to natural resources; providing for certain reallocation of base funding.

Referred to the Committee on Finance.

Senator Weber introduced—

S.F. No. 1943: A bill for an act relating to taxation; sales and use; providing an exemption for construction of certain housing by the Worthington Housing and Redevelopment Authority; appropriating money.

Referred to the Committee on Taxes.

Senator Torres Ray introduced—

S.F. No. 1944: A bill for an act relating to insurance; modifying the limitations on the use of credit information; amending Minnesota Statutes 2014, section 72A.20, subdivision 36.

Referred to the Committee on Commerce.

Senators Benson and Senjem introduced—

S.F. No. 1945: A bill for an act relating to health; appropriating money to Isuroon; amending Minnesota Statutes 2014, section 145.928, by adding a subdivision.

Referred to the Committee on Finance.

Senator Hoffman introduced—

S.F. No. 1946: A bill for an act relating to local government; providing for additional financing of parks, trails, and recreational facilities for local units of government by special fees; proposing coding for new law in Minnesota Statutes, chapter 448.

Referred to the Committee on State and Local Government.

Senators Dahms, Koenen, Newman, Sheran and Rosen introduced—

S.F. No. 1947: A bill for an act relating to capital investment; appropriating money to the Minnesota Valley Regional Rail Authority; authorizing sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Marty introduced—

S.F. No. 1948: A bill for an act relating to electric and compressed natural gas vehicles; requiring certain public utilities to file plans with the Public Utilities Commission promoting electric and compressed natural gas vehicles and to recover costs of such promotion; providing rebates and incentives to electric and compressed natural gas vehicle purchasers and salespersons; appropriating money; amending Minnesota Statutes 2014, section 216B.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Environment and Energy.

Senators Stumpf, Rosen, Schmit and Eken introduced—

S.F. No. 1949: A bill for an act relating to capital investment; establishing a program for grants to counties and county agricultural societies for fairground improvements; appropriating money; authorizing the sale and issuance of state bonds; proposing coding for new law in Minnesota Statutes, chapter 38.

Referred to the Committee on Capital Investment.

Senator Saxhaug introduced—

S.F. No. 1950: A bill for an act relating to telecommunications; providing a grant to the Leech Lake Band of Ojibwe for wireless broadband; appropriating money.

Referred to the Committee on Finance.

Senators Kent and Johnson introduced—

S.F. No. 1951: A bill for an act relating to early childhood; providing state supplemental funding for the child and adult care food program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124D.

Referred to the Committee on Finance.

Senators Kent and Johnson introduced—

S.F. No. 1952: A bill for an act relating to taxation; increasing the income tax exclusion for the elderly and disabled; allowing a second exemption for certain property tax refund claimants; amending Minnesota Statutes 2014, sections 290.0802, subdivision 2; 290A.03, subdivision 3.

Referred to the Committee on Taxes.

Senators Westrom; Pederson, J. and Osmek introduced—

S.F. No. 1953: A bill for an act relating to transportation; establishing a small cities assistance grant program; proposing coding for new law in Minnesota Statutes, chapter 162.

Referred to the Committee on Transportation and Public Safety.

Senator Nelson introduced—

S.F. No. 1954: A bill for an act relating to public safety; expanding the criminal justice data communications network; appropriating money; amending Minnesota Statutes 2014, section 299C.46, subdivision 6.

Referred to the Committee on Judiciary.

Senators Kiffmeyer, Eken and Tomassoni introduced—

S.F. No. 1955: A bill for an act relating to education finance; creating a new source of state aid for school districts with low general education revenue per pupil and low property wealth per pupil; proposing coding for new law in Minnesota Statutes, chapter 126C.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS

Senator Champion moved that the name of Senator Hawj be added as a co-author to S.F. No. 224. The motion prevailed.

Senator Schmit moved that the name of Senator Dibble be added as a co-author to S.F. No. 486. The motion prevailed.

Senator Brown moved that the name of Senator Pederson, J. be added as a co-author to S.F. No. 919. The motion prevailed.

Senator Sheran moved that the name of Senator Marty be added as a co-author to S.F. No. 1311. The motion prevailed.

Senator Hawj moved that the name of Senator Weber be added as a co-author to S.F. No. 1406. The motion prevailed.

Senator Ingebrigtsen moved that the name of Senator Lourey be added as a co-author to S.F. No. 1587. The motion prevailed.

Senator Rest moved that the name of Senator Anderson be added as a co-author to S.F. No. 1784. The motion prevailed.

Senator Sparks moved that the name of Senator Miller be added as a co-author to S.F. No. 1901. The motion prevailed.

Senator Gazelka moved that his name be stricken as a co-author to S.F. No. 1919. The motion prevailed.

Senator Dziejdzic moved that the name of Senator Reinert be added as a co-author to S.F. No. 1919. The motion prevailed.

Senator Rest moved that S.F. No. 1251, No. 92 on General Orders, be stricken and re-referred to the Committee on Taxes. The motion prevailed.

Senator Brown moved that S.F. No. 1375 be withdrawn from the Committee on State and Local Government and returned to its author. The motion prevailed.

Senator Jensen moved that S.F. No. 383 be withdrawn from the Committee on Finance and re-referred to the Committee on Judiciary. The motion prevailed.

Senator Carlson introduced –

Senate Resolution No. 119: A Senate resolution honoring Eric Elert for being named a National Merit Finalist.

Referred to the Committee on Rules and Administration.

Senator Carlson introduced –

Senate Resolution No. 120: A Senate resolution honoring Dennis Melamed for being named a National Merit Finalist.

Referred to the Committee on Rules and Administration.

Senator Carlson introduced –

Senate Resolution No. 121: A Senate resolution honoring Joshua Duchene for being named a National Merit Finalist.

Referred to the Committee on Rules and Administration.

Senator Carlson introduced –

Senate Resolution No. 122: A Senate resolution honoring Helen Matsoff for being named a National Merit Finalist.

Referred to the Committee on Rules and Administration.

Senator Carlson introduced –

Senate Resolution No. 123: A Senate resolution honoring Jacob El-Afandi for being named a National Merit Finalist.

Referred to the Committee on Rules and Administration.

Senator Stumpf introduced –

Senate Resolution No. 124: A Senate resolution congratulating the East Grand Forks High School boys hockey team on winning the 2015 State High School Class A boys hockey championship.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Bakk, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 209 and 152.

SPECIAL ORDER

S.F. No. 209: A bill for an act relating to manufacturing housing; modifying manufactured home space requirements; amending Minnesota Statutes 2014, section 327.20, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dziedzic	Ingebrigtsen	Ortman	Sparks
Bakk	Eaton	Jensen	Osmek	Stumpf
Benson	Eken	Johnson	Pappas	Thompson
Bonoff	Fischbach	Kent	Petersen, B.	Tomassoni
Brown	Franzen	Kiffmeyer	Reinert	Torres Ray
Carlson	Gazelka	Koenen	Rest	Weber
Chamberlain	Goodwin	Limmer	Rosen	Westrom
Champion	Hall	Lourey	Ruud	Wiger
Clausen	Hann	Marty	Saxhaug	Wiklund
Cohen	Hawj	Metzen	Scalze	
Dahle	Hayden	Miller	Schmit	
Dahms	Hoffman	Newman	Sheran	
Dibble	Housley	Nienow	Skoe	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 152: A bill for an act relating to civil liability; providing immunity from liability for certain agritourism activities; proposing coding for new law in Minnesota Statutes, chapter 604A.

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:

Anderson	Dziedzic	Ingebrigtsen	Nienow	Sheran
Bakk	Eaton	Jensen	Ortman	Skoe
Benson	Eken	Johnson	Osmek	Sparks
Bonoff	Fischbach	Kent	Pappas	Stumpf
Brown	Franzen	Kiffmeyer	Petersen, B.	Thompson
Carlson	Gazelka	Koenen	Reinert	Tomassoni
Chamberlain	Goodwin	Limmer	Rest	Torres Ray
Champion	Hall	Lourey	Rosen	Weber
Clausen	Hann	Marty	Ruud	Westrom
Cohen	Hawj	Metzen	Saxhaug	Wiger
Dahle	Hayden	Miller	Scalze	Wiklund
Dahms	Hoffman	Nelson	Schmit	
Dibble	Housley	Newman	Senjem	

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Senators Latz; Pederson, J. and Sieben were excused from the Session of today. Senators Nelson and Senjem were excused from the Session of today from 11:00 to 11:15 a.m. Senator Pratt was excused from the Session of today from 11:00 to 11:20 a.m.

ADJOURNMENT

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Wednesday, March 25, 2015. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate