SCHOOL DISTRICT GOVERNANCE, POWERS AND DUTIES

(Bolded Items - 2014 Session Changes)

1. SCHOOL BOARD MEMBER/SUPERINTENDENT LEADERSHIP TEAM GUIDELINES.

   AS A MEMBER OF THE SCHOOL BOARD, I WILL:

   1. Attend school board meetings.

   2. Come to the meetings prepared for discussion of the agenda items.

   3. Listen to the opinions and views of others (including, but not limited to, other school board members, administration, staff, students, and community members).

   4. Vote my conscience after informed discussion, unless I abstain because a conflict of interest exists.

   5. Support the decision of the school board, even if my position concerning the issue was different.

   6. Recognize the integrity of my predecessors and associates and appreciate their work.

   7. Be primarily motivated by a desire to provide the best possible education for the students of my school district.

   8. Inform myself about the proper duties and functions of a school board member.

   IN PERFORMING THE PROPER DUTIES OF A SCHOOL BOARD MEMBER, I WILL:

   1. Focus on education policy as much as possible.

   2. Remember my responsibility is to set policy – not to implement policy.

   3. Consider myself a trustee of public education and do my best to protect, conserve, and advance its progress.

   4. Recognize that my responsibility, exercised through the actions of the school board as a whole, is to see that the schools are properly run – not to run them myself.

   5. Work through the superintendent – not over or around the superintendent.

   6. Delegate the implementation of school board decisions to the superintendent.

   TO MAINTAIN RELATIONS WITH OTHER MEMBERS OF THE SCHOOL BOARD, I WILL:

   1. Respect the rights of others to have and express opinions.

   2. Recognize that authority rests with the school board in legal session – not with the individual members of the school board except as authorized by law.

3. Make no disparaging remarks, in or out of school board meetings, about other members of the school board or their opinions.

4. Keep an open mind about how I will vote on any proposition until the board has met and fully discussed the issue.

5. Make decisions by voting in school board meetings after all sides of debatable questions have been presented.

6. Insist that committees be appointed to serve only in an advisory capacity to the school board.

IN MEETING MY RESPONSIBILITIES TO MY COMMUNITY, I WILL:

1. Attempt to appraise and plan for both the present and future educational needs of the school district and community.

2. Attempt to obtain adequate financial support for the school district's programs.

3. Insist that business transactions of the school district be ethical and open.

4. Strive to uphold my responsibilities and accountability to the taxpayers in my school district.

IN WORKING WITH THE SUPERINTENDENT OF SCHOOLS AND STAFF, I WILL:

1. Hold the superintendent responsible for the administration of the school district.

2. Give the superintendent authority commensurate with his or her responsibilities.

3. Assure that the school district will be administered by the best professional personnel available.

4. Consider the recommendation of the superintendent in hiring all employees.

5. Participate in school board action after considering the recommendation of the superintendent and only after the superintendent has furnished adequate information supporting the recommendation.

6. Insist the superintendent keep the school board adequately informed at all times.

7. Offer the superintendent counsel and advice.

8. Recognize the status of the superintendent as the chief executive officer and a non-voting, ex officio member of the school board.

9. Refer all complaints to the proper administrative officer or insist that they be presented in writing to the whole school board for proper referral according to the chain of command.

10. Present any personal criticisms of employees to the superintendent.

11. Provide support for the superintendent and employees of the school district so they may perform their proper functions on a professional level.

IN FULFILLING MY LEGAL OBLIGATIONS AS A SCHOOL BOARD MEMBER, I WILL:

1. Comply with all federal, state, and local laws relating to my work as a school board member.

2. Comply with all school district policies as adopted by the school board.

3. Abide by all rules and regulations as promulgated by the Minnesota Department of Education and other state and federal agencies with jurisdiction over school districts.

4. Recognize that school district business may be legally transacted only in an open meeting of the school board.

5. Avoid conflicts of interest and refrain from using my school board position for personal gain.

6. Take no private action that will compromise the school board or administration.

7. Guard the confidentiality of information that is protected under applicable law.

2. ORGANIZATION OF SCHOOL DISTRICTS.

CLASSIFICATION AND TYPES OF SCHOOL DISTRICTS.

Public school districts in Minnesota are governmental subdivisions of the state and are public corporations. They are classified under Minnesota Laws as Common, Independent, and Special. Each school district shall be known by its classification and shall be assigned an identification number by the Commissioner of Education

A common district is any school district validly created and existing as a common school district or joint common school district as of July 1, 1957, or pursuant to the terms of the education code.

An independent district is any school district validly created and existing as an independent, consolidated, joint independent, county or a ten or more township district as of July 1, 1957, or pursuant to the education code.

A special district is a district established by a charter granted by the legislature or by a home rule charter including any district which is designated as a special independent school district by the legislature.

3. M.S. 123B.02 GENERAL POWERS OF INDEPENDENT SCHOOL DISTRICTS.

Subdivision 1. Board authority. The board must have the general charge of the business of the district, the school houses, and of the interests of the schools thereof. The board's authority to govern, manage, and control the district; to carry out its duties and responsibilities; and to conduct the business of the district includes implied powers in addition to any specific powers granted by the legislature.

Subd. 2. Facilities for school-age children. It is the duty and the function of the district to furnish school facilities to every child of school age residing in any part of the district. The board may establish and organize and alter and discontinue such grades or schools as it may deem advisable and assign to each school and grade a proper number of pupils. The board shall provide free textbooks for the pupils of the district.

Subd. 3. Limitation on participation and financial support. (a) A district must not be required by any

type of formal or informal agreement except an agreement to provide building space according to paragraph (f), including a joint powers agreement, or membership in any cooperative unit defined in section 123A.24, subdivision 2, to participate in or provide financial support for the purposes of the agreement for a time period in excess of four fiscal years, or the time period set forth in this subdivision. Any agreement, part of an agreement, or other type of requirement to the contrary is void. This paragraph applies only to agreements entered into between July 1, 1993, and June 30, 1999.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred as a result of any agreement before July 1, 1993. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, if the annual payments of the district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the board must adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year except that for a member of an education district organized under sections 123A.15 to 123A.19 or an intermediate district organized under chapter 136D, cessation or withdrawal shall be effective June 30 of the following fiscal year. At the option of the board, cessation or withdrawal may be effective June 30 of the following fiscal year for a district participating in any type of agreement.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement must adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution must be adopted within a time sufficient to allow the board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122A.40, 122A.41, and 123A.33. The governing body responsible for implementing the agreement shall notify each participating board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

(3) its intention to terminate participation in the agreement.

A board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments

of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

(f) A district that is a member of a cooperative unit as defined in section 123A.24, subdivision 2, may obligate itself to participate in and provide financial support for an agreement with a cooperative unit to provide school building space for a term not to exceed two years with an option on the part of the district to renew for an additional two years.

(g) Notwithstanding any limitations imposed under this subdivision, a school district may, according to section 123B.51, subdivision 4, enter into a lease of all or a portion of a schoolhouse that is not needed for school purposes, including, but not limited to, a lease with a term of more than one year.

Subd. 4. Jointly owned facilities. Notwithstanding subdivision 3, if a school district and a city jointly own a building or site, the district and the city may enter into an agreement that extends beyond the end of the fiscal year to pay operating costs for that building or site.

Subd. 5. Removal of unauthorized vehicles. The board may authorize a representative to move unauthorized vehicles parked on school district property, or require the driver or other person in charge of the vehicle to move the same off school district property.

When such representative finds such a vehicle unattended upon district premises, such representative is hereby authorized to provide for the removal of such vehicle and remove the same to the nearest convenient garage or other place of safety off of district property. Such vehicle shall be moved at the expense of the owner or operator.

Subd. 5a. Trespasses on school property. Trespasses on school property shall be governed according to section 609.605, subdivision 4.

Subd. 6. Bequests; donations; gifts. The board may receive, for the benefit of the district, bequests, donations, or gifts for any proper purpose and apply the same to the purpose designated. In that behalf, the board may act as trustee of any trust created for the benefit of the district, or for the benefit of pupils thereof, including trusts created to provide pupils of the district with advanced education after completion of high school, in the advancement of education.

Subd. 7. Voter authorization of bonds. The voters of a district may authorize the issuance of bonds of the district in accordance with the provisions of chapter 475.

Subd. 8. Levy. The board must provide by levy of tax necessary funds for the conduct of schools, the payment of indebtedness, and all proper expenses of the district.

Subd. 9. Library facilities. The board may provide library facilities as part of its school equipment according to the standards of the commissioner of children, families, and learning.

Subd. 10. Summer school classes. The board may establish and maintain summer school programs and intersession classes of flexible school year programs.

Subd. 11. Services for Indian students. School districts may enter into agreements with Indian tribal governments for purposes of providing educational services for students. Such agreements may allow for the use of any resources available to either party and must give students the option to enroll in the district at their election.

Subd. 12. Renumbered as 120A.22, subdivision 1a.

Subd. 13. School lunches. The board may furnish school lunches for pupils and teachers on such terms as it determines.

Subd. 14. Employees; contracts for services. The board may employ and discharge necessary employees and may contract for other services.

Subd. 14a. Employee recognition. A school board may establish and operate an employee recognition program for district employees, including teachers, and may expend funds as necessary to achieve the objectives of the program. The employee recognition program shall not include monetary awards.

Subd. 15. Annuity contract; payroll allocation. (a) At the request of an employee and as part of the employee's compensation arrangement, the board may purchase an individual annuity contract for an employee for retirement or other purposes and may make payroll allocations in accordance with such arrangement for the purpose of paying the entire premium due and to become due under such contract. The allocation must be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current Federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and the employee's rights under the contract shall be nonforfeitable except for failure to pay premiums. Section 122A.40 shall not be applicable hereto and the board shall have no liability thereunder because of its purchase of any individual annuity contracts. This statute shall be applied in a nondiscriminatory manner to employees of the school district. The identity and number of the available vendors under federal Internal Revenue Code section 403(b) is a term and condition of employment under section 179A.03.

(b) When considering vendors under paragraph (a), the school district and the exclusive representative of the employees shall consider all of the following:

(1) the vendor's ability to comply with all employer requirements imposed by section 403(b) of the Internal Revenue Code of 1986 and its subsequent amendments, other provisions of the Internal Revenue Code of 1986 that apply to section 403(b) of the Internal Revenue Code, and any regulation adopted in relation to these laws;

(2) the vendor's experience in providing 403(b) plans;

(3) the vendor's potential effectiveness in providing client services attendant to its plan and in relation to cost;

(4) the nature and extent of rights and benefits offered under the vendor's plan;

(5) the suitability of the rights and benefits offered under the vendor's plan;

(6) the vendor's ability to provide the rights and benefits offered under its plan; and

(7) the vendor's financial stability.

Subd. 16. Medical insurance premiums for retired. The board of any independent school district may expend funds to pay premiums on hospitalization and major medical insurance coverage for officers and employees who retire prior to age 65.

Subd. 17. Payment of just claims. The board must provide for the payment of all just claims against the district in cases provided by law.

Subd. 18. Payment of claims. When payment of a claim cannot be deferred until the next board meeting without loss to the district of a discount privilege, or when payment of a claim cannot be deferred until the next board meeting because of contract terms, purchase order terms, or a vendor's standard terms which are part of the contract, the claim may be paid prior to board approval, providing that the board:

(a) Has delegated authority to the clerk or a designated business administrator to make a payment prior to board approval and

(b) Requires that payment made prior to board approval be acted upon at the next board meeting.

Payment prior to board approval must not affect the right of the district or a taxpayer to challenge the validity of a claim.

Subd. 19. Prosecute and defend actions. In all proper cases, the board must prosecute and defend actions by or against the district.

Subd. 20. Legal counsel; reimbursement. If reimbursement is requested by a district employee, the board may, after consulting with its legal counsel, reimburse the employee for any costs and reasonable attorney fees incurred by the person to defend criminal charges brought against the person arising out of the performance of duties for the district. A board member who is a witness or an alleged victim in the case may not vote on the reimbursement. If a quorum of the board is disqualified from voting on the reimbursement, the reimbursement must be approved by a judge of the district court.

Subd. 21. Wind energy conversion system. The board, or more than one board acting jointly under the authority granted by section 471.59, may construct, acquire, own in whole or in part, operate, and sell and retain and spend the payment received from selling energy from a wind energy conversion system, as defined in section 216C.06, subdivision 19. An individual school board's share of the installed capacity of the wind energy conversion systems authorized by this subdivision must not exceed 3.3 megawatts of nameplate capacity, provided that if more than one board is acting jointly, each board may have a separate share of no more than 3.3 megawatts of nameplate capacity. A board owning, operating, or selling energy from a wind energy conversion system must integrate information about wind energy conversion systems in its educational programming. The board, or more than one board acting jointly under the authority granted by section 471.59, may be a limited partner in a partnership, a member of a limited liability company, or a shareholder in a corporation, established for the sole purpose of constructing, acquiring, owning in whole or in part, financing, or operating a wind energy conversion system for the benefit of the district or districts in accordance with this section. A board individually, or acting jointly, or an entity of which a board is a limited partner, member, or shareholder, may not sell, transmit, or distribute the electrical energy at retail or provide for end use of the electrical energy at an off-site facility of the board or entity. Nothing in this subdivision modifies the exclusive service territories or exclusive right to serve as provided in sections 216B.37 to 216B43.

Subd. 22. Reward. A school board, after formally adopting a policy consistent with this subdivision, may offer a reward to a person who provides accurate and reliable information leading to the conviction of a person who has committed or conspired to commit a crime against students or school employees, volunteers or board members as a result of their affiliation with the school district, or against school district property.

Subd. 23. Credit cards. A board may authorize the use of a credit card by any officer or employee otherwise authorized to make a purchase on behalf of the district. If a district officer or employee makes or directs a purchase by credit card that is not approved by the school board, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or district policy applicable to school district purchases.

Subd. 24. Membership in economic development, community, and civic organizations. The board may authorize and pay for the membership of the school district or of any district representative designated by the board in those local economic development associations or other community or civic organizations that the

board deems appropriate.

4. M.S. 123B.025 SCHOOL SPONSORSHIP AND ADVERTISING REVENUE.

Subdivision 1. Board authority; contracts. A school board may enter into a contract with advertisers, sponsors, or others regarding advertising and naming rights to school facilities under the general charge of the district. A contract authorized under this section must be approved by the school board. The powers granted to a school board under this section are in addition to any other authority the school district may have.

Subd. 2. Authorized agreements. A school district may enter into a contract to:

(1) lease the naming rights for school facilities, including school buildings, ice arenas, and stadiums;

(2) sell advertising on or in the facilities listed in clause (1); and

(3) otherwise enter into an agreement with a sponsoring agent.

Subd. 3. Revenue uses. Revenue generated under this section must be used according to a plan specified by the school board.

5. M.S. 123B.03 BACKGROUND CHECK.

Subdivision 1. Background check required. (a) A school hiring authority shall request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all individuals who are offered employment in a school and on all individuals, except enrolled student volunteers, who are offered the opportunity to provide athletic coaching services or other extracurricular academic coaching services to a school, regardless of whether any compensation is paid. In order for an individual to be eligible for employment or to provide the services, the individual must provide an executed criminal history consent form and a money order or check payable to either the Bureau of Criminal Apprehension or the school hiring authority, at the discretion of the school hiring authority, in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school district of conducting the criminal history background check. A school hiring authority deciding to receive payment may, at its discretion, accept payment in the form of a negotiable instrument other than a money order or check and shall pay the superintendent of the Bureau of Criminal Apprehension directly to conduct the background check. The superintendent of the Bureau of Criminal Apprehension shall conduct the background check by retrieving criminal history data as defined in section 13.87. A school hiring authority, at its discretion, may decide not to request a criminal history background check on an individual who holds an initial entrance license issued by the State Board of Teaching or the commissioner of education within the 12 months preceding an offer of employment.

(b) A school hiring authority may use the results of a criminal background check conducted at the request of another school hiring authority if:

(1) the results of the criminal background check are on file with the other school hiring authority or otherwise accessible;

(2) the other school hiring authority conducted a criminal background check within the previous 12 months;

(3) the individual who is the subject of the criminal background check executes a written consent form giving a school hiring authority access to the results of the check; and

(4) there is no reason to believe that the individual has committed an act subsequent to the check that would disqualify the individual for employment.

(c) A school hiring authority may, at its discretion, request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on any individual who seeks to enter a school or its

grounds for the purpose of serving as a school volunteer or working as an independent contractor or student employee. In order for an individual to enter a school or its grounds under this paragraph when the school hiring authority decides to request a criminal history background check on the individual, the individual first must provide an executed criminal history consent form and a money order, check, or other negotiable instrument payable to the school district in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school district of conducting the criminal history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal history background check under this paragraph is the responsibility of the individual unless a school hiring authority decides to pay the costs of conducting a background check under this paragraph. If the school hiring authority pays the costs, the individual who is the subject of the background check need not pay for it.

(d) For all nonstate residents who are offered employment in a school, a school hiring authority shall request a criminal history background check on such individuals from the superintendent of the Bureau of Criminal Apprehension and from the government agency performing the same function in the resident state or, if no government entity performs the same function in the resident state, from the Federal Bureau of Investigation. Such individuals must provide an executed criminal history consent form and a money order, check, or other negotiable instrument payable to the school hiring authority in an amount equal to the actual cost to the government agencies and the school district of conducting the criminal history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal history background check under this paragraph is the responsibility of the individual.

(e) At the beginning of each school year or when a student enrolls, a school hiring authority must notify parents and guardians about the school hiring authority's policy requiring a criminal history background check on employees and other individuals who provide services to the school, and identify those positions subject to a background check and the extent of the hiring authority's discretion in requiring a background check. The school hiring authority may include the notice in the student handbook, a school policy guide, or other similar communication. Nothing in this paragraph affects a school hiring authority's ability to request a criminal history background check on an individual under paragraph (c).

Subd. 1a. Investigation of disciplinary actions taken against prospective teachers. (a) At the time a school board or other hiring authority conducts the criminal history background check required under subdivision 1 on an individual offered employment as a teacher, the school board or other hiring authority must contact the Board of Teaching to determine whether the board has taken disciplinary action against the teacher. The school board or other hiring authority must obtain access to data that are public under section 13.41, subdivision 5, from the Board of Teaching that relate to the substance of the disciplinary action. In addition, the school board or other hiring authority must require the individual to provide information in the employment application regarding all current and previous disciplinary actions in Minnesota and other states taken against the individual's teaching license and indicate to the applicant that intentionally submitting false or incomplete information is a ground for dismissal.

(b) For purposes of this subdivision, “disciplinary action” does not include an action based on court-ordered child support or maintenance payment arrearages under section 214.101 or delinquent state taxes under section 270C.72.

Subd. 2. Effect of background check. (a) A school hiring authority may hire or otherwise allow an individual to provide a service to a school pending completion of a background check under subdivision 1 but shall notify the individual that the individual's employment or other service may be terminated based on the result of the background check. A school hiring authority is not liable for failing to hire or for terminating an individual's employment or other service based on the result of a background check under this section.

(b) An individual must be informed by the school hiring authority if the individual's application to be an employee or volunteer in the district has been denied as a result of a background check conducted under this section. The school hiring authority must also inform an individual who is a current employee or volunteer if the individual's employment or volunteer status in the district is being terminated as a result of a background check conducted under this section.

Subd. 3. Definitions. For purposes of this section:

(a) "School" means a school as defined in section 120A.22, subdivision 4, except a home-school, and includes a school receiving tribal contract or grant school aid under section 124D.83; school, for the purposes of this section, also means a service cooperative, a special education cooperative, or an education district under Minnesota Statutes 1997 Supplement, section 123.35, a charter school under section 124D.10, an intermediate school district under section 136D.01, and a joint powers district under section 471.59.

(b) "School hiring authority" means the school board, or in the case of a nonpublic school, the school principal or other person having general control and supervision of the school.

(c) "Security violation" means failing to prevent or failing to institute safeguards to prevent the access, use, retention, or dissemination of information in violation of the security and management control outsourcing standard established by the state compact officer under section 299C.58, article I, paragraph (2), clause (B).

Subd. 4. Third-party contractors; responsibility for criminal history record information. (a) For purposes of this section, a school hiring authority may contract with an eligible third party to conduct the criminal history background check required under subdivision 1. Before entering into the contract, the school hiring authority must:

(1) provide the state compact officer with the name of the proposed third-party contractor and a copy of the proposed contract;

(2) determine from the state compact officer whether the proposed contractor has committed a security violation; and

(3) request and receive permission from the state compact officer to enter into the contract with the proposed contractor. A third-party contractor that has committed a security violation is ineligible to participate under this section.

(b) The contract must specify the purposes for which the background check information may be made available and incorporate into the contract by reference the management control outsourcing standard referred to in subdivision 3, paragraph (c). A third-party contractor under this section is subject to section 13.05, subdivision 11.

(c) A school hiring authority must inform an individual who is the subject of a criminal history background check that the individual has the right to request and obtain from the school hiring authority a copy of the background check report. A school hiring authority may charge the individual for the actual cost of providing a copy of the report. An individual who is the subject of a criminal history background check has the right to challenge the accuracy and completeness of information contained in the background check report under section 13.04, subdivision 4.

6. M.S. 123B.04 SITE DECISION-MAKING; INDIVIDUALIZED LEARNING AGREEMENT; OTHER AGREEMENTS. (**2014 Session Change**)

Subdivision 1. Definition. "Education site" means a separate facility. A program within a facility or

within a district is an education site if the school board recognizes it as a site.

Subd. 1a. Individualized learning and instruction; improved student achievement. To promote individualized learning and instruction and improve student achievement under subdivisions 4 and 4a, a participating school board under this section may consider how to:

(1) assist a school site to adapt instruction to the needs and aptitudes of individual students, and establish goals and standards for individual students in addition to the state academic standards applicable to all students;

(2) coordinate the pace of instruction and learning with the needs and aptitudes of individual students at a school site;

(3) provide useful data and assist with research in developing and improving innovative, cost-effective, research-based individualized learning, instruction, and assessment under this section and section 124D.10;

(4) demonstrate and help evaluate instructional alternatives to age-based grade progression;

(5) more effectively motivate students and teachers; and

(6) expand use of learning technology to support individualized learning, instruction, assessment, and achievement.

Subd. 2. Agreement. (a) The school board and a school site may enter into an agreement under this section solely to develop and implement an individualized learning and achievement contract under subdivision 4.

(b) Upon the request of 60 percent of the licensed employees of a site or a school site decision-making team, the school board shall enter into discussions to reach an agreement concerning the governance, management, or control of the school. A school site decision-making team may include the school principal, teachers in the school or their designee, other employees in the school, representatives of pupils in the school, or other members in the community. A school site decision-making team must include at least one parent of a pupil in the school. For purposes of formation of a new site, a school site decision-making team may be a team of teachers that is recognized by the board as a site. The school site decision-making team shall include the school principal or other person having general control and supervision of the school. The site decision-making team must reflect the diversity of the education site. At least one-half of the members shall be employees of the district, unless an employee is the parent of a student enrolled in the school site, in which case the employee may elect to serve as a parent member of the site team.

(c) School site decision-making agreements must delegate powers, duties, and broad management responsibilities to site teams and involve staff members, students as appropriate, and parents in decision making.

(d) An agreement shall include a statement of powers, duties, responsibilities, and authority to be delegated to and within the site.

(e) An agreement may include:

(1) an achievement contract according to subdivision 4;

(2) a mechanism to allow principals, a site leadership team, or other persons having general control and supervision of the school, to make decisions regarding how financial and personnel resources are best allocated at the site and from whom goods or services are purchased;

(3) a mechanism to implement parental involvement programs under section 124D.895 and to provide for effective parental communication and feedback on this involvement at the site level;

(4) a provision that would allow the team to determine who is hired into licensed and nonlicensed positions;

(5) a provision that would allow teachers to choose the principal or other person having general control;

(6) an amount of revenue allocated to the site under subdivision 3; and

(7) any other powers and duties determined appropriate by the board.

The school board of the district remains the legal employer under clauses (4) and (5).

(f) Any powers or duties not delegated to the school site management team in the school site management agreement shall remain with the school board.

(g) Approved agreements shall be filed with the commissioner. If a school board denies a request or the school site and school board fail to reach an agreement to enter into a school site management agreement, the school board shall provide a copy of the request and the reasons for its denial to the commissioner.

(h) A site decision-making grant program is established, consistent with this subdivision, to allow sites to implement an agreement that at least:

(1) notwithstanding subdivision 3, allocates to the site all revenue that is attributable to the students at that site;

(2) includes a provision, consistent with current law and the collective bargaining agreement in effect, that allows the site team to decide who is selected from within the district for licensed and nonlicensed positions at the site and to make staff assignments in the site; and

(3) includes a completed performance agreement under subdivision 4.

The commissioner shall establish the form and manner of the application for a grant and annually, at the end of each fiscal year, report to the house of representatives and senate committees having jurisdiction over education on the progress of the program.

Subd. 3. Revenue and cost allocation. Revenue for a fiscal year received or receivable by the district shall be allocated to education sites based on the agreement between the school board and the site decision-making team. Revenue shall remain allocated to each site until used by the site. The site teams and the board may enter an agreement that permits the district to provide services and retain the revenue required to pay for the services provided. The district remains responsible for legally entering into contracts and expending funds. For the purposes of this subdivision, "allocation" means that the determination of the use of the revenue shall be under the control of the site. The district may charge the accounts of each site the actual costs of goods and services from the general or capital funds attributable to the site.

Subd. 4. Achievement contract. A school board may enter a written education site achievement contract with each site decision-making team for:

(1) setting individualized learning and achievement measures and short- and long-term educational goals for each student at that site **that may include site-based strategies for English language instruction targeting the teachers of English learners and all teachers and school administrators**;

(2) recognizing each student's educational needs and aptitudes and levels of academic attainment, whether on grade level or above or below grade level, so as to improve student performance through such means as a cost-effective, research-based formative assessment system designed to promote individualized learning and assessment;

(3) using student performance data to diagnose a student's academic strengths and weaknesses and indicate to the student's teachers the specific skills and concepts that need to be introduced to the student and developed through academic instruction or applied learning, organized by strands within subject areas and linked to state and local academic standards during the next year, consistent with the student's short- and long-term educational goals; and

(4) assisting the education site if progress in achieving student or contract goals or other performance expectations or measures agreed to by the board and the site decision-making team are not realized or implemented.

Subd. 4a. Additional site agreements premised on successful achievement contracts. A school board that enters into a written education achievement contract with a school site under subdivision 4 where the student performance data at the site demonstrate at least three consecutive school years of improved student achievement consistent with the terms of the achievement contract may seek to establish a similar achievement contract with other school sites in the district.

Subd. 5. Commissioner's role. The commissioner of education, in consultation with appropriate educational organizations, shall:

(1) upon request, provide technical support for districts and sites with agreements under this section;

(2) conduct and compile research on the effectiveness of site decision making; and

(3) periodically report on and evaluate the effectiveness of site management agreements on a statewide basis.

7. M.S. 123B.045 DISTRICT-CREATED SITE-GOVERNED SCHOOLS.

Subdivision 1. Authority. (a) A school board may approve site-governed schools under this section by requesting site-governing school proposals. The request for proposals must include what types of schools or education innovations the board intends to create. A current site may submit a proposal to create a different model for the site if 60 percent or more of the teachers at the site support the proposal. A group of licensed district professionals from one or multiple district sites may submit a proposal. The group submitting the proposal must include parents or other community members in the development of the proposal. A proposal may request approval for a model of a school not included in the request for proposal of the board.

(b) The school board and the applicable bargaining unit representing district employees must enter into memoranda of understanding specifying how applicable sections of current contracts will enable the provisions of subdivision 2, clauses (7) and (8), to be implemented.

(c) Within 60 days of receipt of the application, the school board shall determine whether to approve, deny, or return the application to the applicants for further information or development.

(d) Upon approval of the proposal, an agreement between the district and the site council shall be developed identifying the powers and duties delegated to the site and outlining the details of the proposal including the provisions of subdivisions 2, 3, and 5. Any powers or duties not specifically delegated to the school site in the agreement remains with the school board.

Subd. 2. Roles and responsibilities of site-governed schools. (a) Site-governed schools approved by the school board have the following autonomy and responsibilities at the discretion of the site:

(1) to create the site-governing council of the school. The council shall include teachers, administrators, parents, students if appropriate, community members, and other representatives of the community as determined by the site-governing council. Teachers may comprise a majority of the site-governing council at the option of a majority of the teachers at the site. The number of members on the site-governing council and the composition shall be included in the proposal approved by the school board;

(2) to determine the leadership model for the site including: selecting a principal, operating as a teacher professional practices model with school leadership functions performed by one or more teachers or administrators at the school or other model determined by the site;

(3) to determine the budget for the site and the allocation and expenditure of the revenue based on provisions of subdivision 3;

(4) to determine the learning model and organization of the school consistent with the application approved by the school board;

(5) to select and develop its curriculum and determine formative and summative assessment practices;

(6) to set policies for the site including student promotion, attendance, discipline, graduation requirements which may exceed the school board standards, and other such rules as approved by the school board consistent with the mission, goals, and learning program of the school site;

(7) to determine the length of the school day and year and employee work rules covered by the terms and conditions of the employment contract;

(8) to select teachers and other staff consistent with current law and collective bargaining agreements and memoranda of understanding provided for in subdivision 1, paragraph (b). At least 70 percent of the teachers must be selected by the site prior to final approval of the agreement. Prior to requesting the district to employ staff not currently employed by the district, the site must first select current district staff including those on requested and unrequested leave as provided for in sections 122A.40 and 122A.41. The school board shall be the legal employer of all staff at the site and all teachers and other staff members of the applicable bargaining units. Teachers and other employees may be required to sign an individual work agreement with the site-governing council committing themselves to the mission and learning program of the school and the requirements of the site-governing council; and

(9) to fulfill other provisions as agreed to by the district and site-governing council.

(b) If a self-governed school created under this section is supervised by a principal, that principal must be licensed, consistent with section 123B.147, subdivision 2.

Subd. 3. Revenue to self-governed school. (a) The revenue that shall be allocated by the site includes the general education revenue generated by the students at the site from state, local, and private sources, referendum revenue, federal revenue from the Elementary and Secondary Education Act, Individuals with Disabilities Education Act, Carl Perkins Act, and other federal programs as agreed to by the school board and site council.

(b) The district may retain an administrative fee for managing the federal programs, private revenues, and general administrative functions including school board, superintendent, district legal counsel, finance, accountability and self-governed school contract oversight, facilities maintenance, districtwide special education programs, and other such services as agreed to by the site and school board. The administrative fee shall be included in the agreement.

(c) As part of the agreement, the district may provide specific services for the site and may specify the amount to be paid for each service and retain the revenues for that amount. The formula or procedures for determining the amount of revenue to be allocated to the site each year shall be consistent with this subdivision and incorporated in the site budget annually following a timeline and process that is included in the agreement with the school board. The site is responsible for allocating revenue for all staff at the site and for the other provisions of the agreement with the district board.

(d) All unspent revenue shall be carried over to following years for the sole use of the site.

Subd. 4. Exemption from statutes and rules. Except as outlined in this section, site-governed schools established under this section are exempt from and subject to the same laws and rules as are chartered schools under section 124D.10, except that the schools shall be subject to chapters 13, 13D, and 179A, and sections 122A.40, 122A.41, 122A.50, and 122A.51.

Subd. 5. Performance standards. (a) The school board and the site council shall include in the agreement performance standards and expectations that shall include at least the following:

(1) student achievement targets on multiple indicators including either a growth model or value-added growth model;

(2) the criteria and process to be followed if it is determined that the site failed to comply with district oversight and accountability requirements as outlined in the agreement; and

(3) other performance provisions as agreed to.

(b) All agreements shall be filed with the commissioner. The initial agreement shall be for up to three years, shall be reviewed annually, and may be renewed by the district board for additional terms of up to five years based on the performance of the school.

Subd. 6. Board termination of self-governed school authority. (a) The district board may terminate the agreement for one or more of the following reasons:

(1) failure of the site to meet the provisions specified in the agreement in subdivision 5;

(2) violations of law; or

(3) other good cause shown.

(b) Site-governed schools that are terminated or not renewed for reasons other than cause may request to convert to charter school status as provided for in section 124D.10 and, if chartered by the board, shall become the owner of all materials, supplies, and equipment purchased during the period the school was a site-governed school.

8. M.S. 123B.022 CONTRACTS FOR COMPUTERS OR RELATED EQUIPMENT OR SERVICE.

(a) The school board of a school district may not enter into a contract or permit a school within the district to enter into a contract for the use of a computer or related equipment or service that requires advertising to be disseminated to students unless the school board:

(1) enters into the contract at a public hearing of the school board;

(2) makes a finding that the offered electronic product or service is an integral component of students' education;

(3) provides written notice to students' parents that advertising will be used in the classroom, media center, computer lab, or other areas of learning, whether data will be collected on students, and how that data will be sued;

(4) as part of normal, ongoing district communications with parents, allows parents to request in writing that (i) their student not be exposed to the program that contains the advertising for the current school year, or that (ii) any or all data relating to the student that is collected as a result of this contract is not disclosed; and

(5) honors parents' request, under clause (4), that their student not be exposed to the advertising program or that data relating to the student is not disclosed and allows parents to withdraw their request at any time.

(b) Advertising under this section does not include:

(1) the identification of the source of the document or information; and

(2) advertising that is generally available to the public viewing a particular site or application and is not directed specifically to students benefitting from a contract under paragraph (a).

9. M.S. 123B.06 EVALUATION OF PUPIL GROWTH AND PROGRESS; PERMANENT RECORDS.

Each school district shall provide a testing program for the purpose of measuring pupil growth and for

curriculum evaluation, as well as a system for grading and making reports to parents. Each district shall develop an appropriate program of pupil progress and promotion for its elementary, middle, and secondary schools. Each district shall keep accurate and complete individual, permanent, cumulative personal records for all pupils.

10. M.S. 123B.09 BOARDS OF INDEPENDENT SCHOOL DISTRICTS. (**2014 Session Change**)

Subdivision 1. School board membership. The care, management, and control of independent districts is vested in a board of directors, to be known as the school board. The term of office of a member shall be four years commencing on the first Monday in January and until a successor qualifies. The membership of the board shall consist of six elected directors together with such ex officio member as may be provided by law. The board may submit to the electors at any school election the question whether the board shall consist of seven members. If a majority of those voting on the proposition favor a seven-member board, a seventh member shall be elected at the next election of directors for a four-year term and thereafter the board shall consist of seven members.

Those districts with a seven-member board may submit to the electors at any school election at least 150 days before the next election of three members of the board the question whether the board shall consist of six members. If a majority of those voting on the proposition favor a six-member board instead of a seven-member board, two members instead of three members shall be elected at the next election of the board of directors and thereafter the board shall consist of six members.

Subd. 1a. Sex offender school board ineligibility. A sex offender who has been convicted of an offense for which registration under section 243.166 is required is ineligible to become a candidate for the office of school board member, as defined in subdivision 1. Ineligibility is determined by the registration requirements in effect at the time the offender files for office, not by the registration requirements, if any, that were in effect at the time the offender was convicted.

Subd. 2. School board member training. A member shall receive training in school finance and management developed in consultation with the Minnesota School Boards Association and consistent with section 127A.19. The school boards association must make available to each newly elected school board member training in school finance and management consistent with section 127A.19 within 180 days of that member taking office. The program shall be developed in consultation with the department and appropriate representatives of higher education.

Subd. 3. Causes for school board member vacancy. A vacancy in any board occurs when a member (a) dies, (b) resigns, (c) ceases to be a resident of the district, or (d) is unable to serve on such board and attend its meetings for not less than 90 days because of illness or prolonged absence from the district.

Subd. 4. Ill or absent member. A vacancy caused by a member being unable to serve on such board and attend its meetings for not less than 90 days because of illness or prolonged absence from the district, may, after the board has by resolution declared such vacancy to exist, be filled by the board at any regular or special meeting thereof for the remainder of the unexpired term, or until such ill or absent member is again able to resume duties as a member of such board, whichever date is earliest. When the ill or absent member is able to resume duties as a member of the board, the board must by resolution so determine and declare such person to be again a member of the board, and the member appointed by the board to be no longer a member thereof.

Subd. 5. Appointments to fill vacancies. Any other vacancy in a board must be filled by board appointment at a regular or special meeting. The appointment shall be evidenced by a resolution entered in the minutes and shall continue until an election is held under this subdivision. All elections to fill vacancies

shall be for the unexpired term. If the vacancy occurs before the first day to file affidavits of candidacy for the next school district general election and more than two years remain in the unexpired term, a special election shall be held in conjunction with the school district general election. The appointed person shall serve until the qualification of the successor elected to fill the unexpired part of the term at that special election. If the vacancy occurs on or after the first day to file affidavits of candidacy for the school district general election, or when less than two years remain in the unexpired term, there shall be no special election to fill the vacancy and the appointed person shall serve the remainder of the unexpired term and until a successor is elected and qualifies at the school district election.

Subd. 6. Meetings. A majority of the voting members of the board shall constitute a quorum. No contract shall be made or authorized, except at a regular meeting of the board or at a special meeting at which all members are present or of which all members have had notice. Special meetings may be called by the chair or clerk or any three members upon notice mailed to each member at least three days prior thereto.

Subd. 7. Policy making. The board shall make, and when deemed advisable, change or repeal rules relating to the organization and management of the board and the duties of its officers.

Subd. 8. Duties. The board must superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study. The board may enter into an agreement with a postsecondary institution for secondary or postsecondary nonsectarian courses to be taught at a secondary school, nonsectarian postsecondary institution, or another location.

Subd. 9. Removing board members. The board may remove, for proper cause, any member or officer of the board and fill the vacancy; but such removal must be by a concurrent vote of at least four members, at a meeting of whose time, place, and object the charged member has been duly notified, with the reasons for such proposed removal and after an opportunity to be heard in defense against the removal.

Subd. 10. Publishing proceedings. The board must cause its official proceedings to be published once in the official newspaper of the district. Such publication shall be made within 30 days of the meeting at which such proceedings occurred. If the board determines that publication of a summary of the proceedings would adequately inform the public of the substance of the proceedings, the board may direct that only a summary be published, conforming to the requirements of section 331A.01, subdivision 10.

Subd. 11. Mailing summary of proceedings. If a board of a district that has no newspaper with its known office of issue or a secondary office located within the boundaries of the district and no newspaper that is distributed to more than one-third of the residences in the district determines that mailing a summary of its proceedings would be more economical than publication of the proceedings and that it would adequately inform the public, it may mail a summary of its proceedings to each residence in the district that can be identified as a homestead from the property tax records and to each other residence in the district that the board can identify. The county must make the property tax records available to the board for this purpose. The board must keep a copy of the summary of the proceedings as part of its records. The decision of a board to mail summaries, rather than publish the proceedings under this subdivision shall be presumed valid, subject to challenge by a court action.

Subd. 12. Board to fix compensation. The clerk, treasurer, and superintendent of any district shall receive such compensation as may be fixed by the board. Unless otherwise provided by law, the other members of the board shall also receive such compensation as may be fixed by the board. All members of the board may receive reimbursement for transportation at the rate provided for in section 471.665. **No board member or school district employee shall receive any compensation or benefits based on**

incentives or other money provided to the school district by or from a source of group insurance coverage referenced in section 471.6161, subdivision 1, except for a refund provided under section 123B.75, subdivision 10, or a wellness plan that is mutually agreed upon by the district and the exclusive representatives of employees.

11. M.S. 123B.10 PUBLICATION OF FINANCIAL INFORMATION.

Subdivision 1. Budgets; form of notification. (a) Every board must publish revenue and expenditure budgets for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the commissioner within one week of the acceptance of the final audit by the board, or November 30, whichever is earlier. The forms prescribed must be designed so that year to year comparisons of revenue, expenditures and fund balances can be made.

(b) A school board annually must notify the public of its revenue, expenditures, fund balances, and other relevant budget information. The board must post the materials in a conspicuous place on the district's official Web site, including a link to the district's school report card on the Department of Education's Web site, and publish a summary of the information and the address of the district's official Web site where the information can be found in a qualified newspaper of general circulation in the district.

Subd. 2. Debt summary. The board must also publish at the same time a summary of bonds outstanding, paid, and sold; a summary of orders not paid for want of funds; certificates of indebtedness for the year ending June 30; the statutory operating debt of the district as defined and certified pursuant to section 123B.81; and the balance amount of the reserved fund balance reserve account for purposes of statutory operating debt reduction established pursuant to sections 126C.40 to 126C.45, 126C.48, and 124D.22.

Subd. 3. Budget inspection. A statement must be included in the publication that the complete budget in detail may be inspected by any resident of the district upon request to the chief school administrator.

Subd. 4. Cost per pupil. The board must also publish at the same time the average cost per pupil in average daily membership educated in that district in the preceding year. This computation must be made exclusive of debt service or capital outlay costs.

12. M.S. 123B.11 IMPREST CASH FUNDS.

Subdivision 1. Imprest fund. The board may establish one or more imprest funds for the payment in cash of any proper claim against the district which it is impractical to pay in any other manner, except that no claim for salary or personal expenses of a district officer or employee shall be paid from such funds. The board must appoint a custodian of each such fund who shall be responsible for its safekeeping and disbursement according to law. Money for the operation of such fund shall be secured by a transfer from the general fund. A claim itemizing all the various demands for which disbursements have been made from the fund must be presented to the board at the next board meeting after the disbursements have been made. The board must act upon it as in the case of other claims and an order shall be issued to the custodian for the amount allowed. The custodian shall use the proceeds of the order to replenish the fund. If the board fails to approve the claim in full for any sufficient reason, the custodian shall be personally responsible for the difference.

Subd. 2. Advances. The board may authorize an imprest fund for the purpose of advancing money to officers or employees to pay the actual and necessary expenses of such officer or employee in attending meetings outside of the district. The board must appoint a custodian of such fund who shall be responsible for its safekeeping and disbursement according to law. At the first regular meeting of the board after such

meeting, the custodian shall submit an itemized claim for the actual and necessary expenses incurred and paid. The board must act upon it as in the case of other claims and an order shall be issued to the custodian for the amount allowed. The custodian shall use the proceeds of the order to repay the amount advanced from the fund and make final settlement with the officer or employee. As an alternative the board may authorize travel advances if control is maintained by use of a travel advance account, the balance of which is supported by names of employees to whom money has been advanced.

13. M.S. 123B.14 OFFICERS OF INDEPENDENT SCHOOL DISTRICTS.

Subdivision 1. Officer selection. On the first Monday of January of each year, or as soon thereafter as practicable, the board must meet and organize by selecting a chair, clerk, and a treasurer, who shall hold their offices for one year and until their successors are selected and qualify. The persons who perform the duties of the clerk and treasurer need not be members of the board and the board by resolution may combine the duties of the offices of clerk and treasurer in a single person in the office of business affairs. They may appoint a superintendent who shall be ex officio a member of the board, but not entitled to vote therein.

Subd. 2. Chair. The chair when present shall preside at all meetings of the board, countersign all orders upon the treasurer for claims allowed by the board, represent the district in all actions and perform all the duties usually incumbent on such officer. In case of absence, inability, or refusal of the clerk to draw orders for the payment of money authorized by a vote of the majority of the board to be paid, the orders may be drawn by the chair, and paid by the treasurer. A statement of the orders drawn, with a copy of such orders, shall be delivered to the clerk by the treasurer, or the office of the clerk may be declared vacant by the chair and treasurer and filled by appointment.

Subd. 3. Official depository. (a) The treasurer shall deposit the funds of the district in the official depository.

(b) In addition to the authority for deposit of district money pursuant to paragraph (a) or other provisions of this chapter, the treasurer may deposit district money in the official depository in accordance with the following conditions: (1) The official depository is authorized by the treasurer to (i) arrange for the redeposit of the money into deposit accounts in one or more banks, savings and loan associations, or credit unions that are located in the United States, and (ii) serve as custodian for the district with respect to the money redeposited into such accounts. (2) The full amount of the redeposited district funds, plus accrued interest, if any, must be insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund. Any entity serving as subcustodian for the official depository shall have had at least five years of general custodial experience.

Subd. 4. Treasurer reports. The treasurer shall make all reports which may be called for by the board and perform all duties usually incumbent on such officer.

Subd. 5. Insufficient funds. In the event that valid orders are presented to the treasurer for payment, and there are insufficient funds on hand to pay them, the treasurer shall receive, endorse and process them in accordance with section 123B.12.

Subd. 6. Performance bond. When the duty devolves upon any person employed by a board to receive money and pay it over to the treasurer of the district, the district must require a bond from such person and pay all premiums therefor. The amount of each bond shall be fixed by the board and the bond approved by it. The bond must be not less than $500 conditioned for the faithful performance of the duty and be filed with the clerk. In lieu of individual bonds, the district may prescribe and keep in effect a schedule or position insurance policy or blanket bond in such aggregate amount as the district determines, insuring the fidelity of

such persons in the amount of not less than $500 for each such person.

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

(1) The revenues and expenditures in detail, and such other financial information required by law, rule, or as may be called for by the commissioner;

(2) The length of school term and the enrollment and attendance by grades; and

(3) Such other items of information as may be called for by the commissioner.

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

14. M.S. 123B.143 SUPERINTENDENT.

Subdivision 1. Contract; duties. All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district.

The superintendent of a district shall perform the following:

(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(2) recommend to the board employment and dismissal of teachers;

(3) superintend school grading practices and examinations for promotions;

(4) make reports required by the commissioner; and

(5) perform other duties prescribed by the board.

Subd. 2. Disclose past buyouts or contract is void. (a) For the purposes of paragraph (b), a "buyout agreement" is any agreement under which a person employed as a superintendent left the position before the term of the contract was over and received a sum of money, something else of value, or the right to something of value for some purpose other than performing the services of a superintendent.

(b) Before a person may enter into a superintendent's contract with a board, the candidate shall disclose in writing the existence and terms of any previous buyout agreement, including amounts and the purpose for the payments, relating to a superintendent's contract with another board. A disclosure made under this paragraph is public data.

(c) The superintendent's contract of a person who fails to make a timely disclosure under paragraph (b) is void.

15. M.S. 123B.147 PRINCIPALS. (**2014 Session Change**)

Subdivision 1. Principal may supervise school building. Each public school building, as defined by section 120A.05, subdivisions 9, 11, and 13, in an independent district may be under the supervision of a principal who is assigned to that responsibility by the board of education in that district upon the recommendation of the superintendent of schools of that district. If pupils in kindergarten through grade 12 attend school in one building, one principal may supervise the building.

Subd. 2. Valid principal license required. Each principal assigned the responsibility for the supervision of a school building shall hold a valid license in the assigned position of supervision and administration as established by the rules of the commissioner of education.

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

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

(1) support and improve a principal's instructional leadership, organizational management, and professional development, and strengthen the principal's capacity in the areas of instruction, supervision, evaluation, and teacher development;

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

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

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

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

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

(7) be linked to professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, and a collaborative professional culture; and

(8) for principals not meeting standards of professional practice or other criteria under this subdivision, implement a plan to improve the principal's performance and specify the procedure and consequence if the principal's performance is not improved. The provisions of this paragraph are intended to provide districts with sufficient flexibility to accommodate district needs and goals related to developing, supporting, and evaluating principals.

16. M.S. 123B.17 DRAWING ILLEGAL ORDER **- Repealed. (2014 Session Change)**

17. M.S. 123B.195 BOARD MEMBERS' RIGHT TO EMPLOYMENT.

Notwithstanding section 471.88, subdivision 5, a school board member may be newly employed or may continue to be employed by a school district as an employee only if there is a reasonable expectation at the beginning of the fiscal year or at the time the contract is entered into or extended that the amount to be earned by that officer under that contract or employment relationship will not exceed $8,000 in that fiscal year. Notwithstanding section 122A.40 or 122A.41 or other law, if the officer does not receive majority approval to be initially employed or to continue in employment at a meeting at which all board members are present, that employment is immediately terminated and that officer has no further rights to employment while serving as a school board member in the district.

18. M.S. 123B.20 DEALING IN SCHOOL SUPPLIES.

Except as provided for in sections 471.87 and 471.88, no teacher in the public schools, nor any state, county, town, city, or district school officer, including any superintendent of schools, or any member of any school board, nor any person connected with the public school system in any capacity, shall be interested directly or indirectly in the sale, proceeds, or profits of any book, apparatus, or furniture used, or to be used, in any school with which the person is connected in any official capacity. Any person violating any of the provisions of this section shall forfeit not less than $50, nor more than $200 for each such offense. This section shall not apply to a person who may have an interest in the sale of any book of which that person is the author. Nothing in this section shall prohibit the spouse of an employee or officer covered by this section from contracting with the school district for the sale or lease of books, apparatus, furniture, or other supplies to be used in a school with which the employee or officer is connected in any official capacity, as long as the employee's or officer's position does not involve approving contracts for supplies and the school board unanimously approves the transaction.

19. M.S. 123B.21 DUTY OF OFFICERS TO REPORT VIOLATIONS OF LAW.

Every officer to whom reports are required by law to be made and for the failure to make which a penalty or fine or forfeiture is provided, shall give immediate written notice of such failure to the delinquent and to the proper county attorney. Such county attorney shall thereupon institute proper proceedings to collect such

penalty, fine, or forfeiture. Upon complaint of the district superintendent, or when it comes to the attorney's knowledge that any school officer has violated any provision of law for which violation a penalty, fine or forfeiture is provided, such attorney shall institute like proceedings.

20. M.S. 123B.23 LIABILITY INSURANCE; OFFICERS AND EMPLOYEES.

The governing body of any independent school district may procure insurance against liability of the district or of its officers and employees for damages resulting from wrongful acts and omissions of the district and its officers and employees, whether the acts or omissions relate to governmental or proprietary functions of the district. Insofar as this insurance relates to governmental functions of the district, the policy of insurance shall contain a provision requiring the insurance company to waive the defense of governmental immunity up to the limits of the policy unless the district consents to the assertion of that defense.

21. M.S. 123B.24 LEGAL ACTIONS BY DISTRICTS.

Any board may prosecute actions in the name of the district in the following cases:
(1) On a contract made with the district, or with the board in its official capacity;
(2) To enforce a liability, or a duty enjoined by law, in its favor or in favor of the district;
(3) To recover a penalty or forfeiture given by law to it or to the district; or
(4) To recover damages for an injury to the rights or property of the district.

22. M.S. 123B.25 LEGAL ACTIONS AGAINST DISTRICTS AND TEACHERS.

(a) An action may be brought against any district, either upon a contract made with the district or its board, in its official capacity and within the scope of its authority, or for an injury to the rights of the plaintiff arising from some act or omission of such board. The action may be brought against the district even if the members of the board making the contract, or guilty of the act or omission complained of, are no longer in office.

(b) Upon written request of the teacher involved, any district, however organized, must provide legal counsel for any school teacher against whom claim is made or action is brought for recovery of damages in any tort action involving physical injury to any person or property or for wrongful death arising out of or in connection with the employment of such teacher with the district. The choice of legal counsel shall be made only after consultation with the teacher. Provision of counsel under this paragraph shall not be construed to render the district liable for its torts, except as otherwise provided by law; or for reimbursement of costs of counsel provided to the teacher pursuant to the contract obligation of another or otherwise than under this paragraph; or for payment of any judgments or any other costs or disbursements in connection with a judgment where the judgment, cost or disbursement is against the teacher and not against the school district.

(c) It is a defense to a civil action for damages against a school official, as defined in section 609.2231, subdivision 5, to prove that the force used by the official was reasonable, was in the exercise of lawful authority, and was necessary under the circumstances to restrain the pupil or to prevent bodily harm or death to another.

23. M.S. 123B.34 MINNESOTA PUBLIC SCHOOL FEE LAW, CITATION.

Sections 123B.34 to 123B.39 may be cited as the "Minnesota Public School Fee Law."

24. M.S. 123B.35 GENERAL POLICY.

It is the policy of the state of Minnesota that public school education shall be free and no pupil shall be denied an education because of economic inability to furnish educational books and supplies necessary to complete educational requirements necessary for graduation. Any practice leading to suspension, coercion, exclusion, withholding of grades or diplomas, or discriminatory action based upon nonpayment of fees denies pupils their right to equal protection and entitled privileges. It is recognized that school boards do have the right to accept voluntary contributions, to make certain charges and to establish fees in areas considered extra curricular, noncurricular or supplementary to the requirements for the successful completion of a class or educational program, and to waive those fees under certain circumstances. No public school board may require, except as authorized by sections 123B.36 and 123B.38, the payment of fees.

25. M.S. 123B.36 AUTHORIZED FEES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(13) transportation to and from postsecondary institutions for pupils enrolled under the postsecondary enrollment options program under section 123B.88, subdivision 22. Fees collected for this service must be reasonable and must be used to reduce the cost of operating the route. Families who qualify for mileage reimbursement under section 124D.09, subdivision 22, may use their state mileage reimbursement to pay this fee. If no fee is charged, districts must allocate costs based on the number of

pupils riding the route.

Subd. 2. Boards may require students to furnish certain items. Students may be required to furnish personal or consumable items including pencils, paper, pens, erasers and notebooks.

Subd. 3. Boards may require students to provide for certain transportation. Students may be required to furnish their own transportation to and from an instructional community-based employment station that is part of an approved occupational experience secondary vocational program. As an alternative, a board may require the payment of reasonable fees for transportation to and from these instructional community-based employment stations. This subdivision only applies to students who receive remuneration for their participation in these programs.

Subd. 4. School uniforms. Notwithstanding section 123B.37, a board may require students to furnish or purchase clothing that constitutes a school uniform if the board has adopted a uniform requirement or program for the student's school. In adopting a uniform requirement, the board shall promote student, staff, parent, and community involvement in the program and account for the financial ability of students to purchase uniforms.

Subd. 5. School store permitted. Sections 123B.34 to 123B.39 may not preclude the operation of a school store where pupils may purchase school supplies and materials.

Subd. 6. Waiver of student fees. (a) A board may waive any deposit or fee for any pupil whose parent is serving in, or within the past year has served in, active military service as defined under section 190.05.

(b) A board may waive any deposit or fee if any pupil or the pupil's parent or guardian is unable to pay it.

26. M.S. 123B.37 PROHIBITED FEES.

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

(1) textbooks, workbooks, art materials, laboratory supplies, towels;

(2) supplies necessary for participation in any instructional course except as authorized in sections 123B.36 and 123B.38;

(3) field trips that are required as a part of a basic education program or course;

(4) graduation caps, gowns, any specific form of dress necessary for any educational program, and diplomas;

(5) instructional costs for necessary school personnel employed in any course or educational program required for graduation;

(6) library books required to be utilized for any educational course or program;

(7) admission fees, dues, or fees for any activity the pupil is required to attend;

(8) any admission or examination cost for any required educational course or program;

(9) locker rentals;

(10) transportation to and from school of pupils living two miles or more from school.

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

Subd. 2. Boards shall not withhold grades or diplomas for nonpayment of student fees. No pupil's rights or privileges, including the receipt of grades or diplomas may be denied or abridged for nonpayment of fees;

but this provision does not prohibit a district from maintaining any action provided by law for the collection of fees authorized by sections 123B.36 and 123B.38.

27. M.S. 123B.38 HEARING.

Before the initiation of any fee not authorized or prohibited by sections 123B.36 and 123B.37, the local board must hold a public hearing within the district upon three weeks published notice in the district's official newspaper, or such notice as is otherwise required for a regular board meeting given three weeks before the hearing on the proposed adoption of the policy.

28. M.S. 123B.39 POSTSECONDARY INSTRUCTIONAL PROGRAMS.

Sections 123B.34 to 123B.39 may not be construed to prohibit a board from charging reasonable fees for goods and services provided in connection with any postsecondary instructional program, including but not limited to vocational technical, veteran farmer cooperative training, and community education programs, and continuing education and evening school programs other than those conducted pursuant to section 124D.52.

29. M.S. 123B.49 EXTRACURRICULAR ACTIVITIES; INSURANCE.

Subdivision 1. Activities outside district limits. Whenever it appears to be beneficial and for the best interest of the district and the pupils of the district to carry on any school sport activities or educational activities connected with their studies outside of the territorial limits of the district, the board may authorize such activities to be conducted under such rules and regulations as the board deems sufficient. The district may pay all necessary costs therefor including transportation from the district funds available.

Subd. 2. Cocurricular activities authorization. The board must take charge of and control all cocurricular school activities of the teachers and children of the public schools in that district held in the school building or school grounds or under the supervision or direction of the school board. The board must adopt rules and regulations for the conduct of cocurricular activities in which the schools of the district or any class or pupils therein may participate. All money received on account of such activities must be turned over to the district treasurer, who shall keep the same in the general fund, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the board upon properly allowed itemized claims.

Teachers or pupils in the public schools of such district must not participate in cocurricular activities, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Subd. 3. Cocurricular activities. Cocurricular activities means school sponsored and directed activities designed to provide opportunities for pupils to participate, on an individual or group basis, in school and public events for the improvement of skills. Cocurricular activities are not offered for school credit, cannot be counted toward graduation and have one or more of the following characteristics:

(a) They are conducted at regular and uniform times during school hours, or at times established by school authorities;

(b) Although not offered for credit, they are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit;

(c) They are partially funded by public moneys for general instructional purposes under direction and control of the board.

Subd. 4. Board control of extracurricular activities. (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities means all direct and personal services for pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. The board shall allow all resident pupils receiving instruction in a home school as defined in section 123B.36, subdivision 1, paragraph (a), to be eligible to fully participate in extracurricular activities on the same basis as public school students.

(b) Extracurricular activities have all of the following characteristics:

(1) they are not offered for school credit nor required for graduation;

(2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fundraising events. The general fund must reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded according to the Manual for Activity Fund Accounting. Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, the teachers or pupils in the district must not participate in such activity, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Subd. 5. Contract for insurance. The board may enter into a contract providing for the payment of cash benefits or the rendering or payment of hospital and medical benefits, or both to school children injured while participating in activities of the school. The contract entered into by the board may make the payment of such benefits or the rendering thereof the direct and sole obligation of the association or company entering into such contract with the district.

If the board deems it advisable, it may authorize employees to collect fees from the pupils enrolled in said school who are to be or are covered by such contract, and to make payment of the premium or other charge for such contract or protection. The payment of such premium or other charge may be made from funds received from the federal government or from the state or any governmental subdivision thereof, or from funds derived by a tax levy or the issuance of bonds.

The child's payment of any fees, premium or other charge shall not thereby make the district liable for any injuries incurred from such school activities.

The commissioner of education may purchase medical insurance coverage for the benefit of students of the Minnesota state academy for the deaf or the Minnesota state academy for the blind in the same manner and with the same effect as a school district board may do for its students under this subdivision.

Subd. 6. Insurance laws. The insurance laws of this state shall not apply to nonprofit benefit and relief

associations formed by public schools or officers of public schools or the Minnesota state high school league, the privileges of which and applications for membership in which are confined to pupils of the schools, and the benefits and relief to be derived therefrom are limited to pupils injured or disabled from participation in school athletics or any supervised school activity.

30. M.S. 123B.51 SCHOOLHOUSES AND SITES; USES FOR SCHOOL AND NONSCHOOL PURPOSES; CLOSINGS.

Subdivision 1. Sites. According to section 126C.40, subdivision 1, or 465.71, when funds are available, the board may locate and acquire necessary sites of schoolhouses or enlargements, or additions to existing schoolhouse sites by lease, purchase or condemnation under the right of eminent domain; it may erect schoolhouses on the sites; it may erect or purchase garages for district-owned school buses. When property is taken by eminent domain by authority of this subdivision when needed by the district for such purposes, the fact that the property has been acquired by the owner under the power of eminent domain or is already devoted to public use, shall not prevent its acquisition by the district. The board may sell or exchange schoolhouses or sites, and execute deeds of conveyance thereof.

Subd. 2. Use of schoolhouses. The board may authorize the use of any schoolhouses in the district for divine worship, Sunday schools, public meetings, elections, postsecondary instruction, and other community purposes that, in its judgment, will not interfere with their use for school purposes. Before permitting any of these uses, the board may require a cash or corporate surety bond in a reasonable amount conditioned for the proper use of the schoolhouse, payment of all rent, and repair of all damage caused by the use. It may determine a reasonable charge for using the schoolhouse.

It may authorize the use of any schoolhouses or buildings owned or leased by the district for primaries, elections, registrations, and related activities if the board determines that the use will not interfere with school purposes. It may impose reasonable regulations and conditions upon the use as may seem necessary and proper.

Subd. 3. Lease real property. When necessary, the board may lease real property for school purposes.

Subd. 4. Lease for nonschool purpose. (a) The board may lease to any person, business, or organization real property that is not needed for school purposes, or part of the property that is not needed for school purposes if the board determines that leasing part of the property does not interfere with the educational programs taking place on the property. The board may charge and collect reasonable consideration for the lease and may determine the terms and conditions of the lease.

(b) In districts with outstanding bonds, the net proceeds of the lease must be first deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for outstanding bonds that is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property that is leased. Any remaining net proceeds in these districts may be deposited in either the debt redemption fund or operating capital account. All net proceeds of the lease in districts without outstanding bonds shall be deposited in the operating capital account of the district.

(c) The board may make capital improvements to the real property, not exceeding in cost the replacement value of the property, to facilitate its rental, and the lease of the improved property, or part of it, shall provide for rentals which will recover the cost of the improvements over the initial term of the lease. Notwithstanding paragraph (b), the portion of the rentals representing the cost of the improvements shall be deposited in the operating capital account of the district and the balance of the rentals shall be used as

provided in paragraph (b).

Subd. 5. Schoolhouse closing. The board may close a schoolhouse only after a public hearing on the question of the necessity and practicability of the proposed closing. Published notice of the hearing shall be given for two weeks in the official newspaper of the district. The time and place of the meeting, the description and location of the schoolhouse, and a statement of the reasons for the closing must be specified in the notice. Parties requesting to give testimony for and against the proposal shall be heard by the board before it makes a final decision to close or not to close the schoolhouse.

Subd. 5a. Temporary closing. A school district that proposes to temporarily close a schoolhouse or that intends to lease the facility to another entity for use as a schoolhouse for three or fewer years is not subject to subdivision 5 if the school board holds a public meeting and allows public comment on the schoolhouse's future.

Subd. 6. Proceeds of sale or exchange. (a) Proceeds of the sale or exchange of school buildings or real property of the district must be used as provided in this subdivision.

(b) In districts with outstanding bonds, the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for outstanding bonds which is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property which is sold.

(c) After satisfying the requirements of paragraph (b), a district with outstanding bonds may deposit proceeds of the sale or exchange in its general fund reserved for operating capital account if the amount deposited is used for the following:

(1) for expenditures for the cleanup of polychlorinated biphenyls, if the method for cleanup is approved by the department;

(2) for capital expenditures for the betterment, as defined in section 475.51, subdivision 8, of district-owned school buildings; or

(3) to replace the building or property sold.

(d) In a district with outstanding bonds, the amount of the proceeds of the sale or exchange remaining after the application of paragraphs (b) and (c), which is sufficient to meet when due that percentage of the principal and interest payments for the district's outstanding bonds which is not governed by paragraph (b), shall be deposited in the debt retirement fund.

(e) Any proceeds of the sale or exchange remaining in districts with outstanding bonds after the application of paragraphs (b), (c), and (d), and all proceeds of the sale or exchange in districts without outstanding bonds shall be deposited in the general fund reserved for operating capital account of the district.

(f) Notwithstanding paragraphs (c) and (d), a district with outstanding bonds may deposit in its general fund reserved for operating capital account and use for any lawful operating capital expenditure without the reduction of any levy limitation the same percentage of the proceeds of the sale or exchange of a building or property as the percentage of the initial cost of purchasing or constructing the building or property which was paid using revenue from the general fund reserved for operating capital account.

Subd. 7. Use of buildings by lower grades. (a) In addition to the protections provided in existing building and fire code rules and standards, the following alternatives apply for existing school buildings:

(1) rooms occupied by preschool, kindergarten, and first and second grade students for classrooms, latchkey, day care, early childhood family education or teen parent or similar programs may be located

on any floor level below the fourth story of a school building if the building is protected throughout by a complete automatic sprinkler system and a complete automatic fire alarm system consisting of automatic smoke detection throughout the exit system and approved smoke detection in all rooms and areas other than classrooms and offices;

(2) rooms used by preschool, kindergarten, or first grade students for classrooms, latchkey, day care, early childhood family education or teen parent or similar programs, must be located on the story of exit discharge, and rooms used by second grade students, for any purpose, must be located on the story of exit discharge or one story above unless one of the following conditions is met:

(i) a complete automatic sprinkler system is provided throughout the building, the use of the affected room or space is limited to one grade level at a time, and exiting is provided from the affected room or space which is independent from the exiting system used by older students; or

(ii) a complete approved automatic fire alarm system is installed throughout the building consisting of automatic smoke detection throughout the exit system and approved detection in all rooms and areas other than classrooms and offices, the use of the affected room or space is limited to one grade level at a time and exiting is provided from the affected room or space which is independent from the exiting system used by older students.

(b) For purposes of paragraph (a), clause (2), pupils from second grade down are considered one grade level.

(c) Accessory spaces, including gymnasiums, cafeterias, media centers, auditoriums, libraries, and band and choir rooms, which are used on an occasional basis by preschool, kindergarten, and first and second grade students are permitted to be located one level above or one level below the story of exit discharge, provided the building is protected throughout by a complete automatic sprinkler system or a complete approved corridor smoke detection system.

(d) Paragraphs (a) and (c) supersede any contrary provisions of the State Fire Code or State Building Code and rules relating to those codes must be amended by the state agencies having jurisdiction of them.

(e) Paragraphs (a) to (d) are effective for new school buildings beginning July 1, 1994.

31. M.S. 123B.52 CONTRACTS.

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

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

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract for which a call for bids has been issued must be awarded to the lowest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. The person to whom the contract is awarded shall give a sufficient bond to the board for its faithful performance. Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the purchase of a finished tangible product, a board may require, at its discretion, a performance bond of a contractor in the amount the board considers necessary. A record must be kept of all bids, with names of

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

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

Subd. 1a. Construction contracts. A project labor agreement is a hiring agreement that establishes wages, uniform work schedules, and rules for dispute resolution to manage construction projects that generally require, among other things, payment of union dues or fees to a labor organization or membership in or affiliation with a labor organization. A school board must adopt at a public meeting a written resolution authorizing a project labor agreement to construct or repair a facility through a contract or bid. The board must publish in the official newspaper of the district notice of the meeting at least 30 days in advance.

Subd. 1b. Best value alternative. As an alternative to the procurement method described in subdivision 1, a contract for construction, building, alteration, improvement, or repair work may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision1, paragraph (a), clause (2), and paragraph (c).

Subd. 2. Contract within budgeted amounts. The board may authorize its superintendent or business manager to lease, purchase, and contract for goods and services within the budget as approved by the board. Any transaction in an amount exceeding the minimum amount for which bids are required must first be specifically authorized by the board and must fulfill all other applicable requirements in subdivision 1.

Subd. 3. Transportation; fuel. Notwithstanding the provisions of subdivision 1 or section 471.345, a contract for the transportation of school children, or a contract for the purchase of petroleum heating fuel or fuel for vehicles may be made by direct negotiation, by obtaining two or more written quotations for the service when possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the district must, by published notice, request quotations for the service to be provided. All quotations obtained must be kept on file for a period of at least one year after receipt. If a contract is made by direct negotiation, all quotations must be public information. If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of subdivision 1 except as otherwise

provided in this subdivision.

Notwithstanding the provisions of subdivision 1 or section 574.26, a performance bond must be required of a contractor on a contract for the transportation of school children only when deemed necessary by and at the discretion of the board. Such a performance bond must be in the amount determined by the board.

Subd. 4. Asbestos removal and polychlorinated biphenyls cleanup. Notwithstanding any law to the contrary, districts may, without an election, enter into contracts extending beyond the end of the fiscal year to pay the costs of removal or encapsulation of asbestos or cleanup of polychlorinated biphenyls found in school buildings or on school property.

Subd. 5. Contracts with board members. Members of the board are authorized to contract with, to work for, and furnish supplies to the district subject to the provisions of section 471.87.

Subd. 6. Disposing of surplus school computers. Notwithstanding section 471.345, governing school district contracts made upon sealed bid or otherwise complying with the requirements for competitive bidding, other provisions of this section governing school district contracts, or other law to the contrary, a school district under this subdivision may dispose of a surplus school computer and related equipment if the district disposes of the surplus property by conveying the property and title to:

(1) another school district;

(2) the state department of corrections;

(3) the board of trustees of the Minnesota state colleges and universities; or

(4) the family of a student residing in the district whose total family income meets the federal definition of poverty.

NOTE: Also see Chapter 13, School Law bulletin "F" (School District Contract and Bidding Procedures) for additional information relating to contracting and bidding requirements.

32. M.S. 123B.535 NATURAL DISASTER DEBT SERVICE EQUALIZATION. (New 2014 Session)

Subdivision 1. Definitions. (a) For purposes of this section, the eligible natural disaster debt service revenue of a district is defined as the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district that would otherwise qualify under section 123B.53 under the following conditions:

(1) the district was impacted by a natural disaster event or area occurring January 1, 2005, or later, as declared by the President of the United States of America, which is eligible for Federal Emergency Management Agency payments;

(2) the natural disaster caused $500,000 or more in damages to school district buildings; and

(3) the repair and replacement costs are not covered by insurance payments or Federal Emergency Management Agency payments.

(b) For purposes of this section, the adjusted net tax capacity equalizing factor equals the quotient derived by dividing the total adjusted net tax capacity of all school districts in the state for the year before the year the levy is certified by the total number of adjusted pupil units in the state for the year prior to the year the levy is certified.

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

Subd. 2. Notification. A district eligible for natural disaster debt service equalization revenue under subdivision 1 must notify the commissioner of the amount of its intended natural disaster debt service revenue calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

Subd. 3. Natural disaster debt service equalization revenue. The debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue, minus the greater of zero or the difference between:

(1) the amount raised by a levy of ten percent times the adjusted net tax capacity of the district; and

(2) the district's eligible debt service revenue under section 123B.53.

Subd. 4. Equalized natural disaster debt service levy. A district's equalized natural disaster debt service levy equals the district's natural disaster debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

Subd. 5. Natural disaster debt service equalization aid. A district's natural disaster debt service equalization aid equals the difference between the district's natural disaster debt service equalization revenue and the district's equalized natural disaster debt service levy.

Subd. 6. Natural disaster debt service equalization aid payment schedule. Debt service equalization aid must be paid according to section 127A.45, subdivision 10.
EFFECTIVE DATE: This section is effective for taxes payable in 2016 and revenue for fiscal year 2017 and later.

33. M.S. 123B.591. DEFERRED MAINTENANCE REVENUE.

Subdivision 1. Eligibility. An independent or special school district that does not qualify to participate in the alternative facilities bonding and levy under section 123B.59, subdivision 1, paragraph (a), is eligible to receive deferred maintenance revenue.

Subd. 2. Deferred maintenance revenue. The deferred maintenance revenue for an eligible school district equals the product of $64 times the adjusted pupil units for the school year times the lesser of one or the ratio of the district's average age of building space to 35 years.

Subd. 3. Deferred maintenance levy. To obtain deferred maintenance revenue, a district may levy an amount not more than the product of its deferred maintenance revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to $5,965.

Subd. 4. Deferred maintenance aid. For fiscal year 2008 and later, a district's deferred maintenance aid equals its deferred maintenance revenue minus its deferred maintenance levy times the ratio of the actual amount levied to the permitted levy.

Subd. 5. Reserve account. Deferred maintenance revenue must be maintained in a reserve account within the general fund. Deferred maintenance revenue may be used only for expenditures that would be eligible for alternative facilities bonding and levy revenue under section 123B.59, subdivision 2, paragraph (a), if the

district qualified for that revenue under section 123B.59, subdivision 1, paragraph (a).

34. M.S. 123B.61 PURCHASE OF CERTAIN EQUIPMENT.

The board of a district may issue general obligation certificates of indebtedness or capital notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes; (b) purchase computer hardware and software, without regard to its expected useful life, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer; and (c) prepay special assessments. The certificates or notes must be payable in not more than ten years and must be issued on the terms and in the manner determined by the board, except that certificates or notes issued to prepay special assessments must be payable in not more than 20 years. The certificates or notes may be issued by resolution and without the requirement for an election. The certificates or notes are general obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum of the tax levies under this section and section 123B.62 for each year must not exceed the lesser of the amount of the district's total operating capital revenue or the sum of the district's levy in the general and community service funds excluding the adjustments under this section for the year preceding the year the initial debt service levies are certified. The district's general fund levy for each year must be reduced by the sum of (1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes issued under this section as required by section 475.61, and (2) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on bonds issued under section 123B.62, (3) any excess amount in the debt redemption fund used to retire bonds, certificates, or notes issued under this section or section 123B.62 after April 1, 1997, other than amounts used to pay capitalized interest. If the district's general fund levy is less than the amount of the reduction, the balance shall be deducted first from the district's community service fund levy, and next from the district's general fund or community service fund levies for the following year. A district using an excess amount in the debt redemption fund to retire the certificates or notes shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the certificates or notes.

35. M.S. 123B.70 SCHOOL DISTRICT CONSTRUCTION.

Subdivision 1. Commissioner approval. (a) In determining whether to give a school facility a positive, negative, or unfavorable review and comment, the commissioner must evaluate the proposals for facilities using the information provided under section 123B.71, subdivision 9.

(b) In the case of a proposal for a new school, the local school board retains the authority to determine the minimum acreage needed to accommodate the school and related facilities. The commissioner may evaluate the proposals but must not issue a negative or unfavorable review and comment under this section for a school facility solely based on too little acreage of the proposed school site.

(c) In the case of a proposal to renovate an existing school, the local school board retains the authority to determine whether to renovate an existing school or to build a new school regardless of the acreage of the current school site or the cost of the renovation relative to the cost of building a new school. The commissioner's evaluation of whether to replace a facility must not be solely based upon the ratio of renovation costs to replacement costs.

Subd. 2. Positive review and comment. If the commissioner submits a positive review and comment for a proposal according to section 123B.71, the school board may proceed with the construction according to the requirements of applicable laws.

Subd. 3. Negative review and comment. (a) If the commissioner submits a negative review and comment for a proposal according to section 123B.71, the following steps must be taken:

(1) the commissioner must notify the school board of the proposed negative review and comment and schedule a public meeting within 60 days of the notification within that school district to discuss the proposed negative review and comment on the school facility; and

(2) the school board shall appoint an advisory task force of up to five members to advise the school board and the commissioner on the advantages, disadvantages, and alternatives to the proposed facility at the public meeting. One member of the advisory task force must also be a member of the county facilities group.

(b) After attending the public meeting, the commissioner shall reconsider the proposal. If the commissioner submits a negative review and comment, the school board may appeal that decision under chapter 14.

(c) A school board may not proceed with construction if the commissioner's negative review and comment is upheld or if the commissioner's negative review and comment is not appealed.

Subd. 4. Unfavorable review and comment. If the commissioner submits an unfavorable review and comment for a proposal under section 123B.71, the school board, by resolution of the board, must reconsider construction. If, upon reconsideration, the school board decides to proceed with construction, it may initiate proceedings for issuing bonds to finance construction under chapter 475. Unless 60 percent of the voters at the election approve of issuing the obligations, the board is not authorized to issue the obligations.

36. M.S. 123B.71 REVIEW AND COMMENT FOR SCHOOL DISTRICT CONSTRUCTION. (**2014 Session Change**)

Subdivision 1. Consultation. A school district shall consult with the commissioner of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility for which the estimated cost exceeds $500,000. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital expenditure facilities revenue according to section 126C.10, subdivision 14, clause (2). The commissioner may require the district to participate in a management assistance plan before conducting a review and comment on the project.

Subd. 2. Project. The construction, remodeling, or improvement of a building or site of an educational facility at an estimated cost exceeding $100,000 is a project under section 177.42, subdivision 2.

Subd. 3. Indoor air quality resources; commissioner's role. As part of the consultation under subdivision 1, the commissioner shall provide each school district with information concerning indoor air quality.

Subd. 4. Plan submittal. For a project for which consultation is required under subdivision 1, the commissioner, after the consultation required in subdivision 1, may require a school district to submit preliminary and final plans for approval. The commissioner shall approve or disapprove the plans within 90 days after submission. Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16B.59 to 16B.73.

Subd. 5. Final plans. If a construction contract has not been awarded within two years of approval, the

approval shall not be valid. After approval, final plans and the approval shall be filed with the commissioner of education. If substantial changes are made to approved plans, documents reflecting the changes shall be submitted to the commissioner for approval. Upon completing a project, the school board shall certify to the commissioner that the project was completed according to the approved plans.

Subd. 6. Condemnation of school buildings. The commissioner may condemn school buildings and sites determined to be unfit or unsafe for that use.

Subd. 7. Rulemaking. The commissioner of education may adopt rules for public school buildings.

Subd. 8. Review and comment. A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not initiate an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of $500,000 per school site if it has a capital loan outstanding, or $**2,000,000** per school site if it does not have a capital loan outstanding, prior to review and comment by the commissioner. **A** facility **addition,** maintenance project**, or remodeling project** funded **only** with general education **revenue, deferred maintenance revenue**, alternative facilities bonding and levy program **revenue, lease levy proceeds, capital facilities bond proceeds**, or health and safety revenue **is exempt** from this provision. **A capital project under section 123B.63 addressing only technology is exempt from this provision if the district submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14.** A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Subd. 9. Information required. A school board proposing to construct a facility described in subdivision 8 shall submit to the commissioner a proposal containing information including at least the following:

(1) the geographic area and population to be served, preschool through grade 12 student enrollments for the past five years, and student enrollment projections for the next five years;

(2) a list of existing facilities by year constructed, their uses, and an assessment of the extent to which alternate facilities are available within the school district boundaries and in adjacent school districts;

(3) a list of the specific deficiencies of the facility that demonstrate the need for a new or renovated facility to be provided, and a list of the specific benefits that the new or renovated facility will provide to the students, teachers and community users served by the facility;

(4) the relationship of the project to any priorities established by the school district, educational cooperatives that provide support services, or other public bodies in the service area;

(5) a description of the pedestrian, bicycle, and transit connections between the school and nearby residential areas that make it easier for children, teachers, and parents to get to the school by walking, bicycling, and taking transit;

(6) a specification of how the project maximizes the opportunity for cooperative use of existing park, recreation, and others public facilities and whether and how the project will increase collaboration with other governmental or nonprofit entities;

(7) a description of the project, including the specification of site and outdoor space acreage and square footage allocations for classrooms, laboratories, and support spaces; estimated expenditures for the major portions of the project; and the dates the project will begin and be completed;

(8) a specification of the source of financing the project; the scheduled date for a bond issue or school board action; a schedule of payments, including debt service equalization aid; and the effect of a bond issue on local property taxes by the property class and valuation;

(9) an analysis of how the proposed new or remodeled facility will affect school district operational or administrative staffing costs, and how the district's operating budget will cover any increased

operational or administrative staffing costs;

(10) a description of the consultation with local or state transportation officials on multimodal school site access and safety issues, and the ways that the project will address those issues;

(11) a description of how indoor air quality issues have been considered and a certification that the architects and engineers designing the facility will have professional liability insurance;

(12) as required under section 123B.72, for buildings coming into service after July 1, 2002, a certification that the plans and design for the extensively renovated or new facility's heating, ventilation, and air conditioning systems will meet or exceed code standards; will provide for the monitoring of outdoor airflow and total airflow of ventilation system; and will provide an indoor air quality filtration system that meets ASHRAE standard 52.1;

(13) a specification of any desegregation requirements that cannot be met by any other reasonable meas;

(14) a specification of how the facility will utilize environmentally sustainable school facility design concepts;

(15) a description of how the architects and engineers have considered the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools of the maximum background noise level and reverberation times; and

(16) any existing information from the relevant local unit of government about the cumulative costs to provide infrastructure to serve the school, such as utilities, sewer, roads, and sidewalks.

Subd. 10. Indoor air quality. A school board seeking a review and comment under this section must submit information demonstrating to the commissioner's satisfaction that:

(1) indoor air quality issues have been considered; and

(2) the architects and engineers designing the facility will have professional liability insurance.

Plans submitted under subdivisions 3 and 4 for projects to be placed in service after July1, 2002, must demonstrate that:

(a) the facility's heating, ventilation, and air conditioning systems meet or exceed the standards established by code; and

(b) the facility's design will provide the ability for monitoring of outdoor airflow and total airflow of ventilation systems in new school facilities.

Subd. 11. Review of proposals. In reviewing each proposal, the commissioner shall submit to the school board, within 60 days of receiving the proposal, the review and comment about the educational and economic advisability of the project. The review and comment shall be based on information submitted with the proposal and other information the commissioner determines is necessary. If the commissioner submits a negative review and comment for a portion of a proposal, the review and comment shall clearly specify which portion of the proposal received a negative review and comment and which portion of the proposal received a positive review and comment.

Subd. 12. Publication. (a) At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids for a project that has received a positive or unfavorable review and comment under section 123B.70, the school board shall publish a summary of the commissioner's review and comment of that project in the legal newspaper of the district. Supplementary information shall be available to the public.

(b) The publication requirement in paragraph (a) does not apply to alternative facilities projects approved under section 123B.59.

37. M.S. 123B.72 SCHOOL FACILITY COMMISSIONING.

Subdivision 1. Application. This section applies to the installation or retrofitting of heating, ventilation, and air conditioning systems for which review and comment of the project under section 123B.71 has been requested after July 1, 1997.

Subd. 2. System inspector. For purposes of this section, system inspector means:
(1) a Minnesota-licensed architect or engineer; or
(2) properly qualified testing and balancing agency or individual.

Subd. 3. Certification. Prior to occupying or reoccupying a school facility affected by this section, a school board or its designee shall submit a document prepared by a system inspector to the building official or to the commissioner, verifying that the facility's heating, ventilation, and air conditioning system has been installed and operates according to design specifications and code, according to section 123B.71, subdivision 9, clause (12). A systems inspector shall also verify that the facility's design will provide the ability for monitoring of outdoor airflow and total airflow of ventilation systems in new school facilities and that any heating, ventilation, or air conditioning system that is installed or modified for a project subject to this section must provide a filtration system with a current ASHRAE standard.

Subd. 4. Occupancy. If the document submitted by the school board to the local building official or the commissioner does not demonstrate to that official's satisfaction that the heating, ventilation, and air conditioning system has been installed correctly or that the system is not operating at a level to meet design specifications, the official or commissioner may allow up to one year of occupancy while the heating, ventilation, and air conditioning system is improved to a level that is considered satisfactory by the system inspector.

38. M.S. 123B.74 EMINENT DOMAIN.

In any municipal corporation or district in this state where the governing body or board has the right, power, and authority to purchase sites for school buildings without authorization by the voters at a regular or special meeting or election called for that purpose, such governing body or school board shall have the right, power, and authority to condemn lands under the right of eminent domain for sites and grounds for public school buildings. The governing body or board shall exercise such power and authority pursuant to the terms and provisions of chapter 117. Any such corporation or district shall have the right, upon the filing of the award of the commissioners provided for in chapter 117, and upon giving the notice therein required of the filing of such award, to enter upon and appropriate the lands so condemned without giving of any bond. In case of such entry and appropriation, such corporation or district shall be bound absolutely to pay all damages awarded, either by the commissioners or by the court upon appeal therefrom, together with all costs and expenses adjudged against it therein within the time specified in chapter 117. In case any such corporation or district shall appeal from the award of commissioners appointed pursuant to any such condemnation proceedings, such corporation or school district shall not be required to give or file any appeal bond therein.

39. M.S. 123B.75 REVENUE; REPORTING.

Subdivision 1. Scope. District revenues must be recognized and reported on the district books of account in accordance with this section.

Subd. 1a. Definition. For the purposes of this section, "school district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to

the school district.

Subd. 2. Applicability to period and fund. Except as provided in this section, revenues must be recorded in a manner which clearly indicates that they are applicable to a specific accounting period and fund.

Subd. 3. Receivable. Receivables must be recorded in a manner which clearly reflects the amounts of money due to a particular fund from public and private sources at the date of each accounting statement.

Subd. 4. Recognized as receivable. All current levies of local taxes, including portions assumed by the state, shall be recognized as receivable at the beginning of the calendar year during which collection normally takes place.

Subd. 4a. Taconite revenue. Taconite revenue received in a calendar year by a school district under section 298.28, subdivisions 4, paragraphs (b) and (c), and 11, paragraph (d), is fully recognized in the fiscal year in which the February payment falls.

Subd. 5. Levy recognition. For fiscal year 2011 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) the greater of 48.6 percent of the referendum levy certified according to section 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified according to section 126C.17 in calendar year 2000; plus

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 124D.862, for Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, and Independent School District No. 709, Duluth; 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6; plus

(iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, not including the levy portions that are assumed by the state, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).

Subd. 6. State aids or grants as revenue. State aids or grants, that are paid as a matching of an expenditure, shall be recognized as revenues and recorded as receivables in the fiscal year during which the eligible expenditure is recognized.

Subd. 6a. Repealed.

Subd. 7. Other revenues recognized. Other revenues not specified in this section shall be recognized as revenue and shall be recorded in the fiscal year earned.

Subd. 8. Deviations footnoted. Deviations from the principles set forth in this section must be evaluated and explained in footnotes to audited financial statements.

Subd. 9. Commissioner shall specify fiscal year. The commissioner shall specify the fiscal year or years to which the revenue from any aid or tax levy is applicable if Minnesota Statutes do not so specify. The

commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over education finance by January 15 of each year any adjustments under this subdivision in the previous year.

40. M.S. 123B.76 EXPENDITURES; REPORTING.

Subdivision 1. Recognition. District expenditures must be recognized and reported on the district books of account in accordance with this section.

Fiscal year-end recognition of expenditures and the related offsetting liabilities must be recorded in each fund in accordance with the uniform financial accounting and reporting standards for Minnesota school districts. Encumbrances outstanding at the end of the fiscal year do not constitute expenditures or liabilities.

Deviations from the principles set forth in this subdivision must be evaluated and explained in footnotes to audited financial statements.

Subd. 2. Accounting. Expenditures for any legal purpose of the district not accounted for elsewhere must be accounted for in the general fund.

Subd. 3. Expenditures by building. (a) For the purposes of this section, "building" means education site as defined in section 123B.04, subdivision 1.

(b) Each district shall maintain separate accounts to identify general fund expenditures for each building. All expenditures for regular instruction, secondary vocational instruction, and school administration must be reported to the department separately for each building. All expenditures for special education instruction, instructional support services, and pupil support services provided within a specific building must be reported to the department separately for each building. Salary expenditures reported by building must reflect actual salaries for staff at the building and must not be based on districtwide averages. All other general fund expenditures may be reported by building or on a districtwide basis.

(c) The department must annually report information showing school district general fund expenditures per pupil by program category for each building and estimated school district general fund revenue generated by pupils attending each building on its Web site. For purposes of this report:

(1) expenditures not reported by building shall be allocated among buildings on a uniform per pupil basis;

(2) basic skills revenue shall be allocated according to section 126C.10, subdivision 4;

(3) secondary sparsity revenue and elementary sparsity revenue shall be allocated according to section 126C.10, subdivisions 7 and 8;

(4) alternative teacher compensation revenue shall be allocated according to section 122.415, subdivision 1;

(5) other general education revenue shall be allocated on a uniform per pupil unit basis;

(6) state and federal special education aid and Title I aid shall be allocated in proportion to district expenditures for these programs by building; and

(7) other general fund revenues shall be allocated on a uniform per pupil basis, except that the department may allocate other revenues attributable to specific buildings directly to those buildings.

41. M.S. 123B.77 ACCOUNTING, BUDGETING, AND REPORTING REQUIREMENT.

Subdivision 1. Uniform financial accounting and reporting standards. Each Minnesota school district must adopt the uniform financial accounting and reporting standards for Minnesota school districts provided

for in guidelines adopted by the department.

Subd. 1a. School district consolidated financial statement. The commissioner, in consultation with the advisory committee on financial management, accounting, and reporting, shall develop and maintain a school district consolidated financial statement format that converts uniform financial accounting and reporting standards data under subdivision 1 into a more understandable format.

Subd. 2. Audited financial statement. Each district must submit to the commissioner by September 15 of each year unaudited financial data for the preceding fiscal year. These financial data must be submitted in the format prescribed by the commissioner.

Subd. 3. Statement for comparison and correction. (a) By November 30 of the calendar year of the submission of the unaudited financial data, the district must provide to the commissioner audited financial data for the preceding fiscal year. The audit must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office of the State Auditor. An audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited financial data shall be submitted to the commissioner and the state auditor by December 31. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance and a copy of the management letter submitted to the district by the school district's auditor.

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

Subd. 4. Budget approval. Prior to July 1 of each year, the board of each district must approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted must be considered an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures.

Subd. 5. Joint powers agreements; service cooperatives, education districts. All governmental units formed by joint powers agreements entered into by districts pursuant to sections 123A.22, 125A.03 to 125A.24, 125A.26 to 125A.48, 125A.65, 471.59, or any other law and all service cooperatives and education districts are subject to the provisions of this section.

Subd. 6. Benefits. A district providing early retirement incentive payments under section 122A.48, severance pay under section 465.72, or health insurance benefits to retired employees under section 471.61, must account for the payments according to uniform financial accounting and reporting standards.

42. M.S. 123B.79 PERMANENT FUND TRANSFERS.

Subdivision 1. Limitations. Except as provided in this subdivision, sections 123B.51, 123B.80, 475.61, and 475.65, a district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general

fund to any other operating funds according to section 121A.19 or if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, the balance shall cancel to the district's general fund.

Subd. 2. Technical colleges. Money must not be transferred from the postsecondary general fund to any other operating or nonoperating fund.

Subd. 3. TRA and FICA transfer. (a) Notwithstanding subdivision 1, a district may transfer money from the general fund to the community service fund for the employer contributions for teacher retirement and FICA for employees who are members of a teacher retirement association and who are paid from the community service fund.

(b) A district must not transfer money under paragraph (a) for employees who are paid with money other than normal operating funds, as defined in section 354.05, subdivision 27.

Subd. 4. Operating fund; nonoperating fund; defined. As used in this section, "operating fund" and "nonoperating fund" have the meanings specified in the uniform financial accounting and reporting standards for Minnesota school districts. Any transfer for a period in excess of one year shall be deemed to be a permanent transfer.

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

Subd. 6. Account transfer for statutory operating debt. On June 30 of each year, a district may make a permanent transfer from the general fund account entitled "net unreserved general fund balance since statutory operating debt" to the account entitled "reserved fund balance reserve account for purposes of statutory operating debt reduction." The amount of the transfer is limited to the lesser of (a) the net unreserved general operating fund balance, or (b) the sum of the remaining statutory operating debt levies authorized for all future years according to section 126C.42, subdivision 1. If the net unreserved general fund balance is less than zero, the district may not make a transfer.

Subd. 7. Account transfer for designated separation and retirement benefits. A district may separately maintain in a designated for separation and retirement benefit account the amount necessary to meet the obligations for separation and retirement benefits, including compensated absences, termination benefits, pension benefits, and other postemployment benefits, not accounted for elsewhere. The amount necessary must be calculated according to standards established by the department.

Subd. 8. Account transfer for reorganizing districts. A district that has reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has conducted a successful referendum on the question of combination under section 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has been assigned an identification number by the commissioner under section 123A.48, subdivision 16, may make permanent transfers between any of the funds or accounts in the newly created or enlarged district with the exception of the debt redemption fund, food service fund, and health and safety account of the capital expenditure fund. Fund transfers under this section may be made for up to one year prior to the effective date of combination or consolidation by the consolidating boards and during the year following the effective date of reorganization by the consolidated board. The newly formed board of the combined district

may adopt a resolution on or before August 30 of the year of the reorganization authorizing a transfer among accounts or funds of the previous independent school districts which transfer or transfers shall be reported in the affected districts' audited financial statements for the year immediately preceding the consolidation.

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

43. M.S. 123B.80 EXCEPTIONS FOR PERMANENT FUND TRANSFERS.

Subdivision 1. Commissioner’s authorization. The commissioner may authorize a board to transfer money from any fund or account to another fund or account according to this section.

Sub. 2. Application. A board requesting authority to transfer money must apply to the commissioner and provide information requested. The application must indicate the law or rule prohibiting the desired transfer. The application must be signed by the superintendent and approved by the school board.

Subd. 3. Approval standard. The commissioner may approve a request only when an event has occurred in a district that could not have been foreseen by the district. The event must relate directly to the fund or account involved and to the amount to be transferred.

44. M.S. 123B.81 STATUTORY OPERATING DEBT.

Subdivision 1. Operating debt. The "operating debt" of a school district means the net negative unreserved general fund balance calculated as of June 30 of each year in accordance with the uniform financial accounting and reporting standards for Minnesota school districts.

Subd. 2. Statutory operating debt. If the amount of the operating debt is more than 2-1/2 percent of the most recent fiscal year's expenditure amount for the funds considered under subdivision 1, the net negative undesignated fund balance is defined as "statutory operating debt" for the purposes of this section and section 123B.83.

Subd. 3. Debt verification. The commissioner shall establish a uniform auditing or other verification procedure for districts to determine whether a statutory operating debt exists in any Minnesota school district. The standards for this uniform auditing or verification procedure must be promulgated by the commissioner. If a district applies to the commissioner for a statutory operating debt verification, the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

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

Subd. 5. Certification of debt. The commissioner shall certify the amount of statutory operating debt for

each district.

Subd. 6. [Repealed, 1Sp2003 c 9 art 1 s 54]

Subd. 7. Applicability. This section is applicable only to common, independent, and special school districts and districts formed pursuant to Laws 1967, chapter 822, as amended, and Laws 1969, chapters 775 and 1060, as amended. This section does not apply to Independent School District No. 625.

45. M.S. 471.426 DIRECT DEPOSIT.

Notwithstanding sections 177.23, subdivision 4, and 181.02, the governing body of a municipality as defined in section 471.425, may require direct deposit for all its employees who are being paid by its payroll system.

46. M.S. 471.6175 TRUST FOR POSTEMPLOYMENT BENEFITS. (**2014 Session Change**)

Subdivision 1. Authorization; establishment. A political subdivision or other public entity that creates or has created an actuarial liability to pay postemployment benefits to employees or officers after their termination of service may establish a trust to pay those benefits. For purposes of this section, the term "postemployment benefits" means benefits giving rise to a liability under Statement No. 45 of the Governmental Accounting Standards Board and the term "trust" means a trust, a trust account, or a custodial account or contract authorized under section 401(f) of the Internal Revenue Code.

Subd. 2. Purpose of trust. The trust established under this section may only be used to pay postemployment benefits and may be either revocable or irrevocable.

Subd. 3. Trust administrator. The trust administrator of a trust established under this section shall be either:

(1) the Public Employees Retirement Association;

(2) a bank or banking association incorporated under the laws of the United States or of any state and authorized by the laws under which it is organized to exercise corporate trust powers; or

(3) an insurance company or agency qualified to do business in Minnesota which has at least five years' experience in investment products and services for group retirement benefits and which has a specialized department dedicated to services for retirement investment products. A political subdivision or public entity may, in its discretion and in compliance with any applicable trust document, change trust administrators and transfer trust assets accordingly.

Subd. 4. Account maintenance. (a) A political subdivision or other public entity may establish a trust account to be held under the supervision of the trust administrator for the purposes of this section. A trust administrator shall establish a separate account for each participating political subdivision or public entity. The trust administrator may charge participating political subdivisions and public entities fees for reasonable administrative costs. The amount of any fees charged by the Public Employees Retirement Association is appropriated to the association from the account. A trust administrator may establish other reasonable terms and conditions for creation and maintenance of these accounts.

(b) The trust administrator must report to the political subdivision or other public entity on the investment returns of invested trust assets and on all investment fees or costs incurred by the trust.

(c) **Annually, no later than October 25, each** trust administrator **shall** report electronically to the state auditor **based upon a fiscal year end of June 30. The report must contain,** in the manner prescribed by

the state auditor**, the: (1) market value; (2) contributions and withdrawals made by the public entity; (3) time-weighted annual rates of return net of all costs and fees; and (4) all investment management and plan administrative fees and costs for the trust for the year.**

The trust administrator shall certify that the information provided in the report is true and correct, and shall certify that the procedures used to compute rates of return are consistent with the measurement and presentation standards set by the CFA Institute.
EFFECTIVE DATE. This section is effective August 1, 2014, with the initial report due under Minnesota Statues, section 471.6175, subdivision 4, paragraph (c), made no later than October 25, 2015.

Subd. 5. Investment. (a) The assets of a trust or trust account shall be invested and held as stipulated in paragraphs (b) to (e).

(b) The Public Employees Retirement Association must certify all money in the trust accounts for which it is trust administrator to the State Board of Investment for investment under section 11A.14, subject to the policies and procedures established by the State Board of Investment. Investment earnings must be credited to the trust account of the individual political subdivision or public entity.

(c) A trust administrator, other than the Public Employees Retirement Association, must ensure that all money in the trust accounts for which it is trust administrator is invested by a registered investment adviser, a bank investment trust department, or an insurance company or agency retirement investment department. Investment earnings must be credited to the trust account of the individual political subdivision or public entity.

(d) For trust assets invested by the State Board of Investment, the investment restrictions shall be the same as those generally applicable to the State Board of Investment. For trust assets invested by a trust administrator other than the Public Employees Retirement Association, the assets may only be invested in investments authorized under chapter 118A or section 356A.06, subdivision 7, in the manner specified in the applicable trust document.

(e) A political subdivision or public entity may provide investment direction to a trust administrator in compliance with any applicable trust document.

Subd. 6. Limit on deposit. A political subdivision or public entity may not deposit money in a trust or trust account created pursuant to this section if the total amount invested by that political subdivision or public entity would exceed the political subdivision's or public entity's actuarially determined liabilities for postemployment benefits due to officers and employees, as determined under the applicable standards of the Governmental Accounting Standards Board.

Subd. 7. Withdrawal of funds and termination of account. (a) For a revocable account, a political subdivision or public entity may withdraw some or all of its money or terminate the trust account. Money and accrued investment earnings withdrawn from a revocable account must be deposited in a fund separate and distinct from any other funds of the political subdivision or public entity. This money, with accrued investment earnings, must be used to pay legally enforceable postemployment benefits to former officers and employees, unless (i) there has been a change in state or federal law affecting that political subdivision's or public entity's liabilities for postemployment benefits, or (ii) there has been a change in the demographic composition of that political subdivision's or public entity's employees eligible for postemployment benefits, or (iii) there has been a change in the provisions or terms of the postemployment benefits in that political subdivision or public entity including, but not limited to, the portion of the costs eligible employees must pay

to receive the benefits, or (iv) other factors exist that have a material effect on that political subdivision's or public entity's actuarially determined liabilities for postemployment benefits, in which event any amount in excess of 100 percent of that political subdivision's or public entity's actuarially determined liabilities for postemployment benefits, as determined under standards of the Government Accounting Standards Board, may be withdrawn and used for any purpose.

(b) For an irrevocable account, a political subdivision or public entity may withdraw money only:

(1) as needed to pay postemployment benefits owed to former officers and employees of the political subdivision or public entity; or

(2) when all postemployment benefit liability owed to former officers or employees of the political subdivision or public entity has been satisfied or otherwise defeased.

(c) A political subdivision or public entity requesting withdrawal of money from an account created under this section must do so at a time and in the manner required by the executive director of the Public Employees Retirement Association or specified in an applicable trust document. The political subdivision or public entity that created the trust must ensure that withdrawals comply with the requirements of this section.

(d) The legislature may not divert funds in these trusts or trust accounts for use for another purpose.

Subd. 8. Status of irrevocable trust. (a) All money in an irrevocable trust or trust account created in this section is held in trust for the exclusive benefit of former officers and employees of the participating political subdivision or public entity, and is not subject to claims by creditors of the state, the participating political subdivision or public entity, the current or former officers and employees of the political subdivision or public entity, or the trust administrator.

(b) An irrevocable trust fund or trust account created in this section shall be deemed an arrangement equivalent to a trust for all legal purposes.

47. M.S. 126C.41 BENEFITS LEVIES.

Subdivision 1. Health insurance. (a) A district may levy the amount necessary to make employer contributions for insurance for retired employees under this subdivision.

(b) The school board of a joint vocational technical district formed under the provisions formerly codified as sections136C.60 to 136C.69 and the school board of a school district may provide employer-paid hospital, medical, and dental benefits to a person who:

(1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on June 30, 1992;

(2) has at least 25 years of service credit in the public pension plan of which the person is a member on the day before retirement or, in the case of a teacher, has a total of at least 25 years of service credit in the teachers retirement association, a first-class city teacher retirement fund, or any combination of these;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) retires on or after May 15, 1992, and before July 21, 1992.

A school board paying insurance under this subdivision may not exclude any eligible employees.

(c) An employee who is eligible both for the health insurance benefit under this subdivision and for an early retirement incentive under a collective bargaining agreement or personnel plan established by the employer must select either the early retirement incentive provided under the collective bargaining agreement personnel plan or the incentive provided under this subdivision, but may not receive both. For purposes of

this subdivision, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

(d) Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of chapter 179A. The authority provided in this subdivision for an employer to pay health insurance costs for certain retired employees is not subject to the limits in section 179A.20, subdivision 2a.

(e) If a school district levies according to this subdivision, it may not also levy according to section123A.73, subdivision 12, for eligible employees.

Subd. 2. Retired employee health benefits. (a) A district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992, and to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable before July 1, 1998, only if a sunset clause is in effect for the current collective bargaining agreement. The total amount of the levy each year may not exceed $600,000.

(b) In addition to the levy authority granted under paragraph (a), a school district may levy for other postemployment benefits expenses. For purposes of this subdivision, "postemployment benefits" means benefits giving rise to a liability under Statement No. 45 of the Government Accounting Standards Board. A district seeking levy authority under this subdivision must:

(1) create or have created an actuarial liability to pay postemployment benefits to employees or officers after their termination of service;

(2) have a sunset clause in effect for the current collective bargaining agreement as required by paragraph (a); and

(3) apply for the authority in the form and manner required by the commissioner of education.

If the total levy authority requested under this paragraph exceeds the amount established in paragraph (c), the commissioner must proportionately reduce each district's maximum levy authority under this subdivision.

(c) The maximum levy authority under paragraph (b) must not exceed the following amounts:

(1) $9,242,000 for taxes payable in 2010;

(2) $29,863,000 for taxes payable in 2011; and

(3) for taxes payable in 2012 and later, the maximum levy authority must not exceed the sum of the previous year's authority and $14,000,000.

48. M.S. 475.52 BOND ISSUES.

Subd. 6. Certain purposes. Any municipality may issue bonds for paying judgments against it; for refunding outstanding bonds; for funding floating indebtedness; for funding actuarial liabilities to pay

postemployment benefits to employees or officers after their termination of service; or for funding all or part of the municipality's current and future unfunded liability for a pension or retirement fund or plan referred to in section 356.20, subdivision 2, as those liabilities are most recently computed pursuant to sections 356.215 and 356.216. The board of trustees or directors of the Bloomington Fire Department Relief Association must consent and must be a party to any contract made under this section with respect to the fund held by it for the benefit of and in trust for its members. For purposes of this section, the term "postemployment benefits" means benefits giving rise to a liability under Statement No. 45 of the Governmental Accounting Standards Board.

49. M.S. 471.87 PUBLIC OFFICERS, INTEREST IN CONTRACT; PENALTY.

Except as authorized in section 471.88, a public officer who is authorized to take part in any manner in making any sale, lease, or contract in his official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially therefrom. Every public officer who violates this provision is guilty of a gross misdemeanor.

50. M.S. 471.88 EXCEPTIONS.

Subdivision 1. Coverage. The governing body of any port authority, seaway port authority, economic development authority, watershed district, soil and water conservation district, town, school district, hospital district, county, or city, by unanimous vote, may contract for goods or services with an interested officer of the governmental unit in any of the following cases.

Subd. 2. Bank or savings association. In the designation of a bank in which the officer is interested as an authorized depository for public funds and as a source of borrowing, no restriction shall apply to the deposit or borrowing of any funds or the designation of a depository by such authority or governmental unit in any bank or savings association in which a member of an authority or officer of a governmental unit shall have an interest if such deposited funds are protected in accordance with Minnesota Statutes, Chapter 118; provided, however, that any member or officer having such an interest shall disclose that the member is a director or employee of the bank or savings association, which disclosure shall be entered upon the minutes of the authority or governmental unit, such disclosure shall be made when such bank or savings association is first designated as a depository or as a source of borrowing, or when such member or officer is elected whichever is later, and such disclosure shall serve as notice of such interest and need not be made with each successive transaction.

Subd. 3. Official newspaper. The designation of an official newspaper, or publication of official matters therein, in which the officer is interested when it is the only newspaper complying with statutory or charter requirements relating to the designation or publication.

Subd. 4. Cooperative association. A contract with a cooperative association of which the officer is a shareholder or stockholder but not an officer or manager.

Subd. 5. Contract with no bids required. A contract for which competitive bids are not required by law. (Note: See M.S. 471.89 for procedure if contract is made pursuant to this subdivision.)

Subd. 6. Non-Applicable.

Subd. 6a. Non-Applicable.

Subd. 7. Non-Applicable.

Subd. 8. Non-Applicable.

Subd. 9. Non-Applicable.

Subd. 10. Non-Applicable.

Subd. 11. Population of 1,000 or less. An officer of a government unit may contract with the unit to provide construction materials or services, or both, when the sealed bid process is used and the unit has a population of 1,000 or less according to the last federal census. The officer may not vote on the question of the contract when it comes before the governing body for consideration.

Subd. 12. Rent. A public officer may rent space in a public facility at a rate commensurate with that paid by other members of the public.

Subd. 13. Non-Applicable.

Subd. 14. Non-Applicable.

Subd. 21. Contract with no bids required. Notwithstanding subdivision 1, a local school board may contract with a class of school district employees such as teachers or custodians where the spouse of a school board member is a member of the class of employees contracting with the school board and the employee spouse receives no special monetary or other benefit that is substantially different from the benefits that other members of the class receive under the employment contract. A school board invoking this exception must have a majority of disinterested school board members vote to approve the contract, direct the school board member spouse to abstain from voting to approve the contract, and publicly set out the essential facts of the contract at the meeting where the contract is approved.

51. M.S. 471.89 CONTRACT, WHEN VOID.

Subdivision 1. Procedure followed. A contract made pursuant to section 471.88, subdivision 5, is void unless the procedure prescribed by subdivisions 2 and 3 is followed.

Subd. 2. Resolution by governing body. Except in an emergency making such procedure impracticable, the governing body of the governmental unit shall authorize the contract in advance of its performance by adopting a resolution setting out the essential facts and determining that the contract price is as low or lower than the price at which the commodity or services could be obtained elsewhere. In case of an emergency when the contract cannot be authorized in advance, payment of the claims shall be authorized by a like resolution in which the facts of the emergency are also stated.

Subd. 3. Claims, affidavits filed. Before such a claim is paid, the interested officer shall file with the clerk of the governing body an affidavit stating:

(a) The name of the officer and the office held by him;

(b) An itemization of the commodity or services furnished;

(c) The contract price;

(d) The reasonable value;

(e) The interest of the officer in the contract; and

(f) That to the best of the officer's knowledge and belief the contract price is as low as, or lower than, the price at which the commodity or services could be obtained from other sources.

52. M.S. 609.66 MINNESOTA PERSONAL PROTECTION ACT (MPPA).

Subd. 1d. Possession on school property; penalty. (a) Except as provided under paragraphs (d) and (f), whoever possesses, stores, or keeps a dangerous weapon while knowingly on school property is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

(b) Whoever uses or brandishes a replica firearm or a BB gun while knowingly on school property is guilty of a gross misdemeanor.

(c) Whoever possesses, stores, or keeps a replica firearm or a BB gun while knowingly on school property is guilty of a misdemeanor.

(d) Notwithstanding paragraph (a), (b), or (c), it is a misdemeanor for a person authorized to carry a firearm under the provisions of a permit or otherwise to carry a firearm on or about the person's clothes or person in a location the person knows is school property. Notwithstanding section 609.531, a firearm carried in violation of this paragraph is not subject to forfeiture.

(e) As used in this subdivision:

(1) "BB gun" means a device that fires or ejects a shot measuring .18 of an inch or less in diameter;

(2) "dangerous weapon" has the meaning given it in section 609.02, subdivision 6;

(3) "replica firearm" has the meaning given it in section 609.713; and

(4) "school property" means:

(i) a public or private elementary, middle, or secondary school building and its improved grounds, whether leased or owned by the school;

(ii) a child care center licensed under chapter 245A during the period children are present and participating in a child care program;

(iii) the area within a school bus when that bus is being used by a school to transport one or more elementary, middle, or secondary school students to and from school-related activities, including curricular, cocurricular, noncurricular, extracurricular, and supplementary activities; and

(iv) that portion of a building or facility under the temporary, exclusive control of a public or private school, a school district, or an association of such entities where conspicuous signs are prominently posted at each entrance that give actual notice to persons of the school-related use.

(f) This subdivision does not apply to:

(1) active licensed peace officers;

(2) military personnel, or students participating in military training, who are on-duty, performing official duties;

(3) persons authorized to carry a pistol under section 624.714 while in a motor vehicle or outside of a motor vehicle to directly place a firearm in, or retrieve it from, the trunk or rear area of the vehicle;

(4) persons who keep or store in a motor vehicle pistols in accordance with section 624.714 or 624.715 or other firearms in accordance with section 97B.045;

(5) firearm safety or marksmanship courses or activities conducted on school property;

(6) possession of dangerous weapons, BB guns, or replica firearms by a ceremonial color guard;

(7) a gun or knife show held on school property;

(8) possession of dangerous weapons, BB guns, or replica firearms with written permission of the principal or other person having general control and supervision of the school or the director of a child care center; or

(9) persons who are on unimproved property owned or leased by a child care center, school, or school district unless the person knows that a student is currently present on the land for a school-related activity.

(g) Notwithstanding section 471.634, a school district or other entity composed exclusively of school districts may not regulate firearms, ammunition, or their respective components, when possessed or carried by nonstudents or nonemployees, in a manner that is inconsistent with this subdivision.

53. M.S. 624.714 EMPLOYER/EMPLOYEE MPPA POLICY.

Subd. 18. Employers; public colleges and universities. (a) An employer, whether public or private, may establish policies that restrict the carry or possession of firearms by its employees while acting in the course and scope of employment. Employment related civil sanctions may be invoked for a violation.

(b) A public postsecondary institution regulated under chapter 136F or 137 may establish policies that restrict the carry or possession of firearms by its students while on the institution’s property. Academic sanctions may be invoked for a violation.

(c) Notwithstanding paragraphs (a) and (b), an employer or a postsecondary institution may not prohibit the lawful carry or possession of firearms in a parking facility or parking area.

STUDENTS

(**Bolded Items - 2014 Session Changes**)

A. COMPULSORY ATTENDANCE.

1. M.S. 120A.20 ADMISSION TO PUBLIC SCHOOL.

Subdivision 1. Age limitations; pupils. (a) All schools supported in whole or in part by state funds are public schools. Admission to a public school is free to any person who (1) resides within the district that operates the school; (2) is under 21 years of age or who meets the requirements of paragraph (c); and (3) satisfies the minimum age requirements imposed by this section. Notwithstanding the provisions of any law to the contrary, the conduct of all students under 21 years of age attending a public secondary school is governed by a single set of reasonable rules and regulations promulgated by the school board.

(b) A person shall not be admitted to a public 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 1st 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 any school board may establish a policy for admission of selected pupils at an earlier age under section 124D.02.

(c) A pupil who becomes age 21 after enrollment is eligible for continued free public school enrollment until at least one of the following occurs; (1) the first September 1 after the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3) the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4) the end of the school year.

Subd. 2. Education, residence, and transportation of homeless. (a) Notwithstanding subdivision 1, a district must not deny free admission to a homeless pupil solely because the district cannot determine that the pupil is a resident of the district.

(b) The school district of residence for a homeless pupil shall be the school district in which the parent or legal guardian resides, unless: (1) parental rights have been terminated by court order; (2) the parent or guardian is not living within the state; or (3) the parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections. If any of clauses (1) to (3) apply, the school district of residence shall be the school district in which the pupil resided when the qualifying event occurred. If no other district of residence can be established, the school district of residence shall be the school district in which the pupil currently resides. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner of education.

(c) The serving district is responsible for transporting a homeless pupil to and from the pupil's district of residence. The district may transport from a permanent home in another district but only through the end of the academic school year. When a pupil is enrolled in a charter school, the district or school that provides transportation for other pupils enrolled in the charter school is responsible for providing transportation. When a homeless student with or without an individualized education program attends a public school other than an independent or special school district or charter school, the district of residence is responsible for transportation.

Subd. 3. Repealed.

2. M.S. 120A. 22 COMPULSORY INSTRUCTION. **(2014 Session Change)**

Subd. 3. Parent defined; residency determined. (a) In this section and sections 120A.24 and 120A.26, "parent" means a parent, guardian, or other person having legal custody of a child.

(b) In sections 125A.03 to 125A.24 and 125A.65, "parent" means a parent, guardian, or other person having legal custody of a child under age 18. For an unmarried pupil age 18 or over, "parent" means the pupil unless a guardian or conservator has been appointed, in which case it means the guardian or conservator.

(c) For purposes of sections 125A.03 to 125A.24 and 125A.65, the school district of residence for an unmarried pupil age 18 or over who is a parent under paragraph (b) and who is placed in a center for care and treatment, shall be the school district in which the pupil's biological or adoptive parent or designated guardian resides.

(d) For a married pupil age 18 or over, the school district of residence is the school district in which the married pupil resides.

(e) If a district reasonably believes that a student does not meet the residency requirements of the school district in which the student is attending school, the student may be removed from the school only after the district sends the student's parents written notice of the district's belief, including the facts upon which the belief is based, and an opportunity to provide documentary evidence of residency in person to the superintendent or designee, or, at the option of the parents, by sending the documentary evidence to the superintendent, or a designee, who will then make a determination as to the residency status of the student.

Subd. 5. Ages and terms. (a) Every child between seven and 17 years of age must receive instruction unless the child has graduated. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction. Except as provided in subdivision 6, a parent may withdraw a child under the age of seven from enrollment at any time.

(b) A school district by annual board action may require children subject to this subdivision to receive instruction in summer school. A district that acts to require children to received instruction in summer school shall establish at the time of its action the criteria for determining which children must receive instruction.

(c) A pupil 16 years of age or older who meets the criteria of section 124D.68, subdivision 2, **and under clause (5) of that subdivision has been excluded or expelled from school or under clause (11) of that subdivision has been chronically truant** may be **referred** to an area learning center. Such **referral** may be made only after **consulting** the principal, area learning center director, **student** and parent or guardian **and only if, in the school administrator's professional judgment, the referral is in the best educational interest of the pupil. Nothing in this paragraph limits a pupil's eligibility to apply to enroll in other eligible programs under section 124D.68**.

Subd. 7. Education records. (a) A district, a charter school, or a nonpublic school that receives services or aid under sections 123B.40 to 123B.48 from which a student is transferring must transmit the student's educational records, within ten business days of a request, to the district, the charter school, or the nonpublic school in which the student is enrolling. Districts, charter schools, and nonpublic schools that receive services or aid under sections 123B.40 to 123B.48 must make reasonable efforts to determine the district, the charter school, or the nonpublic school in which a transferring student is next enrolling in order to comply with this subdivision.

(b) A closed charter school must transfer the student's educational records, within ten business days of

the school's closure, to the student's school district of residence where the records must be retained unless the records are otherwise transferred under this subdivision.

(c) A school district, a charter school, or a nonpublic school that receives services or aid under sections 123B.40 to 123B.48 that transmits a student's educational records to another school district or other educational entity, charter school, or nonpublic school to which the student is transferring must include in the transmitted records information about any formal suspension, expulsion, and exclusion disciplinary action under sections 121A.40 to 121A.56. The district, the charter school, or the nonpublic school that receives services or aid under sections 123B.40 to 123B.48 must provide notice to a student and the student's parent or guardian that formal disciplinary records will be transferred as part of the student's educational record, in accordance with data practices under chapter 13 and the Family Educational Rights and Privacy Act of 1974, United States Code, title 20, section 1232(g).

(d) Notwithstanding section 138.17, a principal or chief administrative officer must remove from a student's educational record and destroy a probable cause notice received under section 260B.171, subdivision 5, or paragraph (d), if one year has elapsed since the date of the notice and the principal or chief administrative officer has not received a disposition or court order related to the offense described in the notice. This paragraph does not apply if the student no longer attends the school when this one-year period expires.

(e) A principal or chief administrative officer who receives a probable cause notice under section 260B.171, subdivision 5, or a disposition or court order, must include a copy of that data in the student's educational records if they are transmitted to another school, unless the data are required to be destroyed under paragraph (c) or section 121A.75.

Subd. 8. Withdrawal from school. Any student who is 17 years old who seeks to withdraw from school, and the student’s parent or guardian must: (1) attend a meeting with school personnel to discuss the educational opportunities available to the student, including alternative educational opportunities; and (2) sign a written election to withdraw from school.

Subd. 11. Assessment of performance. (a) Each year the performance of every child ages seven through 16 and every child ages 16 through 17 for which an initial report was filed pursuant to section 120A.24, subdivision 1, after the child is 16 and who is not enrolled in a public school must be assessed using a nationally norm-referenced standardized achievement examination. The superintendent of the district in which the child receives instruction and the person in charge of the child's instruction must agree about the specific examination to be used and the administration and location of the examination.

(b) To the extent the examination in paragraph (a) does not provide assessment in all of the subject areas in subdivision 9, the parent must assess the child's performance in the applicable subject area. This requirement applies only to a parent who provides instruction and does not meet the requirements of subdivision 10, clause (1), (2), or (3).

(c) If the results of the assessments in paragraphs (a) and (b) indicate that the child's performance on the total battery score is at or below the 30th percentile or one grade level below the performance level for children of the same age, the parent must obtain additional evaluation of the child's abilities and performance for the purpose of determining whether the child has learning problems.

(d) A child receiving instruction from a nonpublic school, person, or institution that is accredited by an accrediting agency, recognized according to section 123B.445, or recognized by the commissioner, is exempt from the requirements of this subdivision.

Subd. 12. Legitimate exemptions. (a) A parent, guardian, or other person having control of a child may apply to a school district to have the child excused from attendance for the whole or any part of the time school is in session during any school year. Application may be made to any member of the board, a truant officer, a principal, or the superintendent. The school district may state in its school attendance policy that it may ask the student's parent or legal guardian to verify in writing the reason for the child's absence from school. A note from a physician or a licensed mental health professional stating that the child cannot attend school is a valid excuse. The board of the district in which the child resides may approve the application upon the following being demonstrated to the satisfaction of that board:

(1) that the child's physical or mental health is such as to prevent attendance at school or application to study for the period required, which includes:

(i) child illness, medical, dental, orthodontic, or counseling appointments;

(ii) family emergencies;

(iii) the death or serious illness or funeral of an immediate family member;

(iv) active duty in any military branch of the United States;

(v) the child has a condition that requires ongoing treatment for a mental health diagnosis; or

(vi) other exemptions included in the district's school attendance policy;

(2) that the child has already completed state and district standards required for graduation from high school; or

(3) that it is the wish of the parent, guardian, or other person having control of the child, that the child attend for a period or periods not exceeding in the aggregate three hours in any week, a school for religious instruction conducted and maintained by some church, or association of churches, or any Sunday school association incorporated under the laws of this state, or any auxiliary thereof. This school for religious instruction must be conducted and maintained in a place other than a public school building, and it must not, in whole or in part, be conducted and maintained at public expense. However, a child may be absent from school on such days as the child attends upon instruction according to the ordinances of some church.

(b) Notwithstanding subdivision 6, paragraph (a), a parent may withdraw a child from an all-day, every-day kindergarten program and put their child in a half-day program, if offered, or an alternate-day program without being truant. A school board must excuse a kindergarten child from a part of school day at the request of the child’s parent.

3. M.S. 120A.36 SCHOOL ATTENDANCE.

Attendance at a particular public school is a privilege not a right for a pupil.

4. M.S. 120A.38 CLASSROOM PLACEMENT; PARENT DISCRETION.

(a) A parent or guardian of twins or higher order multiples may request that the children be placed in the same classroom or in separate classrooms if the children are in the same grade level at the same school. The school may recommend classroom placement to the parents and provide professional education advice to the parents to assist them in making the best decision for their children's education. A school must provide the placement requested by the children's parent or guardian, unless the school board makes a classroom placement determination following the school principal's request according to this section. The parent or guardian must request the classroom placement no later than 14 days after the first day of each school year or 14 days after the first day of attendance of the children during a school year if the children are enrolled in the school after the school year commences. At the end of the initial grading period, if the school principal, in consultation with the children's classroom teacher, determines that the requested classroom placement is disruptive to the school, the school principal may request that the school board determine the children's classroom placement.

(b) For purposes of this section, "higher order multiples" means triplets, quadruplets, quintuplets, or more.

5. M.S. 120A.40 SCHOOL CALENDAR.

(a) Except for learning programs during summer, flexible learning year programs authorized under sections 124D.12 to 124D.127, and learning year programs under section 124D.128, a district must not commence an elementary or secondary school year before Labor Day, except as provided under paragraph (b). Days devoted to teachers' workshops may be held before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

(b) A district may begin the school year on any day before Labor Day:

(1) to accommodate a construction or remodeling project of $400,000 or more affecting a district school facility;

(2) if the district has an agreement under section 123A.30, 123A.32, or 123A.35 with a district that qualifies under clause (1); or

(3) if the district agrees to the same schedule with a school district in an adjoining state.

6. M.S. 120A.41 LENGTH OF SCHOOL YEAR; DAYS 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 boards’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 under section 124D.126.

7. M.S. 120A.42 CONDUCT OF SCHOOL ON CERTAIN HOLIDAYS.

The governing body of any district may contract with any of the teachers of the district for the conduct of schools, and may conduct schools, on either, or any, of the following holidays, provided that a clause to this effect is inserted in the teacher's contract: Martin Luther King's birthday, Lincoln's and Washington's birthdays, Columbus Day and Veterans' Day. On Martin Luther King's birthday, Washington's birthday, Lincoln's birthday, and Veterans' Day at least one hour of the school program must be devoted to a patriotic observance of the day.

B. CURRICULUM AND ASSESSMENT.

1. M.S. 120B.018 DEFINITIONS.

Subdivision 1. Scope. The definitions in this section apply to this chapter.

Subd. 2. Academic standard. “Academic standard” means a summary description of student learning in a required content area under section1 20B.021 or elective content area under section 120B.22.

Subd. 3. Benchmark. “Benchmark” means specific knowledge or skill that a student must master to complete part of an academic standard by the end of the grade level or grade band.

Subd. 4. Credit. “Credit”means the determination by the local school district that a student has

successfully completed an academic year of study or mastered the applicable subject matter.

Subd. 5. Elective standard. “Elective standard” means a locally adopted expectation for student learning in career and technical education and world languages.

Subd. 6. Required standard. “Required standard” means (1) a statewide adopted expectation for student learning in the content areas of language arts, mathematics, science, social studies, physical education, and the arts, or (2) a locally adopted expectation for student learning in health or the arts.

2. M.S. 120B.02 EDUCATIONAL EXPECTATIONS AND GRADUATION REQUIREMENTS FOR MINNESOTA’S STUDENTS.

Subdivision 1. Educational expectations. (a) The legislature is committed to establishing rigorous, academic standards for Minnesota's public school students. To that end, the commissioner shall adopt in rule statewide academic standards. The commissioner shall not prescribe in rule or otherwise the delivery system, classroom assessments, or form of instruction that school sites must use.

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

(1) the rule is intended to raise academic expectations for students, teachers, and schools;

(2) any state action regarding the rule must evidence consideration of school district autonomy; and

(3) the department of education, with the assistance of school districts, must make available information about all state initiatives related to the rule to students and parents, teachers, and the general public in a timely format that is appropriate, comprehensive, and readily understandable.

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

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

Sudd. 2. Graduation requirements. To graduate from high school, students must demonstrate to their enrolling school district or school their satisfactory completion of the credit requirements under section 120B.024 and their understanding of academic standards on a nationally normed college entrance exam. A school district must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule.

3. M.S. 120B.021 REQUIRED ACADEMIC STANDARDS. **(2014 Session Change)**

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

(1) language arts;

(2) mathematics;

(3) science;

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

(5) physical education;

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

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

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

(c) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

Subd. 1a. Rigorous course of study; waiver. (a) Upon receiving a student's application signed by the student's parent or guardian, a school district, area learning center, or charter school must declare that a student meets or exceeds a specific academic standard required for graduation under **section 120B.02 and** this section if the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors determines that the student:

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

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

(3) satisfactorily completes the requirements for the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program. Consistent with the requirements of this section, the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors also may formally determine other circumstances in which to declare that a student meets or exceeds a specific academic standard that the site requires for graduation under **section 120B.02 and** this section.

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

Subd. 2. Standards development. (a) The commissioner must consider advice from at least the following stakeholders in developing statewide rigorous core academic standards in language arts, mathematics, science, social studies, including history, geography, economics, government and citizenship, and the arts:

(1) parents of school-age children and members of the public throughout the state;

(2) teachers throughout the state currently licensed and providing instruction in language arts, mathematics, science, social studies, or the arts and licensed elementary and secondary school principals throughout the state currently administering a school site;

(3) currently serving members of local school boards and charter school boards throughout the state;

(4) faculty teaching core subjects at postsecondary institutions in Minnesota; and

(5) representatives of the Minnesota business community.

(b) Academic standards must:

(1) be clear, concise, objective, measurable, and grade-level appropriate;

(2) not require a specific teaching methodology or curriculum; and

(3) be consistent with the Constitutions of the United States and the state of Minnesota.

Subd. 3. Rulemaking. The commissioner, consistent with the requirements of this section and section 120B.022, must adopt statewide rules under section 14.389 for implementing statewide rigorous core academic standards in language arts, mathematics, and the arts. After the rules authorized under this paragraph are initially adopted, the commissioner may not amend or repeal these rules nor adopt new rules on the same topic without specific legislative authorization. These academic standards must be implemented for all students beginning in the 2003-2004 school year.

4. M.S. 120B.022 ELECTIVE STANDARDS. **(2014 Session Change)**

Subdivision 1. Elective standards. A district must establish its own standards in the following subject areas:

(1) career and technical education; and

(2) world languages.

A school district must offer courses in all elective subject areas.

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.

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 who demonstrate level 3 functional native proficiency in listening, speaking, reading, and writing on either the Foreign Services Institute language proficiency tests 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 functional native proficiency in one language in addition to English is eligible to receive the state bilingual seal. A high school graduate who demonstrates functional native proficiency in more than one language in addition to English is eligible to receive the state multilingual seal.

(d) School districts and charter schools, in consultation with regional centers of excellence under section 120B.115, must 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 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. 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 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 proficiency tests.

(h) 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 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.

Subd. 2. Local assessments. A district must use a locally selected assessment to determine if a student has achieved an elective standard.

EFFECTIVE DATE: This section is effective the day following final enactment and applies to the 2014-2015 school year and later, except subdivision 1b, paragraph (h), is effective for students enrolling in a MnSCU system college or university in the 2015-2016 school year or later.

5. M.S. 120B.023 BENCHMARKS.

Subdivision 1. Benchmarks implement, supplement statewide academic standards. (a) The commissioner must supplement required state academic standards with grade-level benchmarks. High school career and college ready benchmarks may cover more than one grade. Schools must offer and students must achieve all benchmarks for an academic standard to satisfactorily complete that state standard.

(b) The commissioner shall publish benchmarks in the State Register and transmit the benchmarks in any other manner that informs and guides parents, teachers, school districts, and other interested persons and makes them accessible to the general public. The commissioner must use benchmarks in developing career and college readiness assessments under section 120B.30. The commissioner may charge a reasonable fee for publications.

(c) Once established, the commissioner may change the benchmarks only with specific legislative authorization and after completing a review under subdivision 2.

(d) The benchmarks are not subject to chapter 14 and section 14.386 does not apply.

Subd. 2. Revisions and reviews required. (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a ten-year cycle to review and 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 school year.

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

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

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

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

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

6. M.S. 120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.

Subdivision 1. Graduation requirements. Students beginning 9th grade in the 2011-2012 school year and later must successfully complete the following high school level credits for graduation:

(1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;

(2) three credits of mathematics, including an algebra II credit or its equivalent, sufficient to satisfy all of the academic standards in mathematics;

(3) an algebra I credit by the end of 8th grade sufficient to satisfy all of the 8th grade standards in mathematics;

(4) three credits of science, including at least one credit of biology, one credit of chemistry or physics, and one elective credit of science. The combination of credits under this clause must be sufficient to satisfy (i) all of the academic standards in either chemistry or physics and (ii) all other academic standards in science;

(5) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics sufficient to satisfy all of the academic standards in social studies;

(6) one credit of the arts sufficient to satisfy all of the state or local academic standards in the arts; and

(7) a minimum of seven elective credits.

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 subdivision1, 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 academic standards or a combination of these 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 subdivision1, 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.

7. M.S. 120B.07 EARLY GRADUATION.

Notwithstanding any law to the contrary, any secondary school student who has completed all required courses or standards may, with the approval of the student, the student's parent or guardian, and local school officials, graduate before the completion of the school year.

8. M.S. 120B.10 FINDINGS; IMPROVING INSTRUCTION AND CURRICULUM.

The legislature finds that a process is needed to enable school boards and communities to decide matters related to planning, providing, and improving education instruction and curriculum in the context of the state's high school graduation standards. The process should help districts evaluate the impact of instruction and curriculum on students' abilities to meet graduation standards, use evaluation results to improve instruction and curriculum, and determine services that districts and other public education entities can provide collaboratively with institutions including families and private or public organizations and agencies.

The legislature anticipates that a highly focused public education strategy will be an integral part of each district's review and improvement of instruction and curriculum.

9. M.S. 120B.11 SCHOOL DISTRICT PROCESS FOR REVIEWING CURRICULUM, INSTRUCTION, AND STUDENT ACHIEVEMENT; STRIVING FOR THE WORLD'S BEST WORKFORCE. **(2014 Session Change)**

Subdivision 1. Definitions. For the purposes of this section and section 120B.10, the following terms have the meanings given them. (a) "Instruction" means methods of providing learning experiences that enable a student to meet state and district academic standards and graduation requirements.

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

(c) "World's best workforce" means striving to: meet school readiness goals; have all third grade students achieve grade-level literacy; close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; and have all students graduate from high school.

Subd. 1a. Performance measures. Measures to determine school district and school site progress in striving to create the world's best workforce must include at least: (1) student performance on the National **Assessment** of Education Progress; (2) the size of the academic achievement gap**, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences** by student subgroup; (3) student performance on the Minnesota Comprehensive Assessments; (4) high school graduation rates; and (5) career and college readiness under section 120B.30, subdivision 1.

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

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

(2) a process for assessing and evaluating each student's progress toward meeting state and local academic standards and identifying the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students' progress and growth toward career and college readiness and leading to the world's best workforce;

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

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

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

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

Subd. 3. District advisory committee. Each school board shall establish an advisory committee to ensure

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

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

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

Subd. 6. Repealed.

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

Subd. 8. Repealed.

Subd. 9. Annual evaluation. (a) The commissioner must identify effective strategies, practices, and use of resources by districts and school sites in striving for the world's best workforce. The commissioner must assist districts and sites throughout the state in implementing these effective strategies, practices, and use of resources.

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

improve and accelerate its progress in realizing its goals under this section. In implementing this section, the commissioner must consider districts' budget constraints and legal obligations.

10. M.S. 120B.12 READING PROFICIENTLY NO LATER THAN THE END OF GRADE 3. **(2014 Session Change)**

Subdivision 1. Literacy goal. The legislature seeks to have every child reading at or above grade level no later than the end of grade 3**, including English learners,** and that teachers provide comprehensive, scientifically based reading instruction consistent with section 122A.06, subdivision 4.

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.

Subd. 2a. Parent notification and involvement. Schools, at least annually, must give the parent of each student who is not reading at or above grade level timely information about: (1) student's reading proficiency as measured by a locally adopted assessment; (2) reading-related services currently being provided to the student; and (3) strategies for parents to use **at home** in helping their student succeed in becoming grade-level proficient in reading **in English and in their native language**.

Subd. 3. Intervention. For each student identified under subdivision 2, the district shall provide reading intervention to accelerate student growth **and** reach the goal of reading at or above grade level by the end of the current grade and school year. District intervention methods shall encourage **family engagement** and, where possible, collaboration with appropriate school and community programs. Intervention methods may include, but are not limited to, requiring attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, extended-day programs**, or programs that strengthen students' cultural connections**.

Subd. 4. Staff development. Each district shall use the data under subdivision 2 to identify the staff development needs so that: (1) elementary teachers are able to implement comprehensive, scientifically based reading **and oral language** instruction in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension as defined in section 122A.06, subdivision 4, **and other literacy-related areas including writing** until the student achieves grade-level reading proficiency; (2) elementary teachers have sufficient training to provide comprehensive, scientifically based reading **and oral language** instruction **that meets students' developmental, linguistic, and literacy needs** using the intervention methods or programs selected by the district for the identified students; (3) licensed teachers employed by the district have regular opportunities to improve reading **and writing** instruction; (4) licensed teachers recognize students' diverse needs in cross-cultural settings and are able to serve the oral language and linguistic needs of students who are English language learners **by maximizing strengths in their native languages in order to cultivate students' English language development, including oral academic language development, and build academic literacy; and (5) licensed teachers are well trained in culturally responsive pedagogy that enables students to master content, develop skills to access content, and build relationships**.

Subd. 4a. Local literacy plan. 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 include a process to assess students' level of reading proficiency, notify and involve parents, intervene with students who are not reading at or above grade level, and identify and meet staff development needs. The district must post its literacy plan on the official school district Web site.

Subd. 5. Commissioner. The commissioner shall recommend to districts multiple assessment tools to assist districts and teachers with identifying students under subdivision 2. The commissioner shall also make available examples of nationally recognized and research-based instructional methods or programs to districts to provide comprehensive, scientifically based reading instruction and intervention under this section.

11. M.S. 120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL LEARNING PLANS. (New 2014 Session)

(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.

12. M.S. 120B.128 EDUCATIONAL PLANNING AND ASSESSMENT SYSTEM (EPAS) PROGRAM.

(a) School districts and charter schools may elect to participate in the Educational Planning and Assessment System (EPAS) program offered by ACT, Inc. to provide a longitudinal, systematic approach to student educational and career planning, assessment, instructional support, and evaluation. The EPAS achievement tests include English, reading, mathematics, science, and components on planning for high school and postsecondary education, interest inventory, needs assessments, and student education plans. These tests are linked to the ACT assessment for college admission and allow students, parents, teachers, and schools to determine the student's college readiness before grades 11 and 12.

(b) The commissioner of education shall provide ACT Explore tests for students in grade 8 and the ACT Plan test for students in grade 10 to assess individual student academic strengths and weaknesses, academic achievement and progress, higher order thinking skills, and college readiness.

(c) Students enrolled in grade 8 through the 2011-2012 school year who have not yet demonstrated proficiency on the Minnesota comprehensive assessments, the graduation-required assessments for diploma, or the basic skills testing requirements prior to high school graduation may satisfy state high school graduation requirements for assessments in reading, mathematics, and writing by taking 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), the WorkKeys job skills assessment, the Compass college placement test, a nationally recognized armed services vocation aptitude test, or the ACT assessment for college admission.

(d) The state shall pay the test costs for public school students to participate in the assessments under this section. The commissioner shall establish an application procedure and a process for state payment of costs.

13. M.S. 120B.13 ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.

Subd. 3a. College credit. The colleges and universities of the Minnesota State Colleges and Universities system must award, and the University of Minnesota and private postsecondary institutions are encouraged to award, college credit to high school students who receive a score of three or higher on an advanced placement or four or higher on the international baccalaureate program examination.

14. M.S. 120B.131 COLLEGE-LEVEL EXAMINATION PROGRAM (CLEP).

Subdivision 1. Program structure. The College-Level Examination Program (CLEP) offered by the

College Board provides students with the opportunity to demonstrate college-level achievement and receive college credit or advanced standing through a program of examinations in undergraduate college courses. Schools must provide information about CLEP and the opportunity to receive college credit from a Minnesota postsecondary institution to students successfully completing a college-level course.

Subd. 2. Reimbursement for examination fees. The state may reimburse college level examination program (CLEP) fees for a Minnesota public high school student who has successfully completed one or more college-level courses in high school and earned a satisfactory score on one or more CLEP examinations in the following subjects: composition and literature, mathematics and science, social sciences and history, foreign languages, and business and humanities. The state may reimburse each successful student for up to six examination fees. The commissioner shall establish application procedures and a process and schedule for fee reimbursements. The commissioner must give priority to reimburse the CLEP examination fees of students of low-income families.

Subd. 3. College credit. The colleges and universities of the Minnesota State Colleges and Universities system must award, and the University of Minnesota and private postsecondary institutions are encouraged to award, college credit to high school students who receive a satisfactory score on a CLEP examination under this section. The commissioner, in consultation with the Minnesota State Colleges and Universities, shall set a passing score for college credits.

15. M.S. 120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.

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

(b) School districts must adopt guidelines for assessing and identifying students for participation in gifted and talented programs. The guidelines should include the use of: (1) multiple and objective criteria; and (2) assessments and procedures that are valid and reliable, fair, and based on current theory and research. Assessments and procedures should be sensitive to underrepresented groups, including, but not limited to, low-income, minority, twice-exceptional, and English learners.

(c) School districts must adopt procedures for the academic acceleration of gifted and talented students. These procedures must include how the district will: (1) assess a student's readiness and motivation for acceleration; and (2) match the level, complexity, and pace of the curriculum to a student to achieve the best type of academic acceleration of that student.

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

16. M.S. 120B.20 PARENTAL CURRICULUM REVIEW.

Each school district shall have a procedure for a parent, guardian, or an adult student, 18 years of age or older, to review the content of the instructional materials to be provided to a minor child or to an adult student and, if the parent, guardian, or adult student objects to the content, to make reasonable arrangements with school personnel for alternative instruction. Alternative instruction may be provided by the parent, guardian, or adult student if the alternative instruction, if any, offered by the school board does not meet the concerns of the parent, guardian, or adult student. The school board is not required to pay for the costs of alternative instruction provided by a parent, guardian, or adult student. School personnel may not impose an

academic or other penalty upon a student merely for arranging alternative instruction under this section. School personnel may evaluate and assess the quality of the student's work.

17. M.S. 120B.236 CARDIOPULMONARY RESUSCITATION AND AUTOMATIC EXTERNAL DEFIBRILLATOR INSTRUCTION.

(a) School districts must provide onetime cardiopulmonary resuscitation and automatic external defibrillator instruction as part of their grade 7 to 12 curriculum for all students in that grade beginning in the 2014-2015 school year and later. Training and instruction provided under this section need not result in cardiopulmonary resuscitation certification. Cardiopulmonary resuscitation and automatic external defibrillator instruction must include cardiopulmonary resuscitation and automatic external defibrillator training that has been developed: (1) by the American Heart Association or the American Red Cross and incorporate psychomotor skills to support the instruction; or (2) using nationally recognized, evidence-based guidelines for cardiopulmonary resuscitation and incorporates psychomotor skills to support the instruction. "Psychomotor skills" under this paragraph means hands-on practice to support cognitive learning; it does not mean cognitive-only instruction and training.

(b) School districts may use community members such as emergency medical technicians, paramedics, police officers, firefighters, and representatives of the Minnesota Resuscitation Consortium, the American Heart Association, or the American Red Cross, among others, to provide instruction and training under this section. Community members are encouraged to provide needed training and instructional resources such as cardiopulmonary resuscitation kits and other materials at no cost to the school districts. A school administrator may waive this curriculum requirement for a high school transfer student regardless of whether or not the student previously received instruction under this section, an enrolled student absent on the day the instruction occurred under this section, or an eligible student who has a disability. If a school district requests resources, the Minnesota Resuscitation Consortium must provide them to the district for instruction and training provided to students under this section.

18. M.S. 120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.

Subdivision 1. Statewide testing. (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed 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 in grades 3 through 7. 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.

(1) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be assessed under (i) 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) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, or (v) a nationally recognized armed services vocational aptitude test.

(2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible to be assessed under (i) 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) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for

college admission, or (v) a nationally recognized armed services vocational aptitude test.

(3) For students under clause (1) or (2), 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; grade 3 through 8 and high school level beginning in the 2012-2013 school year.

(c) 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 on a nationally normed college entrance exam;

(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) 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.

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. A student under clause (2) 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.

(d) 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 to provide the students with diagnostic information about any targeted interventions they need so that they may seek postsecondary education or employment without need for postsecondary remediation.

(1) 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) 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) 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) The school board granting the 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

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2013-2014 school year and later, except that paragraph (a) applies the day following final enactment and the requirements for using computer-adaptive mathematics and reading assessments for grades 3 through 7 apply in the 2015-2016 school year and later. The series of assessments contracted for under paragraph (d) apply in the 2014-2015 school year and later.

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.

(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) 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) 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.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later except the requirements for using computer-adaptive mathematics and reading assessments for grades 3 through 7 apply in the 2015-2016 school year and later. Results related to career and college readiness benchmarks apply in the 2014-2015 school year and later.

19. M.S. 120B.31 SYSTEM ACCOUNTABILITY AND STATISTICAL ADJUSTMENTS. **(2014 Session Change)**

Subdivision 1. Educational accountability and public reporting. Consistent with the direction to adopt statewide academic standards under section 120B.02, the department, in consultation with education and other system stakeholders, must establish a coordinated and comprehensive system of educational accountability and public reporting that promotes greater academic achievement, preparation for higher academic education, preparation for the world of work, citizenship and the arts.

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.

Subd. 3. Repealed.

Subd. 4. Student performance data. In developing policies and assessment processes to hold schools and districts accountable for high levels of academic standards under section 120B.021, the commissioner shall aggregate student data over time to report student performance and growth levels measured at the school, school district, and statewide level. When collecting and reporting the performance data, the commissioner shall organize and report the data so that state and local policymakers can understand the educational implications of changes in districts' demographic profiles over time. Any report the commissioner disseminates containing summary data on student performance must integrate student performance and the demographic factors that strongly correlate with that performance.

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

20. M.S. 120B.35 STUDENT ACADEMIC ACHIEVEMENT AND PROGRESS. **(2014 Session Change)**

Subdivision 1. School and student indicators of growth and achievement. The commissioner must develop and implement a system for measuring and reporting academic achievement and individual student growth consistent with the statewide educational accountability and reporting system. The system components must measure and separately report the adequate yearly progress of schools and the growth of individual students: students' current achievement in schools under subdivision 2; and individual students' educational growth over time under subdivision 3. The system also must include statewide measures of student academic growth that identify schools with high levels of growth, and also schools with low levels of

growth that need improvement. When determining a school's effect, the data must include both statewide measures of student achievement and, to the extent annual tests are administered, indicators of achievement growth that take into account a student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments. Indicators that take into account a student's prior achievement must not be used to disregard a school's low achievement or to exclude a school from a program to improve low achievement levels.

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

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

(c) The commissioner must:

(1) assist school sites and districts identified as not meeting federal expectations; and

(2) provide technical assistance to schools that integrate student achievement measures into the school continuous improvement plan.

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

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

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

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

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

The commissioner must report measures of student growth, consistent with this paragraph.

(c) When reporting student performance under section 120B.36, subdivision 1, the commissioner

annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:

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

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

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

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

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

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

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

(3) the success that learning year program providers experience in:

(i) identifying at-risk and off-track student populations by grade;

(ii) providing successful prevention and intervention strategies for at-risk students;

(iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and

(iv) improving the graduation outcomes of at-risk and off-track students.

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

Subd. 4. Improving schools. Consistent with the requirements of this section, beginning June 20, 2012, the commissioner of education must annually report to the public and the legislature **best** practices implemented in those schools that demonstrate high growth compared to the state growth target.

Subd. 5. Improving graduation rates for students with emotional or behavioral disorders. (a) A district

must develop strategies in conjunction with parents of students with emotional or behavioral disorders and the county board responsible for implementing sections 245.487 to 245.4887 to keep students with emotional or behavioral disorders in school, when the district has a drop-out rate for students with an emotional or behavioral disorder in grades 9 through 12 exceeding 25 percent.

(b) A district must develop a plan in conjunction with parents of students with emotional or behavioral disorders and the local mental health authority to increase the graduation rates of students with emotional or behavioral disorders. A district with a drop-out rate for children with an emotional or behavioral disturbance in grades 9 through 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight to the commissioner.

EFFECTIVE DATE. Subdivision 3, paragraph (b), applies to students in the 2008-2009 school year and later. Subdivision 3, paragraph (c), applies to students in the 2010-2011 school year and later. Subdivision 3, paragraph (d), applies to data that are collected in the 2012-2013 school year and later and reported annually beginning July 1, 2014, consistent with advice the commissioner receives from recognized and qualified experts on student engagement and connection and classroom teachers. Subdivision 4 applies in the 2011-2012 school year and later.

21. M.S. 120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.

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

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

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

(d) A school or district may appeal its adequate early progress status in writing to the commissioner within 30 days of receiving the notice of its status. The commissioner's decision to uphold or deny an appeal is final.

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

Subd. 2. Adequate yearly progress and other data. All data the department receives, collects, or creates

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

22. M.S. 120B.363 CREDENTIAL FOR EDUCATION PARAPROFESSIONALS.

Subdivision 1. Rulemaking. The Board of Teaching must adopt rules to implement a statewide credential for education paraprofessionals who assist a licensed teacher in providing student instruction. Any paraprofessional holding this credential or working in a local school district after meeting a state-approved local assessment is considered to be highly qualified under federal law. Under this subdivision, the Board of Teaching, in consultation with the commissioner, must adopt qualitative criteria for approving local assessments that include an evaluation of a paraprofessional's knowledge of reading, writing, and math and the paraprofessional's ability to assist in the instruction of reading, writing, and math. The commissioner must approve or disapprove local assessments using these criteria. The commissioner must make the criteria available to the public.

Subd. 2. Training possibilities. In adopting rules under subdivision 1, the board must consider including provisions that provide training in: students' characteristics; teaching and learning environment; academic instruction skills; student behavior; and ethical practices.

Subd. 3. Initial training. Within the first 60 days of supervising or working with students, a district must provide each paraprofessional with initial training in emergency procedures, confidentiality, vulnerability, reporting obligations, discipline policies, roles and responsibilities, and a building orientation.

C. RIGHTS, RESPONSIBILITIES AND BEHAVIOR.

1. M.S. 121A.03 MODEL POLICY.

Subdivision 1. Model policy. The commissioner shall maintain and make available to school boards a model sexual, religious, and racial harassment and violence policy. The model policy shall address the requirements of subdivision 2, and may encourage violence prevention and character development education programs, consistent with section 120B.232, subdivision 1, to prevent and reduce policy violations.

Subd. 2. Sexual, religious, and racial harassment and violence policy. A school board must adopt a written sexual, religious, and racial harassment and sexual, religious, and racial violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 121A.41 to 121A.56. The policy must be conspicuously posted throughout each school building, given to each district employee and independent contractor at the time of entering into the person's employment contract, and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual, religious, and racial harassment and violence policy with students and school employees.

Subd. 3. Submission to commissioner. Each school board must submit to the commissioner a copy of the

sexual, religious, and racial harassment and sexual, religious, and racial violence policy the board has adopted.

2. M.S. 121A.031 SCHOOL STUDENT BULLYING POLICY. (New 2014 Session)

Subdivision 1. Student bullying policy; scope and application. (a) This section applies to bullying by a student against another student enrolled in a public school and which occurs:

(1) on the school premises, at the school functions or activities, or on the school transportation;

(2) by use of electronic technology and communications on the school premises, during the school functions or activities, on the school transportation, or on the school computers, networks, forums, and mailing lists; or

(3) by use of electronic technology and communications off the school premises to the extent such use substantially and materially disrupts student learning or the school environment.

(b) A nonpublic school under section 123B.41, subdivision 9, consistent with its school accreditation cycle, is encouraged to electronically transmit to the commissioner its antibullying policy, if any, and any summary data on its bullying incidents.

(c) This section does not apply to a home school under sections 120A.22, subdivision 4, and 120A.24, or a nonpublic school under section 123B.41, subdivision 9.

(d) A school-aged child who voluntarily participates in a public school activity, such as a cocurricular or extracurricular activity, is subject to the same student bullying policy provisions applicable to the public school students participating in the activity.

Subd. 2. Definitions. (a) For purposes of this section, the following terms have the meanings given them.

(b) "District" means a district under section 120A.05, subdivision 8.

(c) "Public school" or "school" means a public school under section 120A.05, subdivisions 9, 11, 13, and 17, and a charter school under section 124D.10.

(d) "Student" means a student enrolled in a school under paragraph (c).

(e) "Bullying" means intimidating, threatening, abusive, or harming conduct that is objectively offensive and:

(1) there is an actual or perceived imbalance of power between the student engaging in prohibited conduct and the target of the behavior and the conduct is repeated or forms a pattern; or

(2) materially and substantially interferes with a student's educational opportunities or performance or ability to participate in school functions or activities or receive school benefits, services, or privileges.

(f) "Cyberbullying" means bullying using technology or other electronic communication, including but not limited to a transfer of a sign, signal, writing, image, sound, or data, including a post on a social network Internet Web site or forum, transmitted through a computer, cell phone, or other electronic device.

(g) Intimidating, threatening, abusive, or harming conduct may involve, but is not limited to,

conduct that causes physical harm to a student or a student's property or causes a student to be in reasonable fear of harm to person or property; under Minnesota common law, violates a student's reasonable expectation of privacy, defames a student, or constitutes intentional infliction of emotional distress against a student; is directed at any student or students, including those based on a person's actual or perceived race, ethnicity, color, creed, religion, national origin, immigration status, sex, marital status, familial status, socioeconomic status, physical appearance, sexual orientation, including gender identity and expression, academic status related to student performance, disability, or status with regard to public assistance, age, or any additional characteristic defined in chapter 363A. However, prohibited conduct need not be based on any particular characteristic defined in this paragraph or chapter 363A.

(h) "Prohibited conduct" means bullying or cyberbullying as defined under this subdivision or retaliation for asserting, alleging, reporting, or providing information about such conduct or knowingly making a false report about bullying.

(i) "Remedial response" means a measure to stop and correct prohibited conduct, prevent prohibited conduct from recurring, and protect, support, and intervene on behalf of the student who is the target of the prohibited conduct. Districts and schools may seek the assistance of the school safety technical assistance center under section 127A.052 to develop and implement remedial responses on behalf of a student who is the target of prohibited conduct, to stop and correct a student engaging in prohibited conduct, and for use with students and adults in the school community.

Subd. 3. Local district and school policy. (a) Districts and schools, in consultation with students, parents, and community organizations, to the extent practicable, shall adopt, implement, and, on a cycle consistent with other district policies, review, and revise where appropriate, a written policy to prevent and prohibit student bullying consistent with this section. The policy must conform with sections 121A.41 to 121A.56. A district or school must adopt and implement a local policy under subdivisions 3 to 5 or comply with the provisions of the state model policy in subdivision 6.

(b) Each local district and school policy must establish research-based, developmentally appropriate best practices that include preventive and remedial measures and effective discipline for deterring policy violations; apply throughout the school or district; and foster active student, parent, and community participation. A district or school may request assistance from the school safety technical assistance center under section 127A.052 in complying with local policy requirements. The policy shall:

(1) define the roles and responsibilities of students, school personnel, and volunteers under the policy;

(2) specifically list the characteristics contained in subdivision 2, paragraph (g);

(3) emphasize remedial responses;

(4) be conspicuously posted in the administrative offices of the school and school district in summary form;

(5) be given to each school employee and independent contractor, if a contractor regularly interacts with students, at the time of employment with the district or school;

(6) be included in the student handbook on school policies; and

(7) be available to all parents and other school community members in an electronic format in the languages appearing on the district or school Web site, consistent with the district policies and practices.

(c) Consistent with its applicable policies and practices, each district and school under this subdivision must discuss its policy with students, school personnel, and volunteers and provide

appropriate training for all school personnel to prevent, identify, and respond to prohibited conduct. Districts and schools must establish a training cycle, not to exceed a period of three school years, for school personnel under this paragraph. Newly employed school personnel must receive the training within the first year of their employment with the district or school. A district or school administrator may accelerate the training cycle or provide additional training based on a particular need or circumstance.

(d) Each district and school under this subdivision must submit an electronic copy of its prohibited conduct policy to the commissioner.

Subd. 4. Local policy components. (a) Each district and school policy implemented under this section must, at a minimum:

(1) designate a staff member as the primary contact person in the school building to receive reports of prohibited conduct under clause (3), ensure the policy and its procedures including restorative practices, consequences, and sanctions are fairly and fully implemented, and serve as the primary contact on policy and procedural matters implicating both the district or school and the department;

(2) require school employees who witness prohibited conduct or possess reliable information that would lead a reasonable person to suspect that a student is a target of prohibited conduct to make reasonable efforts to address and resolve the prohibited conduct;

(3) provide a procedure to begin to investigate reports of prohibited conduct within three school days of the report, and make the primary contact person responsible for the investigation and any resulting record and for keeping and regulating access to any record;

(4) indicate how a school will respond to an identified incident of prohibited conduct, including immediately intervening to protect the target of the prohibited conduct; at the school administrator's discretion and consistent with state and federal data practices law governing access to data, including section 13.02, subdivision 8, a presumption that a district or school official will notify the parent of the reported target of the prohibited conduct and the parent of the actor engaged in the prohibited conduct; providing other remedial responses to the prohibited conduct; and ensuring that remedial responses are tailored to the particular incident and nature of the conduct and the student's developmental age and behavioral history;

(5) prohibit reprisals or retaliation against any person who asserts, alleges, or reports prohibited conduct or provides information about such conduct and establish appropriate consequences for a person who engages in reprisal or retaliation;

(6) allow anonymous reporting but do not rely solely on an anonymous report to determine discipline;

(7) provide information about available community resources to the target, actor, and other affected individuals, as appropriate;

(8) where appropriate for a child with a disability to prevent or respond to prohibited conduct, allow the child's individualized education program or section 504 plan to address the skills and proficiencies the child needs to respond to or not engage in prohibited conduct;

(9) use new employee training materials, the school publication on school rules, procedures, and standards of conduct, and the student handbook on school policies to publicize the policy;

(10) require ongoing professional development, consistent with section 122A.60, to build the skills of all school personnel who regularly interact with students, including but not limited to educators, administrators, school counselors, social workers, psychologists, other school mental health professionals, school nurses, cafeteria workers, custodians, bus drivers, athletic coaches, extracurricular activities advisors, and paraprofessionals to identify, prevent, and appropriately address prohibited conduct;

(11) allow the alleged actor in an investigation of prohibited conduct to present a defense; and

(12) inform affected students and their parents of their rights under state and federal data practices laws to obtain access to data related to the incident and their right to contest the accuracy or completeness of the data.

(b) Professional development under a local policy includes, but is not limited to, information about:

(1) developmentally appropriate strategies both to prevent and to immediately and effectively intervene to stop prohibited conduct;

(2) the complex dynamics affecting an actor, target, and witnesses to prohibited conduct;

(3) research on prohibited conduct, including specific categories of students at risk for prohibited conduct in school;

(4) the incidence and nature of cyberbullying; and

(5) Internet safety and cyberbullying.

Subd. 5. Safe and supportive schools programming. (a) Districts and schools are encouraged to provide developmentally appropriate programmatic instruction to help students identify, prevent, and reduce prohibited conduct; value diversity in school and society; develop and improve students' knowledge and skills for solving problems, managing conflict, engaging in civil discourse, and recognizing, responding to, and reporting prohibited conduct; and make effective prevention and intervention programs available to students. Upon request, the school safety technical assistance center under section 127A.052 must assist a district or school in helping students understand social media and cyberbullying. Districts and schools must establish strategies for creating a positive school climate and use evidence-based social-emotional learning to prevent and reduce discrimination and other improper conduct.

(b) Districts and schools are encouraged to:

(1) engage all students in creating a safe and supportive school environment;

(2) partner with parents and other community members to develop and implement prevention and intervention programs;

(3) engage all students and adults in integrating education, intervention, and other remedial responses into the school environment;

(4) train student bystanders to intervene in and report incidents of prohibited conduct to the school's primary contact person;

(5) teach students to advocate for themselves and others;

(6) prevent inappropriate referrals to special education of students who may engage in prohibited conduct; and

(7) foster student collaborations that foster a safe and supportive school climate.

Subd. 6. State model policy. (a) The commissioner, in consultation with the commissioner of human rights, shall develop and maintain a state model policy. A district or school that does not adopt and implement a local policy under subdivisions 3 to 5 must implement and may supplement the provisions of the state model policy. The commissioner must assist districts and schools under this subdivision to implement the state policy. The state model policy must:

(1) define prohibited conduct, consistent with this section;

(2) apply the prohibited conduct policy components in this section;

(3) for a child with a disability, whenever an evaluation by an individualized education program team or a section 504 team indicates that the child's disability affects the child's social skills development or the child is vulnerable to prohibited conduct because of the child's disability, the child's individualized education program or section 504 plan may address the skills and proficiencies the child needs to not engage in and respond to such conduct; and

(4) encourage violence prevention and character development education programs under section 120B.232, subdivision 1.

(b) The commissioner shall develop and post departmental procedures for:

(1) periodically reviewing district and school programs and policies for compliance with this section;

(2) investigating, reporting, and responding to noncompliance with this section, which may include an annual review of plans to improve and provide a safe and supportive school climate; and

(3) allowing students, parents, and educators to file a complaint about noncompliance with the commissioner.

(c) The commissioner must post on the department's Web site information indicating that when districts and schools allow non-curriculum-related student groups access to school facilities, the district or school must give all student groups equal access to the school facilities regardless of the content of the group members' speech.

Subd. 7. Relation to existing law. This section does not:

(1) establish any private right of action;

(2) limit rights currently available to an individual under other civil or criminal law, including, but not limited to, chapter 363A; or

(3) interfere with a person's rights of religious expression and free speech and expression under the First Amendment of the United States Constitution.

3. M.S. 121A.0311 NOTICE OF THE RIGHTS AND RESPONSIBILITIES OF STUDENTS AND PARENTS UNDER THE SAFE AND SUPPORTIVE MINNESOTA SCHOOLS ACT. (New 2014 Session).

A district or school subject to section 121a.031 must include in the student discipline policy it distributes or otherwise transmits to students and their parents annually at the beginning of each school year notice about the rights and responsibilities of students and their parents under the Safe and Supportive Minnesota Schools Act.

4. M.S. 121A.035 CRISIS MANAGEMENT POLICY.

Subdivision 1. Model policy. The commissioner shall maintain and make available to school boards and charter schools a model crisis management policy that includes, among other items, school lock-down and tornado drills, consistent with subdivision 2, and school fire drills under section 299F.30.

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

5. M.S. 121A.04 ATHLETIC PROGRAMS, SEX DISCRIMINATION.

Subdivision 1. Purpose. The legislature recognizes certain past inequities in access to athletic programs and in the various degrees of athletic opportunity previously afforded members of each sex. The purpose of this section is to provide an equal opportunity for members of both sexes to participate in athletic programs.

Subd. 2. Equal opportunity in athletic programs. Each educational institution or public service shall provide equal opportunity for members of both sexes to participate in its athletic program. In determining whether equal opportunity to participate in athletic programs is available for the purposes of this section, at least the following factors shall be considered to the extent that they are applicable to a given situation: whether the opportunity for males and females to participate in the athletic program reflects the demonstrated interest in athletics of the males and females in the student body of the educational institution or the population served by the public service; whether the variety and selection of sports and levels of competition effectively accommodate the demonstrated interests of members of both sexes; the provision of equipment and supplies; scheduling of games and practice times; assignment of coaches; provision of locker rooms; practice and competitive facilities; and the provision of necessary funds for teams of one sex.

Subd. 3. Exceptions. (a) Notwithstanding any other state law to the contrary, in athletic programs operated by educational institutions or public services and designed for participants 12 years old or older or in the 7th grade or above, it is not an unfair discriminatory practice to restrict membership on an athletic team to participants of one sex whose overall athletic opportunities have previously been limited.

(b) When an educational institution or a public service provides athletic teams for children 11 years old or younger or in the 6th grade or below, those teams shall be operated without restrictions on the basis of sex, except that when overall athletic opportunities for one sex have previously been limited and there is a demonstrated interest by members of that sex to participate on a team restricted to members of that sex, the educational institution or public service may provide a team restricted to members of that sex.

(c) When two teams in the same sport are in fact separated or substantially separated according to sex, the two teams shall be provided with substantially equal budgets per participant, exclusive of gate receipts and other revenues generated by that sport, and in all other respects shall be treated in a substantially equal manner. However, nothing in this section shall be construed to require the two teams to conduct combined practice sessions or any other combined activities related to athletics.

(d) If two teams are provided in the same sport, one of these teams may be restricted to members of a sex whose overall athletic opportunities have previously been limited, and members of either sex shall be permitted to try out for the other team.

(e) Notwithstanding the provisions of paragraphs (a), (b), and (d), any wrestling team may be restricted to members of one sex whether or not the overall athletic opportunities of that sex have previously been limited, provided that programs or events are provided for each sex to the extent the educational institution or public service determines that these programs or events are necessary to accommodate the demonstrated interest of each sex to participate in wrestling.

Subd. 4. Provision of separate teams. When an equal opportunity to participate in the elementary or secondary school level athletic program of an educational institution or public service is not provided to members of a sex whose overall athletic opportunities have previously been limited, that educational institution or public service shall, where there is demonstrated interest, provide separate teams for members of the excluded sex in sports which it determines will provide members of that excluded sex with an equal opportunity to participate in its athletic program and which will attempt to accommodate their demonstrated interests.

Subd. 5. Rules. The commissioner of education, after consultation with the commissioner of human rights must promulgate rules in accordance with chapter 14 to implement this section to prevent discrimination in elementary and secondary school athletic programs operated by educational institutions. The rules promulgated by the commissioner pursuant to this section shall not require athletic competition or tournaments for teams whose membership may be restricted to members of a sex whose overall athletic opportunities have previously been limited to be scheduled in conjunction with the scheduling of athletic competition or tournaments for teams whose membership is not so restricted by this section. Any organization, association or league entered into by elementary or secondary schools or public services for the purpose of promoting sports or adopting rules and regulations for the conduct of athletic contests between members shall provide rules and regulations and conduct its activities so as to permit its members to comply fully with this section. The rules of that organization, association or league may provide separate seasons for athletic competition or tournaments in a sport for teams whose membership may be restricted to members of a sex whose overall athletic opportunities have previously been limited from athletic competition or tournaments established for teams in that same sport whose membership is not so restricted by this section, and its rules may prohibit a participating student from competing on more than one school team in a given sport during a single school year.

6. M.S. 121A.05 POLICY TO REFER FIREARMS POSSESSOR.

A school board must have a policy requiring the appropriate school official to, as soon as practicable, refer to the criminal justice or juvenile delinquency system, as appropriate, a pupil who brings a firearm to school unlawfully.

7. M.S. 121A.10 MOMENT OF SILENCE.

A moment of silence may be observed.

8. M.S. 121A.15 HEALTH STANDARDS; IMMUNIZATIONS; SCHOOL CHILDREN.

Subdivision 1. Except as provided in subdivisions 3, 4, and 10, no person over two months old may be allowed to enroll or remain enrolled in any elementary or secondary school or child care facility in this state until the person has submitted to the administrator or other person having general control and supervision of the school or child care facility, one of the following statements:

(1) a statement from a physician or a public clinic which provides immunizations stating that the person has received immunization, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, diphtheria, tetanus, pertussis, polio, mumps, haemophilus influenza type b, and hepatitis B; or

(2) a statement from a physician or a public clinic which provides immunizations stating that the person has received immunizations, consistent with medically acceptable standards, against measles after having attained the age of 12 months, rubella, mumps, and haemophilus influenza type b and that the person has commenced a schedule of immunizations for diphtheria, tetanus, pertussis, polio, and hepatitis B and which indicates the month and year of each immunization received.

Subd. 2. Schedule of immunizations. No person who has commenced a treatment schedule of immunization pursuant to subdivision 1, clause (2), may remain enrolled in any child care facility, elementary, or secondary school in this state after 18 months of enrollment unless there is submitted to the administrator, or other person having general control and supervision of the school or child care facility, a statement from a physician or a public clinic which provides immunizations that the person has completed the primary schedule of immunizations for diphtheria, tetanus, pertussis, polio, and hepatitis B. The statement must include the month and year of each additional immunization received. For a child less than

seven years of age, a primary schedule of immunizations shall consist of four doses of vaccine for diphtheria, tetanus, and pertussis and three doses of vaccine for poliomyelitis and hepatitis B. For a child seven years of age or older, a primary schedule of immunizations shall consist of three doses of vaccine for diphtheria, tetanus, polio, and hepatitis B.

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.

(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 influenza type b, the person is not required to be immunized against haemophilus influenza 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.

Subd. 3a. Disclosures required. (a) This paragraph applies to any written information about immunization requirements for enrollment in a school or child care facility that:

(1) is provided to a person to be immunized or enrolling or enrolled in a school or child care facility, or to the person's parent or guardian if the person is under 18 years of age and not emancipated; and

(2) is provided by the department of health; the department of education; the department of human services; an immunization provider; or a school or child care facility. Such written information must describe the exemptions from immunizations permitted under subdivision 3, paragraphs (c) and (d). The information on exemptions from immunizations provided according to this paragraph must be in a font size at least equal to the font size of the immunization requirements, in the same font style as the immunization requirements, and on the same page of the written document as the immunization requirements.

(b) Before immunizing a person, an immunization provider must provide the person, or the person's parent or guardian if the person is under 18 years of age and not emancipated, with the following information in writing:

(1) a list of the immunizations required for enrollment in a school or child care facility;

(2) a description of the exemptions from immunizations permitted under subdivision 3, paragraphs (c) and (d);

(3) a list of additional immunizations currently recommended by the commissioner; and

(4) in accordance with federal law, a copy of the vaccine information sheet from the federal Department of Health and Human Services that lists possible adverse reactions to the immunization to be provided.

(c) The commissioner will continue the educational campaign to providers and hospitals on vaccine safety including, but not limited to, information on the vaccine adverse events reporting system (VAERS), the federal vaccine information statements (VIS), and medical precautions and contraindications to immunizations.

(d) The commissioner will encourage providers to provide the vaccine information statements at multiple visits and in anticipation of subsequent immunizations.

(e) The commissioner will encourage providers to use existing screening for immunization precautions and contraindication materials and make proper use of the vaccine adverse events reporting system (VAERS).

(f) In consultation with groups and people identified in subdivision 12, paragraph (a), clause (1), the commissioner will continue to develop and make available patient education materials on immunizations including, but not limited to, contraindications and precautions regarding vaccines.

(g) The commissioner will encourage health care providers to use thimerosal-free vaccines when available.

Subd. 4. Substitute immunization statement. (a) A person who is enrolling or enrolled in an elementary or secondary school or child care facility may substitute a statement from the emancipated person or a parent or guardian if the person is a minor child in lieu of the statement from a physician or public clinic which provides immunizations. If the statement is from a parent or guardian or emancipated person, the statement must indicate the month and year of each immunization given.

(b) In order for the statement to be acceptable for a person who is enrolling in an elementary school and who is six years of age or younger, it must indicate that the following was given: no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination; no less than four doses of vaccine for poliomyelitis, unless the third dose was given after the fourth birthday, then three doses are minimum; no less than five doses of vaccine for diphtheria, tetanus, and pertussis, unless the fourth dose was given after the fourth birthday, then four doses are minimum; and no less than three doses of vaccine for hepatitis B.

(c) In order for the statement to be consistent with subdivision 10 and acceptable for a person who is enrolling in an elementary or secondary school and is age seven through age 19, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination, and no less than three doses of vaccine for poliomyelitis, diphtheria, tetanus, and hepatitis B.

(d) In order for the statement to be acceptable for a person who is enrolling in a secondary school, and who was born after 1956 and is 20 years of age or older, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination, and no less than one dose of vaccine for diphtheria and tetanus within the preceding ten years.

(e) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is at least 15 months old but who has not reached five years of age, it must indicate that the following were given: no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination; no less than one dose of vaccine for haemophilus influenza type b; no less than four doses of vaccine for diphtheria, tetanus, and pertussis; and no less than three doses of vaccine for poliomyelitis.

(f) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is five or six years of age, it must indicate that the following was given: no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination; no less than four doses of vaccine for diphtheria, tetanus, and pertussis; and no less than three doses of vaccine for poliomyelitis.

(g) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is seven years of age or older, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination and consistent with subdivision 10, and no less than three doses of vaccine for poliomyelitis, diphtheria, and tetanus.

(h) The commissioner of health, on finding that any of the above requirements are not necessary to protect the public's health, may suspend for one year that requirement.

Subd. 5. Transfer of immunization statements. If a person transfers from one elementary or secondary school to another, the school board of a public school district or the administrator of a nonpublic school may allow the person up to a maximum of 30 days to submit one or more of the statements as specified in subdivision 1 or 3, during which time the person may enroll in and attend the school. If a person enrolls in a child care facility in which at least 75 percent of children in the facility participate on a one-time only or occasional basis to a maximum of 45 hours per child, per month, or is placed in a facility by a crisis nursery, the person shall be exempt from all requirements of this section for up to five consecutive days, starting from the first day of attendance.

Subd. 6. Repealed.

Subd. 7. File on immunization records. Each school or child care facility shall maintain on file immunization records for all persons in attendance that contain the information required by subdivisions 1, 2, and 3. The school shall maintain the records for at least five years after the person attains the age of majority. The department of health and the board of health, as defined in section 145A.02, subdivision 2, in whose jurisdiction the school or child care facility is located, shall have access to the files maintained pursuant to this subdivision. When a person transfers to another elementary or secondary school or child care facility, the administrator or other person having general control and supervision of the school or child care facility shall assist the person's parent or guardian in the transfer of the immunization file to the person's new school or child care facility within 30 days of the transfer. Upon the request of a public or private postsecondary educational institution, as defined in section 135A.14, the administrator or other person having general control or supervision of a school shall assist in the transfer of a student's immunization file to the postsecondary institution.

Subd. 8. Report. The administrator or other person having general control and supervision of the elementary or secondary school shall file a report with the commissioner on all persons enrolled in the school. The superintendent of each district shall file a report with the commissioner for all persons within the district receiving instruction in a home school in compliance with sections 120A.22 and 120A.24. The parent of persons receiving instruction in a home school shall submit the statements as required by subdivisions 1, 2, 3, 4, and 12 to the superintendent of the district in which the person resides by October 1 of the first year of their homeschooling in Minnesota and the grade 7 year. The school report must be prepared

on forms developed jointly by the commissioner of health and the commissioner of education and be distributed to the local districts by the commissioner of health. The school report must state the number of persons attending the school, the number of persons who have not been immunized according to subdivision 1 or 2, and the number of persons who received an exemption under subdivision 3, clause (c) or (d). The school report must be filed with the commissioner of education within 60 days of the commencement of each new school term. Upon request, a district must be given a 60-day extension for filing the school report. The commissioner of education shall forward the report, or a copy thereof, to the commissioner of health who shall provide summary reports to boards of health as defined in section 145A.02, subdivision 2. The administrator or other person having general control and supervision of the child care facility shall file a report with the commissioner of human services on all persons enrolled in the child care facility. The child care facility report must be prepared on forms developed jointly by the commissioner of health and the commissioner of human services and be distributed to child care facilities by the commissioner of health. The child care facility report must state the number of persons enrolled in the facility, the number of persons with no immunizations, the number of persons who received an exemption under subdivision 3, clause (c) or (d), and the number of persons with partial or full immunization histories. The child care facility report must be filed with the commissioner of human services by November 1 of each year. The commissioner of human services shall forward the report, or a copy thereof, to the commissioner of health who shall provide summary reports to boards of health as defined in section 145A.02, subdivision 2. The report required by this subdivision is not required of a family child care or group family child care facility, for prekindergarten children enrolled in any elementary or secondary school provided services according to sections 125A.03 and 125A.06, nor for child care facilities in which at least 75 percent of children in the facility participate on a one-time only or occasional basis to a maximum of 45 hours per child, per month.

Subd. 9. Definitions. As used in this section the following terms have the meanings given them.

(a) "Elementary or secondary school" includes any public school as defined in section 120A.05, subdivisions 9, 11, 13, and 17, or nonpublic school, church, or religious organization, or home school in which a child is provided instruction in compliance with sections 120A.22 and 120A.24.

(b) "Person enrolled in any elementary or secondary school" means a person born after 1956 and enrolled in grades kindergarten through 12, and a child with a disability receiving special instruction and services as required in sections 125A.03 to 125A.24 and 125A.65, excluding a child being provided services at the home or bedside of the child or in other states.

(c) "Child care facility" includes those child care programs subject to licensure under chapter 245A, and Minnesota Rules, chapters 9502 and 9503.

(d) "Family child care" means child care for no more than ten children at one time of which no more than six are under school age. The licensed capacity must include all children of any caregiver when the children are present in the residence.

(e) "Group family child care" means child care for no more than 14 children at any one time. The total number of children includes all children of any caregiver when the children are present in the residence.

Subd. 10. Requirements for immunization statements. (a) A statement required to be submitted under subdivisions 1, 2, and 4 to document evidence of immunization shall include month, day, and year for immunizations administered after January 1, 1990.

(b) A person who has received at least three doses of tetanus and diphtheria toxoids, with the most recent dose given after age six and before age 11, is not required to have additional immunization against diphtheria

and tetanus until ten years have elapsed from the person's most recent dose of tetanus and diphtheria toxoid.

(c) The requirement for hepatitis B vaccination shall apply to persons enrolling in kindergarten beginning with the 2000-2001 school term.

(d) The requirement for hepatitis B vaccination shall apply to persons enrolling in grade 7 beginning with the 2001-2002 school term.

Subd. 11. Commissioner of human services; continued responsibilities. Nothing in this section relieves the commissioner of human services of the responsibility, under chapter 245A, to inspect and assure that statements required by this section are on file at child care programs subject to licensure.

9. M.S. 121A.17 SCHOOL BOARD RESPONSIBILITIES. (**2014 Session Change**)

Subdivision 1. Early childhood developmental screening. Every school board must provide for a mandatory program of early childhood developmental screening for children at least once before school entrance, targeting children who are between three and four years old. This screening program must be established either by one board, by two or more boards acting in cooperation, by service cooperatives, by early childhood family education programs, or by other existing programs. This screening examination is a mandatory requirement for a student to continue attending kindergarten or first grade in a public school. A child need not submit to developmental screening provided by a board if the child's health records indicate to the board that the child has received comparable developmental screening from a public or private health care organization or individual health care provider. A student identification number, as defined by the commissioner of education, shall be assigned at the time of early childhood developmental screening or at the time of the provision of health records indicating a comparable screening. Each school district must provide the essential data in accordance with section 125B.07, subdivision 6, to the Department of Education. Districts are encouraged to reduce the costs of preschool developmental screening programs by utilizing volunteers and public or private health care organizations or individuals health care providers in implementing the program.

Subd. 2. Screening required before kindergarten enrollment. A child must not be enrolled in kindergarten in a public school unless the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening not later than 30 days after the first day of attendance. If a child is transferred from one kindergarten to another, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Subd. 3. Screening program. (a) A screening program must include at least the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, the child's height and weight, identification of risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. The district and the person performing or supervising the screening must provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice must state “Early childhood developmental screening helps a school district identify children who may benefit from district and community resources available to help in their development. Early childhood developmental screening includes a vision screening that helps detect potential eye problems but is not a substitute for a comprehensive eye exam.” The notice must clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to

read and comprehend the written notice, the district and the person performing or supervising the screening must convey the information in another manner. The notice must also inform the parent or guardian that a child need not submit to the district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider. The notice must be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and must be given again at the screening location.

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. A developmental screening program must not provide laboratory tests or a physical examination to any child. The district must request from the public or private health care organization or the individual health care provider the results of any laboratory test or physical examination within the 12 months preceding a child's scheduled screening.

(c) If a child is without health coverage, the school district must refer the child to an appropriate health care provider.

(d) A board may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history.

(e) If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required.

Subd. 4. Follow-up screening. If any child's screening indicates a condition which requires diagnosis or treatment, the child's parents shall be notified of the condition and the board shall ensure that an appropriate follow-up and referral process is available.

Subd. 5. Developmental screening program information. The board must inform each resident family with a child eligible to participate in the developmental screening program, and a charter school that provides screening must inform families that apply for admission to the charter school, about the availability of the program and the state's requirement that a child receive a developmental screening or provide health records indicating that the child received a comparable developmental screening from a public or private health care organization or individual health care provider not later than 30 days after the first day of attending kindergarten in a public school. A school district must inform all resident families with eligible children under age seven, and a charter school that provides screening must inform families that apply for admission to the charter school, that their children may receive a developmental screening conducted either by the school district or by a public or private health care organization or individual health care provider and that the screening is not required if a statement signed by the child’s parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened.

Subd. 6. Developmental screening services. A board may contract with or purchase service from an approved early developmental screening program in the area. Developmental screening must be conducted by either an individual who is licensed as, or has training that is similar to a special education teacher, school psychologist, kindergarten teacher, prekindergarten teacher, school nurse, public health nurse, registered nurse, or physician. The individual may be a volunteer.

Subd. 7. Screening record. The district must provide the parent or guardian of the child screened with a record indicating the month and year the child received developmental screening and the results of the

screening. The district must keep a duplicate copy of the record of each child screened.

Subd. 8. Volunteer screening programs. Every board must integrate and utilize volunteer screening programs in implementing sections 121A.17 to 121A.19 wherever possible.

Subd. 9. Repealed.

Subd. 10. Priority to volunteers. In selecting personnel to implement the screening program, the district must give priority first to qualified volunteers.

10. M.S. 121A.18 DATA USE.

Data on individuals collected in screening programs established pursuant to section 121A.17 is private, as defined by section 13.02, subdivision 12. Individual and summary data must be reported to the district by the health provider who performs the screening services, for the purposes of developing appropriate educational programs to meet the individual needs of children and designing appropriate health education programs for the district. No data on an individual shall be disclosed to the district without the consent of that individual's parent or guardian.

11. M.S. 121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be:

(1) $75 for a child screened at age three;

(2) $50 for a child screened at age four;

(3) $40 for a child screened at age five or six prior to kindergarten; and

(4) $30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section1 21A.17.

If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

12. M.S. 121A.21 SCHOOL HEALTH SERVICES.

(a) Every school board must provide services to promote the health of its pupils.

(b) The board of a district with 1,000 pupils or more in average daily membership in early childhood family education, preschool handicapped, elementary, and secondary programs must comply with the requirements of this paragraph. It may use one or a combination of the following methods:

(1) employ personnel, including at least one full-time equivalent licensed school nurse;

(2) contract with a public or private health organization or another public agency for personnel during the regular school year, determined appropriate by the board, who are currently licensed under chapter 148 and who are certified public health nurses; or

(3) enter into another arrangement approved by the commissioner.

13. M.S. 121A.22 ADMINISTRATION OF DRUGS AND MEDICINE.

Subdivision 1. Applicability. This section applies only:

(1) when the parent of a pupil requests school personnel to administer drugs or medicine to the pupil; or

(2) when administration is allowed by the individual education plan of a child with a disability.

The request of a parent may be oral or in writing. An oral request must be reduced to writing within two school days, provided that the district may rely on an oral request until a written request is received.

Subd. 2. Exclusions. In addition, this section does not apply to drugs or medicine that are:

(1) purchased without a prescription;

(2) used by a pupil who is 18 years old or older;

(3) used in connection with services for which a minor may give effective consent, including section 144.343, subdivision 1, and any other law;

(4) used in situations in which, in the judgment of the school personnel who are present or available, the risk to the pupil's life or health is of such a nature that drugs or medicine should be given without delay;

(5) used off the school grounds;

(6) used in connection with athletics or extra curricular activities;

(7) used in connection with activities that occur before or after the regular school day;

(8) provided or administered by a public health agency to prevent or control an illness or a disease outbreak as provided for in sections 144.05 and 144.12 ; or

(9) prescription asthma or reactive airway disease medications self-administered by a pupil with an asthma inhaler if the district has received a written authorization from the pupil’s parent permitting the pupil to self-administer the medication, the inhaler is properly labeled for that student, and the parent has not requested school personnel to administer the medication to the pupil. The parent must submit written authorization for the pupil to self-administer the medication each school year; or

(10) epinephrine auto-injectors, consistent with section 121A.2205, if the parent and prescribing medical professional annually inform the pupil's school in writing that (i) the pupil may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and requires immediate access to epinephrine auto-injectors that the parent provides properly labeled to the school for the pupil as needed.

Subd. 3. Labeling. Drugs or medicine subject to this section must be in a container with a label prepared by a pharmacist according to section 151.212 and applicable rules.

Subd. 4. Administration. Drugs and medicine subject to this section must be administered in a manner consistent with instructions on the label. Drugs and medicine subject to this section must be administered, to the extent possible, according to school board procedures that must be developed in consultation:

(1) with a school nurse, in a district that employs a school nurse;

(2) with a licensed school nurse, in a district that employs a licensed school nurse;

(3) with a public or private health or health-related organization, in a district that contracts with a public or private health or health-related organization, according to section 121A.21; or

(4) with the appropriate party, in a district that has an arrangement approved by the commissioner of education, according to section 121A.21.

Subd. 5. Children with a disability. For drugs or medicine used by children with a disability, administration may be as provided in the individual education plan.

Subd. 6. Health treatments. For the purpose of this section, special health treatments and health

functions, such as catheterization, tracheostomy suctioning, and gastrostomy feedings, do not constitute administration of drugs or medicine.

14. M.S. 121A.2205 POSSESSION AND USE OF NONSYRINGE INJECTORS OF EPINEPHRINE; MODEL POLICY.

Subdivision 1. Definitions. As used in this section:

(1) "administer" means the direct application of an epinephrine auto-injector to the body of an individual;

(2) "epinephrine auto-injector" means a device that automatically injects a premeasured dose of epinephrine; and

(3) "school" means a public school under section 120A.22, subdivision 4, or a nonpublic school, excluding a home school, under section 120A.22, subdivision 4, that is subject to the federal Americans with Disabilities Act.

Subd. 2. Plan for use of epinephrine auto-injectors. (a) At the start of each school year or at the time a student enrolls in school, whichever is first, a student's parent, school staff, including those responsible for student health care, and the prescribing medical professional must develop and implement an individualized written health plan for a student who is prescribed epinephrine auto-injectors that enables the student to:

(1) possess epinephrine auto-injectors; or

(2) if the parent and prescribing medical professional determine the student is unable to possess the epinephrine, have immediate access to epinephrine auto-injectors in close proximity to the student at all times during the instructional day. The plan must designate the school staff responsible for implementing the student's health plan, including recognizing anaphylaxis and administering epinephrine auto-injectors when required, consistent with section 121A.22, subdivision 2, clause (10). This health plan may be included in a student's 504 plan.

(b) Other nonpublic schools are encouraged to develop and implement an individualized written health plan for students requiring epinephrine auto-injectors, consistent with this section and section, subdivision 2, clause (10).

(c) A school district and its agents and employees are immune from liability for any act or failure to act, made in good faith, in implementing this section and section 121A.2207.

(d) The education commissioner may develop and transmit to interested schools a model policy and individualized health plan form consistent with this section and federal 504 plan requirements. The policy and form may:

(1) assess a student's ability to safely possess epinephrine auto-injectors;

(2) identify staff training needs related to recognizing anaphylaxis and administering epinephrine when needed;

(3) accommodate a student's need to possess or have immediate access to epinephrine auto-injectors in close proximity to the student at all times during the instructional day; and

(4) ensure that the student's parent provides properly labeled epinephrine auto-injectors to the school for the student as needed.

(e) Additional epinephrine auto-injectors may be available in school first aid kits.

(f) The school board of the school district must define instructional day for the purposes of this section.

15. M.S. 121A.2207 LIFE-THREATENING ALLERGIES IN SCHOOLS; STOCK SUPPLY OF

EPINEPHRINE AUTO-INJECTORS.

Subdivision 1. Districts and schools permitted to maintain supply. Notwithstanding section 151.37, districts and schools may obtain and possess epinephrine auto-injectors to be maintained and administered by school personnel to a student or other individual if, in good faith, it is determined that person is experiencing anaphylaxis regardless of whether the student or other 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.

Subd. 2. Arrangements with manufacturers. A district or school may enter into arrangements with manufacturers of epinephrine auto-injectors to obtain epinephrine auto-injectors at fair-market, free, or reduced prices. A third party, other than a manufacturer or supplier, may pay for a school's supply of epinephrine auto-injectors.

16. M.S. 121A.221 POSSESSION AND USE OF ASTHMA INHALERS BY ASTHMATIC STUDENTS.

(a) In a school district that employs a school nurse or provides school nursing services under another arrangement, the school nurse or other appropriate party must assess the student's knowledge and skills to safely possess and use an asthma inhaler in a school setting and enter into the student's school health record a plan to implement safe possession and use of asthma inhalers.

(b) In a school that does not have a school nurse or school nursing services, the student's parent or guardian must submit written verification from the prescribing professional that documents an assessment of the student's knowledge and skills to safely possess and use an asthma inhaler in a school setting has been completed.

17. M.S. 121A.222 POSSESSION AND USE OF NONPRESCRIPTION PAIN RELIEVERS BY SECONDARY STUDENTS.

A secondary student may possess and use nonprescription pain relief in a manner consistent with the labeling, if the district has received a written authorization from the student's parent or guardian permitting the student to self-administer the medication. The parent or guardian must submit written authorization for the student to self-administer the medication each school year. The district may revoke a student's privilege to possess and use nonprescription pain relievers if the district determines that the student is abusing the privilege. This section does not apply to the possession or use of any drug or product containing ephedrine or pseudoephedrine as its sole active ingredient or as one of its active ingredients.

18. M.S. 121A.27 SCHOOL AND COMMUNITY ADVISORY TEAM.

The superintendent, with the advice of the school board, shall establish a school and community advisory team to address chemical abuse problems in the district. The school and community advisory team must be composed of representatives from the school preassessment team established in section 121A.26, to the extent possible, law enforcement agencies, county attorney's office, social service agencies, chemical abuse treatment programs, parents, and the business community. The community advisory team shall:

(1) build awareness of the problem within the community, identify available treatment and counseling programs for students and develop good working relationships and enhance communication between the schools and other community agencies; and

(2) develop a written procedure clarifying the notification process to be used by the chemical abuse preassessment team established under section 121A.26 when a student is believed to be in possession of

or under the influence of alcohol or a controlled substance. The procedure must include contact with the student, and the student's parents or guardian in the case of a minor student.

19. M.S. 121A.37 YOUTH SPORTS PROGRAMS.

(a) Consistent with section 121A.38, any municipality, business, or nonprofit organization that organizes a youth athletic activity for which an activity fee is charged shall:(1) make information accessible to all participating coaches, officials, and youth athletes and their parents or guardians about the nature and risks of concussions, including the effects and risks of continuing to play after receiving a concussion, and the protocols and content, consistent with current medical knowledge from the Centers for Disease Control and Prevention, related to: (i) the nature and risks of concussions associated with athletic activity; (ii) the signs, symptoms, and behaviors consistent with a concussion; (iii) the need to alert appropriate medical professionals for urgent diagnosis and treatment when a youth athlete is suspected or observed to have received a concussion; and (iv) the need for a youth athlete who sustains a concussion to follow proper medical direction and protocols for treatment and returning to play; and (2) require all participating coaches and officials to receive initial online training and online training at least once every three calendar years thereafter, consistent with clause (1) and the Concussion in Youth Sports online training program available on the Centers for Disease Control and Prevention Web site.

(b) A coach or official shall remove a youth athlete from participating in any youth athletic activity when the youth athlete: (1) exhibits signs, symptoms, or behaviors consistent with a concussion; or (2) is suspected of sustaining a concussion.

(c) When a coach or official removes a youth athlete from participating in a youth athletic activity because of a concussion, the youth athlete may not again participate in the activity until the youth athlete: (1) no longer exhibits signs, symptoms, or behaviors consistent with a concussion; and (2) is evaluated by a provider trained and experienced in evaluating and managing concussions and the provider gives the youth athlete written permission to again participate in the activity.

(d) Failing to remove a youth athlete from an activity under this section does not violate section 604A.11, subdivision 2, clause (6), consistent with paragraph (e).

(e) This section does not create any additional liability for, or create any new cause of legal action against, a municipality, business, or nonprofit organization or any officer, employee, or volunteer of a municipality, business, or nonprofit organization.

(f) For the purposes of this section, a municipality means a home rule charter city, a statutory city or a town.

20. M.S. 121A.38 CONCUSSION PROCEDURES.

Subdivision 1. Definitions. (a) For purposes of this section and section 121A.37, the following terms have the meanings given them.

(b) "Concussion" means a complex pathophysiological process affecting the brain, induced by traumatic biokinetic forces caused by a direct blow to either the head, face, or neck, or elsewhere on the body with an impulsive force transmitted to the head that may involve the rapid onset of short-lived impairment of neurological function and clinical symptoms, loss of consciousness, or prolonged postconcussive symptoms.

(c) "Provider" means a health care provider who is: (1) registered, licensed, certified, or otherwise

statutorily authorized by the state to provide medical treatment; (2) trained and experienced in evaluating and managing pediatric concussions; and (3) practicing within the person's medical training and scope of practice.

(d) "Youth athlete" means a young person through age 18 who actively participates in an athletic activity, including a sport.

(e) "Youth athletic activity" means any sport or other athletic activity related to competition, practice, or training exercises which is intended for youth athletes and at which a coach or official is present in an official capacity as a coach or official. For purposes of school-sponsored sports under this section, youth athletic activities are extracurricular athletic activities.

Subd. 2. School-sponsored sports. (a) The appropriate sports governing body, including the high school league under chapter 128C, among other sports governing bodies, shall work with public and nonpublic school coaches, officials, and youth athletes and their parents or guardians to make information available about the nature and risks of concussions, including the effects of continuing to play after receiving a concussion. The information shall include protocols and content, consistent with current medical knowledge from the Centers for Disease Control and Prevention, related to: (1) the nature and risks of concussions associated with athletic activity; (2) the signs, symptoms, and behaviors consistent with a concussion; (3) the need to alert appropriate medical professionals for urgent diagnosis and treatment when a youth athlete is suspected or observed to have received a concussion; and (4) the need for a youth athlete who sustains a concussion to follow proper medical direction and protocols for treatment and returning to play. A sports governing body that posts or provides appropriate links to the information indicated in this paragraph has complied with the requirements of this paragraph.

(b) Consistent with paragraph (a), the appropriate sports governing body shall provide access to the Concussion in Youth Sports online training program available on the Centers for Disease Control and Prevention Web site. Each school coach and official involved in youth athletic activities must receive initial online training and online training at least once every three school years thereafter.

(c) At the start of each school year, school officials shall make information available about the nature and risks of concussions to youth athletes and their parents or guardians. If a parent of a youth athlete must sign a consent form to allow the youth athlete to participate in a school-sponsored athletic activity, the form must include information about the nature and risk of concussions.

(d) A coach or official shall remove a youth athlete from participating in any youth athletic activity when the youth athlete: (1) exhibits signs, symptoms, or behaviors consistent with a concussion; or (2) is suspected of sustaining a concussion.

(e) When a coach or official removes a youth athlete from participating in a youth athletic activity because of a concussion, the youth athlete may not return to the activity until the youth athlete: (1) no longer exhibits signs, symptoms, or behaviors consistent with a concussion; and (2) is evaluated by a provider trained and experienced in evaluating and managing concussions and the provider gives the youth athlete written permission to again participate in the activity.

(f) Failing to remove a youth athlete from an activity as required under this section does not violate section 604A.11, subdivision 2, clause (6), consistent with paragraph (g).

(g) This section does not create any additional liability for, or create any new cause of legal action against, a school or school district or any officer, employee, or volunteer of a school or school district.

21. M.S. 121A.40 CITATION.

Sections 121A.40 to 121A.56 may be cited as the "Pupil Fair Dismissal Act."

22. M.S. 121A.41 DEFINITIONS.

Subdivision 1. Applicability. As used in sections 121A.40 to 121A.56, the terms defined in this section shall have the meanings assigned them.

Subd. 2. Dismissal. "Dismissal" means the denial of the current educational program to any pupil, including exclusion, expulsion, and suspension. It does not include removal from class.

Subd. 3. District. "District" means any school district.

Subd. 4. Exclusion. "Exclusion" means an action taken by the school board to prevent enrollment or reenrollment of a pupil for a period that shall not extend beyond the school year.

Subd. 5. Expulsion. "Expulsion" means a school board action to prohibit an enrolled pupil from further attendance for up to 12 months from the date the pupil is expelled.

Subd. 6. Parent. "Parent" means (a) one of the pupil's parents, (b) in the case of divorce or legal separation, the parent or parents with physical custody of the pupil, including a noncustodial parent with legal custody who has provided the district with a current address and telephone number, or (c) a legally appointed guardian. In the case of a pupil with a disability under the age of 18, parent may include a district-appointed surrogate parent.

Subd. 7. Pupil. (a) "Pupil" means any student:

(1) without a disability under 21 years of age; or

(2) with a disability under 21 years old who has not received a regular high school diploma or for a child with a disability who becomes 21 years old during the school year but has not received a regular high school diploma, until the end of that school year; and;

(3) who remains eligible to attend a public elementary or secondary school.

(b) A “student with a disability” or a “pupil with a disability” has the same meaning as a “child with a disability” under section 125A.02.

Subd. 8. School. "School" means any school defined in section 120A.05, subdivisions 9, 11, 13, and 17.

Subd. 9. School board. "School board" means the governing body of any school district.

Subd. 10. Suspension. "Suspension" means an action by the school administration, under rules promulgated by the school board, prohibiting a pupil from attending school for a period of no more than ten school days. If a suspension is longer than five days, the suspending administrator must provide the superintendent with a reason for the longer suspension. This definition does not apply to dismissal from school for one school day or less, except as provided in federal law for a student with a disability. Each suspension action may include a readmission plan. The readmission plan shall include, where appropriate, a provision for implementing alternative educational services upon readmission and may not be used to extend the current suspension. Consistent with section 125A.091, subdivision 5, the readmission plan must not obligate a parent to provide a sympathomimetic medication for the parent’s child as a condition of

readmission. The school administration may not impose consecutive suspensions against the same pupil for the same course of conduct, or incident of misconduct, except where the pupil will create an immediate and substantial danger to self or to surrounding persons or property, or where the district is in the process of initiating an expulsion, in which case the school administration may extend the suspension to a total of 15 school days.

Subd. 11. Alternative educational services. "Alternative educational services" may include, but are not limited to, special tutoring, modified curriculum, modified instruction, other modifications or adaptations, instruction through electronic media, special education services as indicated by appropriate assessment, homebound instruction, supervised homework, or enrollment in another district or in an alternative learning center under section 123A.05 selected to allow the pupil to progress toward meeting graduation standards under section 120B.02, although in a different setting.

23. M.S. 121A.42 POLICY.

No public school shall deny due process or equal protection of the law to any public school pupil involved in a dismissal proceeding which may result in suspension, exclusion, or expulsion.

24. M.S. 121A.43 EXCLUSION AND EXPULSION OF PUPILS WITH A DISABILITY.

(a) Consistent with federal law governing days of removal and section 121A.46, school personnel may suspend a child with a disability. When a child with a disability has been suspended for more than five consecutive school days or 10 cumulative school days in the same school year, and that suspension does not involve a recommendation for expulsion or exclusion or other change of placement under federal law, relevant members of the child's individualized education program team, including at least one of the child's teachers, shall meet and determine the extent to which the child needs services in order to continue to participate in the general education curriculum, although in another setting, and to progress toward meeting the goals in the child's individualized education program. That meeting must occur as soon as possible, but no more than 10 days after the sixth consecutive day of suspension or the tenth cumulative day of suspension has elapsed.

(b) A dismissal for one school day or less is a day or a partial day of suspension if the child with a disability does not receive regular or special education instruction during that dismissal period. The notice requirements under section 121A.46 do not apply to a dismissal of one day or less.

(c) A child with a disability shall be provided alternative educational services to the extent a suspension exceeds five consecutive school days.

(d) Before initiating an expulsion or exclusion under sections 121A.40 to 121A.56, the district, relevant members of the child's individualized education program team, and the child's parent shall, consistent with federal law, determine whether the child's behavior was caused by or had a direct and substantial relationship to the child's disability and whether the child's conduct was a direct result of a failure to implement the child's individualized education program. When a child with a disability who has an individualized education program is excluded or expelled under sections 121A.40 to 121A.56 for misbehavior that is not a manifestation of the child’s disability, the district shall continue to provide special education and related services during the exclusion or expulsion.

25. M.S. 121A.44 EXPULSION FOR POSSESSION OF FIREARM.

(a) Notwithstanding the time limitation in section 121A.41, subdivision 5, a school board must expel for

a period of at least one year a pupil who is determined to have brought a firearm to school except the board may modify this expulsion requirement for a pupil on a case-by-case basis. For the purposes of this section, firearm is as defined in United States Code, title 18, section 921.

(b) Notwithstanding chapter 13, a student's expulsion or withdrawal or transfer from a school after an expulsion action is initiated against the student for a weapons violation under paragraph (a) may be disclosed by the school district initiating the expulsion proceeding. Unless the information is otherwise public, the disclosure may be made only to another school district in connection with the possible admission of the student to the other district.

26. M.S. 121A.45 GROUNDS FOR DISMISSAL.

Subdivision 1. Provision of alternative programs. No school shall dismiss any pupil without attempting to provide alternative educational services before dismissal proceedings, except where it appears that the pupil will create an immediate and substantial danger to self or to surrounding persons or property.

Subd. 2. Grounds for dismissal. A pupil may be dismissed on any of the following grounds:

(a) willful violation of any reasonable school board regulation. Such regulation must be clear and definite to provide notice to pupils that they must conform their conduct to its requirements;

(b) willful conduct that significantly disrupts the rights of others to an education , or the ability of school personnel to perform their duties, or school sponsored extracurricular activities; or

(c) willful conduct that endangers the pupil or other pupils, or surrounding persons, including school district employees, or property of the school.

Subd. 3. Parent notification and meeting. If a pupil's total days of removal from school exceeds ten cumulative days in a school year, the school district shall make reasonable attempts to convene a meeting with the pupil and the pupil's parent or guardian before subsequently removing the pupil from school and, with the permission of the parent or guardian, arrange for a mental health screening for the pupil. The district is not required to pay for the mental health screening. The purpose of this meeting is to attempt to determine the pupil's need for assessment or other services or whether the parent or guardian should have the pupil assessed or diagnosed to determine whether the pupil needs treatment for a mental health disorder.

27. M.S. 121A.46 SUSPENSION PROCEDURES.

Subdivision 1. Informal administrative conference before suspension. The school administration shall not suspend a pupil from school without an informal administrative conference with the pupil. The informal administrative conference shall take place before the suspension, except where it appears that the pupil will create an immediate and substantial danger to self or to surrounding persons or property, in which case the conference shall take place as soon as practicable following the suspension.

Subd. 2. Administrator notifies pupil of grounds for suspension. At the informal administrative conference, a school administrator shall notify the pupil of the grounds for the suspension, provide an explanation of the evidence the authorities have, and the pupil may present the pupil's version of the facts.

Subd. 3. Written notice of grounds for suspension. A written notice containing the grounds for suspension, a brief statement of the facts, a description of the testimony, a readmission plan, and a copy of sections 121A.40 to 121A.56, shall be personally served upon the pupil at or before the time the suspension

is to take effect, and upon the pupil's parent or guardian by mail within 48 hours of the conference. The district shall make reasonable efforts to notify the parents of the suspension by telephone as soon as possible following suspension. In the event a pupil is suspended without an informal administrative conference on the grounds that the pupil will create an immediate and substantial danger to surrounding persons or property, the written notice shall be served upon the pupil and the pupil's parent or guardian within 48 hours of the suspension. Service by mail is complete upon mailing.

Subd. 4. Suspension pending expulsion or exclusion hearing. Notwithstanding the provisions of subdivisions 1 and 3, the pupil may be suspended pending the school board's decision in the expulsion or exclusion hearing; provided that alternative educational services are implemented to the extent that suspension exceeds five days.

28. M.S. 121A.47 EXCLUSION AND EXPULSION PROCEDURES.

Subdivision 1. Requiring a hearing; pupil may waive hearing. No exclusion or expulsion shall be imposed without a hearing, unless the right to a hearing is waived in writing by the pupil and parent or guardian. The action shall be initiated by the school board or its agent.

Subd. 2. Written notice. Written notice of intent to take action shall:

(a) be served upon the pupil and the pupil's parent or guardian personally or by mail;

(b) contain a complete statement of the facts, a list of the witnesses and a description of their testimony;

(c) state the date, time, and place of the hearing;

(d) be accompanied by a copy of sections 121A.40 to 121A.56;

(e) describe alternative educational services accorded the pupil in an attempt to avoid the expulsion proceedings; and

(f) inform the pupil and parent or guardian of the right to:

(1) have a representative of the pupil's own choosing, including legal counsel, at the hearing. The district shall advise the pupil's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from the department of education;

(2) examine the pupil's records before the hearing;

(3) present evidence; and

(4) confront and cross-examine witnesses.

Subd. 3. Hearing schedule. The hearing shall be scheduled within ten days of the service of the written notice unless an extension, not to exceed five days, is requested for good cause by the school board, pupil, parent or guardian.

Subd. 4. Convenient time and place of hearing. The hearing shall be at a time and place reasonably convenient to pupil, parent or guardian.

Subd. 5. Closed or open hearing. The hearing shall be closed unless the pupil, parent or guardian requests an open hearing.

Subd. 6. Impartial hearer. The hearing shall take place before:

(1) an independent hearing officer;
(2) a member of the school board;
(3) a committee of the school board; or
(4) the full school board;

as determined by the school board. The hearing shall be conducted in a fair and impartial manner.

Subd. 7. Creating hearing record. The school board shall record the hearing proceedings at district expense, and a party may obtain a transcript at its own expense. Testimony shall be given under oath. The hearing officer or a member of the school board shall have the power to issue subpoenas and administer oaths.

Subd. 8. Access to pupil's records. At a reasonable time prior to the hearing, the pupil, parent or guardian, or representative, shall be given access to all public school system records pertaining to the pupil, including any tests or reports upon which the proposed action may be based.

Subd. 9. Pupil's right to compel testimony. The pupil, parent or guardian, or representative, shall have the right to compel the attendance of any official employee or agent of the public school system or any public employee or any other person who may have evidence upon which the proposed action may be based, and to confront and to cross-examine any witness testifying for the public school system.

Subd. 10. Pupil's right to present evidence and testimony. The pupil, parent or guardian, or representative, shall have the right to present evidence and testimony, including expert psychological or educational testimony.

Subd. 11. Pupil not compelled to testify. The pupil cannot be compelled to testify in the dismissal proceedings.

Subd. 12. Hearer's recommendation limited to evidence at hearing; service within two days. The recommendation of the hearing officer or school board member or committee shall be based solely upon substantial evidence presented at the hearing and must be made to the school board and served upon the parties within two days of the end of the hearing.

Subd. 13. Basis of school board decision; opportunity for comment. The school board shall base its decision upon the recommendation of the hearing officer or school board member or committee and shall render its decision at a meeting held within five days after receiving the recommendation. The school board may provide the parties with the opportunity to present exceptions and comments to the hearing officer's recommendations provided that neither party presents any evidence not admitted at the hearing. The decision by the school board must be based on the record, must be in writing, and must state the controlling facts on which the decision is made in sufficient detail to apprise the parties and the commissioner of education of the basis and reason for the decision.

Subd. 14. Admission or readmission plan. (a) A school administrator shall prepare and enforce an admission or readmission plan for any pupil who is excluded or expelled from school. The plan may include measures to improve the pupil's behavior, including completing a character education program, consistent with section 120B.232, subdivision 1, and require parental involvement in the admission or readmission process, and may indicate the consequences to the pupil of not improving the pupil's behavior.

(b) The definition of suspension under section 121A.41, subdivision 10, does not apply to a student's dismissal from school for one school day or less, except as provided under federal law for a student with a disability. Each suspension action may include a readmission plan. A readmission plan must provide, where

appropriate, alternative education services, which must not be used to extend the student's current suspension period. Consistent with section 125A.091, subdivision 5, a readmission plan must not obligate a parent or guardian to provide psychotropic drugs to their student as a condition of readmission. School officials must not use the refusal of a parent or guardian to consent to the administration of psychotropic drugs to their student or to consent to a psychiatric evaluation, screening or examination of the student as a ground, by itself, to prohibit the student from attending class or participating in a school-related activity, or as a basis of a charge of child abuse, child neglect or medical or educational neglect.

29. M.S. 121A.48 GOOD FAITH EXCEPTION.

A violation of the technical provisions of the Pupil Fair Dismissal Act, made in good faith, is not a defense to a disciplinary procedure under the act unless the pupil can demonstrate actual prejudice as a result of the violation.

30. M.S. 121A.49 APPEAL.

A party to an exclusion or expulsion decision made under sections 121A.40 to 121A.56 may appeal the decision to the commissioner of education within 21 calendar days of school board action. Upon being served with a notice of appeal, the district shall provide the commissioner and the parent or guardian with a complete copy of the hearing record within five days of its receipt of the notice of appeal. All written submissions by the appellant must be submitted and served on the respondent within ten days of its actual receipt of the transcript. All written submissions by the respondent must be submitted and served on the appellant within ten days of its actual receipt of the written submissions of the appellant. The decision of the school board must be implemented during the appeal to the commissioner.

In an appeal under this section, the commissioner may affirm the decision of the agency, may remand the decision for additional findings, or may reverse or modify the decision if the substantial rights of the petitioners have been prejudiced because the administrative findings, inferences, conclusions, or decisions are:

(1) in violation of constitutional provisions;
(2) in excess of the statutory authority or jurisdiction of the school district;
(3) made upon unlawful procedure, except as provided in section 121A.48;
(4) affected by other error of law;
(5) unsupported by substantial evidence in view of the entire record submitted; or
(6) arbitrary or capricious.

The commissioner or the commissioner's representative shall make a final decision based upon the record. The commissioner shall issue a decision within 30 calendar days of receiving the entire record and the parties' written submission on appeal. The commissioner's decision shall be final and binding upon the parties after the time for appeal expires under section 121A.50.

31. M.S. 121A.50 JUDICIAL REVIEW.

The decision of the commissioner of education made under sections 121A.40 to 121A.56 is subject to judicial review under sections 14.63 to 14.69. The decision of the commissioner is stayed pending an appeal under this section.

32. M.S. 121A.51 REPORTS TO SERVICE AGENCY.

The school board shall report any action taken pursuant to sections 121A.40 to 121A.56 to the appropriate

public service agency, when the pupil is under the supervision of such agency.

33. M.S. 121A.52 NONAPPLICATION OF COMPULSORY ATTENDANCE LAW.

The provisions of section 120A.22, subdivision 5, shall not apply to any pupil during a dismissal pursuant to sections 121A.40 to 121A.56.

34. M.S. 121A.53 REPORT TO COMMISSIONER OF EDUCATION.

Subdivision 1. Exclusions and expulsions. The school board must report through the department electronic reporting system each exclusion or 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.

Subd. 2. Report. The school board must include state student identification numbers of affected pupils on all dismissal reports required by the department. The department must report annually to the commissioner summary data on the number of dismissals by age, grade, gender, race, and special education status of the affected pupils. All dismissal reports must be submitted through the department electronic reporting system.

35. M.S. 121A.54 NOTICE OF RIGHT TO BE REINSTATED.

Whenever a pupil fails to return to school within ten school days of the termination of dismissal, a school administrator shall inform the pupil and the pupil's parents by mail of the pupil's right to attend and to be reinstated in the public school.

36. M.S. 121A.55 POLICIES TO BE ESTABLISHED.

(a) The commissioner of education shall promulgate guidelines to assist each school board. Each school board shall establish uniform criteria for dismissal and adopt written policies and rules to effectuate the purposes of sections 121A.40 to 121A.56. The policies shall emphasize preventing dismissals through early detection of problems and shall be designed to address students' inappropriate behavior from recurring. The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period. The alternative educational services, if the pupil wishes to take advantage of them, must be adequate to allow the pupil to make progress towards meeting the graduation standards adopted under section 120B.02 and help prepare the pupil for readmission.

(b) An area learning center under section 123A.05 may not prohibit an expelled or excluded pupil from enrolling solely because a district expelled or excluded the pupil. The board of the area learning center may use the provisions of the Pupil Fair Dismissal Act to exclude a pupil or to require an admission plan.

(c) Each school district shall develop a policy and report it to the commissioner on the appropriate use of peace officers and crisis teams to remove students who have an individualized education plan from school grounds.

37. M.S. 121A.56 APPLICATION.

Subdivision 1. Prohibition against discrimination remains in effect. Sections 121A.40 to 121A.56 shall not be deemed to amend or otherwise affect or change section 363.03, subdivision 5, clause (2).

Subd. 2. Portions of school program for credit. Sections 121A.40 to 121A.56 shall apply only to those portions of the school program for which credit is granted.

38. M.S. 121A.58 CORPORAL PUNISHMENT.

Subdivision 1. Definition. For the purpose of this section, "corporal punishment" means conduct involving:

(1) hitting or spanking a person with or without an object; or

(2) unreasonable physical force that causes bodily harm or substantial emotional harm.

Subd. 2. Corporal punishment not allowed. An employee or agent of a district shall not inflict corporal punishment or cause corporal punishment to be inflicted upon a pupil to reform unacceptable conduct or as a penalty for unacceptable conduct.

Subd. 3. Violation. Conduct that violates subdivision 2 is not a crime under section 645.241, but may be a crime under chapter 609 if the conduct violates a provision of chapter 609.

39. M.S. 121A.582 STUDENT DISCIPLINE; REASONABLE FORCE. **(2014 Session Change)**

Subdivision 1. Reasonable force standard. (a) a teacher, or school principal, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to correct or restrain a student or prevent bodily harm or death to another.

(b) A school employee, school bus driver, or other agent of a district, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to restrain a student or prevent bodily harm or death to another.

(c) Paragraphs (a) and (b) do not authorize conduct prohibited under **section 125A.0942**.

Subd. 2. Civil liability. (a) A teacher who, in the exercise of the person's lawful authority, uses reasonable force under the standard in subdivision 1, paragraph (a), has a defense against a civil action for damages under section 123B.25.

(b) A school employee, bus driver, or other agent of a district who, in the exercise of the person's lawful authority, uses reasonable force under the standard in subdivision 1, paragraph (b), has a defense against a civil action for damages under section 123B.25.

Subd. 3. Criminal prosecution. (a) A teacher who, in the exercise of the person's lawful authority, uses reasonable force under the standard in subdivision 1, paragraph (a), has a defense against a criminal prosecution under section 609.06, subdivision 1.

(b) A school employee, bus driver, or other agent of a district who, in the exercise of the person's lawful authority, uses reasonable force under the standard in subdivision 1, paragraph (b), has a defense against a criminal prosecution under section 609.06, subdivision 1.

Subd. 4. Supplementary rights and defenses. Any right or defense in this section is supplementary to those specified in section 121A.58, 121A.67, 123B.25, or 609.06, subdivision 1.

40. M.S. 121A.585 NOTICE OF RECORDING DEVICE ON A SCHOOL BUS.

If a video or audio recording device is placed on a school bus, the bus also must contain a sign or signs, conspicuously placed, notifying riders that their conversations or actions may be recorded on tape.

41. M.S. 121A.59 BUS TRANSPORTATION A PRIVILEGE NOT A RIGHT.

Transportation by school bus is a privilege not a right for an eligible student. A student's eligibility to ride a school bus may be revoked for a violation of school bus safety or conduct policies, or for violation of any other law governing student conduct on a school bus, pursuant to a written school district discipline policy. Revocation of a student's bus riding privilege is not an exclusion, expulsion, or suspension under the Pupil Fair Dismissal Act. Revocation procedures for a student who is an individual with a disability under the Individuals with Disabilities Education Act, United States Code, title 20, section 1400 et seq., section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, and the Americans with Disabilities Act, Public Law Number 101-336, are governed by these provisions.

42. M.S. 121A.60 DEFINITIONS.

Subdivision 1. Removal from class. "Removal from class" and "removal" mean any actions taken by a teacher, principal, or other school district employee to prohibit a pupil from attending a class or activity period for a period of time not to exceed five days, pursuant to procedures established in the school district discipline policy adopted by the school board pursuant to section 121A.61.

Subd. 2. Class period. "Class period" or "activity period" means a period of time as defined in the district's written discipline policy.

Subd. 3. Repealed.

Subd. 4. Repealed.

43. M.S. 121A.61 DISCIPLINE AND REMOVAL OF STUDENTS FROM CLASS.

Subdivision 1. Required policy. Each school board must adopt a written districtwide school discipline policy which includes written rules of conduct for students, minimum consequences for violations of the rules, and grounds and procedures for removal of a student from class. The policy must be developed in consultation with administrators, teachers, employees, pupils, parents, community members, law enforcement agencies, county attorney offices, social service agencies, and such other individuals or organizations as the board determines appropriate. A school site council may adopt additional provisions to the policy subject to the approval of the school board.

Subd. 2. Grounds for removal from class. The policy must establish the various grounds for which a student may be removed from a class in the district for a period of time under the procedures specified in the policy. The policy must include a procedure for notifying and meeting with a student’s parent or guardian to discuss the problem that is causing the student to be removed from class after the student has been removed from class more than ten times in one school year. The grounds in the policy must include at least the following provisions as well as other grounds determined appropriate by the board:

(a) willful conduct that significantly disrupts the rights of others to an education, including conduct that interferes with a teacher’s ability to teach or communicate effectively with students in a class or with the ability of other students to learn;

(b) willful conduct that endangers surrounding person, including school district employees, the student or

other students, or the property of the school; and

(c) willful violation of any rule of conduct specified in the discipline policy adopted by the board.

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;

(1) 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 individual education plan 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 to the extent funds are available with the county board responsible for implementing sections 245.487 to 245.4888 for students with a serious

emotional disturbance or other students who have an individualized education plan whose behavior may be addressed by crisis intervention.

44. M.S. 121A.64 NOTIFICATION; TEACHERS' LEGITIMATE EDUCATIONAL INTEREST.

(a) A classroom teacher has a legitimate educational interest in knowing which students placed in the teacher's classroom have a history of violent behavior and must be notified before such students are placed in the teachers' classroom.

(b) Representatives of the school board and the exclusive representative of the teachers shall discuss issues related to the model policy on student records adopted under Laws 1999, chapter 241, article 9, section 50, and any modifications adopted under this act for notifying classroom teachers and other school district employees having a legitimate educational interest in knowing about students with a history of violent behavior placed in classrooms. The representatives of the school board and the exclusive representative of the teachers also may discuss the need for intervention services or conflict resolution or training for staff related to placing students with a history of violent behavior in teachers' classrooms.

45. M.S. 121A.65 REVIEW OF POLICY.

The principal or other person having general control and supervision of the school, and representatives of parents, students, and staff in a school building shall confer at least annually to review the discipline policy and to assess whether the policy has been enforced. A school board must conduct an annual review of the districtwide discipline policy.

46. M.S. 121A.69 HAZING POLICY.

Subdivision 1. Definitions. (a) "Hazing" means committing an act against a student, or coercing a student into committing an act, that creates a substantial risk of harm to a person in order for the student to be initiated into or affiliated with a student organization.

(b) "Student organization" means a group, club, or organization having students as its primary members or participants.

Subd. 2. Model policy. The commissioner of education shall maintain and make available to school boards a model policy on student or staff hazing that addresses the requirements of subdivision 3.

Subd. 3. School board policy. Each school board shall adopt a written policy governing student or staff hazing. The policy must apply to student behavior that occurs on or off school property and during and after school hours. The policy must include reporting procedures and disciplinary consequences for violating the policy. Disciplinary consequences must be sufficiently severe to deter violations and appropriately discipline prohibited behavior. Disciplinary consequences must conform with sections 121A.41 to 121A.56. Each school must include the policy in the student handbook on school policies.

47. M.S. 121A.70 SECRET FRATERNITIES AND SOCIETIES.

Subdivision 1. Membership regulated. It is unlawful for any pupil, registered and attending any public school to join, become a member of, or to solicit any other pupil of any public school to join, or become a member of, any secret fraternity or society wholly or partially formed from the membership of pupils attending any public schools or to take part in the organization or formation of any fraternity or society, except societies or associations sanctioned by the district school board.

Subd. 2. Penalties. A school board may suspend or dismiss any pupil from school, or prevent the pupil from graduating or participating in school honors when, after investigation, in the judgment of the board or a majority of its membership, the pupil is guilty of violating any of the provisions of this section or is guilty of violating any rule or regulation adopted by the board for the purpose of governing its schools, or enforcing this section.

Subd. 3. "Rushing" or soliciting forbidden. It is a misdemeanor for any person, not a pupil of the schools, to be upon school grounds, or to enter any school building, for the purpose of "rushing" or soliciting any pupil of the schools to join any fraternity, society, or association organized outside of the schools. The district court has jurisdiction of offenses committed under this subdivision. All persons found guilty shall be fined not less than $2, nor more than $10, to be paid to the county treasurer or, upon failure to pay the fine, to be imprisoned for not more than ten days.

48. M.S. 121A.72 SCHOOL LOCKER POLICY.

Subdivision 1. Policy. It is the policy of the state of Minnesota that:

"School lockers are the property of the school district. At no time does the school district relinquish its exclusive control of lockers provided for the convenience of students. Inspection of the interior of lockers may be conducted by school authorities for any reason at any time, without notice, without student consent, and without a search warrant. The personal possessions of students within a school locker may be searched only when school authorities have a reasonable suspicion that the search will uncover evidence of a violation of law or school rules. As soon as practicable after the search of a student's personal possessions, the school authorities must provide notice of the search to students whose lockers were searched unless disclosure would impede an ongoing investigation by police or school officials."

Subd. 2. Dissemination. The locker policy must be disseminated to parents and students in the way that other policies of general application to students are disseminated. A copy of the policy must be provided to a student the first time that the student is given the use of a locker.

D. TRANSPORTATION.

1. M.S. 123B.84 POLICY.

In districts where the state provides aids for transportation it is in the public interest to provide equality of treatment in transporting school children of the state who are required to attend elementary and secondary schools pursuant to chapter 120A, so that the health, welfare and safety of the children, while using the public highways of the state, shall be protected.

School children attending any schools, complying with section 120A.22, are therefore entitled to the same rights and privileges relating to transportation.

2. M.S. 123B.85 DEFINITIONS.

Subdivision 1. Application. The following words and terms in sections 121A.585, 121A.59, 123B.84 to 123B.87, 123B.90, and 123B.91, shall have the following meanings ascribed to them.

Subd. 2. District. "District" means any school district as defined in section 120A.05.

Subd. 3. School. "School" means any school as defined in section 120A.22, subdivision 4.

Subd. 4. School board. "School board" means the governing body of any school district.

Subd. 5. School children. "School children" means any student or child attending or required to attend any school as provided in the Education Code, chapters 120A to 129C.

3. M.S. 123B.86 EQUAL TREATMENT.

Subdivision 1. General provisions. A district shall provide equal transportation within the district for all school children to any school when transportation is deemed necessary by the school board because of distance or traffic condition in like manner and form as provided in sections 123B.88 and 123B.92, when applicable.

Subd. 2. Nonpublic school students. (a) The board of any local district must provide school bus transportation to the district boundary for school children residing in the district at least the same distance from a nonpublic school actually attended in another district as public school pupils are transported in the transporting district. Such transportation must be provided whether or not there is another nonpublic school within the transporting district, if the transportation is to schools maintaining grades or departments not maintained in the district or if the attendance of such children at school can more safely, economically, or conveniently be provided for by such means.

(b) The school board of any local district may provide school bus transportation to a nonpublic school in another district for school children residing in the district and attending that school, whether or not there is another nonpublic school within the transporting district, if the transportation is to schools maintaining grades or departments not maintained in the district or if the attendance of such children at school can more safely, economically, or conveniently be provided for by such means. If the board transports children to a nonpublic school located in another district, the nonpublic school must pay the cost of such transportation provided outside the district boundaries.

Subd. 3. Board control. When transportation is provided, the scheduling of routes, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control and management of the board.

Subd. 4. Rules. The commissioner of education may amend rules relating to equal transportation.

4. M.S. 123B.87 FUNDS AND AIDS.

Subdivision 1. State aid. State aids made available or appropriated shall be for the equal benefit of all school children, and be disbursed in such manner as determined by the board.

Subd. 2. Boards may expend money. The board of any district may expend any moneys in its treasury, whether received from state or any other source for the purpose of providing equal transportation treatment of all school children attending school.

5. M.S. 123B.88 INDEPENDENT SCHOOL DISTRICTS; TRANSPORTATION.

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 transportation to and from the home of a child with a disability not yet enrolled in kindergarten when 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. 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.

Subd. 1a. Full-service school zones. The board may establish a full-service school zone by adopting a written resolution and may provide transportation for students attending a school in that full-service school zone. A full-service school zone may be established for a school that is located in an area with higher than average crime or other social and economic challenges and that provides education, health or human services, or other parental support in collaboration with a city, county, state, or nonprofit agency. The pupil transportation must be intended to stabilize enrollment and reduce mobility at the school located in a full-service school zone.

Subd. 2. Voluntary surrender of transportation privileges. The parent or guardian of a student may voluntarily surrender the student's to and from school transportation privileges granted under subdivision 1.

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

Subd. 3a. Pupil transportation safety committee. (a) A school board may establish a pupil transportation safety committee. The chair of the pupil transportation safety committee is the district's school transportation safety director. The school board shall appoint the other members of the pupil transportation safety committee. Membership may include parents, school bus drivers, representatives of school bus companies, local law enforcement officials, other school district staff, and representatives from other units of local government.

(b) The duties of the pupil transportation safety committee include: (1) reviewing and recommending changes to the district's pupil transportation safety policy required under subdivision 1; and (2) developing a comprehensive plan for the safe transportation of students who face hazardous transportation conditions. The comprehensive hazardous transportation plan shall consider safety factors including the types of roads that students must cross, the speed of traffic on those roads, the age of the students, and any other factors as determined by the committee.

(c) The pupil transportation safety committee must hold at least one public meeting before adopting its comprehensive plan for transporting students who face hazardous transportation conditions.

(d) Any recommended changes to the district's pupil transportation safety policy and the comprehensive

plan for hazardous transportation must be submitted to the school board.

Subd. 4. Instruction in a nonresident district. The board may provide for the instruction of any resident pupil in another district when inadequate room, distance to school, unfavorable road conditions, or other facts or conditions make attendance in the pupil's own district unreasonably difficult or impractical, in which case such district shall pay to the district so attended the tuition agreed upon or charged, pursuant to section 123A.488, subdivision 2, and may provide transportation; provided, that such pupil shall continue to be a pupil of the district of residence for the payment of apportionment and other state aids.

Subd. 5. Admission of nonresident pupils. The board may provide for the admission to the schools of the district, of nonresident pupils, and those above school age, and fix the rates of tuition for such pupils.

Subd. 6. Nonresident pupil defined. For the purposes of this subdivision, a "nonresident pupil" is a pupil who resides in one district, defined as the "resident district" and attends school in another district, defined as the "nonresident district."

If requested, a nonresident district shall transport a nonresident pupil within its borders and may transport a nonresident pupil within the pupil's resident district. If a nonresident district decides to transport a nonresident pupil within the pupil's resident district, the nonresident district must notify the pupil's resident district of its decision, in writing, prior to providing transportation.

Subd. 7. Attendance in another state. If high school pupils from a district within this state are being transported to a school in another state, the board of the district from which the pupils are being transported may provide free transportation and tuition for any or all of its elementary pupils to such school in another state and be entitled to state aid as provided by law.

Subd. 8. Authority to rent buses. The board may rent a bus owned by the district excluding a motor-coach bus to any person for any lawful purpose. Bus rental must not interfere with the transportation of pupils by the district. A lessee may use and operate the bus without payment of a motor vehicle tax. The lessee is liable for any claims for injuries and damages arising out of the use and operation of a bus leased from the district. Except as provided in subdivision 15, the lessee shall procure insurance at the lessee's expense protecting the board and the district against claims for injuries and damages arising out of the use and operation of the bus.

Subd. 9. Nonpupil transportation; insurance. Notwithstanding the provisions of section 221.021, any public school district or school bus contractor providing transportation services to a district on a regular basis in this state may operate school buses, excluding motor coach buses, for the purpose of providing transportation to nonpupils of the school district attending school events, as defined in section 123B.49, subdivision 3 or 4, provided that no carrier having a charter carrier permit has its principal office and place of business or bus garage within 12 miles of the principal office of the district. District owned buses and the operators thereof shall otherwise comply with the provisions of this section and the rules of the commissioner of education and shall be insured in at least the amounts stated in section 466.04, subdivision 1. In all cases the total cost of providing such services, as determined by sound accounting procedures, shall be paid by charges made against those using the buses.

Subd. 10. Transportation of any person. Districts may use district owned or contractor operated school buses to provide transportation along regular school bus routes on a space available basis for any person. Such use of a bus must not interfere with the transportation of pupils to and from school or other authorized transportation of pupils. In all cases, the total additional cost of providing these services, as determined by sound accounting procedures, must be paid by charges made against those using these services or some

third-party payor. In no case shall the additional cost of this transportation be paid by the district.

The provisions of section 65B.47, subdivision 4, shall be applicable to any person being transported pursuant to this subdivision.

Subd. 11. Part-time secondary students. Districts may provide bus transportation along regular school bus routes on a space available basis for part-time students enrolled in secondary classes pursuant to section 124D.02, subdivisions 2, 3, and 4. Such use of a bus must not interfere with the transportation of pupils to and from school or other authorized transportation of pupils. The total additional cost of providing these services, as determined by sound accounting procedures, shall be paid by charges made against those using the services or some third-party payor.

Subd. 12. Early childhood family education participants. Districts may provide bus transportation along school bus routes when space is available for participants in early childhood family education programs and school readiness programs if these services do not result in an increase in the district's expenditures for transportation. The costs allocated to these services, as determined by generally accepted accounting principles, shall be considered part of the authorized cost for regular transportation for the purposes of section 123B.92.

Subd. 13. Area learning center pupils between buildings. Districts may provide between-building bus transportation along school bus routes when space is available, for pupils attending programs at an area learning center. The transportation is permitted between schools if it does not increase the district's expenditures for transportation. The cost of these services shall be considered part of the authorized cost for the purpose of section 123B.92.

Subd. 14. Transportation insurance. The board may provide for the protection of pupils transported for school purposes or activities in district owned, operated, leased, or controlled motor vehicles against injuries or damages arising out of the operation of these vehicles. The board may purchase and pay for insurance from any funds available. An insurance contract covering this risk shall contain a waiver of the defense of governmental immunity. The payment of any insurance premiums by the district does not in itself make the district liable for any injuries or damages incurred by the transportation.

Subd. 15. Insurance; indemnity. If a school board has obtained insurance pursuant to subdivision 14 or section 466.06, it may also obtain and pay for insurance coverage to indemnify a lessee and to protect the board and the district, in any amount not exceeding the limits of coverage provided for the insurance obtained pursuant to subdivision 14 or section 466.06 against claims for injuries and damages arising out of the use and operation of a district-owned bus while it is leased or rented to the lessee pursuant to subdivision 8. The rental charge shall include the cost of this additional insurance coverage. The procurement of this additional insurance coverage constitutes a waiver of the defense of governmental immunity to the extent of the additional coverage but has no effect on the liability of the board, the district, or its employees beyond the coverage so provided.

Subd. 16. Payment of insurance premiums; nonliability. The board may provide and pay the premiums for the protection for school children, instructors and automobile owners, and any other agency cooperating in providing cars for districts where driver training courses are being offered, against public liability, property damage, collision, fire and theft, arising out of the operation of any vehicle used in the courses. Nothing herein shall make the district liable for injuries resulting from the actions of such persons.

Subd. 17. Insurance; school safety patrol. The board may provide and pay the premiums for insurance against injuries resulting to its pupils while assigned to and acting on a school safety patrol. Such insurance

may provide for the payment of either cash benefits to such injured pupil or for the payment of hospital and medical benefits to or for such injured pupil, or both. Nothing herein shall be construed to make the district liable for such injuries.

Subd. 18. Snow removal. The board may enter into contracts for the removal of snow from roads used for regular bus routes transporting pupils to and from school either within or outside the district.

Subd. 19. Disabled person transport to day training and habilitation program. The board must contract with any licensed day training and habilitation program attended by a resident disabled person who fulfills the eligibility requirements of section 256B.092, to transport the resident disabled person to the program in return for payment by the program of the cost of the transportation, if transportation by the board is in the best interest of the disabled person and is not unreasonably burdensome to the district and if a less expensive, reasonable, alternative means of transporting the disabled person does not exist. If the board and the program are unable to agree to a contract, either the board or the program may appeal to the commissioner to resolve the conflict. All decisions of the commissioner shall be final and binding upon the board and the program.

Subd. 20. Custodial parent transportation. The board may provide transportation for a pupil who is a custodial parent and that pupil's child between the pupil's home and a child care provider and between the provider and the school. The board must establish criteria for transportation it provides according to this subdivision.

Subd. 21. Pupil transport on staff development days. A district may provide bus transportation between home and school for pupils on days devoted to parent-teacher conferences, teacher's workshops, or other staff development opportunities. If approved by the commissioner as part of a program of educational improvement, the cost of providing this transportation, as determined by generally accepted accounting principles, must be considered part of the authorized cost for regular transportation for the purposes of section 123B.92. The commissioner shall approve inclusion of these costs in the regular transportation category only if the total number of instructional hours in the school year divided by the total number of days for which transportation is provided equals or exceeds the number of instructional hours per day prescribed in the rules of the department of education.

Subd. 22. Postsecondary enrollment options pupils. Districts may provide bus transportation along school bus routes when space is available, for pupils attending programs at a postsecondary institution under the postsecondary enrollment options program. Fees collected for this service under section 123B.36, subdivision 1, paragraph (13), shall be subtracted from the authorized cost for nonregular transportation for the purpose of section 123B.92. A school district may provide transportation for a pupil participating in an articulated program operated under an agreement between the school district and the postsecondary institution.

6. M.S. 123B.885 DIESEL SCHOOL BUSES; OPERATION OF ENGINE; PARKING.

Subdivision 1. Operation of Engine. All operators of diesel school buses must minimize, to the extent practical, the idling of school bus engines and exposure of children to diesel exhaust fumes.

Subd. 2. Parking. On and after July 1, 2003, diesel school buses must be parked and loaded at sufficient distance from school air-intake systems to avoid diesel fumes from being drawn into the systems, unless, in the judgement of the school board, alternative locations block traffic, impair student safety, or are not cost effective.

7. M.S. 123B.90 SCHOOL BUS SAFETY TRAINING.

Subdivision 1. Repealed.

Subd. 2. Student training. (a) Each district must provide public school pupils enrolled in kindergarten through grade 10 with age-appropriate school bus safety training, as described in this section, of the following concepts:

(1) transportation by school bus is a privilege and not a right;
(2) district policies for student conduct and school bus safety;
(3) appropriate conduct while on the school bus;
(4) the danger zones surrounding a school bus;
(5) procedures for safely boarding and leaving a school bus;
(6) procedures for safe street or road crossing; and
(7) school bus evacuation.

(b) Each nonpublic school located within the district must provide all nonpublic school pupils enrolled in kindergarten through grade 10 who are transported by school bus at public expense and attend school within the district's boundaries with training as required in paragraph (a).

(c) Students enrolled in kindergarten through grade 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training competencies by the end of the third week of school. Students enrolled in grades 7 through 10 who are transported by school bus and are enrolled during the first or second week of school and have not previously received school bus safety training must receive the training or receive bus safety instructional materials by the end of the sixth week of school. Students taking driver’s training instructional classes must receive training in the laws and proper procedures when operating a motor vehicle in the vicinity of a school bus as required by section 169.446, subdivisions 2 and 3. Students enrolled in kindergarten through grade 10 who enroll in a school after the second week of school and are transported by school bus and have not received training in their previous school district shall undergo school bus safety training or receive bus safety instructional materials within four weeks of the first day of attendance. Upon request of the superintendent of schools, the school transportation safety director in each district must certify to the superintendent that all students transported by school bus within the district have received the school bus safety training according to this section. Upon request of the superintendent of the school district where the nonpublic school is located, the principal or other chief administrator of each nonpublic school must certify to the school transportation safety director of the district in which the school is located that the school's students transported by school bus at public expense have received training according to this section.

(d) A district and a nonpublic school with students transported by school bus at public expense may provide kindergarten pupils with bus safety training before the first day of school.

(e) A district and a nonpublic school with students transported by school bus at public expense may also provide student safety education for bicycling and pedestrian safety, for students enrolled in kindergarten through grade 5.

(f) A district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus safety training of pupils known to speak English as a second language and pupils with disabilities.

(g) The district and a nonpublic school with students transported by school bus at public expense must provide students enrolled in kindergarten through grade 3 school bus safety training twice during the school year.

(h) A district and a nonpublic school with students transported by school bus at public expense must conduct a school bus evacuation drill at least once during the school year.

Subd. 3. Model training program. The commissioner shall develop and maintain a comprehensive list of school bus safety training instructional materials for pupils who ride the bus that includes bus safety curriculum for both classroom and practical instruction.

8. M.S. 123B.91 SCHOOL DISTRICTS BUS SAFETY RESPONSIBILITIES.

Subdivision 1. Comprehensive policy. Each district shall develop and implement a comprehensive, written policy governing pupil transportation safety, including transportation of nonpublic school students, when applicable. The policy, at minimum, must contain:

(1) provisions for appropriate student bus safety training under section 123B.90;

(2) rules governing student conduct on school buses and in school bus loading and unloading areas;

(3) a statement of parent or guardian responsibilities relating to school bus safety;

(4) an intradistrict system for reporting school bus accidents or misconduct and a system for dealing with local law enforcement officials in cases of criminal conduct on a school bus;

(5) a discipline policy to address violations of school bus safety rules, including procedures for revoking a student's bus riding privileges in cases of serious or repeated misconduct;

(6) a system for integrating school bus misconduct records with other discipline records;

(7) where applicable, provisions governing bus monitor qualifications, training, and duties;

(8) rules governing the use and maintenance of type III vehicles, drivers of type III vehicles, qualifications to drive a type III vehicle, qualifications for a type III vehicle and the circumstances under which a student may be transported in a type III vehicle;

(9) operating rules and procedures;

(10) emergency procedures;

(11) a system for maintaining and inspecting equipment; and

(12) any other requirements of the school district.

Subd. 1a. Compliance by nonpublic and charter school students. A nonpublic or charter school student transported by a public school district shall comply with student bus conduct and student bus discipline policies of the transporting public school district.

Subd. 2. School transportation safety director. Each board shall designate a school transportation safety director to oversee and implement pupil transportation safety policies. The director shall have day-to-day responsibility for pupil transportation safety within the district, including transportation of nonpublic school children when provided by the district.

9. M.S. 169A.03 SCHOOL BUS.

Subd. 23. School bus. "School bus" has the meaning given in section 169.01, subdivision 6 . In addition, the term includes type III school buses as described in section 169.01, subdivision 6, clause (5), when driven by employees or agents of school districts.

10. M.S. 169.443 PERSONAL CELLULAR PHONE CALL PROHIBITION.

Subd. 9. Personal cellular phone call prohibition. (a) As used in this subdivision, "school bus" has the meaning given in section 169.011, subdivision 71. In addition, the term includes type III school buses as defined in section 169.011, subdivision 71, when driven by employees or agents of school districts.

(b) A school bus driver may not operate a school bus while communicating over, or otherwise operating, a cellular phone for personal reasons, whether handheld or hands free, when the vehicle is in motion or a part of traffic.

11. M.S. 169.4582 REPORTING INCIDENTS ON SCHOOL BUSES.

Subdivision 1. Reportable offense; definition. "Reportable offense" means misbehavior causing an immediate and substantial danger to self or surrounding persons or property under section 121A.45.

Subd. 2. Duty to report; school official. Consistent with the school bus safety policy under section 123B.91, subdivision 1, the school principal, the school transportation safety director, or other designated school official shall immediately report to the local law enforcement agency having jurisdiction where the misbehavior occurred and to the school superintendent if the reporting school official knows or has reason to believe that a student has committed a reportable offense on a school bus or in a bus loading or unloading area. The reporting school official shall issue a report to the commissioner of public safety concerning the incident, on a form developed by the commissioner for that purpose.

12. M.S. 171.02 EXCEPTION FOR TYPE III VEHICLE DRIVERS.

Subd. 2b. Exception for type III vehicle drivers. (a) Notwithstanding subdivision 2, the holder of a class A, B, C, or D driver's license, without a school bus endorsement, may operate a type III vehicle described in section 169.011, subdivision 71, clause (5), under the conditions in paragraphs (b) through (o).

(b) The operator is an employee of the entity that owns, leases, or contracts for the school bus.

(c) The operator's employer has adopted and implemented a policy that provides for annual training and certification of the operator in:

(1) safe operation of a type III vehicle;

(2) understanding student behavior, including issues relating to students with disabilities;

(3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;

(4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;

(5) handling emergency situations;

(6) proper use of seat belts and child safety restraints;

(7) performance of pretrip vehicle inspections;

(8) safe loading and unloading of students, including, but not limited to:

(i) utilizing a safe location for loading and unloading students at the curb, on the nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other areas to enable the student to avoid hazardous conditions;

(ii) refraining from loading and unloading students in a vehicular traffic lane, on the shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;

(iii) avoiding a loading or unloading location that would require a pupil to cross a road, or ensuring that the driver or an aide personally escort the pupil across the road if it is not reasonably feasible to avoid such a location;

(iv) placing the type III vehicle in "park" during loading and unloading; and

(v) escorting a pupil across the road under clause (iii) only after the motor is stopped, the ignition key is removed, the brakes are set, and the vehicle is otherwise rendered immobile; and

(9) compliance with paragraph (k), concerning reporting certain convictions to the employer within ten days of the date of conviction.

(d) A background check or background investigation of the operator has been conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03 for school district employees; section 144.057 or chapter 245C for day care employees; or section 171.321, subdivision 3, for all other persons operating a type III vehicle under this subdivision.

(e) Operators shall submit to a physical examination as required by section 171.321, subdivision 2.

(f) The operator's employer requires preemployment drug testing of applicants for operator positions. Current operators must comply with the employer's policy under section 181.951, subdivisions 2, 4, and 5. Notwithstanding any law to the contrary, the operator's employer may use a breathalyzer or similar device to fulfill random alcohol testing requirements.

(g) The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the type III vehicle as required under section 171.321, subdivision 5.

(h) A person who sustains a conviction, as defined under section 609.02, of violating section 169A.25, 169A.26, 169A.27, or 169A.31, or whose driver's license is revoked under sections 169A.50 to 169A.53 of the implied consent law, or who is convicted of violating or whose driver's license is revoked under a similar statute or ordinance of another state, is precluded from operating a type III vehicle for five years from the date of conviction.

(i) A person who has ever been convicted of a disqualifying offense as defined in section 171.3215, subdivision 1, paragraph (c), may not operate a type III vehicle under this subdivision.

(j) A person who sustains a conviction, as defined under section 609.02, of a moving offense in violation of chapter 169 within three years of the first of three other moving offenses is precluded from operating a type III vehicle for one year from the date of the last conviction.

(k) An operator who sustains a conviction as described in paragraph (h), (i), or (j) while employed by the entity that owns, leases, or contracts for the school bus, shall report the conviction to the employer within ten days of the date of the conviction.

(l) Students riding the type III vehicle must have training required under section 123B.90, subdivision 2.

(m) Documentation of meeting the requirements listed in this subdivision must be maintained under separate file at the business location for each type III vehicle operator. The business manager, school board, governing body of a nonpublic school, or any other entity that owns, leases, or contracts for the type III vehicle operating under this subdivision is responsible for maintaining these files for inspection.

(n) The type III vehicle must bear a current certificate of inspection issued under section 169.451.

(o) An employee of a school or of a school district, who is not employed for the sole purpose of operating a type III vehicle, is exempt from paragraphs (e) and (f).

13. M.S. 171.321 TRAINING AND ANNUAL EVALUATION - BUS DRIVERS.

Subd. 4. Training. (a) No person shall drive a class A, B, C, or D school bus when transporting school children to or from school or upon a school-related trip or activity without having demonstrated sufficient skills and knowledge to transport students in a safe and legal manner.

(b) A bus driver must have training or experience that allows the driver to meet at least the following competencies:

(1) safely operate the type of school bus the driver will be driving;

(2) understand student behavior, including issues relating to students with disabilities;

(3) encourage orderly conduct of students on the bus and handle incidents of misconduct appropriately;

(4) know and understand relevant laws, rules of the road, and local school bus safety policies;

(5) handle emergency situations; and

(6) safely load and unload students.

(c) The commissioner of public safety shall develop a comprehensive model school bus driver training program and model assessments for school bus driver training competencies, which are not subject to chapter 14. A school district, nonpublic school, or private contractor may use alternative assessments for bus driver training competencies with the approval of the commissioner of public safety. A driver may receive at least eight hours of school bus in-service training any year, as an alternative to being assessed for bus driver competencies after the initial year of being assessed for bus driver competencies. The employer shall keep the assessment or a record of the in-service training for the current period available for inspection by representatives of the commissioner.

(d) A school district, nonpublic school, or private contractor shall provide in-service training annually to each school bus driver.

Subd. 5. Annual evaluation and license verification. (a) For purposes of this section, “annually” means at least once every 380 days from the initial or previous evaluation and at least once every 380 days from the initial or previous license verification.

(b) A school district, nonpublic school, or private contractor shall annually verify with the National Driver Register or with the Department of Public Safety the validity of the driver’s license of each employee who regularly transports students for the district in:

(1) a type A school bus, a type B school bus, a type C school bus, or type D school bus;

(2) a multifunction school activity bus; or

(3) a type III vehicle.

EMPLOYEES

A. SCHOOL BOARD - EMPLOYEE NEGOTIATIONS

1. M.S. 179A.01-M.S. 179A.25 PUBLIC EMPLOYMENT LABOR RELATIONS ACT (PELRA)

[NOTE: The parts of PELRA that follow are only those pertinent to school districts; all other PELRA language has been omitted.]

M.S. 179A.01 PUBLIC POLICY.

(a) It is the public policy of this state and the purpose of sections 179A.01 to 179A.25 to promote orderly and constructive relationships between all public employers and their employees. This policy is subject to the paramount right of the citizens of this state to keep inviolate the guarantees for their health, education, safety and welfare.

(b) The relationships between the public, public employees, and employer governing bodies involve responsibilities to the public and a need for cooperation and employment protection which are different from those found in the private sector. The importance or necessity of some services to the public can create imbalances in the relative bargaining power between public employees and employers. As a result, unique approaches to negotiations and resolutions of disputes between public employees and employers are necessary.

(c) Unresolved disputes between the public employer and its employees are injurious to the public as well as to the parties. Adequate means must be established for minimizing them and providing for their resolution. Within these limitations and considerations, the legislature has determined that overall policy is best accomplished by:

(1) granting public employees certain rights to organize and choose freely their representatives;

(2) requiring public employers to meet and negotiate with public employees in an appropriate bargaining unit and providing that the result of bargaining be in written agreements; and

(3) establishing special rights, responsibilities, procedures, and limitations regarding public employment relationships which will provide for the protection of the rights of the public employee, the public employer, and the public at large.

(d) Nothing in sections 179A.01 to 179A.25 impairs, modifies, or alters the authority of the legislature to establish rates of pay, or retirement or other benefits for its employees.

M.S. 179A.02 CITATION.

Sections 179A.01 to 179A.25 shall be known as the Public Employment Labor Relations Act.

M.S. 179A.03 DEFINITIONS.

Subdivision 1. General. For the purposes of sections 179A.01 to 179A.25, the terms defined in this section have the meanings given them unless otherwise stated.

Subd. 2. Appropriate unit. “Appropriate unit” or “unit” means a unit of employees determined under sections 179A.01 to 179A.11. For school districts, the term means all the teachers in the district.

Subd. 2a. Board. “Board” means the Public Employment Relations Board under section 179A.041.

Subd. 3. Bureau. "Bureau" means the Minnesota bureau of mediation services.

Subd. 4. Confidential employee. "Confidential employee" means an employee who as part of the employee's job duties:

(1) is required to access and use labor relations information as that term is defined in section 13.37, subdivision 1, paragraph (c); or

(2) actively participates in the meeting and negotiating on behalf of the public employer.

Subd. 5. Commissioner. "Commissioner of the Minnesota bureau of mediation services" or "commissioner" means the commissioner of the bureau of mediation services.

Subd. 6. Employee organization. "Employee organization" means any union or organization of public employees whose purpose is, in whole or in part, to deal with public employers concerning grievances and terms and conditions of employment.

Subd. 7. Essential employee. "Essential employee" means . . . confidential employees, supervisory employees, . . . principals, and assistant principals. . . .

Subd. 8. Exclusive representative. "Exclusive representative" means an employee organization which has been certified by the commissioner under section 179A.12 to meet and negotiate with the employer on behalf of all employees in the appropriate unit.

Subd. 9. Fair share fee challenge. "Fair share fee challenge" means any proceeding or action instituted by a public employee, a group of public employees, or any other person, to determine their rights and obligations with respect to the circumstances or the amount of a fair share fee.

Subd. 10. Meet and confer. "Meet and confer" means the exchange of views and concerns between employers and their employees.

Subd. 11. Meet and negotiate. "Meet and negotiate" means the performance of the mutual obligations of public employers and the exclusive representatives of public employees to meet at reasonable times, including where possible meeting in advance of the budget making process, with the good faith intent of entering into an agreement on terms and conditions of employment. This obligation does not compel either party to agree to a proposal or to make a concession.

Subd. 12. Principal. "Principal" and "assistant principal" means any person so licensed by the commissioner of education who devotes more than 50 percent of his or her time to administrative or supervisory duties.

Subd. 13. Professional employee. "Professional employee" means:

(1) any employee engaged in work (i) predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; (iv) requiring advance knowledge in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education, an apprenticeship or training in the performance of routine mental, manual, or physical processes; or

(2) any employee, who (i) has completed the course of advance instruction and study described in clause (1), item (iv); and (ii) is performing related work under the supervision of a professional person to

qualify himself as a professional employee as defined in clause (1); or

(3) a teacher.

Subd. 14. Public employee. (a) "Public employee" or "employee" means any person appointed or employed by a public employer except:

(1) elected public officials;

(2) election officers; . . .

(5) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;

(6) employees whose positions are basically temporary or seasonal in character, and:

(i) are not for more than 67 working days in any calendar year; or (ii) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or pubic educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment; . . .

(10) an individual is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program; . . .

(b) The following individuals are "public employees" regardless of the exclusions of paragraph (a), clauses (5) and (6):

(1) an employee hired by a school district . . .: (i) to replace an absent teacher . . . who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher . . .; or (ii) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(2) an employee hired for a position under paragraph (a), clause (6), item (i) if that same position has already been filled under paragraph (a), clause (6), item (i) in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position; and

(3) an early childhood family education teacher employed by a school district.

Subd. 15. Public employer or employer. (a) "Public employer" or "employer" means: ...

(6) notwithstanding any other law to the contrary, the governing body of a political subdivision or its agency or instrumentality which has final budgetary approval authority for its employees. However, the views of elected appointing authorities who have standing to initiate arbitration, and who are responsible for the selection, direction, discipline, and discharge of individual employees shall be considered by the employer in the course of the discharge of rights and duties under sections 179A.01 to 179A.25.

(b) When two or more unites of government subject to sections 179A.01 to 179A.25 undertake a project to form a new agency under law authorizing common or joint action, the employer is the governing person or board of the created agency. The governing official or body of the cooperating governmental units shall be bound by an agreement entered into by the created agency according to sections 179A.01 to 179A.25. . . .

(d) Nothing in this subdivision diminishes the authority granted pursuant to law to an appointing authority with respect to the selection, direction, discipline, or discharge of an individual employee if this action is consistent with general procedures and standards relating to selection, direction, discipline, or discharge which are the subject of an agreement entered into under sections 179A.01 to 179A.25.

Subd. 16. Strike. "Strike" means an concerted action in failing to report for duty, the willful absence from one's position, the stoppage of work, slowdown, or the abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purposes of inducing, influencing or coercing a change in the conditions or compensation or the rights, privileges, or obligations of employment.

Subd. 17. Supervisory employee. "Supervisory employee" means a person who has the authority to undertake a majority of the following supervisory functions in the interests of the employer: hiring, transfer, suspension, promotion, discharge, assignment, reward, or discipline of other employees, direction of the work of other employees, or adjustment of other employees' grievances on behalf of the employer. To be included as a supervisory function which the person has authority to undertake, the exercise of the authority by the person may not be merely routine or clerical in nature but must require the use of independent judgment. An employee, other than an essential employee, who has authority to effectively recommend a supervisory function, is deemed to have authority to undertake that supervisory function for the purposes of this subdivision. . . .

The removal of employees by the employer from a non-supervisory appropriate unit for the purpose of designating the employees as "supervisory employees" shall require either the prior written agreement of the exclusive representative and the written approval of the commissioner or a separate determination by the commissioner before the redesignation is effective.

Subd. 18. Teacher. "Teacher" means any public employee other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisory or confidential employee, employed by a school district:

(1) in a position for which the person must be licensed by the board of teaching or the commissioner of education; or

(2) in a position as a physical therapist, occupational therapist, art therapist, music therapist, or audiologist.

Subd. 19. Terms and conditions of employment. "Terms and conditions of employment" means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than employer payment of, or contributions to, premiums for group insurance coverage of retired employees or severance pay, and the employer's personnel policies affecting the working conditions of the employees. In the case of professional employees, the term does not mean educational policies of a school district. "Terms and conditions of employment" is subject to section 179A.07. . . .

M.S. 179A.04 COMMISSIONER'S POWER, AUTHORITY, AND DUTIES.

Subdivision 1. Petitions. The commissioner shall accept and investigate all petitions for:

(1) certification or decertification as the exclusive representative of an appropriate unit;

(2) mediation services;

(3) any election or other voting procedures provided for in sections 179A.01 to 179A.25;

(4) certification to the Board of Arbitration; and

(5) fair share fee challenges upon the receipt of a filing fee. The commissioner shall hear and decide all issues in a fair share fee challenge.

Subd. 2. Unit determination. The commissioner shall determine appropriate units, under the criteria of section 179A.09.

Subd. 3. Other duties. (a) The commissioner shall:

(1) provide mediation services as requested by the parties until the parties reach agreement and may continue to assist parties after they have submitted their final positions for interest arbitration;

(2) issue notices, subpoenas, and orders required by law to carry out duties under sections 179A.01 to 179A.25;

(3) assist the parties in formulating petitions, notices, and other papers required to be filed with the commissioner, or the board;

(4) conduct elections;

(5) certify the final results of any election or other voting procedure conducted under sections 179A.01 to 179A.25;

(6) adopt rules relating to the administration of this chapter and the conduct of hearings and elections;

(7) receive, catalogue, file, and make available to the public all decisions of arbitrators and panels authorized by sections 179A.01 to 179A.25, all grievance arbitration decisions to the extent the decision is public under section 13.43, subdivision 2, paragraph (b), and the commissioner's orders and decisions;

(8) adopt, subject to chapter 14, a grievance procedure that fulfills the purposes of section 179A.20, subdivision 4, that is available to any employee in a unit not covered by a contractual grievance procedure; . . .

(11) provide technical support and assistance to voluntary joint labor-management committees established for the purpose of improving relationships between exclusive representatives and employers, at the discretion of the commissioner;

(12) provide to the parties a list of arbitrators as required by section 179A.16, subdivision 4; and

(13) maintain a list of up to 60 arbitrators for referral to employers and exclusive representatives for the resolution of grievance or interest disputes. . . .

(b) From the names provided by representative organizations, the commissioner shall maintain a list of arbitrators to conduct teacher discharge or termination hearings according to section 122A.40 or 122A.41. The persons on the list must meet and least one of the following requirements:

(1) be a former or retired judge;

(2) be a qualified arbitrator on the list maintained by the bureau;

(3) be a present, former, or retired administrative law judge; or

(4) be a neutral individual who is learned in the law and admitted to practice im Minnesota, who is qualified by experience to conduct these hearings, and who is without bias to either party.

Each year, Education Minnesota shall provide a list of up to 14 names and the Minnesota School Boards Association a list of up to 14 names of persons to be on the list. The commissioner may adopt rules about maintaining and updating the list.

Subd. 4. Location of hearings. Hearings and mediation meetings authorized by this section shall be held at a time and place determined by the commissioner, but, whenever practical, a hearing shall be held in the general geographic area where the question has arisen or exists.

M.S. 179A.041 PUBLIC EMPLOYMENT RELATIONS BOARD; POWER, AUTHORITY, AND DUTIES

Subdivision 1. Membership. The Public Employment Relations Board is established with three members. One member shall be an officer or employee of an exclusive representative of public employees and shall be appointed by the governor; one shall be a representative of public employers and shall be appointed by the governor; and one shall be a representative of the public at large and shall be appointed by the other two members. Public employers and employee organizations representing public employees may submit for consideration names of persons representing their interests. The board shall select one of its members to serve as chair for a term beginning July 1 of each year.

Subd. 2. Alternate members. (a) The appointing authorities shall appoint alternative members to serve

only in the case of a member having a conflict of interest under subdivision 9, as follows:

(1) one alternate, appointed by the governor, who is an officer or employee of an exclusive representative of public employees, to serve as an alternate to the member appointed by the governor who is an officer or employee of an exclusive representative of public employees. This alternate must not be an officer or employee of the same exclusive representative of public employees as the member for whom the alternate serves;

(2) one alternate, appointed by the governor, who is a representative of public employers, to serve as an alternate to the member appointed by the governor who is a representative of public employers. This alternate must not represent the same public employer as the member for whom the alternate serves; and

(3) one alternate, appointed by the member who is an officer or employee of an exclusive representative of public employees and the member who is a representative of public employers, who is not an officer or employee of an exclusive representative of public employees, or a representative of a public employer, to serve as an alternate for the member that represents the public at large.

(b) Each alternate member shall serve a term that is coterminous with the term of the member for whom the alternate member serves as an alternate.

Subd. 3. Terms; compensation. The membership terms, compensation, removal of members, and filling of vacancies for members and alternative members shall be as provided in section 15.0575.

Subd. 4. Rules; meetings. The board shall adopt rules governing its procedure and shall hold meetings as prescribed in those rules. The chair shall convene and preside at meetings of the board.

Subd. 5. Powers. The board shall have the powers and authority required for the board to take actions assigned to the board under section 179A.13.

Subd. 6. Appeals. In addition to the other powers and duties given it by law, the board shall hear and decide appeals from:

(1) recommended decisions and orders relating to an unfair labor practice under section 179A.13; and

(2) determinations of the commissioner under section 179A.12, subdivision 11.

Subd. 7. Rulemaking. The board shall adopt rules under chapter 14 governing the presentation of issues and the taking of appeals under subdivision 6. All issues and appeals presented to the board shall be determined upon the record of hearing, except that the board may request additional evidence when necessary or helpful.

Subd. 8. Employees and contracts. The board may hire investigators, hearing officers, and other employees as necessary to perform its duties, or may enter into contracts to perform any of the board's duties.

Subd. 9. Conflict of interest. A member must disclose any conflict of interest in a case before the board and shall not take any action or vote in the case. The person designated as the recused member's alternate shall serve in place of the member who has a conflict for all actions and votes on the case, unless the alternate has a conflict of interest. If both a member and the member's alternate have a conflict of interest in a case, the appointing authority will appoint a second alternate member, who meets the same requirements as the alternate member and who has no conflict of interest, to take action and vote in the case. A board member or alternate member has a conflict of interest in a case if the member is employed by, an officer of, a member of the governing body, or a member of, a party in the case.

M.S. 179A.051 APPEALS OF COMMISSIONER'S DECISIONS.

(a) Decisions of the commissioner relating to supervisory, confidential, essential, and professional employees, appropriateness of a unit, or fair share fee challenges may be reviewed on certiorari by the Court of Appeals. A petition for a writ of certiorari must be filed and served on the other party or parties and the commissioner within 30 days from the date of the mailing of the commissioner's decision. The petition must be served on the other party or parties at the party's or parties' last known address.

(b) Decisions of the commissioner relating to unfair labor practices under section 179A.12, subdivision 11, may be appealed to the board if the appeal is filed with the board and served on all other parties no later than 30 days after service of the commissioner's decision.

M.S. 179A.052 APPEALS OF BOARD'S DECISIONS.

Decisions of the board relating to unfair labor practices under section 179A.11, 179A.12, 179A.12, subdivision 11, or 179A.13, including dismissal of unfair labor practice charges, may be reviewed on certiorari by the Court of Appeals. A petition for a writ of certiorari must be filed and served on the other party or parties and the board within 30 days from the date of the mailing of the board's decision. The petition must be served on the other party or parties at the party's or parties' last known address.

M.S. 179A.06 RIGHTS AND OBLIGATIONS OF EMPLOYEES.

Subdivision 1. Expression of views. Sections 179A.01 to 179A.25 do not affect the right of any public employee or the employee's representative to express or communicate a view, grievance, complaint or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long as this is not designed to and does not interfere with the full faithful and proper performance of the duties of employment or circumvent the rights of the exclusive representative. Sections 179A.01 to 179A.25 do not require any public employee to perform labor or services against the employee's will.

If no exclusive representative has been certified, any public employee individually, or group of employees through their representative, has the right to express or communicate a view, grievance, complaint or opinion on any matter related to the conditions or compensation of public employment or their betterment, by meeting with their public employer or the employer's representative, so long as this is not designed to and does not interfere with the full, faithful and proper performance of the duties of employment.

Subd. 2. Right to organize. Public employees have the right to form and join labor or employee organizations, and have the right not to form and join such organizations. Public employees in an appropriate unit have the right by secret ballot to designate an exclusive representative to negotiate grievance procedures and the terms and conditions of employment with their employer. . . . confidential employees supervisory employees, principals, and assistant principals may form their own organizations. An employer shall extend exclusive recognition to a representative of or an organization of supervisory or confidential employees, or principals and assistant principals, for the purpose of negotiating terms or conditions of employment, in accordance with sections 179A.01 to 179A.25, applicable to essential employees.

Supervisory or confidential employee organizations shall not participate in any capacity in any negotiations which involve units of employees other than supervisory or confidential employees. Except for organizations which represent supervisors who are: . . .

(2) . . . a supervisory or confidential employee organization which is affiliated with another employee organization which is the exclusive representative of nonsupervisory or nonconfidential employees of the same public employer shall not be certified, or act as, an exclusive representative for the supervisory or confidential employees. For the purpose of this subdivision, affiliation means either direct or indirect and includes affiliation through a federation or joint body of employee organizations.

Subd. 3. Fair share fee. An exclusive representative may require employees who are not members of the exclusive representative to contribute a fair share fee for services rendered by the exclusive representative. The fair share fee must be equal to the regular membership dues of the exclusive representative, less the cost of benefits financed through the dues and available only to members of the exclusive representative. In no event may the fair share fee exceed 85 percent of the regular membership dues. The exclusive representative shall provide advance written notice of the amount of the fair share fee to the employer and to unit employees who will be assessed the fee. The employer shall provide the exclusive representative with a list of all unit employees.

A challenge by an employee or by a person aggrieved by the fee must be filed in writing with the commissioner, the public employer, and the exclusive representative within 30 days after receipt of the written notice. All challenges must specify those portions of the fee challenged and the reasons for the challenge. The burden of proof relating to the amount of the fair share fee is on the exclusive representative. The commissioner shall hear and decide all issues in these challenges.

The employer shall deduct the fee from the earnings of the employee and transmit the fee to the exclusive representative 30 days after the written notice was provided. If a challenge is filed, the deductions for a fair share fee shall be held in escrow by the employer pending a decision by the commissioner.

Subd. 4. Meet and confer. Professional employees have the right to meet and confer under section 179A.08 with public employers regarding policies and matters other than terms and conditions of employment.

Subd. 5. Meet and negotiate. Public employees, through their certified exclusive representative, have the right and obligation to meet and negotiate in good faith with their employer regarding grievance procedures and the terms and conditions of employment, but this obligation does not compel the exclusive representative to agree to a proposal or require the making of a concession.

Subd. 6. Dues checkoff. Public employees have the right to request and be allowed dues checkoff for the exclusive representative. In the absence of an exclusive representative, public employees have the right to request and be allowed dues checkoff for the organization of their choice.

Subd. 7. Concerted activity. Public employees have the right to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection.

M.S. 179A.07 RIGHTS AND OBLIGATIONS OF EMPLOYERS.

Subdivision 1. Inherent managerial policy. A public employer is not required to meet and negotiate on matters of inherent managerial policy. Matters of inherent managerial policy include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure, selection of personnel, and direction and the number of personnel. No public employer shall sign an agreement which limits its right to select persons to serve as supervisory employees . . ., or requires the use of seniority in their selection.

Subd. 2. Meet and negotiate. (a) A public employer has an obligation to meet and negotiate in good faith with the exclusive representative of public employees in an appropriate unit regarding grievance procedures and the terms and conditions of employment, but this obligation does not compel the public employer or its representative to agree to a proposal or require the making of a concession. . . .

(b) In addition, a public employer may, but does not have an obligation to, meet and negotiate in good

faith with the exclusive representative of public employees in an appropriate unit regarding an employer to the state of Minnesota deferred compensation plan authorized by section 356.24, paragraph (a), clause (4), within the limits set by section 354.24, paragraph (a), clause (4).

Subd. 3. Meet and confer. A public employer has the obligation to meet and confer, under section 179A.08, with professional employees to discuss policies and other matters relating to their employment which are not terms and conditions of employment.

Subd. 4. Other communication. If an exclusive representative has been certified for an appropriate unit, the employer shall not meet and negotiate or meet and confer with any employee or group of employees who are in that unit except through the exclusive representative. This subdivision does not prevent communication to the employer, other than through the exclusive representative, of advice or recommendations by professional employees, if this communication is a part of the employee's work assignment. . . .

Subd. 5. Arbitrators pay and hiring. An employer may hire and pay for arbitrators desired or required by sections 179A.01 to 179A.25.

Subd. 6. Time off. A public employer must afford reasonable time off to elected officers or appointed representatives of the exclusive representative to conduct the duties of the exclusive representative, and must, upon request, provide for leaves of absence to elected or appointed officials of the exclusive representative or to a full-time appointed official of an exclusive representative of teachers in another Minnesota school district.

M.S. 179A.08 POLICY CONSULTANTS.

Subdivision 1. Professional employees. The legislature recognized that professional employees possess knowledge, expertise, and dedication which is helpful and necessary to the operation and qualify of public services and which may assist public employers in developing their policies. It is, therefore, the policy of this state to encourage close cooperation between public employers and professional employees by providing for discussions and the mutual exchange of ideas regarding all matters that are not terms and conditions of employment.

Subd. 2. Meet and confer. The professional employees shall select a representative to meet and confer with a representative or committee of the public employer on matters not specified under section 179A.03, subdivision 19, relating to the services being provided to the public. The public employer shall provide the facilities and set the time for there conferences to take place. The parties shall meet at least once every four months.

M.S. 179A.09 UNIT DETERMINATION.

Subdivision 1. Criteria. In determining the appropriate unit, the commissioner shall consider the principles and the coverage of uniform comprehensive position classification and compensation plans of the employees, professions and skilled crafts, and other occupational classifications, relevant administrative and supervisory levels of authority, geographical location, history, extent of organization, the recommendation of the parties, and other relevant factors. The commissioner shall place particular importance upon the history and extent of organization, and the desires of the petitioning employee representatives.

Subd. 2. Prohibitions. The commissioner shall not designate an appropriate unit which includes essential employees with other employees. . . .

M.S. 179A.12 EXCLUSIVE REPRESENTATION: ELECTIONS: DECERTIFICATION.

Subdivision 1. Certification continued. Any employee organization holding formal recognition by order of the commissioner or by employer voluntary recognition on the effective date of Extra Session Laws 1971, Chapter 33, under any law that is repealed by Extra Session Laws 1971, Chapter 33, is certified as the exclusive representative until it is decertified or another representative is certified in its place.

Any teacher organization as defined by Minnesota Statutes 1969, section 125.20, subdivision 3, who on the effective date of Extra Session Laws 1971, Chapter 33, has a majority of its members on a teacher's council in a school district as provided in Minnesota Statutes 1969, section 125.22 is certified as the exclusive representative of all teachers of that school district until the organization is decertified or another organization is certified in its place.

Subd. 2. Certification upon joint request. The commissioner may certify an employee organization as an exclusive representative in an appropriate unit upon the joint request of the employer and the organization if, after investigation, the commissioner finds that no unfair labor practice was committed in initiating and submitting the joint request and that the employee organization represents over 50 percent of the employees in the appropriate unit. This subdivision does not reduce the time period or nullify any bar to the employee organization's certification existing at the time of the filing of the joint request.

Subd. 3. Obtaining elections. Any employee organization may obtain a certification election upon petition to the commissioner stating that at least 30 percent of the employees of a proposed appropriate unit wish to be represented by the petitioner. Any employee organization may obtain a representation election upon petition to the commissioner stating that the currently certified representative no longer represents the majority of employees in an established unit and that at least 30 percent of the employees in the established unit wish to be represented by the petitioner rather than by the currently certified representative. An individual employee or group of employees in a unit may obtain a decertification election upon petition to the commissioner stating the certified representative no longer represents the majority of the employees in an established unit and that at least 30 percent of the employees wish to be unrepresented. . . .

Subd. 5. Commissioner to investigate. The commissioner shall, upon receipt of an employee organization's petition to the commissioner under subdivision 3, investigate to determine if sufficient evidence of a question of representation exists and hold hearings necessary to determine the appropriate unit and other matters necessary to determine the representation rights of the affected employees and employer.

Subd. 6. Authorization signatures. In determining the numerical status of an employee organization for purposes of this section, the commissioner shall require dated representation authorization signatures of affected employees as verification of the statements contained in the joint request or petitions. These authorization signatures shall be privileged and confidential information available to the commissioner only.

Subd. 7. Election order. The commissioner shall issue an order providing for a secret ballot election by the employees in a designated appropriate unit. The election must be held on one or more sites where those voting are employed or by mail ballot, as determined by the commissioner. In making this determination, the commissioner shall strive for an election process that provides for maximum participation by the affected employees. The parties affected by this determination may request reconsideration of it by the commissioner under bureau rules.

Subd. 8. Ballot. The ballot in a certification election may contain as many names of representative candidates as have demonstrated that 30 percent of the employees in the unit desire them as their exclusive representative. The ballots shall contain a space for employees to indicate that no representation is desired.

The commissioner shall provide and count absentee ballots in all elections.

Subd. 9. Run-off election. If no choice on the ballot receives a majority of those votes cast in the unit, the commissioner shall conduct a run-off election between the two choices receiving the most votes.

Subd. 10. Certification. Upon a representative candidate receiving a majority of those votes cast in an appropriate unit, the commissioner shall certify that candidate as the exclusive representative of all employees in the unit.

Subd. 11. Unfair labor practice. If the commissioner finds that an unfair labor practice was committed by an employer or representative candidate or an employee or group of employees, and that the unfair labor practice affected the result of an election, or that procedural or other irregularities in the conduct of the election may have substantially affected its results, the commissioner may void such election result and order a new election.

Subd. 12. Bar to reconsideration. When the commissioner certifies an exclusive representative, the commissioner shall not consider the question again for a period of one year, unless the exclusive representative is decertified by a court of competent jurisdiction, or by the commissioner.

M.S. 179A.13 UNFAIR LABOR PRACTICES.

Subdivision 1. Actions. (a) The practices specified in this section are unfair labor practices. Any employee, employer, employee or employer organization, exclusive representative, or any other person or organization aggrieved by an unfair labor practice as defined in this section may file an unfair labor practice with the board.

(b) Whenever it is charged that any party has engaged in or is engaging in any unfair labor practice, an investigator designated by the board shall promptly conduct an investigation of the charge. Unless after the investigation the board finds that the charge has no reasonable basis in law or fact, the board shall promptly issue a complaint and cause to be served upon the party a complaint stating the charges, accompanied by a notice of hearing before a qualified hearing officer designated by the board at the offices of the bureau or other location as the board deems appropriate, not less than five days nor more than 20 days after serving the complaint, provided that no complaint shall be issued based upon any unfair labor practice occurring more than six months prior to the filing of a charge. A complaint issued under this subdivision may be amended by the board at any time prior to the issuance of an order based thereon. The party who is the subject of the complaint has the right to file an answer to the original or amended complaint prior to hearing and to appear in person or by a representative and give testimony at the place and time fixed in the complaint. In the discretion of the hearing officer conducting the hearing or the board, any other party may be allowed to intervene in the proceeding and to present testimony. The board or designated hearing officers shall not be bound by the rules of evidence applicable to courts, except as to the rules of privilege recognized by law.

(c) Designated investigators must conduct the investigation of charges.

(d) Hearing officers must be licensed to practice law in the state of Minnesota and must conduct the hearings and issue recommended decisions and orders.

(e) The board or its designees shall have the power to issue subpoenas and administer oaths. If any party willfully fails or neglects to appear or testify or to produce books, papers, and records pursuant to the issuance of a subpoena, the board may apply to a court of competent jurisdiction to request that the party be ordered to appear to testify or produce the requested evidence.

(f) A full and complete record shall be kept of all proceedings before the board or designated hearing officer and shall be transcribed by a reporter appointed by the board.

(g) The party on whom the burden of proof rests shall be required to sustain the burden by a preponderance of the evidence.

(h) At any time prior to the close of a hearing, the parties may by mutual agreement request referral to mediation, at which time the commissioner shall appoint a mediator, and the hearing shall be suspended pending the results of the mediation.

(i) If, upon a preponderance of the evidence taken, the hearing officer determines that any party named in the charge has engaged in or is engaging in an unfair labor practice, then a recommended decision and order shall be issued stating findings of fact and conclusions, and requiring the party to cease and desist from the unfair labor practice, to post a cease-and-desist notice in the workplace, and ordering any appropriate relief to effectuate the policies of this section, including but not limited to reinstatement, back pay, and any other remedies that make a charging party whole. If back pay is awarded, the award must include interest at the rate of seven percent per annum. The order further may require the party to make reports from time to time, and demonstrate the extent to which the party has complied with the order.

(j) If there is no preponderance of evidence that the party named in the charge has engaged in or is engaging in the unfair labor practice, then the hearing officer shall issue a recommended decision and order stating findings of fact and dismissing the complaint.

(k) Parties may file exceptions to the hearing officer's recommended decision and order with the board no later than 30 days after the service of the recommended decision and order. The board shall review the recommended decision and order upon timely filing of exceptions or upon its own motion. If no timely exceptions have been filed, the parties must be deemed to have waived their exceptions. Unless the board reviews the recommended decision and order upon its own motion, it must not be legal precedent and must be final and binding only on the parties to the proceeding as issued in an order issued by the board. If the board does review the recommended decision and order, the board may adopt all, part, or none of the recommended decision and order, depending on the extent to which it is consistent with the record and applicable laws. The board shall issue and serve on all parties its decision and order. The board shall retain jurisdiction over the case to ensure the parties' compliance with the board's order. Unless overturned by the board, the parties must comply with the recommended decision and order.

(l) Until the record has been filed in the court of appeals or district court, the board at any time, upon reasonable notice and in a manner it deems appropriate, may modify or set aside, in whole or in part, any finding or order made or issued by it.

(m) Upon a final order that an unfair labor practice has been committed, the board or the charging party may petition the district court for the enforcement of the order and for appropriate temporary relief or a restraining order. When the board petitions the court, the charging party may intervene as a matter of right.

(n) Whenever it appears that any part has violated a final order of the board issued pursuant to this section, the board must petition the district court for an order directing the party and its officers, agents, servants, successors, and assigns to comply with the order of the board. The board shall be represented in this action by its general counsel, who has been appointed by the board. The court may grant or refuse, in whole or in part, the relief sought, provided that the court also may stay an order of the board pending disposition of the proceedings. The court may punish a violation of its order as in civil contemp.

(o) The board shall have power, upon issuance of an unfair labor practice complaint alleging that a party has engaged in or is engaging in an unfair labor practice, to petition the district court for appropriate temporary relief or a restraining order. Upon the filing of any such petition, the court shall cause notice thereof to be served upon such parties, and thereupon shall have jurisdiction to grant to the board or commissioner temporary relief or a restraining order as it deems appropriate. Nothing in this paragraph precludes a charging party from seeking injunctive relief in district court after filing the unfair labor practice charge.

(p) the proceedings in paragraphs (m), (n), and (o) shall be commenced in the district court for the county in which the unfair labor practice which is the subject of the order or administrative complaint was committed, or where a party alleged to have committed the unfair labor practice resides or transacts business.

Subd. 2. Employers. Public employers, their agents and representatives are prohibited from:

(1) interfering, restraining or coercing employees in the exercise of the rights guaranteed in sections 179A.01 to 179A.25;

(2) dominating or interfering with the formation, existence or administration of any employee organization or contributing other support to it;

(3) discriminating in regard to hire or tenure to encourage or discourage membership in an employee organization;

(4) discharging or otherwise discriminating against an employee because the employee has signed or filed an affidavit, petition, or complaint or given information or testimony under sections 179A.01 to 179A.25;

(5) refusing to meet and negotiate in good faith with the exclusive representative of its employees in an appropriate unit;

(6) refusing to comply with grievance procedures contained in an agreement;

(7) distributing or circulating a blacklist of individuals exercising a legal right or of members of a labor organization for the purpose of preventing blacklisted individuals from obtaining or retaining employment;

(8) violating rules established by the commissioner regulating the conduct of representation elections;

(9) refusing to comply with a valid decision of a binding arbitration panel or arbitrator.

(10) violating or refusing to comply with any lawful order or decision issued by the commissioner or the board;

(11) refusing to provide, upon the request of the exclusive representative, all information pertaining to the public employer's budget both present and proposed, revenues and other financing information. . . ; or

(12) granting or offering to grant the status of permanent replacement employee to a person for performing bargaining unit work for the employer during a lockout of employees in an employee organization or during a strike authorized by an employee organization that is an exclusive representative.

Subd. 3. Employees. Employee organizations, their agents or representatives, and public employees are prohibited from:

(1) restraining or coercing employees in the exercise of rights provided in sections 179A.01 to 179A.25;

(2) restraining or coercing a public employer in the election of representatives to be employed to meet and negotiate or to adjust grievances;

(3) refusing to meet and negotiate in good faith with a public employer, if the employee organization is the exclusive representative of employees in an appropriate unit;

(4) violating rules established by the commissioner regulating the conduct of representation

elections;

(5) refusing to comply with a valid decision of an arbitration panel or arbitrator;

(6) calling, instituting, maintaining or conducting a strike or boycott against any public employer on account of any jurisdictional controversy;

(7) coercing or restraining any person with the effect to:

(i) force or require any public employer to cease dealing or doing business with any other person;

(ii) force or require any public employer to recognize for representation purposes an employee organization not certified by the commissioner;

(iii) refuse to handle goods or perform services; or

(iv) prevent an employee from providing services to the employer.

(8) committing any act designed to damage or actually damaging physical property or endangering the safety of persons while engaging in a strike;

(9) forcing or requiring any employer to assign particular work to employees in a particular employee organization or in a particular trade, craft, or class rather than to employees in another employee organization or in another trade, craft, or class;

(10) causing or attempting to cause a public employer to pay or deliver, or agree to pay or deliver, any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed;

(11) engaging in an unlawful strike;

(12) picketing which has an unlawful purpose such as a secondary boycott;

(13) picketing which unreasonably interferes with the ingress and egress to facilities of the public employer;

(14) seizing or occupying or destroying property of the employer;

(15) violating or refusing to comply with any lawful order or decision issued by the commissioner or the board.

M.S. 179A.14 NEGOTIATION PROCEDURES.

Subdivision 1. Initiation of negotiation. (a) First agreement. When an exclusive representative desires to meet and negotiate an initial agreement establishing terms and conditions of employment, the exclusive representative shall give written notice to the employer and the commissioner. If the exclusive representative has not been certified by the commissioner under section 179A.12 within one year of such written notice, the employer has ten days from receipt of the notice to object to the demand to negotiate by petitioning the commissioner to investigate either the appropriateness of the unit or the question of representation that the employer believes is raised by the demand, or both. If the employer does not object within ten days, the employer accepts the obligations of section 179A.07, subdivision 2, and the balance of this chapter with regard to such exclusive representative. If the employer does object by filing a petition under this section, the commissioner shall investigate the petition under section 179A.12, subdivision 5.

(b) Subsequent agreement. When a party to a contract desires to meet and negotiate an agreement subsequent to the initial agreement, the party shall give written notice to the other party and to the commissioner at least 60 days before the termination date of the existing contract. If a party fails to give the required 60-day notice, the party is subject to a fine of $10 per day for each day the notice is late. The fine for late notice may be waived at the discretion of the commissioner if the commissioner finds that the failure to give timely notice did not prejudice the commissioner or the other party in the fulfillment of their responsibilities and duties. The fine for late notice is the only penalty for late notice under this paragraph.

Subd. 2. Joint negotiations. Public employers and exclusive representatives of employees may voluntarily participate in joint negotiations in similar or identical appropriate units. It is the policy of sections 179A.01 to 179A.25 to encourage area-wide negotiations, and the commissioner shall encourage it

when possible.

Subd. 3. Public meetings. All negotiations, mediation sessions, and hearings between public employers and public employees or their respective representatives are public meetings except when otherwise provided by the commissioner.

M.S. 179A.15 MEDIATION.

Once notice has been given under section 179A.14, the employer or exclusive representative may petition the commissioner for mediation services.

A petition by an employer shall be signed by the employer or an authorized officer or agent. A petition by an exclusive representative shall be signed by its authorized officer. All petitions shall be served on the commissioner in writing. The petition shall state briefly the nature of the disagreement of the parties. Upon receipt of a petition, and upon concluding that mediation would be useful, the commissioner shall fix a time and place for a conference with the parties to negotiate the issues not agreed upon, and shall then take the most expedient steps to bring about a settlement, including assisting in negotiating and drafting an agreement.

If the commissioner determines that mediation would be useful in resolving a dispute, the commissioner may mediate the dispute even if neither party has filed a petition for mediation. In these cases, the commissioner shall proceed as if a petition has been filed.

The commissioner shall not furnish mediation services to any employee or employee representative who is not certified as an exclusive representative.

All parties shall respond to the summons of the commissioner for conferences and shall continue in conference until excused by the commissioner.

M.S. 179A.16 INTEREST ARBITRATION.

Subdivision 1. Nonessential employees. An exclusive representative or an employer of a unit of employees other than essential employees may request interest arbitration by providing written notice of the request to the other party and the commissioner. The written request for arbitration must specify the items to be submitted to arbitration and whether conventional, final-offer total package, or final-offer item-by-item arbitration is contemplated by the request.

The items to be submitted to arbitration and the form of arbitration to be used a subject to mutual agreement. If an agreement to arbitrate is reached, it must be reduced to writing and a copy of the agreement filed with the commissioner. A failure to response, or to reach agreement on the items or form of arbitration, within 15 days of receipt of the request to arbitrate constitutes a rejection of the request.

Subd. 2. Essential employees. An exclusive representative or employer of a unit of essential employees may petition for binding interest arbitration by filing a written request with the other party and the commissioner. The written request must specify the items which that party wished to submit to binding arbitration. Within 15 days of the request, the commissioner shall determine whether further mediation of the dispute would be appropriate and shall only certify matters for arbitration in cases where the commissioner believes that both parties have made substantial, good-faith bargaining efforts and that an impasse has occurred.

Subd. 3. Procedure. Within 15 days from the time the commissioner has certified a matter to be ready

for binding arbitration because of an agreement under subdivision 1 or in accordance with subdivision 2, both parties shall submit their final positions on the items in dispute. In the event of a dispute over the items to be submitted to binding arbitration involving essential employees, the commissioner shall determine the items to be decided by arbitration based on the efforts to mediate the dispute and the positions submitted by the parties during the course of those efforts. The parties may stipulate items to be excluded from arbitration.

Subd. 4. Selection of arbitrator or panel of arbitrators. The parties may select persons who are members of the arbitration roster maintained by the bureau to act as the arbitrator or panel in their dispute by mutual agreement. In the event of a mutual agreement on the arbitrator or panel, the commissioner shall advise in writing the arbitrator or panel. If the parties do not mutually agree upon the arbitrator or panel, the commissioner shall provide the parties to the interest arbitration a list of seven arbitrators. The commissioner shall mail the list of arbitrators to the parties within five working days. The parties shall alternately strike names from the list of arbitrators until only a single arbitrator remains, unless the parties request and mutually agree to utilize a panel of three arbitrators. If the parties are unable to agree on who shall strike the first name, the question must be decided by a flip of a coin. The arbitrator or arbitrators remaining after the striking process shall constitute the arbitrator or panel.

Subd. 5. Jurisdiction of the arbitrator or panel. The arbitrator or panel selected by the parties has jurisdiction over the items of dispute certified to an submitted by the commissioner. However, the arbitrator or panel has no jurisdiction or authority to entertain any matter or issue that is not a term and condition of employment, unless the matter or issue was included in the employer's final position. Any decision or part of a decision issued which determines a matter or issue which is not a term and condition of employment and was not included in the employer's final position is void and of no effect. A decision which violates, is in conflict with, or causes a penalty to be incurred under: (1) the laws of Minnesota; or (2) rules promulgated under law, or municipal charters, ordinances, or resolutions, provided that the rules, charters, ordinances, or resolutions are consistent with this chapter, has no force or effect and shall be returned to the arbitrator or panel to make it consistent with the laws, rules, charters, ordinances, or resolutions.

Subd. 6. Powers of the arbitrator or panel. The arbitrator or panel may issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence that relates to any matter involved in any dispute before it. The arbitrator or panel may administer oaths and affidavits and may examine witnesses. Attendance of witnesses and the production of evidence may be required from any place in the state at any hearing. However, any hearing must be held in the county where the principal administrative offices of the employer are located, unless another location is selected by agreement of the parties. In case of refusal to obey a subpoena issued under this section, the district court of the state for the county where the proceeding is pending or where the person who refuses to obey is found, or resides, or transacts business, on application of the arbitrator or panel, has jurisdiction to issue an order requiring the person to appear before the panel, to produce evidence, or to give testimony. Failure to obey the order may be punished by the court as a contempt. Posthearing briefs, if any, must be received by the arbitrator within 14 days of the hearing.

Subd. 7. Decision by the arbitrator or panel. The decision must be issued by the arbitrator or a majority vote of the panel. The decision must resolve the issues in dispute between the parties as submitted by the commissioner. For principals and assistant principals, the arbitrator or panel is restricted to selecting between the final offers of the parties on each impasse item. For other employees, if the parties agree in writing, the arbitrator or panel is restricted to selecting between the final offers of the parties on each impasse item, or the final offer of one or the other parties in its entirety. In considering a dispute and issuing its decision, the arbitrator or panel shall consider the statutory rights and obligations of public employers to efficiently manage and conduct their operations within the legal limitations surrounding the financing of these operations. The decision is final and binding on all parties.

The arbitrator or panel shall render its decision within 30 days from the date that all arbitration proceedings have concluded. The arbitrator or panel may not request that the parties waive their right to have the decision rendered within 30 days, unless the commissioner grants an extension of the deadline. The commissioner shall remove from the roster for six months the name of any arbitrator who does not render the decision within 30 days or within the extension granted by the commissioner. The commissioner shall adopt rules establishing criteria to be followed in determining whether an extension should be granted. The decision must be for the period stated in the decision, except that decisions determining contracts for teacher units are effective to the end of the contract period determined by section 179A.20.

The arbitrator or panel shall send its decision to the commissioner, the appropriate representative of the public employer, and the employees. If any issues submitted to arbitration are settled voluntarily before the arbitrator or panel issues a decision, the arbitrator or panel shall report the settlement to the commissioner.

The parties may at any time before or after issuance of a decision of the arbitrator or panel, agree upon terms and conditions of employment regardless of the terms and conditions of employment determined by the decision. The parties shall, if so agreeing, execute a written contract or memorandum of contract. . . .

Subd. 8. Database; fees, charges, and per diems. The commissioner shall maintain a database of all fees, charges, and per diems charged by each arbitrator. The database must include the total charges imposed by the arbitrator in the previous six interest arbitration cases. For each arbitration decision rendered by an arbitrator, the arbitrator shall submit a copy of the award and a description of all fees, charges, and per diems assessed to the parties to the commissioner. Data from this database must be available to the public. All costs of the panel must be shared equally by the parties to the dispute.

Subd. 9. No arbitration. Failure to reach agreement on employer payment of, or contributions toward, premiums for group insurance coverage of retired employees is not subject to interest arbitration procedures under this section, except for units of essential employees.

M.S. 179A.17 NEW EXCLUSIVE REPRESENTATIVES.

Subdivision 1. For teachers. If a new or different exclusive representative of teachers employed by a local school district is certified by the commissioner at any time other than the period between 120 days before the termination date of a contract and the termination date of the contract, or if on July 1 of any odd-numbered year a representation proceeding involving the employer and the employer's teachers is before the commissioner, section 179A.18, subdivision 2, clause (1), shall apply. In those cases, however, the employer and the exclusive representative of the teachers shall execute a written contract or memorandum of contract no later than 60 days after a certification by the commissioner of a new or different exclusive representative or the resolution by the commissioner of a representation proceeding. Either party may petition the commissioner for assistance in reaching an agreement. If the employer and the exclusive representative of the teachers fail to execute a contract by 60 days after the certification of a new or different exclusive representative or the resolution by the commissioner of a representation proceeding, they shall be conclusively presumed to be at an impasse after having participated in mediation as specified in section 179A.18, subdivision 2, clause (1) (b).

Subd. 2. Nonteachers. If a new or different exclusive representative of employees other than teachers employed by a local school district is certified by the commissioner, or if on the expiration date of an existing contract a representation proceeding is before the commissioner, section 179A.18, subdivision 1, clause (1), shall apply. In those cases, however, the employer and the exclusive representative of the employees shall execute a written contract or memorandum of contract no later than 45 days after a certification by the commissioner of a new or different exclusive representative or the resolution by the commissioner of a

representation proceeding. Either party may petition the commissioner for assistance in reading an agreement. If the employer and the exclusive representative fail to execute a contract by 45 days after the certification of a new or different exclusive representative or the resolution by the commissioner of a representation proceeding, they shall be conclusively presumed to be at an impasse after having participated for a period of no less than 45 days in mediation sessions.

M.S. 179A.18 STRIKES AUTHORIZED.

Subdivision 1. When authorized. Essential employees may not strike. Except as otherwise provided by subdivision 2 and section 179A.17, subdivision 2, other public employees may strike only under the following circumstances:

(1) (i) The collective bargaining agreement between their exclusive representative and their employer has expired or, if there is no agreement, impasse under section 179A.17, subdivision 2, has occurred; and

(ii) The exclusive representative and the employer have participated in mediation over a period of at least 45 days, provided that the mediation period established by section 179A.17, subdivision 2, governs negotiations under that section, and provided that for the purposes of this item the mediation period commences on the day following receipt by the commissioner of a request for mediation; or

(2) The employer violates section 179A.13, subdivision 2, clause (9); or . . .

Subd. 2. School district requirements. Except as otherwise provided in section 179A.17, subdivision 1, teachers employed by a local school district, other than principals and assistant principals, may strike only under the following circumstances:

(1) (i) the collective bargaining agreement between their exclusive representative and their employer has expired or, if there is no agreement, impasse under section 179A.17, subdivision 1, has occurred; and

(ii) the exclusive representative and the employer have participated in mediation over a period of at least 30 days. For the purposes of this item the mediation period commences on the day that a mediator designated by the commissioner first attends a conference with the parties to negotiate issues not agreed upon; and

(iii) neither party has requested interest arbitration or a request for binding arbitration has been rejected; or

(2) the employer violates section 179A.13, subdivision 2, clause (9).

Subd. 3. Notice. In addition to the other requirements of this section, no employee may strike unless written notification of intent to strike is served on the employer and the commissioner by the exclusive representative at least ten days prior to the commencement of the strike. For all employees other than teachers, if more than 30 days have expired after service of a notification of intent to strike, no strike may commence until ten days after service of a new written notification. For teachers, no strike may commence more than 25 days after service of notification of intent to strike unless, before the end of the 25-day period, the exclusive representative and the employer agree that the period during which a strike may commence shall be extended for an additional period not to exceed five days. Teachers are limited to one notice of intent to strike for each contract negotiation period, provided, however, that a strike notice may be renewed for an additional ten days, the first five of which shall be a notice period during which no strike may occur, if the following conditions have been satisfied:

(1) an original notice was provided pursuant to this section; and

(2) a tentative agreement to resolve the dispute was reached during the original strike notice period; and

(3) such tentative agreement was rejected by either party during or after the original strike notice period.

The first day of the renewed strike notice period shall commence on the day following the expiration of

the previous strike notice period or the day following the rejection of the tentative agreement, whichever is later. Notification of intent to strike under subdivisions 1, clause (1); and 2, clause (1), may not be served until the collective bargaining agreement has expired, or if there is no agreement, on or after the date impasse under section 179A.17 has occurred.

M.S. 179A.19 ILLEGAL STRIKES.

Subdivision 1. Other strikes illegal. Except as authorized by section 179A.18, all strikes by public employees are illegal. Except as provided in this section, no unfair labor practice or violation of sections 179A.01 to 179A.25 by a public employer gives public employees the right to strike. Those factors may be considered, however, by the court in mitigation of or retraction of any penalties provided by this section.

Subd. 2. Individual penalties. Notwithstanding any other law, public employees who strike in violation of this section may have their appointment or employment terminated by the employer effective the date the violation first occurs. The termination shall be made by serving written notice upon the employee. Service may be made by certified mail.

Subd. 3. Presumption of strike. For purposes of this section, an employee who is absent from any portion of a work assignment without permission, or who abstains wholly or in part from the full performance of duties without permission from the employer on a day when a strike is not authorized by this section occurs is prima facie presumed to have engaged in an illegal strike on that day.

Subd. 4. Reappointment. A pubic employee who knowingly participates in a strike in violation of this section and whose employment has been terminated under this section may subsequently be appointed or reappointed, employer or re-employed, but the employee shall be on probation for two years with respect to the civil service status, tenure of employment, or contract of employment to which the employee was previously entitled.

Subd. 5. Compensation. No employee is entitled to any daily pay, wages, reimbursement of expenses, or per diem for the days on which the employee is engaged in a strike.

Subd. 6. Hearings. Any public employee is entitled to request the opportunity to establish that the employee did not violate this section. The request shall be filed in writing with the officer or body having the power to remove the employee, within ten days after notice of termination is served upon the employee. The employing officer or body shall within ten days commence a proceeding at which the employee shall be entitled to be heard for the purpose of determining whether the provisions of this section have been violated by the public employee. If there are contractual grievance procedures, laws or rules establishing proceedings to remove the public employee, the hearing shall be conducted in accordance with whichever procedure the employee elects. The election shall be binding and shall terminate any right to the alternative procedures. The same proceeding may include more than one employee's employment status if the employees' defenses are identical, analogous or reasonably similar. The proceedings shall be undertaken without unnecessary delay.

Any person whose termination is sustained in the administrative or grievance proceeding may appeal in accordance with chapter 14.

Subd. 7. Employee organization penalties. An employee organization which has been found pursuant to section 179A.13 to have violated this section: (1) shall lose its status, if any, as exclusive representative; and (2) may not be so certified by the commissioner for a period of two years following the finding. No employer may deduct employee payments to any such organization for a period of two years.

M.S. 179A.20 CONTRACTS.

Subdivision 1. Written contract. The exclusive representative and the employer shall execute a written contract or memorandum of contract containing the terms of the negotiated agreement or interest arbitration decision and any terms established by law.

Subd. 2. No contact provisions contrary to law. No provision of a contract shall be in conflict with:

(1) the laws of Minnesota; or

(2) rules promulgated under law, or municipal charters, ordinances, or resolutions, provided that the rules, charters, ordinances, and resolutions are consistent with this chapter.

Subd. 2. Former employee benefits. A contract may not obligate an employer to fund all or part of the cost of health care benefits for a former employee beyond the duration of the contract, subject to section 179A.20, subdivision 6. A personnel policy may not obligate an employer to fund all or part of health care benefits for a former employee beyond the duration of the policy. A policy may not extend beyond the termination of the contract of the longest duration covering other employees of the employer or, if none, the termination of the budgetary cycle during which the policy is adopted.

Subd. 3. Duration. The duration of the contract is negotiable by shall not exceed three years. Any contract between a school board and an exclusive representative of teachers shall be for a term of two years, beginning on July 1 of each odd-numbered year. A contract between a school board and an exclusive representative of teachers shall contain the teachers' compensation including fringe benefits for the entire two-year term and shall not contain a wage reopening clause or any other provision for the renegotiation of the teachers' compensation.

Subd. 4. Grievance procedure. (a) All contracts must include a grievance procedure providing for compulsory binding arbitration of grievances including all written disciplinary actions. If the parties cannot agree on the grievance procedure, they are subject to the grievance procedure promulgated by the commissioner under section 179A.04, subdivision 3, clause (h).

(b) Notwithstanding any home rule charter to the contrary, after the probationary period of employment, any disciplinary action is subject to the grievance procedure and compulsory binding arbitration. . . .

(d) A teacher who elects a hearing before an arbitrator under section 122A.40, subdivision 15, or 122A.41, subdivision 13, or who elects or acquiesces to a hearing before the school board may not later proceed in the alternative manner nor challenge the termination or discharge through a grievance procedure required by this subdivision.

(e) This section does not require employers or employee organizations to negotiate on matters other than terms and conditions of employment.

Subd. 5. Implementation. Upon executive of the contract, the employer shall implement it in the form of an ordinance or resolution. If implementation of the contract requires adoption of a law, ordinance, or charter amendment, the employer shall make every reasonable effort to propose and secure the enactment of this law, ordinance, resolution, or charter amendment.

Subd. 6. Contract in effect. During the period after contract expiration and prior to the date when the right to strike matures, and for additional time if the parties agree, the terms of an existing contract shall continue in effect and shall be enforceable upon both parties.

M.S. 179A.21 GRIEVANCE ARBITRATION.

Subdivision 1. Definition. For purposes of this section, "grievance" means a dispute or disagreement as to the interpretation or application of any term or terms of any contract required by section 179A.20.

Subd. 2. Selection. If the parties to a contract cannot agree upon an arbitrator or panel of arbitrators as provided by the contract grievance procedures or the procedures established by the commissioner, the parties shall alternately strike names from a list of arbitrators selected by the commissioner until only one name remains. This arbitrator shall decide the grievance and the decision is binding upon the parties. The parties shall share equally the costs and fees of the arbitrator.

Subd. 3. Limits. Arbitration decisions authorized or required by a grievance procedure are subject to the limitations contained in section 179A.16, subdivision 5. The arbitrator shall send the commissioner a copy of each grievance arbitration decision and any written explanation. If any issues submitted to arbitration are settled voluntarily before the arbitrator issues a decision, the arbitrator shall report the settlement to the commissioner. . . .

M.S. 179A.24 APPLICATION OF SECTIONS 185.07 TO 185.19.

Sections 185.07 to 185.19, apply to all public employees, including those specifically excepted from the definition of public employee in section 179A.03, subdivision 14, except as sections 185.07 to 185.19 are inconsistent with section 179A.13.

M.S. 179A.25 INDEPENDENT REVIEW.

It is the public policy of the state of Minnesota that every public employee should be provided with the right of independent review, by a disinterested person or agency, of any grievance arising out of the interpretation of or adherence to terms and conditions of employment. When such review is not provided under statutory, charter, or ordinance provisions for a civil service or merit system, the governmental agency may provide for such review consistent with the provisions of law or charter. If no other procedure exists for the independent review of such grievances, the employee may present the grievance to the commissioner under procedures established by the commissioner.

2. SCOPE OF NEGOTIABLE ITEMS - LICENSED EMPLOYEES (TEACHERS).

A. INTRODUCTION.

Under the Public Employment Labor Relations Act of 1971, as amended, a school board is required to enter into a written contract with its teachers who are represented by an exclusive representative. The written contract, however, is required only on terms and conditions of employment as defined by the law. Stated another way, a school board must meet and negotiate on terms and conditions of employment as defined by M.S. 179A.03, Subds. 11 and 19, if requested by a teacher organization. (Emphasis supplied)

In addition to the requirement to meet and negotiate on terms and conditions of employment, teachers have the right to meet and confer regarding educational policies and items not included in the definition of terms and conditions of employment (M.S. 179A.06, Subd. 5; M.S. 179A.03, Subds. 10 and 19; M.S. 179A.08, Subd. 2). A board must meet and negotiate and enter into a written contract on terms and conditions of employment. On policy matters, a school board must only meet and confer. All negotiations or meet and confer sessions are subject to inherent managerial rights still reserved to the school board by the terms of M.S. 179A.07, Subd. 1. The purpose of these comments is to assist school boards in distinguishing between

the terms and conditions of employment, matters of educational policy and final management rights of the school board. Some items are very clear from the law and fall either within the definition of terms and conditions of employment or within the area of educational policy or final management rights. Some items will need further clarification. These can be clarified only after appropriate legal process takes place. Until then, categorizing these items is necessary to assist boards in proceeding with their negotiations. (Emphasis supplied)

B. CITATIONS.

a. Relevant definitions:

(1) M.S. 179A.03, Subd. 10, provides as follows:

"Meet and confer" means the exchange of views and concerns between employers and their respective employees.

(2) M.S. 179A.03, Subd. 11, provides as follows:

"Meet and negotiate" means the performance of the mutual obligations of public employers and the exclusive representatives of public employees to meet at reasonable times, including where possible meeting in advance of the budget making process, with good faith intent of entering into an agreement on terms and conditions of employment. This obligation does not compel either party to agree to a proposal or to make a concession. (Emphasis supplied)

(3) M.S. 179A.03, Subd. 19, provides as follows:

The term "terms and conditions of employment" means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than employer payment of, or contributions to, premiums for group insurance coverage for retired employees or severance pay, and the employer's personnel policies affecting the working conditions of the employees. In the case of professional employees the term does not mean educational policies of a school district. "Terms and conditions of employment" is subject to section 179A.07. (Emphasis supplied)

b. Meet and negotiate references:

(1) M.S. 179A.06, Subd. 5, provides as follows:

Public employees, through their certified exclusive representative have the right and obligation to meet and negotiate in good faith with their employer regarding grievance procedures and the terms and conditions of employment, but this obligation does not compel the exclusive representative to agree to a proposal or require the making of a concession.

(2) M.S. 179A.07, Subd. 1 (inherent managerial policy), provides as follows:

A public employer is not required to meet and negotiate on matters of inherent managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure and selection and direction and number of personnel. No public employer shall sign an agreement which limits the right of the public employer to select persons to serve as supervisory employees or state managers pursuant to section 43A.18 or requires the use of seniority in their selection. (Emphasis supplied)

(3) M.S. 179A.07, Subd. 2, provides as follows:

(a) A public employer has an obligation to meet and negotiate in good faith with the exclusive representative of the public employees in an appropriate unit regarding grievance procedures and the terms and conditions of employment, but such obligation does not compel the public employer or its representative to agree to a proposal or require the making of a concession. (Emphasis supplied)

The public employer's duty under this subdivision exists notwithstanding contrary provisions in

a municipal charter, ordinance, or resolution. A provision of a municipal charter, ordinance, or resolution which limits or restricts a public employer from negotiating or from entering into binding contracts with exclusive representatives is superseded by this subdivision.

(b) In addition, a public employer may, but does not have an obligation to, meet and negotiate in good faith with the exclusive representative of public employees in an appropriate unit regarding an employer contribution to the state of Minnesota deferred compensation plan authorized by section 356.24, paragraph (a), clause (4), within the limits set by section 356.24, paragraph (a), clause (4).

(4) M.S. 179A.20, Subds. 1-4 provide as follows:

CONTRACTS. Subdivision 1. Written contract. The exclusive representative and the employer shall execute a written contract or memorandum of contract containing the terms of the negotiated agreement or interest arbitration award and any terms established by law.

Subd. 2. No contract provisions contrary to law. No provision of a contract shall be in conflict with:

(1) the laws of Minnesota; or

(2) rules promulgated under law, or municipal charters, ordinances, or resolutions, provided that the rules, charters, ordinances, and resolutions are consistent with this chapter.

Subd. 2a. Former employee benefits. A contract may not obligate an employer to fund all or part of the cost of health care benefits for a former employee beyond the duration of the contract, subject to section 179A.20, subdivision 6. A personnel policy may not obligate an employer to fund all or part of health care benefits for a former employee beyond the duration of the policy. A policy may not extend beyond the termination of the contract of longest duration covering other employees of the employer or, if none, the termination of the budgetary cycle during which the policy is adopted.

Subd. 3. Duration. The duration of the contract is negotiable but shall not exceed three years. Any contract between a school board and an exclusive representative of teachers shall be for a term of two years, beginning on July 1 of each odd-numbered year. A contract between a school board and an exclusive representative of teachers shall contain the teachers' compensation including fringe benefits for the entire two-year term and shall not contain a wage reopening clause or any other provision for the renegotiation of the teachers' compensation.

Subd. 4. Grievance procedure. (a) All contracts must include a grievance procedure providing for compulsory binding arbitration of grievances including all written disciplinary actions. If the parties cannot agree on the grievance procedure, they are subject to the grievance procedure promulgated by the commissioner under section 179A.04, subdivision 3, clause (8).

(b) Notwithstanding any home rule charter to the contrary, after the probationary period of employment, any disciplinary action is subject to the grievance procedure and compulsory binding arbitration.

(c) Employees covered by civil service systems created under chapter 43A, 44, 375, 387, 419, or 420, by a home rule charter under chapter 410, or by Laws 1941, chapter 423, may pursue a grievance through the procedure established under this section. When the grievance is also within the jurisdiction of appeals boards or appeals procedures created by chapter 43A, 44, 375, 387, 419, or 420, by a home rule charter under chapter 410, or by Laws 1941, chapter 423, the employee may proceed through the grievance procedure or the civil service appeals procedure, but once a written grievance or appeal has been properly filed or submitted by the employee or on the employee's behalf with the employee's consent the employee may not proceed in the alternative manner.

(d) A teacher who elects a hearing before an arbitrator under section 122A.40, subdivision 15, or 122A.41, subdivision 13, or who elects or acquiesces to a hearing before the school board may not later proceed in the alternative manner nor challenge the termination or discharge through a grievance procedure required by this subdivision.

(e) This section does not require employers or employee organizations to negotiate on matters other than terms and conditions of employment.

Subd. 5. Implementation. Upon execution of the contract, the employer shall implement it in the form of an ordinance or resolution. If implementation of the contract requires adoption of a law, ordinance, or charter amendment, the employer shall make every reasonable effort to propose and secure the enactment of this law, ordinance, resolution, or charter amendment.

Subd. 6. Contract in effect. During the period after contract expiration and prior to the date when the right to strike matures, and for additional time if the parties agree, the terms of an existing contract shall continue in effect and shall be enforceable upon both parties.

(5) M.S. 179A.16, Subd. 5 and Subd. 9, provide as follows:

Subd. 5. Jurisdiction of the arbitrator or panel. The arbitrator or panel selected by the parties has jurisdiction over the items of dispute certified to and submitted by the commissioner. However, the arbitrator or panel has no jurisdiction or authority to entertain any matter or issue that is not a term and condition of employment, unless the matter or issue was included in the employer's final position. Any decision or part of a decision issued which determines a matter or issue which is not a term or condition of employment and was not included in the employer's final position is void and of no effect. A decision which violates, is in conflict with, or causes a penalty to be incurred under: (1) the laws of Minnesota; or (2) rules promulgated under law, or municipal charters, ordinances, or resolutions, provided that the rules, charters, ordinances, or resolutions are consistent with this chapter, has no force or effect and shall be returned to the arbitrator or panel to make it consistent with the laws, rules, charters, ordinances, or resolutions.

Subd. 9. No arbitration. Failure to reach agreement on employer payment of, or contributions toward, premiums for group insurance coverage of retired employees is not subject to interest arbitration under this section, except for units of essential employees.

c. Meet and confer:

(1) M.S. 179A.06, Subd. 4, provides as follows:

Professional employees have the right to meet and confer under section 179A.08 with public employers regarding policies and matters other than terms and conditions of employment.

(2) M.S. 179A.07, Subd. 3, provides as follows:

A public employer has the obligation to meet and confer, under section 179A.08, with professional employees to discuss policies and other matters relating to their employment which are not terms and conditions of employment.

(3) M.S. 179A.08 should be reviewed carefully as it refers to educational policies. M.S. 179A.08 reads as follows:

Subdivision 1. Professional employees. The legislature recognizes that professional employees possess knowledge, expertise, and dedication which is helpful and necessary to the operation and quality of public services and which may assist public employers in developing their policies. It is, therefore, the policy of this state to encourage close cooperation between public employers and professional employees by providing for discussions and the mutual exchange of ideas regarding all matters that are not terms and conditions of employment.

Subd. 2. Meet and confer. The professional employees shall select a representative to meet and confer with a representative or committee of the public employer on matters not specified under section 179A.03, subdivision 19, relating to the services being provided to the public. The public employer shall provide the facilities and set the time for these conferences to take place. The parties

shall meet at least once every four months.

d. Unfair practices:

(1) M.S. 179A.13, Subd. 2, prohibits public employers, their agents or representatives from committing unfair practices. (Emphasis supplied)
(2) M.S. 179A.13, Subd. 3, prohibits employee organizations, their agents or representatives and public employees from committing unfair practices. (Emphasis supplied)

e. Final management policy:

(1) M.S. 179A.07, Subd. 1, provides as follows:
A public employer is not required to meet and negotiate on matters of inherent managerial policy. Matters of inherent managerial policy include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure, selection of personnel and direction and the number of personnel. No public employer shall sign an agreement which limits its right to select persons to serve as supervisory employees or state managers under section 43A.18, subdivision 3, or requires the use of seniority in their selection.

C. COMMENT.

The statutes referred to above set forth the basic distinctions of meet and confer and meet and negotiate as well as terms and conditions of employment as distinguished from matters beyond terms and conditions of employment such as educational policy. Two separate procedures exist in the law regarding meeting and negotiating on terms and conditions of employment and meeting and conferring on educational policies. (Emphasis supplied)

D. BASED UPON THE BEST INFORMATION AVAILABLE, WE HAVE CATEGORIZED A NUMBER OF ITEMS TO ASSIST BOARDS IN THEIR TEACHER NEGOTIATIONS:

a. Terms and conditions of employment within the meaning of the law require a school board to meet and negotiate on these matters insofar as these activities relate to or are performed by members of the bargaining unit. (Emphasis supplied)

b. Final managerial policies consist of those items on which the school board is not required to meet and negotiate and for which the final decision rests with the school board; even though educational policies and all matters not included in M.S. 179A.03, Subd. 19, are subject to meet and confer under M.S. 179A.08.

c. Items addressed in law, statute, or rule are those affected in some manner by such enactment, even though they may be partially included in some other category. Thus, if an item is checked under this category, the applicable law, statute, or rule should be reviewed and followed during the course of (1) meeting and negotiating or (2) when a board makes a decision as part of its final managerial policy. (Emphasis supplied)

d. Meet and confer, does not require the parties to attempt to reach agreement as is required in meet and negotiate. School districts are only required to engage in dialogue regarding school district policies and other items not included within terms and conditions of employment. (Emphasis supplied)

LICENSED EMPLOYEES

ITEMS	Meet & Negotiate Terms & Conditions (1)	Final Managerial Policy (2)	Addressed in Law, Statute, or Rule (3)
LEAVE BENEFITS			
Adoption Leave	x		x
Arbitration, Mediation, & Negotiation Leave			x
Bereavement Leave	x		
Child Care Leave	x		x
Exchange Program Leave		x	
Extended & Temporary Leave of Absence	x		x
Family and Medical Leave Act			x
Military Leave			x
Organization Leave-Officers of Exclusive Rep.	x		x
Peer Review	x		x
Personal Leave	x		
Professional Development			x
Public Office Leave		x	x
Religious Leave			x
Sabbatical Leave Pay	x	x	
Sabbatical Leave Policy		x	x
Sick Child Care Leave			x
Sick Leave (Sick Leave Bank as gratuity would be illegal)	x		
Site Based Decision Making			x
MISCELLANEOUS			
Advisory Committees - Councils		x	
Arbitration Decisions - Limitations			x
Association Representatives in School During Day		x	
Board Agenda - Teacher Right to Placement		x	
Budget - Financial Information - Official Records			x
Curriculum Development		x	
Discipline Policies/Procedures	x		
Educational Program		x	x
Estimates for Future Expenditure			x
Expulsion - Students		x	x
Grading & Grading Periods		x	
Guidelines for Negotiations			x
Professional Behavior		x	x
School District Reorganization		x	x
Student Rights		x	x
Telecommunication		x	x
Textbook Selection		x	x
Workers' Compensation			x
RELATIONSHIPS WITH PERSONNEL			
Assignment, Teachers		x	x

Extra Curricular		x	x
Regular School Day		x	x
Contracts, Individual Teacher			x
Issuance			x
Terminology		x	x
Corporal Punishment		x	x
Discrimination			x
Dress Code, Teachers		x	x
Due Process			x
Evaluation			
Principals			x
Teachers			x
Grievance Procedure	x		x
Hiring Practices		x	x
Inservice Education		x	x
Keys, Access to Building		x	
Licensure, Teachers			x
Lounge Facilities		x	
Mail, Teachers		x	
Medical Examinations		x	x
Mileage Allowance	x		x
Opening or Closing School		x	x
Personnel Files of Teachers			x
Professional Improvement		x	x
School District Facilities, Use of		x	
Seniority (Unrequested Leave)	x		x
Severance Pay	x		x
Staffing			
Number of Personnel		x	
Organizational Structure		x	
School Aides, Paraprofessionals, Additional		x	
Teachers, Additional		x	
Strikes, Sanctions			x
Student Teachers			
Program		x	
Supervision		x	
Technology, Teacher Use		x	
Termination Procedures			x
Transfers		x	
Vacancies (posting of)	x		
SALARY BENEFITS AND ADMINISTRATION			
Annuities, Tax Sheltered School District Contribution	x		x
Deferred Compensation (1)	x	x	x
Dues Deduction			
Administration & Procedure	x		
Fair Share Service Fee (nonmembers)			x
Members' Exclusive Representative			x
Teacher-Authorized Deductions		x	
Insurance			

Dental	x		
Health & Accident	x		
Long-Term Disability	x		
Life		x	
Selection-Insurance Carrier & Bidding Procedure			x
Jury Duty	x		x
Pay Periods, Frequency	x		
Placement on Salary Schedule	x		
Retirement Plans			x
Salary (If function performed by member of appropriate unit)			
Adult Education	x		
Career Increments	x		
Department Head	x		
Driver Training	x		
Entry Level	x		
Extra Curricular	x		
Homebound Instruction	x		
Maximum Raises	x		
Regular Year	x		
Special Events (Ticket Taking, etc.)	x		
Substitute Teachers (Long Term and Casual)	x		
Summer School	x		
WORK LOAD AND RESPONSIBILITY			
Class Load		x	
Class Size			x
Days			
Calendar		x	x
Length of Work Day	x		
Number Days in School Year		x	x
Duty-Free Lunch Period	x		x
Non-Teaching Duties		x	
Preparation Time	x		x
Teaching Assignment		x	x

FOOTNOTE (1): School District may, but is not required to, meet and negotiate on this subject matter. M.S. 179A.07, Subd. 2.(b).

3. MODEL AGREEMENT – TEACHERS

Master Agreement

between

Independent School District No. 000
Anywhere*, Minnesota

and the

XYZ Education Association**

July 1, 20__, through June 30, 20__

*town where the School District office is located
**name of the exclusive representative

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ARTICLE I
PURPOSE

This Agreement is entered into between Independent School District No. _____, _____, Minnesota, hereinafter referred to as the District or School District, and the _____ [*insert the name of the teachers' local exclusive representative*], hereinafter referred to as the exclusive representative, pursuant to and in compliance with the Minnesota Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as PELRA, to provide the terms and conditions of employment for teachers for the duration of this Agreement.

ARTICLE II
RECOGNITION OF EXCLUSIVE REPRESENTATIVE

Section 1. Recognition: In accordance with PELRA, the School District recognizes _____ as the exclusive representative of teachers employed by the School District, which exclusive representative shall have those rights and duties as prescribed by PELRA and as described in this Agreement.

Section 2. Appropriate Unit: The exclusive representative shall represent all teachers of the School District as defined in this Agreement and in PELRA.

ARTICLE III
DEFINITIONS

Section 1. Terms and Conditions of Employment: The term, "terms and conditions of employment," means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than School District payment of, or contributions to, premiums for group insurance coverage of retired teachers or severance pay, and the School District's personnel policies affecting the working conditions of the teachers. The term does not mean educational policies of the School District. "Terms and conditions of employment" is subject to the provisions of PELRA.

NOTE: The 2008 legislative session addressed sweeping changes in tax-sheltered annuity provisions, including the following:

(1.) reversing a court decision and designating the identity and number of available vendors under the Federal Internal Revenue Code, Section 403(b) as a term and condition of employment making such subject matter negotiable;

(2.) identifying criteria which the School District and the exclusive representative must consider in selecting vendors for such tax-sheltered programs;

(3.) removing the $2,000 cap for the School District's contribution and replacing it with a formula representing "one-half of the available elective deferral permitted per year per employee under Internal Revenue Code."

See M.S. 123B.02, Subd. 15., as amended (which identifies (1.) and (2.) above as mandatory subjects of bargaining), and M.S. 356.24, Subd. 1., as amended.

If a School District elects to implement a 403(b) plan, MSBA suggests that it use the model language provided in ARTICLE VIII.

Section 2. Teacher: The word, "teacher," means all persons in the appropriate unit employed by the School District in a position for which the person must be licensed by the State of Minnesota but shall not include Superintendent, assistant superintendent, principals, and assistant principals who devote more than fifty percent (50%) of their time to administrative or supervisory duties, confidential employees, supervisory employees, and such other employees excluded by law.

NOTE: School Districts are reminded that the State of Minnesota does not require a license for positions such as athletic/activity directors, deans of students, curriculum directors, etc. Therefore, said positions do not meet the definition of "teacher."

Section 3. District or School District: For purposes of administering this Agreement, the word/term, "District/School District," shall mean the School Board or its designated representative(s).

NOTE: The only time the reference,"Board/School Board," should appear is when the reference is specific to the elected body and its authority or responsibilities.

Section 4. Other Terms: Terms not defined in this Agreement shall have those meanings as defined by PELRA.

ARTICLE IV
SCHOOL DISTRICT RIGHTS

Section 1. Inherent Managerial Rights: The exclusive representative recognizes that the School District is not required to meet and negotiate on matters of inherent managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel.

Section 2. School Board Responsibilities: The exclusive representative recognizes the right and obligation of the School Board to efficiently manage and conduct the operation of the School District within its legal limitations and with its primary obligation being to provide educational opportunities for the students of the School District.

Section 3. Effect of Rules, Regulations, Directives, and Orders: The exclusive representative recognizes that all teachers shall perform the teaching and non-teaching services prescribed by the School District and shall be subject to School Board rules, regulations, directives, and orders issued by properly designated officials of the School District. The exclusive representative also recognizes the right, obligation, and duty of the School Board and its duly designated officials to promulgate rules, regulations, directives, and orders, from time to time, as deemed necessary by the School Board insofar as such rules, regulations, directives, and orders are not inconsistent with the terms of this Agreement.

Section 4. Reservation of Managerial Rights: The foregoing enumeration of rights and duties shall not be deemed to exclude other inherent managerial rights and managerial functions not specifically included in this Agreement, and all managerial rights and managerial functions not specifically included in this Agreement are reserved to the School District.

ARTICLE V
TEACHER RIGHTS

Section 1. Right to Views: Pursuant to PELRA, nothing contained in this Agreement shall be construed to limit, impair, or affect the right of any teacher or his/her representative to the expression or communication of a view, grievance, complaint, or opinion regarding any matter related to the conditions or compensation of public employment or their betterment, so long as the same is not designed to and does not interfere with the full, faithful, and proper performance of the duties of employment or circumvent the rights of the exclusive representative.

Section 2. Right to Join: Pursuant to PELRA, teachers shall have the right to form and join labor or employee organizations and shall have the right not to form and join such organizations. Teachers in an appropriate unit shall have the right, by secret ballot, to designate an exclusive representative for the purpose of negotiating grievance procedures and the terms and conditions of employment for such teachers.

Section 3. Request for Dues Checkoff: Pursuant to PELRA, the exclusive representative shall be allowed dues checkoff. Upon receipt by the School District* of a properly executed authorization card of the teacher involved, the School District will deduct from the teacher's paycheck the dues that the teacher has agreed to pay to the teacher organization and/or exclusive representative in _____(_____) equal installments, beginning with the first pay period in [*month*].

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the teacher must provide the authorization card.*

Section 4. Fair Share Fee: In accordance with PELRA, any teacher included in the appropriate unit who is not a member of the exclusive representative may be required by the exclusive representative to contribute a fair share fee for services rendered as exclusive representative. The fair share fee for any teacher shall be in an amount equal to the regular membership dues of the exclusive representative, less the cost of benefits financed through the dues and available only to members of the exclusive representative, but in no event shall the fee exceed eighty-five percent (85%) of the regular membership dues.

The exclusive representative shall provide written notice of the amount of the fair share fee assessment and the name of each teacher to be assessed to the School District and written notice of the amount to each teacher to be assessed the fair share fee.

A challenge by a teacher or by a person aggrieved by the assessment shall be filed, in writing, with the Commissioner of the Minnesota Bureau of Mediation Services (Commissioner), the School District, and the exclusive representative within thirty (30) days after receipt of the written notice. All challenges shall specify those portions of the assessment challenged and the reasons therefor, but the burden of proof relating to the amount of the fair share fee shall be on the exclusive representative. The School District shall deduct the fee from the earnings of the teacher and transmit the fee to the exclusive representative within thirty (30) days after the written notice was provided, or, in the event a challenge is filed, the deductions for a fair share fee shall be held in escrow by the School District pending a decision by the Commissioner or a court. Any fair share challenge shall not be subject to the grievance procedure.

The exclusive representative hereby warrants and covenants that it will defend, indemnify, and save the School District harmless from any and all actions, suits, claims, damages, judgments, and executions or other forms of liability, liquidated or unliquidated, which any person may have or claim to have, now or in the future, arising out of or by reason of the deduction of the fair share fee specified by the exclusive representative as provided in this Agreement.

Section 5. Personnel Files: Pursuant to M.S. 122A.40, Subd. 19., all evaluations and files relating to individual teachers shall be available during regular School District business hours to the particular teacher upon his/her written request. The teacher shall have the right to reproduce any of the contents of his/her file

at the teacher's expense and to submit for inclusion in the file written information in response to any material contained in it. However, the School District may destroy such files as provided by law.

ARTICLE VI
BASIC SCHEDULES AND RATES OF PAY

Section 1. Basic Compensation:

Subd. 1. 20 - 20 Rates of Pay: The salaries reflected in Schedule A shall be effective only for the 20__ - 20__ school year subject to the provisions of Section 2. below.

Subd. 2. 20 - 20 Rates of Pay: The salaries reflected in Schedule B shall be effective only for the 20__ - 20__ school year subject to the provisions of Section 2. below.

Section 2. Salary Schedules:

Subd. 1. Status of Salary Schedule: The salary schedule shall not be construed as a part of a teacher's continuing contract. In the event a successor Agreement is not entered into prior to the expiration of this Agreement, a teacher shall be compensated according to the current rate until a successor Agreement is fully ratified, and any change in compensation shall only be effective as of the date the successor Agreement is fully ratified and prorated from that date forward.

Subd. 2. Withholding of Salary Increase: An individual teacher's salary advancement is subject to the right of the School Board to withhold increments, lane changes, or other salary increases as it determines. An action withholding a salary increase shall be subject to the grievance procedure.

Section 3. Lane Placement on Salary Schedule: The following rules shall be applicable in determining the placement of a teacher on the appropriate salary schedule:

Subd. 1. Germane: Credits to be considered for application on any lane of the salary schedule must be germane, as determined by the School District, to the teaching assignment.

Subd. 2. Grade and Credits: Credits to be considered for lane change must be graduate credits and carry a grade equivalent of "B" or higher. A teacher shall not advance more than one (1) lane in any one (1) school year.

Subd. 3. Prior, Written Approval: Credits to be considered for lane change must be approved by the Superintendent, in writing, prior to the registering for the course.

Subd. 4. Effective Date: Subject to provisions of Section 2. above, individual teaching contracts may be modified to reflect qualified lane changes once every year effective at the beginning of the school year, providing an official transcript of qualified credits is submitted to the Superintendent's office no later than September 15th of each year. Credits submitted by official transcript after September 15th, even though otherwise qualifying, shall not be considered until the following school year. If an official transcript is not available by September 15th, any pay adjustment shall not be made until the official transcript is received and prorated from that date forward.

Subd. 5. Advanced Degree Program: A teacher shall be paid on the master's degree lane or

higher lane only if the degree program is germane to the teaching assignment, as approved by the School District, and the degree program is approved, in writing, by the Superintendent in advance.

Subd. 6. Application: Credits to apply to lanes beyond a particular lane must be earned subsequent to the earning of the degree. No credits will be approved which involve primarily television viewing, correspondence work, or self-study, unless a written exception is granted in advance by the Superintendent.

Section 4. Newly Hired Teachers: A newly hired teacher shall be placed on such step and lane of the salary schedule as agreed between the School Board and the teacher.

Section 5. School Board Discretion: The School Board may, in its sole discretion, compensate teachers above the scheduled salary provided in this Agreement.

Section 6. Step Advancement: In order to qualify for a salary step advancement, a teacher must be employed and actually teach a minimum of one hundred fifty (150) days* in the previous school year, unless he/she is on military leave as provided by law, in the previous school year.

*NOTE: School Districts need to define the requirements for qualifying for a salary step advancement. *This number is a suggested number only; the parties may want to negotiate a different one.*

Section 7. Pay Deduction: Whenever pay deduction is made for a teacher's absence, the annual salary divided by the number of teacher duty days shall be deducted for each day's absence. "Annual salary" shall include a teacher's basic salary and pay for additional/extended assignments for which a teacher is responsible when absent, if any.

Section 8. Substitute Teachers: The compensation and fringe benefits package for substitute teachers shall be determined according to School District policy.

Section 9. Salary Payments: Salary shall be paid in twelve (12) equal, monthly installments deposited directly into the teacher's individual bank account on the last banking day of the month.

ARTICLE VII
EXTRA COMPENSATION

Extra-curricular Schedule: The salaries reflected in Schedule C shall be effective only for the 20__ - 20__ and 20__ - 20__ school years.

ARTICLE VIII
403(b) MATCHING CONTRIBUTION PLAN

Section 1. Eligibility: Pursuant to the provisions of M.S. 123B.02, Subd. 15. and Section 403(b) of the Federal Internal Revenue Code, the School District will make matching contributions for each teacher who has completed at least three (3) consecutive years of teaching experience in the School District and who is employed an average of at least _____ (_____) hours per week and at least _____ (_____) days per school year pursuant to the provisions of this article.

Section 2. Amount of School District Contribution:

Subd. 1. Full-time Teachers: Full-time, eligible teachers, after completion of their third (3rd) consecutive year of teaching service in the School District, shall be eligible for an annual School District matching contribution as follows:

Years of Teaching Service	Maximum Matching Contribution
4-7	$ _____,
8-11	$ _____,
12-14	$ _____,
15+	$ _____.

Subd. 2. Part-time Teachers: Eligible part-time teachers shall receive a matching contribution on a pro-rata basis equal to their percentage of full-time employment.

Section 3. Vendors: Participation in the benefits of this article is limited only to teachers who select one (1) of the following vendors:

[List agreed-upon vendors]

Section 4. Notice of Participation: To be eligible for the provisions of this article, a teacher must notify the School District*, in writing, by September 1st of his/her intention to participate in this matching program and the amount of the teacher's contribution. This notice shall continue from year to year at the specified amount unless the teacher notifies the School District*, in writing, otherwise.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the teacher must provide the notification.*

Section 5. Payment: The teacher's contribution shall be made by payroll deduction.

Section 6. Unpaid Leave: A teacher on unpaid leave may not participate in the provisions of this article.

Section 7. Lifetime Limitation: The maximum lifetime School District contribution to any teacher pursuant to this article shall be $ _____ , and, upon reaching this maximum, the teacher shall no longer be eligible for School District contributions.

Section 8. Deduction for Severance Pay: In the event a teacher is eligible for a severance or retirement payment pursuant to any other article of this Agreement, any School District contribution made pursuant to this article shall be deducted from such severance/retirement payment at the time of the teacher's retirement.

Section 9. Applicable Statutes: The provisions of this article are subject to all limitations relating to such plans as provided by law.

NOTE 1. The vendor selection referred to in this article is a term and condition of employment and is negotiable pursuant to M.S.123B.02, Subd. 15.

NOTE 2. Annual contributions are limited by both Federal and State laws pursuant to M.S. 123B.02, Subd. 15. and Section 403(b) of the Internal Revenue Code.

NOTE 3. Both Sections 7. and 8. of this article are negotiable but are frequently contained in such

School District programs. Section 8., however, would only be applicable for those School Districts in which a teacher may also be eligible for severance pay.

NOTE 4. The blanks in Sections 1., 2., and 7. are obviously subject to individual consideration and negotiation within the limits of the law. The years of service numbers in Section 2. are also negotiable.

ARTICLE IX
GROUP INSURANCE

Section 1. Selection of Carrier: The selection of the insurance carrier and policy shall be made by the School District as provided by law.

NOTE: When administering the language in "Section 1.," School Districts need to keep in mind the limitations noted in M.S. 43A.316 (PEIP) and M.S. 471.6161, Subd. 5. (Collective Bargaining).

Section 2. Selection of School District's Group Health and Hospitalization Plan: The parties agree no teacher shall select a group health and hospitalization plan that causes or will cause penalties, fees, or fines to be assessed against the School District.

Section 3. Health and Hospitalization Insurance – Single Coverage: The School District shall contribute a sum not to exceed $_____ per month toward the premium for individual coverage for each full-time teacher employed by the School District who qualifies for and is enrolled in single coverage in the School District's group health and hospitalization insurance plan. Any additional cost of the premium shall be borne by the teacher and paid by payroll deduction.

Section 4. Health and Hospitalization Insurance – Family Coverage: The School District shall contribute a sum not to exceed $_____ per month toward the premium for family coverage for each full-time teacher employed by the School District who qualifies for and is enrolled in family coverage in the School District's group health and hospitalization insurance plan. Any additional cost of the premium shall be borne by the teacher and paid by payroll deduction.

NOTE: School Districts that employ married couples, both of whom teach for the School District, may wish to consider language, such as that below, which caps the amount of contribution the School District will pay.

The School District shall contribute a sum not to exceed $_____ per month for each full-time teacher to be used toward the premium of the School District's health and hospitalization insurance plan selected by the individual teacher. Said teacher must qualify for and be enrolled in the School District's group health and hospitalization insurance plan. Any additional cost of the premium shall be borne by the teacher and paid by payroll deduction. Teachers married to one another and eligible for a School District contribution toward the premium of its group health and hospitalization insurance plan may combine the School District's contributions toward one family premium if allowed by the insurance carrier.

Section 5. Claims Against the School District: The School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to in this Agreement, and no claim shall be made against the School District as a result of a denial of insurance benefits by an insurance carrier.

Section 6. Duration of Insurance Contributions: A teacher is eligible for School District contributions as provided in this article as long as the teacher is employed by the School District, is on paid

status, and is enrolled in the School District's group health and hospitalization insurance plan. Upon termination of employment, all School District contributions shall cease except that a teacher who has completed the school year shall be eligible for contributions through the month of August.

Section 7. Eligibility: Teachers who are employed as teachers full-time as defined by the Affordable Care Act (ACA) shall be eligible for full benefits provided in this article.* Eligibility is also subject to any limitations contained in the contract between the insurance carrier and the School District. In the event the ACA is repealed, the language in this section shall no longer be valid and shall be replaced by the language in "Section 7.1" below.

**NOTE*: *School Districts that have negotiated benefits for part-time teachers should insert the negotiated language following the first sentence above.*

Section 7.1. Eligibility: Full benefits provided in this article are designed for teachers who are employed as teachers an average of at least thirty-seven and one-half (37.5) hours* per week. Teachers who are employed as teachers an average of at least thirty (30) hours* per week shall be eligible for partial benefits proportional to the extent of their employment. Eligibility is subject to any limitations contained in the contract between the insurance carrier and the School District.

*NOTE: School Districts need to define the requirements for full-time and part-time teachers. *These numbers are suggested numbers only; the parties may want to negotiate different ones. Also, School Districts are cautioned to specify effective dates for changes in benefits, amounts of insurance, or premium contributions.*

ARTICLE X
LEAVES OF ABSENCE

NOTE: When permissible, School Districts should run leaves concurrently in order to prevent "leave stacking." Also, School Districts that use electronic requests instead of hardcopy requests need to review the existing leave language and may need to replace the word, "written," with the word, "documented."

Section 1. Sick Leave:

Subd. 1. Earning: A full-time teacher shall earn _____ (_____) days of sick leave each year of employment as a teacher by the School District. Annual sick leave shall accrue monthly as it is earned on a proportionate basis to the teacher's work year.

Subd. 2. Accumulation: Unused sick leave days may accumulate to a maximum of _____ (_____) days of sick leave per teacher.

Subd. 3. Use: Sick leave with pay shall be allowed whenever a teacher's absence is found to have been due to the teacher's illness and/or disability which prevented his/her attendance at school and performance of duties on that day or days. Pursuant to M.S. 181.9413, a teacher may use his/her accumulated sick leave and the school board limits use as permissible.

Subd. 4. Medical Certificate: The School District may require a teacher to furnish a medical certificate from a qualified physician as evidence of any illness and/or disability pursuant to this section, indicating such absence was due to illness and/or disability, in order to qualify for sick leave pay. However, the final determination as to the eligibility of a teacher for sick leave is reserved to

the School District. In the event that a medical certificate will be required, the teacher will be so advised.

Subd. 5. Deduction: Sick leave allowed shall be deducted from the accumulated sick leave days earned by the teacher.

Subd. 6. Approval: Sick leave pay may be approved only upon the teacher's submission of a signed request upon the authorized sick leave pay request form available in each building office.

Section 2. Workers' Compensation: Pursuant to M.S. Chapter 176, a teacher injured on the job in the service of the School District and collecting workers' compensation insurance may draw sick leave and receive full salary from the School District, the salary to be reduced by an amount equal to the insurance payments, and only that fraction of the days not covered by insurance will be deducted from accrued sick leave.

Section 3. Bereavement Leave: With the written approval of the Superintendent, up to three (3) days of bereavement leave may be allowed, the days to be deducted from sick leave, for death in a full-time teacher's immediate family. "Immediate family" is defined as the teacher's spouse, child, parent, brother, sister, or other relative who was living in the same household as the teacher.

Section 4. Emergency Leave:

Subd. 1. Use: A full-time teacher may be granted an emergency leave with the written approval of the Superintendent of no more than two (2) days per year, nonaccumulative, the day(s) used to be deducted from the teacher's sick leave, for any situation that arises requiring the teacher's emergency attention which cannot be attended to when school is not in session and which is not covered under other provisions of this Agreement.

Subd. 2. Requests: Requests for emergency leave must be made, in writing, to the Superintendent at least three (3) days in advance, unless the Superintendent determines that such advance notice was not possible. The request shall state the reason for the proposed leave. The Superintendent reserves the right to refuse to grant such leave if, under the circumstances involved, he/she determines that such leave should not be granted. All leaves must have prior, written approval, but no more than one percent (1%) of the teachers shall be granted emergency leave at any one time.

Subd. 3. Non-eligible Days: Emergency leave shall not be granted for the day preceding or the day following holidays or vacations and the first and last days of each school year.

Section 5. Child Care Leave:

Subd. 1. Use: A child care leave may be granted by the School Board, subject to the provisions of this section, to one (1) teacher-parent of a natural or adopted infant child, provided such teacher-parent is caring for the child on a full-time basis.

Subd. 2. Request: A teacher making application for child care leave shall inform the Superintendent, in writing, of the request to take the leave at least three (3) calendar months before commencement of the intended leave.

Subd. 3. Medical Statement: A teacher will provide, at the time of the leave application, a

statement from the attending physician indicating the expected date of delivery.

Subd. 4. Date of Leave: The School District may adjust the proposed beginning or ending date of a child care leave so that the dates of the leave coincide with some natural break in the school year – i.e., winter vacation, spring vacation, semester or quarter break, end of a grading period, end of the school year, or the like. The availability of a substitute teacher may also be considered by the School Board in the granting of a child care leave or its duration.

Subd. 5. Duration: In making a determination concerning the commencement and duration of a child care leave, the School Board shall not, in any event, be required to:

(1.) grant any leave for more than twelve (12) months in duration;
(2.) permit the teacher to return to employment prior to the date designated in the request for child care leave.

Subd. 6. Reinstatement: A teacher returning from child care leave shall be reinstated in a position for which he/she is licensed and qualified unless previously discharged or placed on unrequested leave of absence.

Subd. 7. Failure to Return: Failure of the teacher to return by the date determined under this section shall constitute grounds for termination unless the School Board and the teacher mutually agree, in writing, to an extension in the leave.

Subd. 8. Salary and Fringe Benefits: Leave under this section shall be without pay or fringe benefits.

Section 6. General Leave of Absence:

Subd. 1. Application: Teachers with a minimum of three (3) years of teaching experience in the School District may apply, in writing, to the School District* for an unpaid leave of absence subject to the provisions of this section. The granting of such leave shall be at the sole discretion of the School Board.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the teacher must submit his/her application.*

Subd. 2. Purpose: Such leave may be granted by the School Board for overseas teaching, participation in the Peace Corps, Vista, and/or the National Teacher Corps, extended illness of the teacher, extended illness in the teacher's immediate family as defined in Section 3. above, civic activities, alternative occupational experiences, teacher organization activity, service in public office, or other reasons deemed appropriate by the School Board.

Subd. 3. Notification: A teacher on such leave shall notify the Superintendent, in writing, no later than April 1st of the final leave year of the teacher's intention to return at the conclusion of the leave or to request an extension of the leave. The granting of an extension shall be at the sole discretion of the School Board. The School Board may also, at its sole discretion, waive the April 1st notice date if the School Board determines special circumstances are involved. A teacher who fails to notify the Superintendent as required may be subject to discipline.

Section 7. Family and Medical Leave (FMLA): FMLA leave shall be granted pursuant to applicable law.

Section 8. Jury Service: A teacher who serves on jury duty shall be granted the day or days necessary as stipulated by the court to discharge this responsibility without any salary deduction or loss of basic leave allowance. The compensation received for jury duty service shall be remitted to the School District.

Section 9. Military Leave: Military leave shall be granted pursuant to applicable law.

Section 10. Medical Leave: Pursuant to M.S. 122A.40, Subd. 12., teachers shall have a right to a leave of absence for health reasons.

Section 11. Insurance Application: A teacher on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The teacher shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the School District the monthly premium in advance, except as otherwise provided in law. In the event the teacher is on paid leave from the School District under Section 1. above or supplemented by sick leave pursuant to Section 2. above, the School District will continue insurance contributions as provided in this Agreement until sick leave is exhausted. Thereafter, the teacher must pay the entire premium to the School District* for any insurance retained.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the teacher must make payment.*

Section 12. Credit: A teacher who returns from unpaid leave shall retain experience credit for pay purposes and other benefits which had accrued at the time the leave began. No credit shall accrue for the period of time that a teacher was on unpaid leave.

Section 13. Eligibility: Full leave benefits provided in this article shall apply only to teachers who are employed as teachers an average of at least thirty-seven and one-half (37.5) hours* per week. Teachers who are employed as teachers an average of at least twenty (20) hours* per week shall be eligible for partial benefits proportional to the extent of their employment.

*NOTE: School Districts need to define the requirements for full-time and part-time teachers. *These numbers are suggested numbers only; the parties may want to negotiate different ones*.

ARTICLE XI
HOURS OF SERVICE

Section 1. Basic Day: The teacher's basic day, exclusive of lunch, shall be eight (8) hours.

Section 2. Building Hours: The specific hours at any individual building may vary according to the needs of the School District. The specific hours for each building will be designated by the School District.

Section 3. Additional Activities: Teachers shall be required to participate in School District activities beyond the teacher's basic day as required by the School District. The normal duties for teachers include a share of extra-curricular, co-curricular, and supervisory activities.

Section 4. Preparation Time and Regular Student Contact Assignment:

Subd. 1. Classroom Instructional Time: Teachers shall be scheduled for a maximum of three

hundred sixty (360) minutes* of regular classroom instructional time within the teacher's basic day, averaged during a work week.

*NOTE: School Districts need to define the requirements for regular classroom instructional time. *This number is a suggested number only; the parties may want to negotiate a different one.*

Subd. 2. Preparation Time: For each thirty (30) minutes of regular classroom instructional time, assigned as described in Subd. 1. above, a teacher will normally be provided a minimum of five (5) minutes of preparation time. While the School District will make an effort to provide such daily preparation time, the provisions of this subdivision permit the averaging of such time on a weekly basis. Moreover, such preparation time may be interrupted, modified, or rescheduled as necessary to attend to other activities as described in Subd. 3. below. The School District shall attempt to provide preparation time in blocks of at least twenty (20) minutes in length.

Subd. 3. Other Responsibilities: During the remaining hours of the teacher's basic day when the teacher is not assigned regular classroom instructional time as described in Subd. 1. above, the teacher will be available for assigned student supervision; individual help for students; parent conferences; staff, department, or curriculum meetings; or other related tasks as assigned by the School District.

NOTE: Statutory preparation time is provided under M.S. 122A.50, unless the Agreement addresses the subject matter. This model language provides less preparation time and greater flexibility than that provided by the statute. Please review this language carefully since your present Agreement may contain more desirable language, or you may wish to provide less preparation time in your particular School District. However, unless you provide for preparation time in the Agreement, the statutory language will apply.

M.S. 122A.50 Preparation Time. "Beginning with agreements effective July 1, 1995, and thereafter, all collective bargaining agreements for teachers provided for under Chapter 179A, must include provisions for preparation time or a provision indicating that the parties to the agreement chose not to include preparation time in the contract.

"If the parties cannot agree on preparation time the following provision shall apply and be incorporated as part of the agreement: 'Within the student day for every 25 minutes of classroom instructional time, a minimum of five additional minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the student day. Exceptions to this may be made by mutual agreement between the district and the exclusive representative of the teachers.'"

ARTICLE XII
LENGTH OF THE SCHOOL YEAR

Section 1. Teacher Duty Days: The School Board shall establish the number of school days and teacher duty days for the next school year, and the teacher shall perform services on those days as determined by the School Board, including those legal holidays on which the School Board is authorized to conduct school and, pursuant to such authority, has determined to conduct school. The school year for 20__ - 20__ shall consist of _____ (_____) duty days, and the school year for 20__ - 20__ shall consist of _____ (_____) duty days.

Section 2. Modifications in Calendar, Length of School Day:

Subd. 1. Calendar Modifications: In the event of energy shortage, severe weather, or other exigency, the School Board reserves the right to modify the school calendar, and – if school is closed on a normal duty day(s) – the teacher shall perform duties on such other day(s) as the School Board shall determine.

Subd. 2. Other Modifications: In the event of energy shortage, severe weather, or other exigency, the School Board may modify the duty day or duty week with the understanding that the total number of hours shall not be increased i.e., a four (4)-day week with increased hours per day but the total weekly hours shall not exceed those of a regular five (5)-day week.

Subd. 3. Compensation Deductions: In the event that teacher duty days missed due to school closure are not re-scheduled, the teacher's compensation shall be reduced in the amount of 1/ _____* of the teacher's basic salary, unless the teacher is on a paid leave of absence.

**NOTE: The number of teacher duty days in the school year should be inserted here.*

Section 3. Meet and Confer: Prior to adjusting the calendar, duty day, or duty week in Section 2. above, the School District shall afford the exclusive representative the opportunity to meet and confer on such matters.

ARTICLE XIII
GRIEVANCE PROCEDURE

Section 1. Definitions:

Subd. 1. Grievance: The word, "grievance," shall mean a written allegation by a teacher that he/she has been injured as a result of a dispute or disagreement between the teacher and the School District as to the interpretation or application of specific terms and conditions contained in this Agreement.

Subd. 2. Grievant(s): The word, "grievant(s)," shall mean an individual teacher, a group of teachers, or the exclusive representative who/which files a grievance as defined in Subd. 1. above.

Subd. 3. Group of Teachers: A group of fewer than ten (10) teachers may file a grievance if a complaint arises out of the same transaction or occurrence and the facts and claim are common to all teachers in the group. Such grievance must be in writing and signed by all grievants in the group.

Subd. 4. Exclusive Representative Grievance: The exclusive representative may file a grievance if a complaint involving ten (10) or more teachers arises out of the same transaction or occurrence and the facts and claim are common to all teachers in the group. In order to pursue such a grievance, the exclusive representative must provide the Superintendent with the names and signatures of the affected teachers no later than the third (3rd) level of the grievance procedure. The exclusive representative grievance may proceed only as to the teachers identified in the appeal to arbitration. The exclusive representative may also file a grievance if the allegation involves a specific right of the exclusive representative as noted in this Agreement.

Subd. 5. Days: Any reference to the word, "days," regarding time periods in this procedure,

shall refer to working days. The term, "working day," is defined as all week days not designated as holidays by state law.

Section 2. Representation: The grievant(s), administrator(s), or School Board may be represented during any step of the procedure by any person or agent designated by such party to act on the party's behalf.

Section 3. Interpretations:

Subd. 1. Extension: Time limits specified in this Agreement may be extended by mutual, written agreement.

Subd. 2. Computation of Time: In computing any period of time prescribed or allowed by procedures in this article, the date of the act, event, or default for which the designated period of time begins to run shall not be included.

Subd. 3. Filing and Postmark: The filing or service of any notice or document required by this Agreement shall be timely if it is personally served or if it bears a certified postmark of the United States Postal Service within the time period.

Section 4. Time Limitation and Waiver: A grievance shall not be valid for consideration unless the grievance is submitted to the School District's designee in writing, signed by the grievant(s), setting forth the facts and the specific provision(s) of the Agreement allegedly violated and the particular relief sought within twenty (20) days* after the date that the first event giving rise to the grievance occurred. Failure to file any grievance within such period shall be deemed a waiver of that grievance. Failure to appeal a grievance from one level to another within the time periods provided below shall constitute a waiver of the grievance. An effort shall first be made to resolve an alleged grievance informally between the grievant(s) and the School District's designee.

Section 5. Resolution of Grievance: The School District and the grievant(s) shall attempt to resolve all grievances which may arise during the course of employment as follows:

Subd. 1. Level I: If the grievance is not resolved through informal discussion, the School District's designee shall give a written decision on the grievance to the parties involved within ten (10) days* after receipt of the written grievance.

Subd. 2. Level II: In the event the grievance is not resolved in Level I, the decision rendered may be appealed to the Superintendent, provided such appeal is made, in writing, within five (5) days* after the receipt of the decision in Level I. If a grievance is properly appealed to the Superintendent, the Superintendent or his/her designee shall, within fifteen (15) days*, set a time to meet regarding the grievance after receipt of the appeal. Within ten (10) days* after the meeting, the Superintendent or his/her designee shall issue a written decision to the parties involved.

Subd. 3. Level III: In the event the grievance is not resolved in Level II, the decision rendered may be appealed to the School Board, provided such appeal is made, in writing, within five (5) days* after receipt of the decision in Level II. If a grievance is properly appealed to the School Board, the School Board shall hear the grievance within twenty (20) days* after receipt of the appeal. Within twenty (20) days* after hearing the grievance, the School Board shall issue its written decision to the parties involved. At the option of the School Board, a committee or representative(s) of the School Board may be designated by the School Board to hear the appeal at this level and report the findings and recommendations to the School Board. The School Board shall then render its

decision.

Section 6. Denial of Grievance: Failure by the School Board or its representative(s) to issue a decision within the time period provided in this article shall constitute a denial of the grievance, and the grievant(s) may appeal it to the next level.

Section 7. Arbitration Procedures: In the event that the grievant(s) and the School Board are unable to resolve any grievance, the grievance may be submitted to arbitration as defined in this article.

Subd. 1. Request: A request to submit a grievance to arbitration must be in writing signed by the grievant(s), and such request must be filed in the office of the Superintendent within ten (10) days* following the decision in Level III above.

Subd. 2. Prior Procedure Required: No grievance shall be considered by the arbitrator which has not first been duly processed in accordance with the grievance procedure and appeal provisions.

Subd. 3. Selection of Arbitrator: Upon the proper submission of a grievance under the terms of this procedure, the parties may, within ten (10) days* after the request to arbitrate, attempt to agree upon the selection of an arbitrator. If no agreement on an arbitrator is reached, either party may request the Commissioner to submit a panel of seven (7) arbitrators to the parties, pursuant to PELRA, provided such request is made within twenty (20) days* after the request for arbitration. The request shall ask that the panel be submitted within ten (10) days* after the receipt of said request. Within ten (10) days* after receipt of the panel, the parties shall alternately strike names, and the remaining name shall be the arbitrator to hear the grievance. The order of striking will be determined by lot. Failure to agree upon an arbitrator or the failure to request an arbitrator from the Commissioner within the time period as provided in this article shall constitute a waiver of the grievance.

Subd. 4. Hearing: The grievance shall be heard by a single arbitrator, and both parties may be represented by such person(s) as they may choose, and the parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, and make oral or written arguments relating to the issues before the arbitrator. The proceeding before the arbitrator shall be a hearing de novo.

Subd. 5. Decision: Decisions by the arbitrator in cases properly before him/her shall be final and binding upon the parties, subject, however, to the limitations of arbitration decisions as provided in PELRA. The arbitrator shall issue a written decision and order including findings of fact which shall be based upon substantial and competent evidence presented at the hearing. All witnesses shall be sworn upon oath by the arbitrator.

Subd. 6. Expenses: Each party shall bear its own expenses in connection with arbitration, including expenses relating to the party's representatives, witnesses, and any other expenses which the party incurs in connection with presenting its case in arbitration. A transcript or recording of the hearing shall be made at the request of either party. The parties shall share equally the fees and expenses of the arbitrator, the cost of the transcript or recording if requested by either or both parties, and any other expenses which the parties mutually agree are necessary for the conduct of the arbitration. However, the party ordering a copy of such transcript shall pay for such a copy.

Subd. 7. Jurisdiction: The arbitrator shall have jurisdiction over disputes or disagreements

relating to grievances properly before him/her pursuant to the terms of this procedure. The jurisdiction of the arbitrator shall not extend to proposed changes in terms and conditions of employment contained in this Agreement; nor shall an arbitrator have jurisdiction over any grievance which has not been submitted to arbitration in compliance with the terms of the grievance and arbitration procedure as outlined in this article; nor shall the jurisdiction of the arbitrator extend to matters of inherent managerial policy, which shall include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel. In considering any issue in dispute, the arbitrator's order shall give due consideration to the statutory rights and obligations of the School Board to efficiently manage and conduct its operation within the legal limitations surrounding the financing of such operations.

Section 8. Election of Remedies and Waiver: A party instituting any action, proceeding, or complaint in a federal or state court of law or before an administrative tribunal, federal agency, state agency, or seeking relief through any statutory process for which relief may be granted, the subject matter of which may constitute a grievance under this Agreement, shall immediately thereupon waive any and all rights to pursue a grievance under this article. Upon instituting a proceeding in another forum as outlined in this Agreement, the teacher(s) shall waive the right to initiate a grievance pursuant to this article, or, if the grievance is pending in the grievance procedure, the right to pursue it further shall be immediately waived. This section shall not apply to actions to compel arbitration as provided in the Agreement or to enforce the award of an arbitrator.

**NOTE: These numbers are suggested numbers only; the parties may want to negotiate different ones.*

ARTICLE XIV
PROGRESSIVE DISCIPLINE

Section 1. Discipline: Discipline shall consist of oral reprimand, written reprimand, suspension with pay, suspension without pay, and discharge. However, the School District reserves the right to impose discipline at any level as it determines based upon the circumstances surrounding the action. A conference between the teacher and his/her supervisor(s) shall be held prior to the imposition of a written reprimand, suspension, or discharge.

Section 2. Grounds for Disciplinary Action: The imposition of an oral reprimand shall not be subject to the grievance procedure. A teacher may challenge the contents of any written materials in his/her personnel file pursuant to the provisions of M.S. 122A.40, Subd. 19. A teacher shall be suspended without pay only for just cause, and such action shall be subject to the grievance procedure. A teacher who is the subject of a discharge shall be governed by M.S. 122A.40, and such action shall not be subject to the provisions of this article.

Section 3. Opportunity to Meet: Suspension with or without pay shall be imposed only by the Superintendent or his/her designee. If a suspension without pay is to be considered pursuant to Section 2. above, the teacher shall be afforded an opportunity to meet with the Superintendent or his/her designee, and the teacher may elect to have a representative in attendance at any such meeting.

Section 4. Subject to Arbitration: Suspension without pay shall take effect only after written notification from the Superintendent or his/her designee to the teacher stating the grounds for suspension without pay. The teacher shall have the right to invoke the grievance procedure set forth in this Agreement at the arbitration level, provided written notification requesting arbitration is sent to the Superintendent or

his/her designee within five (5) working days after receipt of the written notice of suspension without pay. The arbitrator's authority shall include a review of whether the suspension without pay and the length of the suspension were appropriate considering the circumstances surrounding the action.

Section 5. Removal from Duty – Investigation: This article shall not apply to a teacher who is removed from duty on paid suspension pending investigation of allegations or to a teacher charged with a felony who is removed from duty on unpaid suspension pursuant to M.S. 122A.40, Subd. 13.

ARTICLE XV
UNREQUESTED LEAVE OF ABSENCE (ULA) AND SENIORITY AGREEMENT

Section 1. Purpose: The purpose of this article is to implement the provisions of M.S. 122A.40, Subd. 10., which article, when adopted, shall constitute a plan for ULA because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of school districts.

Section 2. Definitions: For purposes of this article, the terms defined shall have the meanings respectively ascribed to them.

Subd. 1. Teacher: "Teacher" shall mean those members of the bargaining unit as defined by PELRA and this Agreement, except the provisions of this article shall not be applicable to members of any other bargaining unit who are teachers as defined by M.S. 122A.40, Subd. 1.

Subd. 2. Qualified: "Qualified" shall mean a teacher who, in addition to the state license, has a major in the subject matter or field taught and, as solely determined by the School District, has had successful teaching experience in such subject matter or field within the past five (5) years in the School District.

Subd. 3. Seniority: "Seniority" applies only to continuing contract, qualified teachers; commences with the first day of continuous teaching service in the School District and excludes probationary teachers, those teachers who are substituting for teachers on leaves of absence, and part-time teachers employed less than twenty (20) hours per week and less than one hundred (100) days in a school year.

For seniority purposes, District-wide coordinators and consultants will be considered as part of the subject matter area most closely related to the teacher's current assignment.

Section 3. ULA:

Subd. 1. Terms: The School Board may place on ULA such teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes. Such leave of absence shall continue for a period of five (5) years*, after which the right to reinstatement shall terminate; provided the teacher's right to reinstatement shall also terminate if the teacher fails to file with the School District*, by April 1st of each year, a written statement requesting reinstatement. Such leave shall be effective no later than the close of the school year or at such earlier time as mutually agreed upon by the teacher and the School Board.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the teacher must file his/her written statement.*

Subd. 2. Notice: Teachers placed on such leave shall receive notice to that effect by July 1st prior to the commencement of such leave with reasons for said placement.

Subd. 3. Placement: Teachers shall be placed on ULA in inverse order of seniority in the field and subject matter employed. No teacher shall be placed on ULA if any other qualified teacher with less seniority is employed in the same field and subject matter.

Subd. 4. Affirmative Action Program: This section shall not apply if its application will result in any violation of the School District's affirmative action program which shall include ethnicity, race, color, or sex; and any teacher employed in an affirmative action program may be retained in the same field or subject matter of a teacher with greater seniority if such retention is necessary to effectuate the purposes of such affirmative action program.

Subd. 5. Tie-Breaker: In the event a reduction in number of teachers creates a situation requiring that a choice be made among teachers who have equal seniority, the selection of the teacher(s) for purposes of reduction shall be at the discretion of the School District based on criteria including performance, training, experience, skills in special assignments, and other relevant factors.

Subd. 6. Additional Assignments: If reduction in number of teachers based on seniority would result in the discontinuance of any extra- or co-curricular program, the teacher employed in such program shall not be placed on leave, and the next senior teacher shall be placed on such leave.

Subd. 7. Years of Service: Any teacher placed on such leave may engage in teaching or any other occupation during such period and may be eligible for re-employment insurance if otherwise eligible for such compensation under that law, and such leave will not result in a loss of credit for years of service in the School District earned prior to the commencement of such leave.

**NOTE: Five (5) years is the period of time included in M.S. 122A.40; however, School Districts can negotiate lesser lengths of time.*

Section 4. Realignment: For purposes of placement on or recall from ULA, nothing in this article shall require the School District to reassign a senior teacher to a different position for which he/she is not qualified, as defined in "Section 2." above, to accommodate the seniority claims of a junior teacher.

Section 5. Dropping of License: A teacher shall not be permitted to exercise seniority to displace another teacher in a different licensure area by dropping the license in the subject matter in which the teacher is currently assigned by the School District in order to acquire a different assignment through the ULA process. If a teacher drops the license which qualified the teacher for the teacher's current assignment, the School District may place the teacher on ULA, and the teacher shall have no bumping rights nor realignment rights into another licensure area.

Section 6. Reinstatement:

Subd. 1. Process: No new teacher shall be employed by the School District while any qualified teacher is on ULA in the same field and subject matter. Teachers placed on ULA shall be reinstated to the positions from which they have been given leave or any other available positions in the School District in the fields in which they are qualified as such positions become available. The order of reinstatement shall be in inverse order in which teachers were placed on ULA.

Subd. 2. Notices: When placed on ULA, a teacher must file his/her name and address, to

which any notice of reinstatement or availability of position shall be mailed, with the School District personnel office. Proof of service by the person in the School District depositing such notice to the teacher at the last known address shall be sufficient, and the teacher on ULA shall be responsible to provide for forwarding of mail or for address changes. Failure of a notice to reach a teacher shall not be the responsibility of the School District if any notice has been mailed as provided in this article.

Subd. 3. Acceptance of Reemployment: If a position becomes available for a qualified teacher on ULA, the School District shall mail the notice to such teacher who shall have ten (10) days from the date of such notice to accept the reemployment. Failure to accept, in writing, within such ten (10)-day period shall constitute a waiver on the part of the teacher to any further rights of employment or reinstatement, and that teacher shall forfeit any future reinstatement or employment rights.

Subd. 4. Reinstatement Rights: Reinstatement rights shall automatically cease five (5) years* from the date ULA was commenced, and no further rights to reinstatement shall exist unless extended by written mutual consent of the School Board and the qualified teacher.

**NOTE*: *This period of time should be consistent with that found in "Section 3., Subd. 1." of this article*.

Section 7. Establishment of Seniority List:

Subd. 1. Preparation: The School Board shall annually cause a seniority list (by name, date of employment, qualification, and subject matter or field) to be prepared from its records. The School Board shall thereupon cause such list to be posted in an official place in each school building of the School District.

Subd. 2. Request for Change: Any teacher whose name appears on such list and who may disagree with the order of seniority in said list shall have ten (10) days from the date of posting to supply written documentation, proof, and request for seniority change to the Superintendent.

Subd. 3. Final List: Within ten (10) days thereafter, the School District shall evaluate any and all such written communications regarding the order of seniority contained in said list and may make such changes the School District deems warranted. A final seniority list shall thereupon be prepared by the School District, which list as revised shall be binding on the School District and any teacher.

Section 8. Filing of Licenses: In any year in which a reduction of teaching positions is occurring and the School Board is placing teachers on ULA, only those licenses actually received in the Superintendent's office for filing as of January 15th of such year shall be considered for purposes of determining lay-off within areas of licensure for the following school year. A license filed after January 15th shall be considered for purposes of recall but not for the current reduction.

Section 9. Effect: This article shall be effective at the beginning date of this Master Agreement and shall be governed by its duration clause. This article shall govern all teachers as defined in Section 2., Subd. 1. above and shall not be construed to limit the rights of any other licensed employee not covered by the Master Agreement or other Master Agreement affecting such licensed employee.

Section 10. Procedure: Any challenge by a teacher who is proposed for placement on or recall from ULA shall be subject to the hearing and review procedures as provided in M.S. 122A.40 and, therefore, shall not be subject to the grievance procedure.

NOTE: For background information regarding the rationale for negotiating this type of ULA language, please refer to section "A.5." of "Chapter 3" in the MSBA Service Manual.

ARTICLE XVI
DURATION

Section 1. Terms and Reopening Negotiations: This Agreement shall remain in full force and effect for a period commencing upon the date of its full ratification through June 30, 20__, and thereafter as provided by PELRA. If the exclusive representative desires to modify or amend this Agreement commencing on July 1, 20__, it shall give written notice of such intent pursuant to PELRA no later than March 1, 20__, including complete language and detail of proposed changes. If such notice is not timely served, the School District shall not be required to negotiate any terms of employment for the following school year. Unless otherwise mutually agreed, the parties shall not commence negotiations more than one hundred twenty (120) days prior to the expiration of this Agreement.

Section 2. Effect: This Agreement constitutes the full and complete Agreement between the School District and the exclusive representative. The provisions of this Agreement relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, and School District policies, rules, and regulations concerning terms and conditions of employment inconsistent with these provisions. Nothing in this Agreement shall be construed to obligate the School District to continue or discontinue existing or past practices or prohibit the School District from exercising all management rights, functions, and prerogatives, except insofar as this exercise would be in express violation of any term or terms of this Agreement.

Section 3. Finality: Pursuant to M.S. 179A.20, Subd. 3., any matters relating to the current Agreement term shall not be open for negotiation during the term of this Agreement.

Section 4. Severability: The provisions of this Agreement shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of the Agreement or the application of any provision.

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

For_____ Name of organizational representative	For the School District
_____ President	_____ School Board Chair
_____ Secretary	_____ School Board Clerk
Dated this ____ day of _____, 20___.	Dated this ____ day of _____, 20___.

4. UNREQUESTED LEAVE OF ABSENCE AND SENIORITY AGREEMENT (TEACHERS).

A. RATIONALE

GENERAL OBSERVATIONS

1. The 1974 legislative session amended M.S. 122A.40, Subd. 9. relating to grounds for termination. All provisions relating to discontinuance of position due to lack of pupils and financial limitations were repealed, and, in lieu, an unrequested leave of absence was provided. Subd. 10. permits a School Board and the exclusive representative to negotiate a plan for unrequested leave, without pay or fringe benefits, to govern any teachers to be placed on ULA due to discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. In the event a plan is not negotiated by the beginning date of a new Master Agreement, Subd. 11. applies. In addition, while such ULA plan may be negotiated, the provisions of arbitration do not apply. A School Board and an exclusive representative should, if possible, negotiate a plan which need not be based solely on seniority, but may be based on whatever the parties agree.

2. M.S. 122A.40, Subd. 11. should be read in its entirety. Unfortunately, while intended to be a self-executing statute to govern the aspects of ULA, M.S. 122A.40, Subd. 11. does not cover all contingencies and possible situations. For example, the order of reinstatement of teachers who have equal seniority is negotiable.

3. Subd. 11. requires that a notice of termination and a hearing be provided, similar to discharge proceedings, for any teacher for whom placement on ULA is planned. A detailed reading of Subd. 11. should clearly indicate to the observant School Board and its administrators that a plan contemplated by Subd. 10. should be negotiated if at all possible. Such a plan can fit the individual needs of a School District and replace the burdensome provisions of Subd. 11.

SPECIFIC OBSERVATIONS

1. M.S. 122A.40, subdivision 1. defines "teacher" as including a principal, supervisor, classroom teacher, or any other professional employee required by the State of Minnesota to hold a license but limits its application to superintendents. Thus, any interpretation of Subd. 11. must contemplate that definition. PELRA defines a teacher as any person other than a Superintendent or assistant superintendent employed by a School District in a position for which the person must be licensed, and such employment does not come within the exceptions of PELRA wherein a principal and assistant principal are defined as any person so licensed who devotes more than fifty percent of his/her time to administrative or supervisory duties. Different provisions of PELRA apply to various employees. The interrelationships of the ULA in M.S. 122A.40 and the PELRA provisions will need clarification and legal interpretation. In any event, M.S. 123B.143, subdivision 1. makes it clear that seniority does not affect the employment of the Superintendent.

2. Obviously, great care should be devoted to the definition utilized in any ULA plan so that the applicability of the negotiated plan will not cause conflicts. For example, if principals do not agree to a ULA plan through negotiations, their statutory rights as contained in M.S. 122A.40 will apply. Their statutory rights are recognized in "ARTICLE XV, Section 9." in the *MSBA Model Agreement – Teachers*, making clear the fact that the ULA provisions apply only to the teachers who are covered by the teachers' Agreement and do not limit the rights of other licensed personnel such as the principals' group who have statutory rights.

3. The problem of "bumping" may occur. Depending upon the provisions of a negotiated plan, a principal whose position is being discontinued could bump into the teacher ranks. However, according to

M.S. 122A.40, Subd. 4. a teacher whose position is being discontinued cannot bump into the principal ranks.

4. In contrast to continuing contract teachers, School Districts are not required to place probationary teachers on ULA, so School Districts are advised to non-renew the contracts of probationary teachers. M.S. 122A.40, Subd. 5. specifies that any probationary teacher may or may not be renewed as his/her School Board shall see fit; provided, however, that the School Board shall give any such teacher whose contract it declines to renew for the following school year written notice to that effect before July 1.

MODEL UNREQUESTED LEAVE PLAN

1. A suggested ULA and seniority plan is included in "ARTICLE XV" of the *MSBA Model Agreement – Teachers* to be used by parties desiring to negotiate such a plan pursuant to the provisions of M.S. 122A.40, Subd. 10.

2. This draft defines a teacher in the broadest sense, but it also limits the teacher's seniority by the definitions of "qualified" and "subject matter" or "field." Seniority is more carefully defined, and the provisions relating to ULA, reinstatement, establishment of a seniority list, and effect have been outlined in greater detail. An attempt has also been made to cover problems of equal seniority, provide for notice of reinstatement, and, in general, cover various matters not specified by statute.

3. The plan has provisions that are interrelated. It will serve as a draft from which to commence negotiations. Obviously, a School Board should not negotiate away more of its managerial rights under a negotiated plan contemplated by Subd. 10. than what the School Board may have under Subd. 11. The negotiated provisions should only be agreed to if School Board members are satisfied that the School District and its students will not be unduly hampered.

NOTE: See "Chapter 13, School Law Bulletin 'N' – Placement of Teachers on Unrequested Leave of Absence and Non-Renewal of Probationary Teacher Contracts."

5. EARLY CHILDHOOD AND FAMILY EDUCATION (ECFE) TEACHERS.

The following article is designed for those School Districts in which exclusive representatives have asserted their right to bargain for ECFE teachers. Absent such an assertion, School Districts probably should continue to cover the subject matter by School Board policy. Please note that M.S. 122A.26 provides that a license which is required for a teacher in a community education program shall not be construed to bring him/her within the definition of a "teacher" for purposes of M.S. 122A.40, subdivision 1. or M.S. 122A.41, subdivision 1. This point has important ramifications both for purposes of continuing contract status and also for placement on ULA. Absent an agreement to the contrary, ECFE teachers do not acquire continuing contract rights nor rights to bump pursuant to ULA.

CAUTION: The nature of the employment of ECFE teachers is market-driven, and many sections of the teachers' Master Agreement will be inappropriate. When a School District includes ECFE teachers in the teachers' Master Agreement, a separate article(s) should be negotiated to cover these teachers (see the sample article below). This article(s) should address their pay scale (which is typically different from the teachers' salary schedule) and should be very specific as to which provisions of the Master Agreement do and do not apply to them (i.e., leaves of absence, group insurance, etc.). School Districts are urged to exercise extreme caution relative to issues of seniority and ULA, as ECFE teachers have no statutory right to either.

ARTICLE _____
EARLY CHILDHOOD FAMILY EDUCATION TEACHERS

Section 1. Statutory Considerations: Pursuant to M.S. 122A.26, an Early Childhood Family Education (ECFE) teacher who teaches in an ECFE program which is offered through a community education program which qualifies for community education aid or ECFE aid must meet licensure requirements as a teacher. However, M.S. 122A.26 specifically provides that such licensure shall not be construed to bring such ECFE teacher within the definition of a teacher for purposes of _____ [*insert the appropriate statue: M.S. 122A.40, Subd.1. or M.S. 122A.41, Subd.1.*].

Section 2. Probationary Period: The probationary period for ECFE teachers shall be three (3) consecutive school years of service with each year consisting of a minimum of 120 days of actual teaching service. During the probationary period, the School District shall have the unqualified right to suspend, discharge, or otherwise discipline an ECFE teacher, and the ECFE teacher shall have no recourse to the grievance procedure. Upon completion of the probationary period, an ECFE teacher may be suspended or discharged only for just cause, and such ECFE teacher shall have access to the grievance procedure.

Section 3. Layoff and Recall: ECFE teachers shall have seniority only as ECFE teachers and shall have a separate seniority list consisting only of ECFE teachers. Seniority will accrue from the ECFE teacher's first date of employment as an ECFE teacher. An ECFE teacher shall not have any rights to any other teaching position in the School District. ECFE teachers shall be laid off and recalled within order of seniority with other ECFE teachers. ECFE teachers laid off will have recall rights for a period of _____ years.

Section 4. Compensation: ECFE teachers shall be compensated pursuant to the specific ECFE salary schedule, Attachment (_____), or such other method as the parties may agree to and shall not be entitled to compensation on the regular teacher salary schedule.

Section 5. Applicable Sections of the Master Agreement: ECFE teachers shall be covered by the

following articles of the Master Agreement:

ARTICLE I, PURPOSE,
ARTICLE II, RECOGNITION OF EXCLUSIVE REPRESENTATIVE,
ARTICLE III, DEFINITIONS,
ARTICLE IV, SCHOOL DISTRICT RIGHTS,
ARTICLE V, TEACHER RIGHTS,
ARTICLE VIII, 403(b) MATCHING CONTRIBUTION PLAN,
ARTICLE X, LEAVES OF ABSENCE,
ARTICLE XIII, GRIEVANCE PROCEDURE,
ARTICLE XIV, PROGRESSIVE DISCIPLINE,
ARTICLE XVI, DURATION.

Section 6. Sections of the Master Agreement Not Applicable: ECFE teachers shall not be eligible for the following articles of the Master Agreement, which apply only to regularly licensed teachers:
ARTICLE VI, BASIC SCHEDULES AND RATES OF PAY,
ARTICLE VII, EXTRA COMPENSATION,
ARTICLE IX, GROUP INSURANCE,
ARTICLE XI, HOURS OF SERVICE,
ARTICLE XII, LENGTH OF THE SCHOOL YEAR,
ARTICLE XV, UNREQUESTED LEAVE OF ABSENCE (ULA) AND SENIORITY AGREEMENT.

[*School Districts must give consideration to articles that are found in their Master Agreements and place them in "Section 5." or "Section 6." as they deem appropriate.*]

Section 7. Hours of Service, Duty Day, Duty Week, and Duty Year: The hours of service, duty day, duty week, and duty year for ECFE teachers shall be as assigned by the School District and may be modified from time to time based upon the needs of the ECFE program.

6. SEVERANCE PAY – TEACHERS AND OTHER EMPLOYEES.

NOTE: The law authorizing severance pay for Minnesota School District employees was originally enacted in 1973 and has been amended several times since. As amended most recently in 1988, M.S. 465.72 now contains the following provisions:

1. It authorizes payment of severance pay to School District employees.
2. It authorizes the School Board to adopt rules for the payment of severance pay.
3. It provides that any School District employee may now be paid severance pay in an amount equivalent to one full year's pay and not to exceed a payment plan in excess of five years.
4. It provides that, in addition to severance pay, a School District may provide periodic contributions toward premiums for group insurance policies for former employees.
5. It provides that severance pay is to be excluded from retirement deductions and from calculations of retirement benefits.
6. It provides that if a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, the balance shall be paid to a named beneficiary or, if none, to the deceased's estate.

Severance pay is a negotiable item if requested by a teacher organization. Severance pay plans are complex, and the immediate and future financial impact upon School Districts will be different dependent upon staff experience and the provisions of the particular plan.

NOTE: A separate severance pay statute was passed in 1993 that limits severance pay for "highly compensated employees" to a maximum of six months. See M.S. 465.722 for the definition of "highly compensated." The law further clarifies that accumulated vacation and accumulated sick leave are not included in calculating severance pay. Furthermore, there are grandfather rights for certain personnel. See the statute as printed in section "D.5." of "Chapter 3" in the MSBA Service Manual for specifics.

7. INDIVIDUAL TEACHER CONTRACT

Section 1. Basic Teacher Contract:

M.S. 122A.40, Subd. 3. requires an initial employment contract between the teacher and the School District, and, even though no statutory requirements exists, MSBA's recommendation is for subsequent employment contracts to be issued annually. Issuing annual employment contracts will provide the School District with up-to-date documentation regarding every teacher's assignment(s) and compensation.

The assignment of a teacher should normally be generic and general in nature to provide maximum flexibility to the School District; i.e., "elementary teacher," "secondary teacher," or simply "teacher." School Districts should avoid specific assignments such as "fifth grade teacher," "senior high math teacher."

This contract should not be used for student teachers, retired teachers who have been rehired, interns, or substitute teachers.

TEACHER CONTRACT FOR MINNESOTA PUBLIC SCHOOL DISTRICTS

The School Board of Independent School District No. _____ of the State of Minnesota, _____, Minnesota, enters into this Contract, pursuant to M.S. 122A.40, as amended, with _____ [*insert name of teacher*], a legally qualified licensed teacher who agrees to teach in the public schools of said District as _____ _____ [*insert general assignment*] for the school year 20___ to 20___.

The following provisions shall apply and are a part of this Contract:

1. Basic Services: Said teacher shall faithfully perform the services prescribed by the School Board, or its designated representative(s), whether or not such services are specifically described in this Contract, abide by the rules and regulations as established by the School Board and the State of Minnesota, and any additions or amendments thereto, for the annual salary indicated below, and agrees to teach for the School District as assigned in such grades or subjects for which the teacher has the necessary license.
2. Duration: This Contract is subject to the provisions of M.S. 122A.40, as amended, and to all laws, rules, and regulations of the State of Minnesota relevant to qualification, licensure, employment, termination, and discharge of teachers for cause. Thereafter, this Contract shall remain in full force and effect except if modified by mutual consent of the School Board and the teacher or unless terminated as provided by law, or by written resignation pursuant to M.S. 122A.40.
3. Duty Year: The teacher's duty year and vacation days shall be as adopted by the School Board, and the teacher agrees to teach on those legal holidays on which the School Board is authorized to conduct school if the School Board so determines. In the event a duty day is lost due to any emergency, the teacher agrees to perform duties on such other day in lieu thereof as determined by the School Board.
4. Additional Services: The School Board, or its designated representative(s), may assign the teacher to extra-curricular, co-curricular, or other assignments, subject to established compensation for such services which exceed the services authorized in paragraph 1. Said extra-curricular, co-curricular, or other assignments may be described in paragraph 6. of this Contract or by letter of assignment, together with a recitation of the compensation, if any, to be paid for said assignment. The School Board, or its designated representative(s), may make any additions or amendments during the duty year as shall be necessary. Said extra-curricular, co-curricular, or other assignments and compensation, if any, for such assignment shall not become a part of the teacher's continuing contract rights unless the words, "continuing contract," are recorded immediately following the assignment.
5. Reference: This Contract shall be subject to the agreement between the School District and the exclusive representative, if any, and the provisions of the Public Employment Labor Relations Act, as amended.
6. Special Provisions: [*insert any other contractual provisions*].

   In addition, said teacher agrees to perform the following additional services for the additional salary indicated.

Additional Service	Additional Compensation
1._____	$_____
2._____	$_____
3._____	$_____

7. In consideration thereof, the School Board agrees to pay said teacher the following annual salary:
   $_____ For basic services
   $_____ For additional services as set forth in paragraph 6.
   $_____ Total salary, exclusive of fringe benefits

Such salary shall be paid as authorized and in such installments during the term of the year as may be determined by appropriate School Board regulation. This Contract shall be effective only after it has been authorized by the School Board in appropriate action, recorded in its minutes, and executed by the parties.

IN WITNESS WHEREOF, I have subscribed my signature this ____ day of _____, 20_____.

_____
Teacher

IN WITNESS WHEREOF, we have subscribed our signatures this ____ day of _____, 20_____.

_____
School Board Chair

_____
School Board Clerk

8. HIRING/REHIRING OF RETIRED TEACHERS

The following article is designed for those School Districts that have hired/rehired retired teachers or are considering doing so, and MSBA recommends it be placed in the relevant School Districts' Master Agreements with their teachers. Without this language, retired teachers who are hired/rehired will be eligible for salaries and benefits as provided for in the Master Agreement for newly hired teachers.

ARTICLE _____
HIRING/REHIRING OF RETIRED TEACHERS

Section 1. Licensure: Retired teachers who are hired/rehired by the School District must be appropriately licensed in the subject matter that they will be hired to teach.

Section 2. Probationary Period: The probationary period of retired teachers who are hired/rehired by the School District shall be one (1) school year of service. During the probationary period, the School District shall have the unqualified right to suspend, discharge, or otherwise discipline a previously retired teacher, and the previously retired teacher shall have no recourse to the grievance procedure.

Section 3. Layoff and Recall: Retired teachers who are hired/rehired by the School District shall have no seniority or bumping rights.

Section 4. Compensation: Retired teachers who are hired/rehired by the School District shall be compensated as the parties may agree.

Section 5. Benefits: Retired teachers who are hired/rehired by the School District shall be provided benefits and leaves as determined by the School District.

Section 6. Applicable Sections of the Master Agreement: Retired teachers who are hired/rehired by the School District shall be covered by the following articles of the Master Agreement:

ARTICLE I, PURPOSE,
ARTICLE II, RECOGNITION OF EXCLUSIVE REPRESENTATIVE,
ARTICLE III, DEFINITIONS,
ARTICLE IV, SCHOOL DISTRICT RIGHTS,
ARTICLE V, TEACHER RIGHTS,
ARTICLE VIII, 403(b) MATCHING CONTRIBUTION PLAN,
ARTICLE XIV, PROGRESSIVE DISCIPLINE,
ARTICLE XVI, DURATION.

Section 7. Sections of the Master Agreement Not Applicable: Retired teachers who are hired/rehired by the School District shall not be eligible for the following articles of the Master Agreement:

ARTICLE VI, BASIC SCHEDULES AND RATES OF PAY,
ARTICLE VII, EXTRA COMPENSATION,
ARTICLE IX, GROUP INSURANCE,
ARTICLE X, LEAVES OF ABSENCE,
ARTICLE XI, HOURS OF SERVICE,
ARTICLE XII, LENGTH OF THE SCHOOL YEAR,
ARTICLE XIII, GRIEVANCE PROCEDURE,
ARTICLE XV, UNREQUESTED LEAVE OF ABSENCE (ULA) AND SENIORITY AGREEMENT.

[*School Districts must give consideration to articles that are found in their Master Agreements and place them in "Section 6." or "Section 7." as they deem appropriate.*]

Section 8. Hours of Service, Duty Day, Duty Week, and Duty Year: The hours of service, duty day, duty week, and duty year for retired teachers who are hired/rehired shall be as assigned by the School District and may be modified from time to time based upon the School District's needs.

9. SUBSTITUTE TEACHER CONTRACT

School Districts should be very cautious in determining when to use a substitute teacher contract. The subject matter is specific and restrictively covered by statute in M.S. 122A.44, which provides as follows:

The School Board must employ and contract with necessary qualified teachers and discharge the same for cause. The School Board must not hire a substitute teacher except:

(a) For a duration of time less than one school year to replace a regular teacher who is absent; or

(b) For a duration of time equal to or greater than one school year to replace a regular teacher on a leave of absence.

If a substitute teacher is hired pursuant to clause (b), each full school year during which the teacher is employed by a district pursuant to that clause shall be deemed one year of the teacher's probationary period of employment pursuant to either M.S. 122A.40, Subd. 5., or M.S. 122A.41, Subd. 2. The teacher shall be eligible for continuing contract status pursuant to M.S. 122A.40, Subd. 7., or tenure status pursuant to M.S. 122A.41, Subd. 4., after completion of the applicable probationary period.

The statutory language limits when a School District may employ a substitute teacher basically to when the teacher is replacing a regular teacher. A full year of substituting counts toward completion of the probationary period, both for independent School Districts generally, as well as in cities of the first class. School Districts are also cautioned that failure to clearly designate a substitute teacher may well result in the teacher acquiring unintended continuing contract status.

In summary, if the teacher meets the standards of M.S.122A.44, the substitute teacher contract should be utilized.

SUBSTITUTE TEACHER CONTRACT

The School Board of Independent School District No. _____ of the State of Minnesota, _____, Minnesota, at a meeting held on the _____ day of _____, 20____, enters into this Contract with _____, a legally qualified and licensed teacher who agrees to teach in the public schools of said District as a substitute teacher according to the following provisions which shall apply and are a part of this Contract:

1. Basic Services: Said substitute teacher shall faithfully perform the services prescribed by the School Board or its designated representative(s), whether or not such services are specifically described in this Contract, abide by the rules and regulations as established by the School Board and the State of Minnesota, and any additions or amendments thereto, for the salary indicated below, and agrees to teach in the schools of said District as assigned.

2. Position: It is understood that the teacher is contracting to serve in a position as a substitute teacher pursuant to M.S. 122A.44, as amended, to replace a regular teacher who is absent, and the continuing contract provisions of M.S. 122A.40 shall not apply except as otherwise provided by law. The regular teacher referred to herein is _____.

3. Duration:

a. The substitute teacher herein agrees to serve as a substitute teacher pursuant to the terms of this Contract from _____, 20____ to _____, 20____; or

b. until the return of the regular teacher, whichever occurs first.

[*If the duration of the absence of the regular teacher is uncertain, use both "a." and "b." above. If the duration of the absence of the regular teacher is for a definite duration from a date certain to a date certain, then the word, "or," and clause "b." should be stricken.*]

4. Calendar: The substitute teacher's duty days shall be those named on the school calendar as adopted by the School Board, and the substitute teacher agrees to teach on those legal holidays on which the School Board is authorized to conduct school if the School Board so determines. In the event a duty day is lost due to school closing for any emergency, the substitute teacher agrees to perform duties on such day(s) in lieu thereof as the School Board shall determine.

5. Additional Services: The School Board, or its designated representative(s), may assign the substitute teacher to extra-curricular, co-curricular, or other assignments, subject to established compensation for such services which exceed the services authorized in paragraph 1. Said extra-curricular, co-curricular, or other assignments may be described in paragraph 6. of this Contract or by letter of assignment, together with a recitation of the compensation, if any, to be paid for said assignment during the term of this Contract. The School Board, or its designated representative(s), may make any additions or amendments to these assignments during the term of the school year as shall be necessary.

6. Special Provisions: [*insert any other contractual provisions*] In addition, said substitute teacher agrees to perform the following additional services for the additional salary indicated:

a.	Additional Service	Additional Compensation
	1. _____	$_____
	2. _____	$_____

b. Other Provisions:

7. In consideration thereof, the School Board agrees to pay said substitute teacher the following salary:

$_____ For basic services
$_____ For additional services as set forth in paragraph 6.
$_____ Total salary, exclusive of fringe benefits

Such salary shall be paid as authorized and in such installments as may be determined by appropriate School Board regulation. This Contract shall be effective only upon signature by the officers of the School Board after authorization for such signatures has been taken by the School Board through appropriate action, recorded in its minutes.

IN WITNESS WHEREOF, I have subscribed my signature this ____ day of _____, 20___.

_____
Substitute Teacher

IN WITNESS WHEREOF, we have subscribed our signatures this ____ day of _____, 20___.

_____
School Board Chair

_____
School Board Clerk

10. MODEL AGREEMENT – PRINCIPALS

Master Agreement

between

Independent School District No. 000
Anywhere*, Minnesota

and the

XYZ Association**

July 1, 20__, through June 30, 20__

*town where the School District office is located
**name of the exclusive representative

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ARTICLE I
PURPOSE

This Agreement is entered into between Independent School District No. _____, _____, Minnesota, hereinafter referred to as the District or School District, and the _____ [*insert the name of the principals' organizational representative*], hereinafter referred to as exclusive representative, pursuant to and in compliance with the Minnesota Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as PELRA, to provide the terms and conditions of employment for principals for the duration of this Agreement.

ARTICLE II
RECOGNITION OF EXCLUSIVE REPRESENTATIVE

Section 1. Recognition: In accordance with PELRA, the School District recognizes _____ as the exclusive representative of principals employed by the School District, which exclusive representative shall have those rights and duties as prescribed by PELRA and as described in this Agreement.

Section 2. Appropriate Unit: The exclusive representative shall represent all principals of the School District as defined in this Agreement and in PELRA. *[NOTE: If certification from the Bureau of Mediation Services (BMS) exists, the case number should be included here, as should the description of the unit as contained in the certification.]*

ARTICLE III
DEFINITIONS

Section 1. Terms and Conditions of Employment: The term, "terms and conditions of employment," means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than School District payment of, or contributions to, premiums for group insurance coverage of retired principals or severance pay, and the School District's personnel policies affecting the working conditions of the principals. The term does not mean educational policies of the School District. "Terms and conditions of employment" is subject to the provisions of PELRA.

NOTE: The 2008 legislative session addressed sweeping changes in tax-sheltered annuity provisions, including the following:

(1.) reversing a court decision and designating the identity and number of available vendors under the Federal Internal Revenue Code, Section 403(b) as a term and condition of employment making such subject matter negotiable;

(2.) identifying criteria which the School District and the exclusive representative must consider in selecting vendors for such tax-sheltered programs;

(3.) removing the $2,000 cap for the School District's contribution and replacing it with a formula representing "one-half of the available elective deferral permitted per year per employee under Internal Revenue Code."

See M.S. 123B.02, Subd. 15., as amended (which identifies (1.) and (2.) above as mandatory subjects of bargaining) and M.S. 356.24, Subd. 1., as amended..

If a School District elects to implement a 403(b) plan, MSBA suggests that it use the model language

provided in ARTICLE VII.

Section 2. Principal: The word, "principal," shall include all persons in the appropriate unit employed by the School Board in a position for which the persons must be licensed by the State of Minnesota as a principal or assistant principal and who devote more than fifty percent (50%) of their time to administrative and supervisory duties, excluding the following: Superintendent, assistant superintendent, confidential employees, supervisory employees, and such other employees excluded by law. Reference to "principal" in this Agreement shall mean principals and assistant principals except in those cases in which a clear distinction between the two positions exists.

NOTE: If a unit is certified by the BMS including personnel in addition to principals, the definition of the appropriate unit should be modified accordingly.

Section 3. District or School District: For purposes of administering this Agreement, the word/term, "District/School District," shall mean the School Board or its designated representative(s).

NOTE: The only time the reference, "Board/School Board," should appear is when the reference is specific to the elected body and its authority or responsibilities.

Section 4. Other Terms: Terms not defined in this Agreement shall have those meanings as defined by PELRA.

ARTICLE IV
SCHOOL DISTRICT RIGHTS

Section 1. Inherent Managerial Rights: The exclusive representative recognizes that the School District is not required to meet and negotiate on matters of inherent managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel.

Section 2. School Board Responsibilities: The exclusive representative recognizes the right and obligation of the School Board to efficiently manage and conduct the operation of the School District within its legal limitations and with its primary obligation being to provide educational opportunities for the students of the School District.

Section 3. Effect of Rules, Regulations, Directives, and Orders: The exclusive representative recognizes that all principals shall perform the services prescribed by the School District and shall be subject to School Board rules, regulations, directives, and orders issued by properly designated officials of the School District. The exclusive representative also recognizes the right, obligation, and duty of the School Board and its duly designated officials to promulgate rules, regulations, directives, and orders, from time to time, as deemed necessary by the School Board insofar as such rules, regulations, directives, and orders are not inconsistent with the terms of this Agreement.

Section 4. Reservation of Managerial Rights: The foregoing enumeration of rights and duties shall not be deemed to exclude other inherent managerial rights and managerial functions not specifically included in this Agreement, and all managerial rights and managerial functions not specifically included in this Agreement are reserved to the School District.

ARTICLE V
PRINCIPAL RIGHTS

Section 1. Right to Views: Pursuant to PELRA, nothing contained in this Agreement shall be construed to limit, impair, or affect the right of any principal or his/her representative to the expression or communication of a view, grievance, complaint, or opinion regarding any matter related to the conditions or compensation of public employment or their betterment, so long as the same is not designed to and does not interfere with the full, faithful, and proper performance of the duties of employment or circumvent the rights of the exclusive representative.

Section 2. Right to Join: Pursuant to PELRA, principals shall have the right to form and join labor or employee organizations and shall have the right not to form and join such organizations. Principals in an appropriate unit shall have the right, by secret ballot, to designate an exclusive representative for the purpose of negotiating grievance procedures and the terms and conditions of employment for such principals.

Section 3. Request for Dues Checkoff: Pursuant to PELRA, the exclusive representative shall be allowed dues checkoff. Upon receipt by the School District* a properly executed authorization card of the principal involved, the School District will deduct from the principal's paycheck the dues that the principal has agreed to pay to the principal organization in _____ (____) equal installments, beginning with the first pay period in *[month]*.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the principal must provide the authorization card.*

Section 4. Fair Share Fee: In accordance with PELRA, any principal included in the appropriate unit who is not a member of the exclusive representative may be required by the exclusive representative to contribute a fair share fee for services rendered as exclusive representative. The fair share fee for any principal shall be in an amount equal to the regular membership dues of the exclusive representative, less the cost of benefits financed through the dues and available only to members of the exclusive representative, but in no event shall the fee exceed eighty-five percent (85%) of the regular membership dues.

The exclusive representative shall provide written notice of the amount of the fair share fee assessment and the name of each principal to be assessed to the School District and written notice of the amount to each principal to be assessed the fair share fee.

A challenge by a principal or by a person aggrieved by the assessment shall be filed, in writing, with the Commissioner of the Bureau of Mediation Services (Commissioner), the School District, and the exclusive representative within thirty (30) days after receipt of the written notice. All challenges shall specify those portions of the assessment challenged and the reasons therefor, but the burden of proof relating to the amount of the fair share fee shall be on the exclusive representative. The School District shall deduct the fee from the earnings of the principal and transmit the fee to the exclusive representative within thirty (30) days after the written notice was provided, or, in the event a challenge is filed, the deductions for a fair share fee shall be held in escrow by the School District pending a decision by the Commissioner or a court. Any fair share challenge shall not be subject to the grievance procedure.

The exclusive representative hereby warrants and covenants that it will defend, indemnify, and save the School District harmless from any and all actions, suits, claims, damages, judgments, and executions or other forms of liability, liquidated or unliquidated, which any person may have or claim to have, now or in the future, arising out of or by reason of the deduction of the fair share fee specified by the exclusive representative as provided in this Agreement.

Section 5. Personnel Files: Pursuant to M.S. 122A.40, Subd. 19., all evaluations and files relating to

individual principals shall be available during regular School District business hours to the particular principal upon his/her written request. The principal shall have the right to reproduce any of the contents of his/her file at the principal's expense and to submit for inclusion in the file written information in response to any material contained in it. However, the School District may destroy such files as provided by law.

ARTICLE VI
COMPENSATION

NOTE: Because of the diversity of compensation plans for principals, no attempt is made in this document to develop model language.

Compensation plans range from those that provide a salary schedule similar to that of teachers to those which individually set the salary of each principal based upon individual evaluation.

Those School Districts utilizing a salary schedule plan should review and utilize rules similar to those found in the MSBA Model Agreement – Teachers.

Those School Districts utilizing an individual merit plan may well wish to include only the salary of the particular principal.

Obviously, this article should be drafted with extreme caution to reflect the particular plan of the School District.

Some School Districts, rather than using a salary schedule, may provide compensation by the name of the principal or may be paying a specific salary when only one such position is covered by the collective bargaining agreement. In such cases, the School District should provide for the event of a new or replacement principal, perhaps much junior than the current one, and address a salary or salary range for such new or replacement principals.

Section 1. Pay Deduction: Whenever pay deduction is made for a principal's absence, the annual salary divided by the number of principal duty days shall be deducted for each day's absence. "Annual salary" shall include a principal's basic salary and pay for additional/extended assignments if any.

ARTICLE VII
403(b) MATCHING CONTRIBUTION PLAN

Section 1. Eligibility: Pursuant to the provisions of M.S. 123B.02, Subd. 15. and Section 403(b) of the Federal Internal Revenue Code, the School District will make matching contributions for each principal who has completed at least three (3) consecutive years as a principal in the School District and who is employed an average of at least _____ (_____) hours per week and at least _____ (_____) days per school year pursuant to the provisions of this article.

Section 2. Amount of School District Contribution:

Subd. 1. Full-time Principals: Full-time, eligible principals, after completion of their third (3rd) consecutive year as a principal in the School District, shall be eligible for an annual School District matching contribution as follows:

Years of Service	Maximum Matching Contribution
4-7	$ _____,
8-11	$ _____,
12-14	$ _____,
15+	$ _____.

Subd. 2. Part-time Principals: Eligible part-time principals shall receive a matching contribution on a pro-rata basis equal to their percentage of full-time employment.

Section 3. Vendors: Participation in the benefits of this article is limited only to principals who select one (1) of the following vendors:

[List agreed-upon vendors]

Section 4. Notice of Participation: To be eligible for the provisions of this article, a principal must notify the School District*, in writing, by September 1st of his/her intention to participate in this matching program and the amount of the principal's contribution. This notice shall continue from year to year at the specified amount unless the principal notifies the School District, in writing, otherwise.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the principal must provide notification.*

Section 5. Payment: The principal's contribution shall be made by payroll deduction.

Section 6. Unpaid Leave: A principal on unpaid leave may not participate in the provisions of this article.

Section 7. Lifetime Limitation: The maximum lifetime School District contribution to any principal pursuant to this article shall be $_____, and, upon reaching this maximum, the principal shall no longer be eligible for School District contributions.

Section 8. Deduction for Severance Pay: In the event a principal is eligible for a severance or retirement payment pursuant to any other article of this Agreement, any School District contribution made pursuant to this article shall be deducted from such severance/retirement payment at the time of the principal's retirement.

Section 9. Applicable Statutes: The provisions of this article are subject to all limitations relating to such plans as provided by law.

NOTE 1. The vendor selection referred to in this article is a term and condition of employment and is negotiable pursuant to M.S.123B.02, Subd. 15.

NOTE 2. Annual contributions are limited by both Federal and State laws pursuant to M.S. 123B.02, Subd. 15. and Section 403(b) of the Internal Revenue Code.

NOTE 3. Both Sections 7. and 8. of this article are negotiable but are frequently contained in such School District programs. Section 8., however, would only be applicable for those School Districts in which a principal may also be eligible for severance pay.

NOTE 4. The blanks in Sections 1., 2., and 7. are obviously subject to individual consideration and

negotiation within the limits of the law. The years of service numbers in Section 2. are also negotiable.

ARTICLE VIII
GROUP INSURANCE

Section 1. Selection of Carrier: The selection of the insurance carrier and policy shall be made by the School District as provided by law.

NOTE: When administering the language in "Section 1.," School Districts need to keep in mind the limitations noted in M.S. 43A.316 (PEIP) and M.S. 471.6161, Subd. 5. (Collective Bargaining).

Section 2. Selection of School District's Group Health and Hospitalization Plan: The parties agree no principal shall select a group health and hospitalization plan that causes or will cause penalties, fees, or fines to be assessed against the School District.

Section 3. Health and Hospitalization Insurance – Single Coverage: The School District shall contribute a sum not to exceed $_____ per month toward the premium for individual coverage for each full-time principal employed by the School District who qualifies for and is enrolled in single coverage in the School District's group health and hospitalization insurance plan. Any additional cost of the premium shall be borne by the principal and paid by payroll deduction.

Section 4. Health and Hospitalization Insurance – Family Coverage: The School District shall contribute a sum not to exceed $_____ per month toward the premium for family coverage for each full-time principal employed by the School District who qualifies for and is enrolled in family coverage in the School District's group health and hospitalization insurance plan. Any additional cost of the premium shall be borne by the principal and paid by payroll deduction.

NOTE: School Districts that employ married couples, both of whom work for the School District, may wish to consider language, such as that below, which caps the amount of contribution the School District will pay.

The School District shall contribute a sum not to exceed $_____ per month for each full-time principal to be used toward the premium of the School District's health and hospitalization insurance plan selected by the individual principal. Said principal must qualify for and be enrolled in the School District's group health and hospitalization insurance plan. Any additional cost of the premium shall be borne by the principal and paid by payroll deduction. Principals married to one another or to other School District employees eligible for a School District contribution toward the premium of its group health and hospitalization insurance plan may combine the School District's contributions toward one family premium if allowed by the insurance carrier.

Section 5. Claims Against the School District: The School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to in this Agreement, and no claim shall be made against the School District as a result of a denial of insurance benefits by an insurance carrier.

Section 6. Duration of Insurance Contributions: A principal is eligible for School District contributions as provided in this article as long as the principal is employed by the School District, on paid status, and enrolled in the School District's group health and hospitalization insurance plan. Upon termination of employment, all School District contributions shall cease.

Section 7. Eligibility: Principals who are employed full-time as defined by the Affordable Care Act (ACA) shall be eligible for full benefits provided in this article.* Eligibility is also subject to any limitations contained in the contract between the insurance carrier and the School District. In the event the ACA is repealed, the language in this section shall no longer be valid and shall be replaced by the language in "Section 7.1" below.

**NOTE: School Districts that have negotiated benefits for part-time principals should insert the negotiated language following the first sentence above.*

Section 7.1. Eligibility: Full benefits provided in this article are designed for principals who are employed as principals an average of at least thirty-seven and one-half (37.5) hours* per week. Principals who are employed as principals an average of at least thirty (30) hours* per week shall be eligible for partial benefits proportional to the extent of their employment. Eligibility is subject to any limitations contained in the contract between the insurance carrier and the School District.

*NOTE: School Districts need to define the requirements for full-time and part-time principals. *These numbers are suggested numbers only; the parties may want to negotiate different ones. Also, School Districts are cautioned to specify effective dates for changes in benefits, amounts of insurance, or premium contributions.*

ARTICLE IX
LEAVES OF ABSENCE

NOTE: When permissible, School Districts should run leaves concurrently in order to prevent "leave stacking." Also, School Districts that use electronic requests instead of hardcopy requests need to review the existing leave language and may need to replace the word, "written," with the word, "documented."

Section 1. Sick Leave:

Subd. 1. Earning: A full-time principal shall earn _____ (_____) days of sick leave each year of employment as a principal by the School District. Annual sick leave shall accrue monthly as it is earned on a proportionate basis to the principal's work year.

Subd. 2. Accumulation: Unused sick leave days may accumulate to a maximum of _____ (_____) days of sick leave per principal.

Subd. 3. Use: Sick leave with pay shall be allowed whenever a principal's absence is found to have been due to the principal's illness and/or disability which prevented his/her attendance at school and performance of duties on that day or days. Pursuant to M.S. 181.9413, a principal may use his/her accumulated sick leave and the school board limits use as permissible.

Subd. 4. Medical Certificate: The School District may require a principal to furnish a medical certificate from a qualified physician as evidence of any illness and/or disability pursuant to this section, indicating such absence was due to illness and/or disability, in order to qualify for sick leave pay. However, the final determination as to the eligibility of a principal for sick leave is reserved to the School District. In the event that a medical certificate will be required, the principal will be so advised.

Subd. 5. Deduction: Sick leave allowed shall be deducted from the accumulated sick leave

days earned by the principal.

Subd. 6. Approval: Sick leave pay may be approved only upon the principal's submission of a signed request upon the authorized sick leave pay request form available in the central District office.

Section 2. Workers' Compensation: Pursuant to M.S. Chapter 176, a principal injured on the job in the service of the School District and collecting workers' compensation insurance may draw sick leave and receive full salary from the School District, the salary to be reduced by an amount equal to the insurance payments, and only that fraction of the days not covered by insurance will be deducted from accrued sick leave.

Section 3. Bereavement Leave: With the written approval of the Superintendent, up to three (3) days of leave may be allowed, the days to be deducted from sick leave, for death in a full-time principal's immediate family. "Immediate family" is defined as the principal's spouse, child, parent, brother, sister, or other relative who was living in the same household as the principal.

Section 4. Emergency Leave:

Subd. 1. Use: A full-time principal may be granted an emergency leave with the written approval of the Superintendent of no more than two (2) days per year, nonaccumulative, the day(s) used to be deducted from the principal's sick leave, for any situation that arises requiring the principal's emergency attention which cannot be attended to when school is not in session and which is not covered under other provisions of this Agreement.

Subd. 2. Requests: Requests for emergency leave must be made, in writing, to the Superintendent at least three (3) days in advance, unless the Superintendent determines that such advance notice was not possible. The request shall state the reason for the proposed leave. The Superintendent reserves the right to refuse to grant such leave if, under the circumstances involved, he/she determines that such leave should not be granted. All leaves must have prior, written approval, but, at no time, shall more than one (1) principal be granted emergency leave at any one time.

Subd. 3. Non-eligible Days: Emergency leave shall not be granted for the day preceding or the day following holidays or vacations and the first and last days of each school year.

Section 5. Child Care Leave:

Subd. 1. Use: A child care leave may be granted by the School District, subject to the provisions of this section, to one (1) principal-parent of a natural or adopted infant child, provided such principal-parent is caring for the child on a full-time basis.

Subd. 2. Request: A principal making application for child care leave shall inform the Superintendent, in writing, of the request to take the leave at least three (3) calendar months before commencement of the intended leave.

Subd. 3. Medical Statement: A principal will provide, at the time of the leave application, a statement from the attending physician indicating the expected date of delivery.

Subd. 4. Duration: In making a determination concerning the commencement and duration

of a child care leave, the School Board shall not, in any event, be required to:

(1.) grant any leave for more than twelve (12) months in duration;

(2.) permit the principal to return to employment prior to the date designated in the request for child care leave.

Subd. 5. Reinstatement: A principal returning from child care leave shall be reinstated in a position for which he/she is licensed unless previously discharged or placed on unrequested leave of absence.

Subd. 6. Failure to Return: Failure of the principal to return by the date determined under this section shall constitute grounds for termination unless the School Board and the principal mutually agree, in writing, to an extension in the leave.

Subd. 7. Salary and Fringe Benefits: Leave under this section shall be without pay or fringe benefits.

Section 6. General Leave of Absence:

Subd. 1. Application: Principals with a minimum of three (3) years of experience as a principal in the School District may apply, in writing, to the School District* for an unpaid leave of absence subject to the provisions of this section. The granting of such leave shall be at the sole discretion of the School District.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the principal must provide notification.*

Subd. 2. Purpose: Such leave may be granted by the School District for overseas teaching, participation in the Peace Corps, Vista, and/or National Teacher Corps, extended illness of the principal, extended illness in the principal's immediate family as defined in Section 3. above, civic activities, alternative occupational experiences, principal organization activity, service in public office, or other reasons deemed appropriate by the School District.

Subd. 3. Notification: A principal on such leave shall notify the Superintendent, in writing, no later than April 1st of the final leave year of the principal's intention to return at the conclusion of the leave or to request an extension of the leave. The granting of an extension shall be at the sole discretion of the School Board. The School Board may also, in its sole discretion, waive the April 1st notice date if the School Board determines special circumstances are involved. A principal who fails to notify the Superintendent as required may be subject to discipline.

Section 7. Family and Medical Leave (FMLA): FMLA leave shall be granted pursuant to applicable law.

Section 8. Jury Service: A principal who serves on jury duty shall be granted the day or days necessary as stipulated by the court to discharge this responsibility without any salary deduction or loss of basic leave allowance. The compensation received for jury duty service shall be remitted to the School District.

Section 9. Military Leave: Military leave shall be granted pursuant to applicable law.

Section 10. Medical Leave: Pursuant to M.S. 122A.40, Subd. 12., principals shall have a right to a

leave of absence for health reasons.

Section 11. Insurance Application: A principal on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The principal shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the School District the monthly premium in advance, except as otherwise provided in law. In the event the principal is on paid leave from the School District under Section 1. above or supplemented by sick leave pursuant to Section 2. above, the School District will continue insurance contributions as provided in this Agreement until sick leave is exhausted. Thereafter, the principal must pay the entire premium to the School District* for any insurance retained.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the principal must make payment.*

Section 12. Credit: A principal who returns from unpaid leave shall retain experience credit for pay purposes and other benefits which had accrued at the time the leave began. No credit shall accrue for the period of time that a principal was on unpaid leave.

Section 13. Eligibility: Full leave benefits provided in this article shall apply only to principals who are employed as principals an average of at least thirty-seven and one-half (37.5) hours* per week. Principals who are employed as principals an average of at least twenty (20) hours* per week shall be eligible for partial benefits proportional to the extent of their employment.

*NOTE: School Districts need to define the requirements for full-time and part-time principals. *These numbers are suggested numbers only; the parties may want to negotiate different ones.*

ARTICLE X
DUTY YEAR

Section 1. Principal Duty Days: The School Board shall establish the calendar and principals' duty days for each school year, and the principals shall perform services on those days as determined by the School Board, including those legal holidays on which the School Board is authorized to conduct school and, pursuant to such authority, has determined to conduct school.

Section 2. Duty Year: The duty year for principals shall be twelve (12) months and shall include _____ (_____) paid holidays and _____ (_____) paid days of vacation. A vacation day shall not be granted for the day preceding or the day following the first and last days of each school year.

NOTE: The specific holidays should be listed.

Section 3. Scheduling of Duty Days: The duty day schedule for principals shall be subject to the approval of the Superintendent.

Section 4. Non-Duty Days: Unless otherwise approved, in writing, by the Superintendent, all non-duty time to which a principal is entitled for a given contractual year shall be taken by the following August 31st.

Section 5. School Closings: In the event a duty day(s) is lost for any reason, the principal shall perform duties on such other day(s) in lieu thereof as the School Board shall determine. In the event that

principal duty days are not rescheduled, the principal's compensation shall be reduced in the amount of 1/_____* of the principal's basic salary, unless the principal is on a paid leave of absence.

**NOTE*: *The number of principal duty days in his/her contractual year should be inserted here.*

ARTICLE XI
GRIEVANCE PROCEDURE

Section 1. Definitions:

Subd. 1. Grievance: The word, "grievance," shall mean a written allegation by a principal that he/she has been injured as a result of a dispute or disagreement between the principal and the School District as to the interpretation or application of specific terms and conditions contained in this Agreement.

Subd. 2. Grievant: The word, "grievant," shall mean an individual principal who files a grievance as defined in Subd. 1. above.

Subd. 3. Days: Any reference to the word, "days," regarding time periods in this procedure shall refer to working days. The term, "working day," is defined as all week days not designated as holidays by state law.

Section 2. Representation: The grievant, other administrator, or School Board may be represented during any step of the procedure by any person or agent designated by such party to act on the party's behalf.

Section 3. Interpretations:

Subd. 1. Extension: Time limits specified in this Agreement may be extended by mutual, written agreement.

Subd. 2. Computation of Time: In computing any period of time prescribed or allowed by procedures in this article, the date of the act, event, or default for which the designated period of time begins to run shall not be included.

Subd. 3. Filing and Postmark: The filing or service of any notice or document required by this Agreement shall be timely if it is personally served or if it bears a certified postmark of the United States Postal Service within the time period.

Section 4. Time Limitation and Waiver: A grievance shall not be valid for consideration unless the grievance is submitted to the School District's designee in writing, signed by the grievant, setting forth the facts and the specific provision(s) of the Agreement allegedly violated and the particular relief sought within twenty (20) days* after the date of the first event giving rise to the grievance occurred. Failure to file any grievance within such period shall be deemed a waiver of that grievance. Failure to appeal a grievance from one level to another within the time periods provided below shall constitute a waiver of the grievance. An effort shall first be made to resolve an alleged grievance informally between the principal and the School District's designee.

Section 5. Resolution of Grievance: The School District and the principal shall attempt to resolve all grievances which may arise during the course of employment as follows:

Subd. 1. Level I: If the grievance is not resolved through informal discussion, the School District's designee shall give a written decision on the grievance to the parties involved within ten (10) days* after receipt of the written grievance.

Subd. 2. Level II: In the event the grievance is not resolved in Level I, the decision rendered may be appealed to the School Board, provided such appeal is made, in writing, within five (5) days* after receipt of the decision in Level I. If a grievance is properly appealed to the School Board, the School Board shall set a time to hear the grievance within twenty (20) days* after receipt of the appeal. Within twenty (20) days* after hearing the grievance, the School Board shall issue its written decision to the parties involved. At the option of the School Board, a committee or representative(s) of the School Board may be designated by the School Board to hear the appeal at this level and report the findings and recommendations to the School Board. The School Board shall then render its decision.

Section 6. Denial of Grievance: Failure by the School Board or its representative(s) to issue a decision within the time periods provided in this article shall constitute a denial of the grievance, and the grievant may appeal it to the next level.

Section 7. Arbitration Procedures: In the event that the grievant and the School Board are unable to resolve any grievance, the grievance may be submitted to arbitration as defined in this article.

Subd. 1. Request: A request to submit a grievance to arbitration must be in writing signed by the grievant, and such request must be filed in the office of the Superintendent within ten (10) days* following the decision in Level II of the grievance procedure.

Subd. 2. Prior Procedure Required: No grievance shall be considered by the arbitrator which has not been first duly processed in accordance with the grievance procedure and appeal provisions.

Subd. 3. Selection of Arbitrator: Upon the proper submission of a grievance under the terms of this procedure, the parties may, within ten (10) days* after the request to arbitrate, attempt to agree upon the selection of an arbitrator. If no agreement on an arbitrator is reached, either party may request the Commissioner to submit a panel of seven (7) arbitrators to the parties, pursuant to PELRA, provided such request is made within twenty (20) days* after the request for arbitration. The request shall ask that the panel be submitted within ten (10) days* after the receipt of said request. Within ten (10) days* after receipt of the panel, the parties shall alternately strike names, and the remaining name shall be the arbitrator to hear the grievance. The order of striking will be determined by lot. Failure to agree upon an arbitrator or the failure to request an arbitrator from the Commissioner within the time period as provided in this article shall constitute a waiver of the grievance.

Subd. 4. Hearing: The grievance shall be heard by a single arbitrator, and both parties may be represented by such person(s) as they may choose, and the parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, and make oral or written arguments relating to the issues before the arbitrator. The proceeding before the arbitrator shall be a hearing de novo.

Subd. 5. Decision: Decisions by the arbitrator in cases properly before him/her shall be final and binding upon the parties, subject, however, to the limitations of arbitration decisions as provided in PELRA. The arbitrator shall issue a written decision and order including findings of fact which

shall be based upon substantial and competent evidence presented at the hearing. All witnesses shall be sworn upon oath by the arbitrator.

Subd. 6. Expenses: Each party shall bear its own expenses in connection with arbitration, including expenses relating to the party's representatives, witnesses, and any other expenses which the party incurs in connection with presenting its case in arbitration. A transcript or recording of the hearing shall be made at the request of either party. The parties shall share equally the fees and expenses of the arbitrator, the cost of the transcript or recording if requested by either or both parties, and any other expenses which the parties mutually agree are necessary for the conduct of the arbitration. However, the party ordering a copy of such transcript shall pay for such copy.

Subd. 7. Jurisdiction: The arbitrator shall have jurisdiction over disputes or disagreements relating to grievances properly before him/her pursuant to the terms of this procedure. The jurisdiction of the arbitrator shall not extend to proposed changes in terms and conditions of employment contained in this Agreement; nor shall an arbitrator have jurisdiction over any grievance which has not been submitted to arbitration in compliance with the terms of the grievance and arbitration procedure as outlined in this article; nor shall the jurisdiction of the arbitrator extend to matters of inherent managerial policy, which shall include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel. In considering any issue in dispute, the arbitrator's order shall give due consideration to the statutory rights and obligations of the School Board to efficiently manage and conduct its operation within the legal limitations surrounding the financing of such operations.

Section 8. Election of Remedies and Waiver: A party instituting any action, proceeding, or complaint in a federal or state court of law or before an administrative tribunal, federal agency, state agency, or seeking relief through any statutory process for which relief may be granted, the subject matter of which may constitute a grievance under this Agreement, shall immediately thereupon waive any and all rights to pursue a grievance under this article. Upon instituting a proceeding in another forum as outlined in this Agreement, the principal shall waive the right to initiate a grievance pursuant to this article, or, if the grievance is pending in the grievance procedure, the right to pursue it further shall be immediately waived. This section shall not apply to actions to compel arbitration as provided in this Agreement or to enforce the award of an arbitrator.

**NOTE*: *These numbers are suggested numbers only; the parties may want to negotiate different ones.*

ARTICLE XII
PROGRESSIVE DISCIPLINE

Section 1. Discipline: Discipline shall consist of oral reprimand, written reprimand, suspension with pay, suspension without pay, and discharge. However, the School District reserves the right to impose discipline at any level as determined it determines based upon the circumstances surrounding the action. A conference between the principal and his/her supervisor(s) shall be held prior to the imposition of a written reprimand, suspension, or discharge.

Section 2. Grounds for Disciplinary Action: The imposition of an oral reprimand shall not be subject to the grievance procedure. A principal may challenge the contents of any written materials in his/her personnel file pursuant to the provisions of M.S. 122A.40, Subd. 19. A principal shall be suspended without pay only for just cause, and such action shall be subject to the grievance procedure. A principal who is the

subject of a discharge shall be governed by M.S. 122A.40, and such action shall not be subject to the provisions of this article.

Section 3. Opportunity to Meet: Suspension with or without pay shall be imposed only by the Superintendent or his/her designee. If a suspension without pay is to be considered pursuant to Section 2. above, the principal shall be afforded an opportunity to meet with the Superintendent or his/her designee, and the principal may elect to have a representative in attendance at any such meeting.

Section 4. Subject to Arbitration: Suspension without pay shall take effect only after written notification from the Superintendent or his/her designee to the principal stating the grounds for suspension without pay. The principal shall have the right to invoke the grievance procedure set forth in this Agreement at the arbitration level, provided written notification requesting arbitration is sent to the Superintendent or his/her designee within five (5) working days after receipt of the written notice of suspension without pay. The arbitrator's authority shall include a review of whether the suspension without pay and length thereof were appropriate considering the circumstances surrounding the action.

Section 5. Removal from Duty – Investigation: This article shall not apply to a principal who is removed from duty on paid suspension pending investigation of allegations or to a principal charged with a felony who is removed from duty on unpaid suspension pursuant to M.S. 122A.40, Subd. 13.

ARTICLE XIII
DURATION

Section 1. Terms and Reopening Negotiations: This Agreement shall remain in full force and effect for a period commencing upon the date of its full ratification through June 30, 20___, and thereafter as provided by PELRA. In the event a successor Agreement is not entered into prior to the expiration date of this Agreement, a principal shall be compensated according to the previous year's compensation until such time that a successor Agreement is ratified. If the exclusive representative desires to modify or amend this Agreement commencing on July 1, 20___, it shall give written notice of such intent pursuant to PELRA no later than May 1, 20___, including complete language and detail of proposed changes. If such notice is not timely served, the School District shall not be required to negotiate any terms of employment for the following school year. Unless otherwise mutually agreed, the parties shall not commence negotiations more than ninety (90) days prior to the expiration of this Agreement.

Section 2. Effect: This Agreement constitutes the full and complete Agreement between the School District and the exclusive representative. The provisions of this Agreement relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, and School District policies, rules, and regulations concerning terms and conditions of employment inconsistent with these provisions. Nothing in this Agreement shall be construed to obligate the School District to continue or discontinue existing or past practices or prohibit the School District from exercising all management rights, functions, and prerogatives, except insofar as this exercise would be in express violation of any term or terms of this Agreement.

Section 3. Severability: The provisions of this Agreement shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Agreement or the application of any provision.

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

For_____
Name of organizational representative

_____
President

_____
Secretary

Dated this ____ day of _____, 20___.

For the School District

_____
School Board Chair

_____
School Board Clerk

Dated this ____ day of _____, 20___.

11. MODEL CONTRACT FOR BUSINESS OFFICIAL (OR OTHER TITLE AS USED BY THE SCHOOL DISTRICT)

BUSINESS OFFICIAL CONTRACT

ARTICLE I
PURPOSE

This Contract is entered into between Independent School District No._____, _____, Minnesota, hereinafter referred to as the School District, and _____, hereinafter referred to as the Business Official, who agrees to perform the duties of the Business Official of the School District.

ARTICLE II
DURATION, EXPIRATION, TERMINATION
DURING THE TERM, MUTUAL CONSENT, AND CONTINGENCY

Section 1. Duration: This Contract is for a term of ____ years commencing on July 1, 20__, and ending on June 30, 20__. It shall remain in full force and effect unless modified by mutual consent of the School Board and the Business Official or unless terminated as provided in this Contract.

Section 2. Expiration: This Contract shall expire at the end of the term specified in Section 1. above. At the conclusion of its term, neither party shall have any further claim against the other, and the School District's employment of the Business Official shall cease, unless a subsequent Contract is entered into by the parties. In the event the parties fail to enter into a subsequent contract, the Business Official's employment shall continue on a month-to-month basis until the School Board either enters into a subsequent Contract with the Business Official or until the School Board provides sixty (60) calendar days of written notice of the termination of the Business Official's employment.

Section 3. Termination During the Term: The Business Official's employment may be terminated during the term of this Contract only for cause as defined in M.S. 122A.40, Subd. 9. and Subd. 13., but, except for purposes of describing grounds for discharge, the provisions of M.S. 122A.40 shall not be applicable. If the School Board proposes to terminate the Business Official during the term of this Contract for cause as described in M.S. 122A.40, Subd. 9. or Subd. 13., it shall notify the Business Official, in writing, of the proposed grounds for termination. The Business Official shall be entitled to a hearing before an arbitrator provided the Business Official makes such a request, in writing, to the School Board Chair within fifteen (15) calendar days after receipt of the written notice of the proposed termination. In such event, the parties shall jointly petition the Bureau of Mediation Services (BMS) for a list of five (5) arbitrators. The arbitrator shall be selected by the parties through the normal striking process as provided by BMS rules. The arbitrator shall conduct a hearing under normal arbitration procedure rules and issue a written decision. The decision of the arbitrator shall be final and binding upon the parties, subject to normal judicial review of arbitration decisions as provided by law. The Business Official may be suspended with pay pending final determination by the arbitrator. If the Business Official fails to request a hearing as provided in this section within the fifteen (15)-day calendar period, he/she shall be deemed to have acquiesced to the School Board's proposed action, and the proposed action shall become final on such date as determined by the School Board, and the Business Official shall have no further claim or recourse.

Section 4. Mutual Consent: This Contract may be terminated at any time by mutual consent of the School Board and the Business Official.

Section 5. Contingency: If this Contract is a subsequent Contract entered into prior to the completion of an existing Contract, this subsequent Contract is contingent upon the Business Official completing the terms of the existing Contract.

ARTICLE III
DUTIES

The Business Official shall serve as the Chief Business and Financial Officer of the School District and shall serve under the direction of the Superintendent. The Business Official shall perform all duties incident to the position of Business Official and such other duties as may be prescribed by the Superintendent and School Board from time to time. The Business Official shall abide by the policies, regulations, rules, and procedures established by the School Board and the Commissioner of the Department of Education and shall abide by all Minnesota laws relating to the operation of the School District. The Business Official shall attend School Board and other meetings as directed by the Superintendent and shall provide recommendations to the Superintendent regarding the financial and business affairs of the School District.

ARTICLE IV
DUTY YEAR AND LEAVES OF ABSENCE

Section 1. Basic Work Year: The Business Official's duty year shall be for the entire twelve (12)-month Contract year, and the Business Official shall perform duties on those legal holidays on which the School Board is authorized to conduct school if the School Board so determines. The Business Official shall be on duty during any emergency, natural or unnatural, unless otherwise excused in accordance with School Board administrative policy.

Section 2. Vacation: The Business Official shall earn _____ (_____) working days of annual paid vacation each Contract year. Unused vacation must be taken within six (6) months after the end of the Contract year in which it is earned. Upon voluntary termination of employment, the Business Official shall be entitled to payment for any unused vacation days earned and accrued pursuant to the provisions of this section; however, if the Business Official is involuntarily terminated, he/she shall not be entitled to unused earned and accrued vacation days.

Section 3. Holidays: The Business Official shall be entitled to _____ (_____) paid holidays as designated by the School Board each Contract year.

NOTE 1: The specific holidays should be listed.

Section 4. Sick Leave: The Business Official shall earn paid sick leave at the rate of _____ (_____) day(s) each working month, and earned sick leave may accumulate to a maximum of _____ (_____) days. Upon voluntary termination of employment, the Business Official shall be entitled to payment for any unused sick leave days earned and accrued pursuant to the provisions of this section; however, if the Business Official is involuntarily terminated, he/she shall not be entitled to unused earned and accrued sick leave days.

Section 5. Workers' Compensation: Pursuant to M.S. Chapter 176, the Business Official injured on the job in the service of the School District and collecting workers' compensation insurance may draw sick leave and receive full salary from the School District, the salary to be reduced by an amount equal to the insurance payments, and only that fraction of the days not covered by insurance will be deducted from accrued sick leave.

Section 6. Bereavement Leave: The Business Official shall be granted bereavement leave for a death within the Business Official's immediate family. The time utilized shall be in an amount to be determined after conferring with the Superintendent. Days utilized [*will or will not*] be deducted from the Business Official's sick leave. "Immediate family" is defined as the Business Official's spouse, child, parent, brother, sister, or other relative who was living in the same household as the Business Official.

Section 7. Emergency Leave: The Business Official may be granted paid emergency leave at the discretion of the Superintendent.

Section 8. Jury Service: The Business Official who serves on jury duty shall be granted the day or days necessary as stipulated by the court to discharge this responsibility without any salary deduction or loss of basic leave allowance. The compensation received for jury duty service shall be remitted to the School District.

Section 9. Military Leave: Military leave shall be granted pursuant to applicable law.

Section 10. Insurance Application: A Business Official on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The Business Official shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the School District the monthly premium in advance. In the event the Business Official is on paid leave from the School District under Section 4. above or supplemented by sick leave pursuant to Section 5. above, the School District will continue insurance contributions as provided in this Contract until sick leave is exhausted. Thereafter, the Business Official must pay the entire premium for any insurance retained.

ARTICLE V
INSURANCE

Section 1. Health and Hospitalization and Dental Insurance: The School District shall provide the Business Official and the Business Official's dependents with health and hospitalization insurance coverage under the School District's group health and hospitalization insurance plan. The School District shall contribute the sum of $_____ per month toward the premium for such insurance. The balance of the premium shall be paid by the Business Official through payroll deduction. The School District shall also provide the Business Official and the Business Official's dependents with dental insurance coverage under the School District's group dental insurance plan. The School District shall contribute the sum of $_____ per month toward the premium for such insurance. The balance of the premium shall be paid by the Business Official through payroll deduction.

NOTE 2: In the event this Contract will cause or does cause penalties, fees, or fines to be assessed against the School District, the parties agree to reopen negotiations that result in a revised Contract between the parties that eliminates or reduces penalties, fees, or fines to be assessed against the School District. The amount of any reduction in the School District's contribution toward the Business Official's healthcare benefits as a result of addressing the "highly compensated employee" component of the ACA will be placed into another School District provided benefit(s) (i.e., a retirement HRA, salary, etc.) as agreed upon between the parties.

Section 2. Life Insurance: The School District shall provide, at its own expense, term life insurance for the Business Official under the School District's group term life insurance plan in the amount of $_____, payable to the Business Official's named beneficiary(ies).

NOTE 3: According to the Internal Revenue Service rules, the amount of School District premium contribution that pays for life insurance coverage in excess of $50,000 is considered taxable income, so the School District should be certain that it is reporting that contribution as such, and the Business Official needs to know why that amount is being reported.

Section 3. Long-Term Disability Insurance: The School District shall provide, at its own expense, long-term disability insurance for the Business Official under the School District's group long-term disability insurance plan.

Section 4. Eligibility: The eligibility of the Business Official and the Business Official's dependent(s) and beneficiary(ies) for insurance benefits shall be governed by the terms of the insurance policies purchased by the School District pursuant to this article.

Section 5. Claims Against the School District: The School District's only obligation is to purchase the insurance policies described in this article, and no claim shall be made against the School District as a result of denial of insurance benefits by an insurer if the School District has purchased the policies and paid the premiums described in this article.

ARTICLE VI
OTHER BENEFITS

Section 1. Tax-Sheltered Annuities: The Business Official is eligible to participate in a tax-sheltered annuity plan through payroll deduction established pursuant to Section 403(b) of the Internal Revenue Code of 1986, M.S. 123B.02, Subd. 15., School District policy, and as otherwise provided by law.

Section 2. Vehicle: The School District shall compensate the Business Official for business use of his/her private vehicle at the rate of _____ (_____) cents per mile pursuant to M.S. 471.665, Subd. 1.

[*or*]

The School District shall provide the Business Official with a monthly allowance of $_____ for business use of his/her private vehicle pursuant to M.S. 471.665, Subd. 3.

NOTE 4: Prohibition Against Combination of Options. One of the two options above should be selected and the other option deleted. Some School Districts have been utilizing a combination of M.S. 471.665, Subd. 1. and Subd. 3. – i.e., in-district travel and out-of district travel. However, an opinion by the Minnesota Attorney General indicates that using the combination is improper (see Op. Atty. Gen. 11/20/95).

NOTE 5: Prohibition Against Personal Use of School District Vehicle. Two opinions by the Minnesota Attorney General conclude that a School District may not provide a School District-owned vehicle which the Business Official utilizes for personal use even if the Business Official pays for such personal use (see Op. Atty. Gen. 161b-12 1/24/89 and Op. Atty. Gen. 395b 10/24/89).

NOTE 6: Statutory Restrictions on Personal Use of District-Owned Vehicles. M.S. 471.666 prohibits personal use of a vehicle owned, leased by, or loaned to a School District, except for incidental use related to School District business. Such a vehicle may not be used for transportation to or from the residence of the School District employee except for narrow, incidental use related to the School District's business. The effect of this restriction is so limiting that a School District's provision of District-owned, leased, or loaned vehicles for any personal use by the Business Official is impractical (see M.S. 471.666).

Section 3. Conferences and Meetings: The School District shall pay all legally valid expenses and fees for the Business Official's attendance at professional conferences and meetings with other educational agencies when such attendance is required, directed, or permitted by the School Board. The Business Official shall periodically report to the Superintendent relative to all meetings and conferences attended. The Business Official shall file itemized expense statements to be processed and approved as provided by School Board policy and law.

ARTICLE VII
SALARY

The Business Official shall be paid an annual salary of $_____ for the 20__ - 20__ Contract year and $_____ for the 20__ - 20__ Contract year. The annual salary may be modified, but shall not be reduced, during the term of this Contract. The salary shall be paid in _____ (_____) equal installments during the Contract year.

[*or*]

The Business Official shall be paid an annual salary of $_____ for the 20__ - 20__ Contract year. The parties shall endeavor to agree by April 1 of each year on the amount of the salary for the following year. The annual salary may be modified, but shall not be reduced, during the term of this Contract. The salary shall be paid in _____ (_____) equal installments during the Contract year.

NOTE 7: Options. School Boards should use only one of the paragraphs above. The first paragraph fixes a salary for more than one year, while the second paragraph fixes the salary for one year and requires mutual agreement for the subsequent year(s). Practices vary from School District to School District.

NOTE 8: This model Contract anticipates a Contract of two years. The model Contract would need to be adjusted if the parties wish to enter into a Contract of a different duration up to a maximum of three years.

ARTICLE VIII
OTHER PROVISIONS

Section 1. Outside Activities: While the Business Official shall devote full time and due diligence to the affairs and the activities of the School District, he/she may also serve as a consultant to other school districts or educational agencies, lecture, engage in writing and speaking activities, and engage in other activities if, as solely determined by the Superintendent, such activities do not impede the Business Official's ability to perform the duties of the Business Official's position. However, the Business Official may not engage in other employment, consultant service, or other activity for which a salary, fee, or honorarium is paid without the prior approval of the Superintendent.

Section 2. Indemnification and Provision of Counsel: In the event that an action is brought or a claim is made against the Business Official arising out of or in connection with his/her employment and the Business Official is acting within the scope of employment or official duties, the School District shall defend and indemnify the Business Official to the extent permitted by law. Indemnification, as provided in this section, shall not apply in the case of malfeasance in office or willful or wanton neglect of duty, and the obligation of the School District in this regard shall be subject to the limitations as provided in M.S. Chapter 466.

Section 3. Dues: The Business Official is encouraged to belong to and participate in appropriate professional, educational, economic development, community, and civic organizations when such membership will serve the best interests of the School District. Accordingly, the School District will pay the membership dues for such organizations as are required, directed, or permitted by the Superintendent and/or the School Board. The Business Official shall present appropriate statements for approval as provided by law.

NOTE 9: Until 2007, School Districts were restricted to paying dues for their business officials to belong to professional and educational organizations, but the 2007 Minnesota Legislature enacted M.S. 123B.02, Subd. 24., allowing School Districts to pay dues for other organizations if their School Boards deemed such membership to be appropriate.

[Section 4. Other Applicable Provisions: In this section, other terms and conditions of employment as agreed upon between the parties should be included. Items such as severance pay, payment for unused sick leave, and extended leaves of absence, if provided to the Business Official, are examples of what could be included. Since business officials' contracts vary greatly in the manner in which they address such provisions, no attempt has been made to develop specific model Contract language. However, if the parties are considering the inclusion of such provisions, both MSBA and MASBO may be able to provide sample language upon request.]

NOTE 10: Since July 31, 1993, severance pay for highly compensated employees has been restricted. A "highly compensated employee" is an employee with estimated annual wages that are greater than sixty percent (60%) of the governor's salary and are equal to, or greater than, eighty percent (80%) of the estimated annual wages of the second highest paid employee of the School District. Severance pay for highly compensated employees is restricted to an amount equivalent to six (6) months of wages. For purposes of this restriction, payments for accumulated vacation and sick leave liquidated to cover the cost of group term insurance may be paid in addition to the six (6) months of severance pay. For exceptions to the six (6)-month restriction, see M.S. 465.722, Subd. 3., which may be found in section "D.5." of "Chapter 3" in the MSBA Service Manual.

ARTICLE IX
SEVERABILITY

The provisions of this Contract shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Contract or the application of any provision thereof.

IN WITNESS WHEREOF, I have subscribed my signature this ____ day of _____, 20___.

_____
Business Official

IN WITNESS WHEREOF, we have subscribed our signatures this ____ day of _____, 20___.

_____
School Board Chair

_____
School Board Clerk

12. SCOPE OF NEGOTIABLE ITEMS – NONLICENSED EMPLOYEES.

1. BASIC STATUTORY PROVISIONS

a. The scope of negotiations is defined in M.S. 179A.03, Subd. 19. as follows: The term, "terms and conditions of employment," means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than employer payment of, or contributions to, premiums for group insurance coverage for retired employees or severance pay, and the employer's personnel policies affecting the working conditions of the employees. In the case of professional employees the term does not mean education policies of a school district. "Terms and conditions of employment" is subject to M.S. 179A.07.

b. A School Board is not legally obligated to meet and confer with nonlicensed personnel regarding policy matters since the meet and confer duties apply only to professional employees (M.S. 179A.06, Subd. 4.; M.S. 179A.07, Subd. 3.). However, most School Districts extend this process, on a limited basis, to nonlicensed personnel, and it is probably a positive gesture in the interest of open communication.

c. The School Board has the final management rights (M.S. 179A.07, Subd. 1.).

d. An arbitration panel has no jurisdiction to consider items outside the definition of terms and conditions of employment unless the School Board includes such items in its last offer (M.S. 179A.16, Subd. 5.).

e. The "unfair practices section" applies to employees as well as the School Board (M.S. 179A.13).

2. NEGOTIABLE ITEMS UNDER TERMS AND CONDITIONS OF EMPLOYMENT FOR NONLICENSED EMPLOYEES

a. In the previous section, under licensed employee (teacher) negotiations, a list of items classified as either "meet and negotiate," "managerial policy," or "statutory" was provided. As a general principle, any item excluded from the definition of the terms and conditions of employment is not negotiable by nonlicensed personnel.

b. Based upon the best information available, we have categorized a number of subject items to assist School Boards in their nonlicensed employee negotiations.

(1) Terms and conditions of employment within the meaning of the law require a School Board to meet and negotiate on these matters insofar as these activities relate to or are performed by members of the appropriate unit (M.S. 179A.03, Subd. 19.).

(2) Final managerial rights are those items about which the final decision rests with the School Board even though a School Board may have met and conferred with the employee representative on items which the School Board is not required to negotiate (M.S. 179A.07, Subd. 1.). However, a School District may be required to meet and negotiate on the effects of the exercise of a management right; i.e., subcontracting. See School Service Employees Union, Local 284 v. Ind. Sch. Dist. No. 88, 503 N.W.2d 104 (Minn. 1993).

(3) Items governed by law, statute, or rule are those affected in some manner by such enactment, even though they may be partially included in some other category. Thus, if an item is checked under this category, the applicable law, statute, or rule should be reviewed and followed during the course of meeting and negotiating or when a School Board makes a decision as part of its final managerial right.

NONLICENSED EMPLOYEES

ITEMS	Meet & Negotiate Terms & Conditions (1)	Final Managerial Policy (2)	Addressed in Law, Statute, or Rule (3)
LEAVE BENEFITS			
Adoption Leave	x		x
Arbitration, Mediation, & Negotiation Leave			x
Bereavement Leave	x		
Child Care Leave	x		x
Extended & Temporary Leaves of Absence		x	
Family and Medical Leave Act			x
Military Leave			x
Organization Leave-Officers of Exclusive Representative			x
Personal Leave	x		
Public Office Leave		x	x
Religious Leave			x
Sick Child Care Leave			x
Sick Leave	x		
MISCELLANEOUS			
Arbitration Decisions - Limitations			x
Budget - Financial Information			
Estimates for Future Expenditure			x
Official Records			x
Discipline - Employees	x		
Discrimination			x
Due Process			x
Duration of Agreement (cannot exceed 3 years)	x		x
Evaluation - Employees		x	
Facilities & Equipment - Use		x	
Grievance Procedure	x		x
Hiring Practice		x	
Layoffs - Seniority	x		
Mileage	x		x
Number of Personnel		x	
Posting of Vacancies	x		
Probationary Period	x		
Retirement			x
Strikes			x
Uniforms - Cost of	x		

Union Representative in School During Working Hours		x	
Workers' Compensation			x
SALARY BENEFITS AND ADMINISTRATION			
Annuities, Tax-Sheltered School District Contribution			x
Deferred Compensation (*)	x	x	x
Dues Deduction			
Administration & Procedure	x		
Fair Share Service Fee (Non-Member)			x
Members' Exclusive Representative			x
Employee-Authorized Deductions		x	
Insurance			
Dental	x		
Health & Accident	x		
Long-Term Disability	x		
Life		x	
Selection-Insurance Carrier & Bidding Procedures			x
Jury Duty		x	
Pay Periods, Frequency	x		
Retirement Plans			x
Salary			
Basic Compensation	x		
Building Checks	x		
Call-Back Pay	x		
Classification - Pay Purposes	x		
Holiday Pay	x		
Overtime Pay Differential			x
Severance Pay	x		x
Shift Differentials	x		
Vacation Pay	x		
WORK LOAD AND ASSIGNMENT			
Direction & Assignment		x	
Duty-Free Lunch Period	x		
Hours	x		
Work Year - Length	x		

3. CONCLUSION

It is evident that the legislative intent is to limit negotiable items relating to terms and conditions of employment. The responsibility to care, manage, and control the operations of the public schools is vested in the School Board. The School Board should be cognizant that, in nonlicensed employee negotiations, the legislature did not provide for meet and confer rights which are restricted to professional employees. School Boards are cautioned to enter into formal negotiations only in those areas or on those items that are within the statutory jurisdiction of the School Board. School Board members and School District administrators are urged to further inquire should there be any need for clarification or further explanation of any of the matters contained in this bulletin or if presented with items not listed herein.

Further, School Boards should be reminded that, unlike teachers who have statutory rights to seniority in terms of placement on and recall from unrequested leave of absence (but not in terms of transfer or assignment), nonlicensed employees have no statutory rights to seniority and can gain it only with the agreement of the School Board.

FOOTNOTE: (1) School District may, but is not required to, meet and negotiate on this subject matter. M.S. 179A.07, Subd. 2.(b).

13. MODEL AGREEMENT – NONLICENSED

Master Agreement

between

Independent School District No. 000
Anywhere*, Minnesota

and the

XYZ Association**

July 1, 20__, through June 30, 20__

*town where the School District office is located
**name of the exclusive representative

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ARTICLE I
PURPOSE

This Agreement is entered into between Independent School District No. _____, _____, Minnesota, hereinafter referred to as the District or the School District, and the _____ [*insert the name of the employees' local exclusive representative*], hereinafter referred to as the exclusive representative, pursuant to and in compliance with the Minnesota Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as PELRA, to provide the terms and conditions of employment for _____ [*insert the type(s) of employee group(s) covered by this Agreement – i.e., custodians, cooks, clerical staff, bus drivers, paraprofessionals, etc.]* for the duration of this Agreement.

NOTE: In some School Districts, an Agreement may include several or all types of non-licensed employees. In other School Districts, there may be separate Agreements for each type of non-licensed employee.

ARTICLE II
RECOGNITION OF EXCLUSIVE REPRESENTATIVE

Section 1. Recognition: In accordance with PELRA, the School District recognizes _____ [*insert the name of the employees' local exclusive representative with exclusive representative status*] as the exclusive representative for _____ [*insert the type(s) of employee group(s), as noted in "ARTICLE I" above*] employed by the School District, which exclusive representative shall have those rights and duties as prescribed by PELRA and as described in this Agreement.

Section 2. Appropriate Unit: The exclusive representative shall represent all such employees of the School District as defined in ARTICLE III, Section 2. below and PELRA and in certification by the Commissioner of the Minnesota Bureau of Mediation Services (BMS). *[NOTE: If certification from the BMS exists, the case number should be included here, as should the description of the unit as contained in the certification.]*

ARTICLE III
DEFINITIONS

Section 1. Terms and Conditions of Employment: The term, "terms and conditions of employment," means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than School District payment of, or contributions to, premiums for group insurance coverage of retired employees or severance pay, and the School District's personnel policies affecting the working conditions of the employees. "Terms and conditions of employment" is subject to the provisions of PELRA.

NOTE: The 2008 legislative session addressed sweeping changes in tax-sheltered annuity provisions, including the following:

(1.) reversing a court decision and designating the identity and number of available vendors under the Federal Internal Revenue Code, Section 403(b) as a term and condition of employment making such subject matter negotiable;

(2.) identifying criteria which the School District and the exclusive representative must consider in selecting vendors for such tax-sheltered programs;

(3.) removing the $2,000 cap for the employer's contribution and replacing it with a formula representing "one-half of the available elective deferral permitted per year per employee under Internal Revenue Code."

See M.S. 123B.02, Subd. 15., as amended (which identifies (1.) and (2.) above as mandatory subjects of bargaining), and M.S. 356.24, Subd. 1., as amended.

If a School District elects to implement a 403(b) plan, MSBA suggests that it use the model language provided in ARTICLE VII.

Section 2. Description of Appropriate Unit: For purposes of this Agreement, the word/term, "_____," [*insert the name(s) of the employee group(s), as noted in "ARTICLE I" above*] shall mean all persons in the appropriate unit employed by the School District in such classifications excluding the following: confidential employees, supervisory employees, essential employees, part-time employees whose services do not exceed the lesser of fourteen (14) hours per week or thirty-five percent (35%) of the normal work week in the employee's bargaining unit, employees who hold positions of a temporary or seasonal character for a period not in excess of sixty-seven (67) working days in a calendar year unless those positions have already been filled in the same calendar year and the cumulative number of days in the same position by all employees exceeds sixty-seven (67) calendar days in that year, and emergency employees.

NOTE: In this section, if the School District has specific positions which it deems to be supervisory or confidential in nature (such as, "head custodian," "transportation director," "head cook," etc.), the School District should identify the particular position and state it in the exclusions.

Section 3. District or School District: For purposes of administering this Agreement, the word/term, "District/School District," shall mean the School Board or its designated representative(s).

NOTE: The only time the reference,"Board/School Board," should appear is when the reference is specific to the elected body and its authority or responsibilities.

Section 4. Other Terms: Terms not defined in this Agreement shall have those meanings as defined by PELRA.

ARTICLE IV
SCHOOL DISTRICT RIGHTS

Section 1. Inherent Managerial Rights: The exclusive representative recognizes that the School District is not required to meet and negotiate on matters of inherent managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel.

Section 2. School Board Responsibilities: The exclusive representative recognizes the right and obligation of the School Board to efficiently manage and conduct the operation of the School District within its legal limitations and with its primary obligation being to provide educational opportunities for the students of the School District.

Section 3. Effect of Rules, Regulations, Directives, and Orders: The exclusive representative

recognizes that all employees shall perform the services prescribed by the School District and shall be subject to School Board rules, regulations, directives, and orders issued by properly designated officials of the School District. The exclusive representative also recognizes the right, obligation, and duty of the School Board and its duly designated officials to promulgate rules, regulations, directives, and orders, from time to time, as deemed necessary by the School Board insofar as such rules, regulations, directives, and orders are not inconsistent with the terms of this Agreement.

Section 4. Reservation of Managerial Rights: The foregoing enumeration of rights and duties shall not be deemed to exclude other inherent managerial rights and managerial functions not specifically included in this Agreement, and all managerial rights and managerial functions not specifically included in this Agreement are reserved to the School District.

ARTICLE V
EMPLOYEE RIGHTS

Section 1. Right to Views: Pursuant to PELRA, nothing contained in this Agreement shall be construed to limit, impair, or affect the right of any employee or his/her representative to the expression or communication of a view, grievance, complaint, or opinion regarding any matter related to the conditions or compensation of public employment or their betterment, so long as the same is not designed to and does not interfere with the full, faithful, and proper performance of the duties of employment or circumvent the rights of the exclusive representative.

Section 2. Right to Join: Pursuant to PELRA, employees shall have the right to form and join labor or employee organizations and shall have the right not to form and join such organizations. Employees in an appropriate unit shall have the right, by secret ballot, to designate an exclusive representative for the purpose of negotiating grievance procedures and the terms and conditions of employment for such employees.

Section 3. Request for Dues Checkoff: Pursuant to PELRA, the exclusive representative shall be allowed dues checkoff. Upon receipt by the School District* of a properly executed authorization card of the employee involved, the School District will deduct from the employee's paycheck the dues that the employee has agreed to pay to the exclusive representative in _____ equal installments, beginning with the first pay period in __*[month]*__.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the employee must provide the authorization card.*

Section 4. Fair Share Fee: In accordance with PELRA, any employee included in the appropriate unit who is not a member of the exclusive representative may be required by the exclusive representative to contribute a fair share fee for services rendered as exclusive representative. The fair share fee for any employee shall be in an amount equal to the regular membership dues of the exclusive representative, less the cost of benefits financed through the dues and available only to members of the exclusive representative, but in no event shall the fee exceed eighty-five percent (85%) of the regular membership dues.

The exclusive representative shall provide written notice of the amount of the fair share fee assessment and the name of each employee to be assessed to the School District and written notice of the amount to each employee to be assessed the fair share fee.

A challenge by an employee or by a person aggrieved by the assessment shall be filed, in writing, with the Commissioner of the Bureau of Mediation Services (Commissioner), the School District, and the exclusive representative within thirty (30) days after the receipt of the written notice. All challenges shall

specify those portions of the assessment challenged and the reasons therefor, but the burden of proof relating to the amount of the fair share fee shall be on the exclusive representative. The School District shall deduct the fee from the earnings of the employee and transmit the fee to the exclusive representative within thirty (30) days after the written notice was provided, or, in the event a challenge is filed, the deductions for a fair share fee shall be held in escrow by the School District pending a decision by the Commissioner or a court. Any fair share fee challenge shall not be subject to the grievance procedure.

The exclusive representative hereby warrants and covenants that it will defend, indemnify, and save the School District harmless from any and all actions, suits, claims, damages, judgments, and executions or other forms of liability, liquidated or unliquidated, which any person may have or claim to have, now or in the future, arising out of or by reason of the deduction of the fair share fee specified by the exclusive representative as provided in this Agreement.

ARTICLE VI
RATES OF PAY

Section 1. Rates of Pay:

Subd. 1. 20 - 20 Rates of Pay: The salaries reflected in Schedule A shall be a part of the Agreement for the period commencing _____, 20___, to _____, 20___.

Subd. 2. Status of Salary Schedule: For the duration of this Agreement, advancement on any salary schedule shall be subject to the terms of this Agreement. In the event a successor Agreement is not entered into prior to the expiration of this Agreement, an employee shall be compensated according to the current rate until a successor Agreement is fully ratified, and any change in compensation shall only be effective as of the date the successor Agreement is fully ratified and prorated from that date forward.

Section 2. Withholding Salary Advancement: An individual employee's salary advancement is subject to the right of the School Board to withhold salary increases for good and sufficient grounds. An action withholding a salary increase shall be subject to the grievance procedure.

NOTE: A great variety of compensation plans for non-licensed personnel exist; therefore, MSBA is not suggesting specific language in this area. In addition, the pay equity ramifications of a School District's settlement must also be carefully considered.

ARTICLE VII
403(b) MATCHING CONTRIBUTION PLAN

Section 1. Eligibility: Pursuant to the provisions of M.S. 123B.02, Subd. 15. and Section 403(b) of the Federal Internal Revenue Code, the School District will make matching contributions for each employee who has completed at least three (3) consecutive years of working experience in the School District and who is employed an average of at least _____ (_____) hours per week and at least _____ (_____) days per school year pursuant to the provisions of this article.

Section 2. Amount of School District Contribution:

Subd. 1. Full-time Employees: Full-time, eligible employees, after completion of their third (3rd) consecutive year of working experience in the School District, shall be eligible for an annual

School District matching contribution as follows:

Years of Service	Maximum Matching Contribution
4-7	$ _____,
8-11	$ _____,
12-14	$ _____,
15+	$ _____.

Subd. 2. Part-time Employees: Eligible part-time employees shall receive a matching contribution on a pro-rata basis equal to their percentage of full-time employment.

Section 3. Vendors: Participation in the benefits of this article is limited only to employees who select one (1) of the following vendors:

[List agreed-upon vendors]

Section 4. Notice of Participation: To be eligible for the provisions of this article, an employee must notify the School District, in writing, by September 1st of his/her intention to participate in this matching program and the amount of the employee's contribution. This notice shall continue from year to year at the specified amount unless the employee notifies the School District*, in writing, otherwise.

*NOTE: *The term, School District, is used as a placeholder – the parties need to identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the employee must provide notification.*

Section 5. Payment: The employee's contribution shall be made by payroll deduction.

Section 6. Unpaid Leave: An employee on unpaid leave may not participate in the provisions of this article.

Section 7. Lifetime Limitation: The maximum lifetime School District contribution to any employee pursuant to this article shall be $_____, and, upon reaching this maximum, the employee shall no longer be eligible for School District contributions.

Section 8. Deduction for Severance Pay: In the event an employee is eligible for a severance or retirement payment pursuant to any other article of this Agreement, any School District contribution made pursuant to this article shall be deducted from such severance/retirement payment at the time of the employee's retirement.

Section 9. Applicable Statutes: The provisions of this article are subject to all limitations relating to such plans as provided by law.

NOTE 1. *The vendor selection referred to in this article is a term and condition of employment and is negotiable pursuant to M.S.123B.02, Subd. 1.*

NOTE 2. *Annual contributions are limited by both Federal and State laws pursuant to M.S. 123B.02, Subd. 15. and Section 403(b) of the Internal Revenue Code.*

NOTE 3. *Both Sections 7. and 8. of this article are negotiable but are frequently contained in such School District programs. Section 8., however, would only be applicable for those School Districts in which an employee may also be eligible for severance pay.*

NOTE 4. *The blanks in Sections 1., 2., and 7. are obviously subject to individual consideration and negotiation within the limits of the law. The years of service numbers in Section 2. are also negotiable.*

ARTICLE VIII
GROUP INSURANCE

Section 1. Selection of Carrier: The selection of the insurance carrier and policy shall be made by the School District as provided by law.

NOTE: When administering the language in "Section 1.," School Districts need to keep in mind the limitations noted in M.S. 43A.316 (PEIP) and M.S. 471.6161, Subd. 5. (Collective Bargaining).

Section 2. Selection of School District's Group Health and Hospitalization Plan: The parties agree no employee shall select a group health and hospitalization plan that causes or will cause penalties, fees, or fines to be assessed against the School District.

Section 3. Health and Hospitalization Insurance – Single Coverage: The School District shall contribute a sum not to exceed $_____ per month toward the premium for individual coverage for each full-time employee employed by the School District who qualifies for and is enrolled in single coverage in the School District's group health and hospitalization insurance plan. Any additional cost of the premium shall be borne by the employee and paid by payroll deduction.

Section 4. Health and Hospitalization Insurance – Family Coverage: The School District shall contribute a sum not to exceed $_____ per month toward the premium for family coverage for each full-time employee employed by the School District who qualifies for and is enrolled in family coverage in the School District's group health and hospitalization insurance plan. Any additional cost of the premium shall be borne by the employee and paid by payroll deduction.

NOTE: School Districts that employ married couples, both of whom work for the School District, may wish to consider language, such as that below, which caps the amount of contribution the School District will pay.

The School District shall contribute a sum not to exceed $_____ per month for each full-time employee to be used toward the premium of the School District's health and hospitalization insurance plan selected by the individual employee. Said employee must qualify for and be enrolled in the School District's group health and hospitalization insurance plan. Any additional cost of the premium shall be borne by the employee and paid by payroll deduction. School District employees married to one another and eligible for a School District contribution toward the premium of its group health and hospitalization insurance plan may combine the School District's contributions toward one family premium if allowed by the insurance carrier.

Section 5. Claims Against the School District: The School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to in this Agreement, and no claim shall be made against the School District as a result of a denial of insurance benefits by an insurance carrier.

Section 6. Duration of Insurance Contributions: An employee is eligible for School District contribution as provided in this article as long as the employee is employed by the School District, on paid status, and enrolled in the School District's group health and hospitalization insurance plan. Upon termination of employment, all School District contributions shall cease.

Section 7. Eligibility: Employees who are employed full-time as defined by the Affordable Care Act (ACA) shall be eligible for full benefits provided in this article.* Eligibility is also subject to any limitations contained in the contract between the insurance carrier and the School District. In the event the ACA is repealed, the language in this section shall no longer be valid and shall be replaced by the language in "Section 7.1" below.

**NOTE: School Districts that have negotiated benefits for part-time employees should insert the negotiated language following the first sentence above.*

Section 7.1. Eligibility: Full benefits provided in this article are designed for employees who are employed an average of at least forty (40) hours* per week. Employees who are employed an average of at least thirty (30) hours* per week and at least the regular school year shall be eligible for partial benefits proportional to the extent of their employment. Eligibility is subject to any limitations contained in the contract between the insurance carrier and the School District.

*NOTE: School Districts need to define the requirements for full-time and part-time employees. *These numbers are suggested numbers only; the parties may want to negotiate different ones. Also, School Districts are cautioned to specify effective dates for changes in benefits, amounts of insurance, or premium contributions.*

ARTICLE IX
LEAVES OF ABSENCE

NOTE: When permissible, School Districts should run leaves concurrently in order to prevent "leave stacking." Also, School Districts that use electronic requests instead of hardcopy requests need to review the existing leave language and may need to replace the word, "written," with the word, "documented."

Section 1. Sick Leave:

Subd. 1. Earning: A full-time employee shall earn _____ (_____) days of sick leave each year of employment by the School District. Annual sick leave shall accrue monthly as it is earned on a proportionate basis to the employee's work year.

Subd. 2. Accumulation: Unused sick leave days may accumulate to a maximum of _____ (_____) days of sick leave per employee.

Subd. 3. Use: Sick leave with pay shall be allowed whenever an employee's absence is found to have been due to the employee's illness and/or disability which prevented his/her attendance at school and performance of duties on that day or days. Pursuant to M.S. 181.9413, an employee may use his/her accumulated sick leave and the school board limits use as permissible.

Subd. 4. Medical Certificate: The School District may require an employee to furnish a medical certificate from a qualified physician as evidence of illness and/or disability pursuant to this section, indicating such absence was due to illness and/or disability, in order to qualify for sick leave pay. However, the final determination as to the eligibility of an employee for sick leave is reserved to the School District. In the event that a medical certificate will be required, the employee will be so advised.

Subd. 5. Deduction: Sick leave allowed shall be deducted from the accumulated sick leave

days earned by the employee.

Subd. 6. Approval: Sick leave pay may be approved only upon the employee's submission of a signed request upon the authorized sick leave pay request form available in each building office.

Section 2. Workers' Compensation: Pursuant to M.S. Chapter 176, an employee injured on the job in the service of the School District and collecting workers' compensation insurance may draw sick leave and receive full salary from the School District, the salary to be reduced by an amount equal to the insurance payments, and only that fraction of the days not covered by insurance will be deducted from accrued sick leave.

Section 3. Bereavement Leave: With the written approval of the Superintendent, up to three (3) days of leave may be allowed, the days to be deducted from sick leave, for death in a full-time employee's immediate family. "Immediate family" is defined as the employee's spouse, child, parent, brother, sister, or other relative who was living in the same household as the employee.

Section 4. Child Care Leave:

Subd. 1. Use: A child care leave may be granted by the School District, subject to the provisions of this section, to one (1) employee-parent of a natural or adopted infant child, provided such employee-parent is caring for the child on a full-time basis.

Subd. 2. Request: An employee making application for child care leave shall inform the Superintendent in writing of the request to take the leave at least three (3) calendar months before commencement of the intended leave.

Subd. 3. Medical Statement: An employee will provide, at the time of the leave application, a statement from the attending physician indicating the expected date of delivery.

Subd. 4. Duration: In making a determination concerning the commencement and duration of a child care leave, the School Board shall not, in any event, be required to:

(1.) grant any leave more than twelve (12) months in duration;

(2.) permit the employee to return to employment prior to the date designated in the request for child care leave.

Subd. 5. Reinstatement: An employee returning from child care leave shall be reinstated in a position for which he/she is qualified unless previously discharged or laid off.

Subd. 6. Failure to Return: Failure of the employee to return by the date determined under this section shall constitute grounds for termination unless the School Board and the employee mutually agree in writing to an extension in the leave.

Subd. 7. Salary and Fringe Benefits: Leave under this section shall be without pay or fringe benefits.

Section 5. Family and Medical Leave (FMLA): FMLA leave shall be granted pursuant to applicable law.

Section 6. Jury Service: An employee who serves on jury duty shall be granted the day or days necessary as stipulated by the court to discharge this responsibility without any salary deduction or loss of

basic leave allowance. The compensation received for jury duty service shall be remitted to the School District.

Section 7. Military Leave: Military leave shall be granted pursuant to applicable law.

Section 8. Insurance Application: An employee on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The employee shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the School District the monthly premium in advance, except as otherwise provided in law. In the event the employee is on paid leave from the School District under Section 1. above or supplemented by sick leave pursuant to Section 2. above, the School District will continue insurance contributions as provided in this Agreement until sick leave is exhausted. Thereafter, the employee must pay the entire premium to the School District* for any insurance retained.

*NOTE: *The term, School District, is used as a placeholder – the parties should identify by position (i.e., Superintendent, business manager, etc.) the individual to whom the employee must make payment.*

Section 9. Credit: An employee who returns from unpaid leave shall retain experience credit for pay purposes and other benefits which had accrued at the time leave began. No credit shall accrue for the period of time that an employee was on unpaid leave.

Section 10. Eligibility: Full leave benefits provided in this article are designed for employees who are employed an average of at least forty (40) hours* per week. Employees who are employed an average of at least thirty (30) hours* per week and at least the regular school year shall be eligible for partial leave benefits proportional to the extent of their employment.

*NOTE: School Districts need to define the requirements for full-time and part-time employees. *These numbers are suggested numbers only; the parties may want to negotiate different ones. As an aside, non-licensed employees have no legal right to lay-off or probationary periods.*

ARTICLE X
HOURS OF SERVICE AND DUTY YEAR

Section 1. Basic Work Week: The employee's basic work week, exclusive of lunch, shall be prescribed by the School District.

Section 2. Basic Work Year: The employee's basic work year shall be prescribed by the School District.

Section 3. Part-time Employees: The School District reserves the right to employ such employees as it deems desirable or necessary on a part-time or casual basis.

Section 4. Sub-Contracting: The School District may sub-contract bargaining unit work after providing the exclusive representative with written notice and the opportunity for discussion with the School District.

Section 5. Shifts and Starting Times: All employees will be assigned starting times and shifts as determined by the School District.

Section 6. Lunch Period: Full-time employees shall be provided a duty-free lunch period of at least thirty (30) minutes.

Section 7. School Closing: In the event that school is closed for any reason and the School District does not require employees to perform services, the employees' compensation shall be reduced accordingly.

ARTICLE XI
HOLIDAYS

Section 1. Paid Holidays: Full-time employees shall be granted the following paid holidays:
_____
_____ [*insert the specific holidays*].

Section 2. Weekends: Any holiday that falls during a weekend will be observed on a day established by the School District.

Section 3. School in Session: The School District reserves the right, if school is in session, to cancel any of the holidays noted in Section 1. above and establish another holiday in lieu thereof. Any legal holiday or any holiday which falls within an employee's vacation period shall not be counted as a vacation day.

Section 4. Application: In order to be eligible for holiday pay, an employee must work a regular work day the day before and the day after the holiday unless on an excused leave or on vacation.

Section 5. Eligibility: Full holiday benefits provided in this article are designed for full-time employees who are employed an average of at least forty (40) hours* per week. Part-time employees who are employed an average of at least twenty (20) hours* per week and at least the regular school year shall be eligible for partial benefits proportional to the extent of their employment. Part-time employees employed less than an average of twenty (20) hours* per week or less than the regular school year and substitute or temporary employees shall not be eligible for any benefits pursuant to this article.

*NOTE: School Districts need to define the requirements for full-time and part-time employees. *These numbers are suggested numbers only; the parties may want to negotiate different ones*.

ARTICLE XII
VACATIONS

Section 1. Eligibility: This article shall apply only to full-time employees who are employed on a twelve (12)-month basis and a forty (40)-hour week.

Section 2. Earned Vacation: Full-time employees, as defined in this article, shall accrue vacation as follows:

(1.) 5/12 of a day for each month of service during the first year of service in the School District;
(2.) 5/6 of a day for each month of service after completing one (1) year of service in the School District, and
(3.) 1 and 1/4 days for each month of service for each year after completing ten (10) years of service in the School District.

Section 3. Application:

Subd. 1. Eligibility: Earned vacation time shall be determined as of July 1st of each year. Employees hired between January 1st and July 1st shall not be eligible for vacation as a matter of right until July 1st of the following year but may be permitted to take vacation at the discretion of the School District.

Subd. 2. Resignation: If the employee resigns before completing a full year of service, the employee shall not be entitled to any vacation pay and shall have the salary paid for any vacation days taken deducted from his/her final check. An employee who has completed at least one (1) year of service shall be entitled to receive the pro-rata pay for unused vacation time provided such employee provides the School District with at least two (2) weeks' advance, written notice of the resignation time.

Subd. 3. Scheduling: The scheduling of all vacation time shall be determined by the School District.

ARTICLE XIII
DISCIPLINE, DISCHARGE, AND PROBATIONARY PERIOD

NOTE REGARDING REFERENCES TO SENIORITY IN ARTICLE XIII, SECTION 4., AND ARTICLE XIV: These provisions provide for a very limited application of seniority. School Districts should understand that – unlike teachers – non-licensed employees do not have any seniority rights by law, and seniority rights exist only to the extent granted in the Master Agreement or in School District policy. Some School Districts may wish to eliminate any reference in the Master Agreement to seniority.

Section 1. Probationary Period: An employee shall serve a probationary period of twelve (12) months of continuous service in the School District, during which time the School District shall have the unqualified right to suspend without pay, discharge, or otherwise discipline such employee. During this probationary period, the employee shall have no recourse to the grievance procedure insofar as suspension, discharge, or other discipline is concerned. However, a probationary employee shall have the right to bring a grievance regarding any other provisions of the Agreement alleged to have been violated.

NOTE: In School Districts that employee less than twelve (12)-month employees (i.e., nine (9) month), the parties may want to negotiate different probationary period language.

Section 2. Probationary Period; Change of Classification: In addition to the initial probationary period, an employee transferred or promoted to a different classification shall serve a new probationary period of three (3) calendar months in any such new classification. During this three (3)-month probationary period, if the School District determines that the employee's performance in the new classification is unsatisfactory, the School District shall have the right to reassign the employee to the former classification.

Section 3. Completion of Probationary Period: An employee who has completed the probationary period may be suspended without pay or discharged only for just cause.

Section 4. Seniority Date: Employees shall acquire seniority upon completion of the probationary period, and, upon acquiring seniority, the seniority date shall relate back to the first date of continuous service in a position governed by this Agreement. If more than one employee commences work on the same date, the seniority ranking for such employees shall be solely determined by the School District.

Section 5. Discipline: The School District shall have the right to impose discipline on its employees for just cause. Discipline shall consist of oral reprimand, written reprimand, suspension with pay, suspension

without pay, and discharge. The School District reserves the right to impose discipline at any level as it determines based upon the circumstances surrounding the action. A conference between the employee and his/her supervisor shall be held prior to the imposition of written reprimand, suspension without pay, or discharge. An oral or written reprimand may be grieved up to Level III of the grievance procedure but may not be carried to arbitration.

ARTICLE XIV
REDUCTION IN FORCE

NOTE REGARDING REDUCTION IN FORCE: Unlike teachers, non-licensed employees do not have any rights to reduction in force by law, and such rights exist only to the extent granted in the Master Agreement or in School District policy. School Districts may wish to eliminate any reference in the Master Agreement to reduction in force.

The parties recognize the principle of seniority within classification concerning reduction in force, provided the employee is fully qualified to perform the duties and responsibilities of the position. An employee on layoff shall retain seniority and the right to recall, within classification, for a period of twelve (12) months after the date of layoff.

ARTICLE XV
GRIEVANCE PROCEDURE

Section 1. Definitions:

Subd. 1. Grievance: The word, "grievance," shall mean a written allegation by an employee that he/she has been injured as a result of a dispute or disagreement between the employee and the School District as to the interpretation or application of specific terms and conditions contained in this Agreement.

Subd. 2. Grievant(s): The word, "grievant(s)," shall mean an individual employee, a group of employees, or the exclusive representative who/which files a grievance as defined in Subd. 1. above.

Subd. 3. Group of Employees: A group of fewer than ten (10) employees may file a grievance if a complaint arises out of the same transaction or occurrence and the facts and claim are common to all employees in the group. Such grievance must be in writing and signed by all grievants in the group.

Subd. 4. Exclusive Representative Grievance: The exclusive representative may file a grievance if a complaint involving ten (10) or more employees arises out of the same transaction or occurrence and the facts and claim are common to all employees in the group. In order to pursue such a grievance, the exclusive representative must provide the Superintendent with the names and signatures of the affected employees no later than the third (3^{rd}) level of the grievance procedure. The exclusive representative grievance may proceed only as to the employees identified in the appeal to arbitration. The exclusive representative may also file a grievance if the allegation involves a specific right of the exclusive representative as provided in this Agreement.

Subd. 5. Days: Any reference to the word, "days," regarding time periods in this procedure

shall refer to working days. The term, "working day," is defined as all week days not designated as holidays by state law.

Section 2. Representation: The grievant(s), administrator(s), or School Board may be represented during any step of the procedure by any person or agent designated by such party to act on the party's behalf.

Section 3. Interpretations:

Subd. 1. Extension: Time limits specified in this Agreement may be extended by mutual, written agreement.

Subd. 2. Computation of Time: In computing any period of time prescribed or allowed by procedures in this article, the date of the act, event, or default for which the designated period of time begins to run shall not be included.

Subd. 3. Filing and Postmark: The filing or service of any notice or document required by this Agreement shall be timely if it is personally served or if it bears a certified postmark of the United States Postal Service within the time period.

Section 4. Time Limitation and Waiver: A grievance shall not be valid for consideration unless the grievance is submitted to the School District's designee in writing, signed by the grievant(s), setting forth the facts and the specific provision(s) of the Agreement allegedly violated and the particular relief sought within twenty (20) days* after the date that the first event giving rise to the grievance occurred. Failure to file any grievance within such period shall be deemed a waiver of that grievance. Failure to appeal a grievance from one level to another within the time periods provided below shall constitute a waiver of the grievance. An effort shall first be made to resolve an alleged grievance informally between the grievant(s) and the School District's designee.

Section 5. Resolution of Grievance: The School District and the grievant(s) shall attempt to resolve all grievances which may arise during the course of employment as follows:

Subd. 1. Level I: If the grievance is not resolved through informal discussion, the School District's designee shall give a written decision on the grievance to the parties involved within ten (10) days* after receipt of the written grievance.

Subd. 2. Level II: In the event the grievance is not resolved in Level I, the decision rendered may be appealed to the Superintendent, provided such appeal is made, in writing, within five (5) days* after the receipt of the decision in Level I. If a grievance is properly appealed to the Superintendent, the Superintendent or his/her designee shall, within fifteen (15) days*, set a time to meet regarding the grievance after receipt of the appeal. Within ten (10) days* after the meeting, the Superintendent or his/her designee shall issue a written decision to the parties involved.

Subd. 3. Level III: In the event the grievance is not resolved in Level II, the decision rendered may be appealed to the School Board, provided such appeal is made, in writing, within five (5) days* after the receipt of the decision in Level II. If a grievance is properly appealed to the School Board, the School Board shall hear the grievance within twenty (20) days* after receipt of the appeal. Within twenty (20) days* after hearing the grievance, the School Board shall issue its written decision to the parties involved. At the option of the School Board, a committee or representative(s) of the School Board may be designated by the School Board to hear the appeal at this level and report the findings and recommendations to the School Board. The School Board shall then render its

decision.

Section 6. Denial of Grievance: Failure by the School Board or its representative(s) to issue a decision within the time period provided in this article shall constitute a denial of the grievance, and the grievant(s) may appeal it to the next level.

Section 7. Arbitration Procedures: In the event that the grievant(s) and the School Board are unable to resolve any grievance, the grievance may be submitted to arbitration as explained in this article.

Subd. 1. Request: A request to submit a grievance to arbitration must be in writing signed by the grievant(s), and such request must be filed in the office of the Superintendent within ten (10) days* following the decision in Level III above.

Subd. 2. Prior Procedure Required: No grievance shall be considered by the arbitrator which has not first been duly processed in accordance with the grievance procedure and appeal provisions.

Subd. 3. Selection of Arbitrator: Upon the proper submission of a grievance under the terms of this procedure, the parties may, within ten (10) days* after the request to arbitrate, attempt to agree upon the selection of an arbitrator. If no agreement on an arbitrator is reached, either party may request the Commissioner to submit a panel of seven (7) arbitrators to the parties, pursuant to PELRA, provided such request is made within twenty (20) days* after the request for arbitration. The request shall ask that the panel be submitted within ten (10) days* after the receipt of said request. Within ten (10) days* after receipt of the panel, the parties shall alternately strike names, and the remaining name shall be the arbitrator to hear the grievance. The order of striking will be determined by lot. Failure to agree upon an arbitrator or the failure to request an arbitrator from the Commissioner within the time period as provided in this article shall constitute a waiver of the grievance.

Subd. 4. Hearing: The grievance shall be heard by a single arbitrator, and both parties may be represented by such person(s) as they may choose, and the parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, and make oral or written arguments relating to the issues before the arbitrator. The proceeding before the arbitrator shall be a hearing de novo.

Subd. 5. Decision: Decisions by the arbitrator in cases properly before him/her shall be final and binding upon the parties, subject, however, to the limitations of arbitration decisions as provided in PELRA. The arbitrator shall issue a written decision and order including findings of fact which shall be based upon substantial and competent evidence presented at the hearing. All witnesses shall be sworn upon oath by the arbitrator.

Subd. 6. Expenses: Each party shall bear its own expenses in connection with arbitration, including expenses relating to the party's representatives, witnesses, and any other expenses which the party incurs in connection with presenting its case in arbitration. A transcript or recording of the hearing shall be made at the request of either party. The parties shall share equally the fees and expenses of the arbitrator, the cost of the transcript or recording if requested by either or both parties, and any other expenses which the parties mutually agree are necessary for the conduct of the arbitration. However, the party ordering a copy of such transcript shall pay for such a copy.

Subd. 7. Jurisdiction: The arbitrator shall have jurisdiction over disputes or disagreements

relating to grievances properly before him/her pursuant to the terms of this procedure. The jurisdiction of the arbitrator shall not extend to proposed changes in terms and conditions of employment contained in this Agreement; nor shall an arbitrator have jurisdiction over any grievance which has not been submitted to arbitration in compliance with the terms of the grievance and arbitration procedure as outlined in this article; nor shall the jurisdiction of the arbitrator extend to matters of inherent managerial policy, which shall include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel. In considering any issue in dispute, the arbitrator's order shall give due consideration to the statutory rights and obligations of the School Board to efficiently manage and conduct its operation within the legal limitations surrounding the financing of such operations.

Section 8. Election of Remedies and Waiver: A party instituting any action, proceeding, or complaint in a federal or state court of law or before an administrative tribunal, federal agency, state agency, or seeking relief through any statutory process for which relief may be granted, the subject matter of which may constitute a grievance under this Agreement, shall immediately thereupon waive any and all rights to pursue a grievance under this article. Upon instituting a proceeding in another forum as outlined in this Agreement, the employee(s) shall waive the right to initiate a grievance pursuant to this article, or, if the grievance is pending in the grievance procedure, the right to pursue it further shall be immediately waived. This section shall not apply to actions to compel arbitration as provided in the Agreement or to enforce the award of an arbitrator.

**NOTE*: *These numbers are suggested numbers only; the parties may want to negotiate different ones.*

ARTICLE XVI
DURATION

Section 1. Terms and Reopening Negotiations: This Agreement shall remain in full force and effect for a period commencing upon the date of its full ratification through _____, 20___, and thereafter as provided by PELRA. If either party desires to modify or amend this Agreement commencing at its expiration, it shall give written notice of such intent to the other party no later than one hundred twenty (120) days prior to said expiration. Unless otherwise mutually agreed, the parties shall not commence negotiations more than ninety (90) days prior to the expiration date of this Agreement.

Section 2. Effect: This Agreement constitutes the full and complete Agreement between the School District and the exclusive representative. The provisions of this Agreement relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, and School District policies, rules, or regulations concerning terms and conditions of employment inconsistent with these provisions. Nothing in this Agreement shall be construed to obligate the School District to continue or discontinue existing or past practices or prohibit the School District from exercising all management rights, functions, and prerogatives, except insofar as this exercise would be in express violation of any term or terms of this Agreement.

Section 3. Severability: The provisions of this Agreement shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Agreement or the application of any provision.

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

For_____
Name of organizational representative

_____
President

_____
Secretary

Dated this ____ day of _____, 20___.

For the School District

_____
School Board Chair

_____
School Board Clerk

Dated this ____ day of _____, 20___.

B. TEACHERS AND OTHER EDUCATORS.

1. M.S. 122A.15 TEACHERS, SUPERVISORY AND SUPPORT PERSONNEL, DEFINITIONS, LICENSURE.

Subdivision 1. Teachers. The term "teachers" for the purpose of licensure, means all persons employed in a public school or education district or by a service cooperative as members of the instructional, supervisory, and support staff including superintendents, principals, supervisors, secondary vocational and other classroom teachers, librarians, counselors, school psychologists, school nurses, school social workers, audio-visual directors and coordinators, recreation personnel, media generalists, media supervisors, and speech therapists.

Subd. 2. Supervisory personnel. "Supervisory personnel" for the purpose of licensure means superintendents, principals, and professional employees who devote 50 percent or more of their time to administrative or supervisory duties over other personnel, and includes athletic coaches.

2. M.S. 122A.16 HIGHLY QUALIFIED TEACHER DEFINED.

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

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

3. M.S. 122A.162 LICENSURE RULES.

The commissioner may make rules relating to licensure of school personnel not licensed by the Board of Teaching or Board of School Administrators.

4. M.S. 122A.163 TEACHER RULE VARIANCES; COMMISSIONER.

Notwithstanding any law to the contrary, and only upon receiving the agreement of the State Board of Teaching or Board of School Administrators, whichever has jurisdiction over the licensure, the commissioner of education may grant a variance to rules governing licensure of persons licensed by the Board of Teaching or Board of School Administrators, whichever has jurisdiction.

5. M.S. 122A.20 SUSPENSION OR REVOCATION OF LICENSES.

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, or sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, using minors in a sexual performance under section 617.246, or possessing pornographic works involving a minor under section 617.247, or 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.

Subd. 2. Mandatory reporting. A school board must report to the board of teaching, the board of school administrators, or the board of trustees of the Minnesota state colleges and universities, whichever has jurisdiction over the teacher's or administrator's license, when its teacher or administrator is discharged or resigns from employment after a charge is filed with the school board under section 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7, or after charges are filed that are ground for discharge under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or when a teacher or administrator is suspended or resigns while an investigation is pending under section 122A.40, subdivision 13, paragraph (a) clauses (1) to (5); 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7; or 626.556, or when a teacher or administrator is suspended without an investigation under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7; or 626.556. The report must be made to the appropriate licensing board within ten days after the discharge, suspension, or resignation has occurred. The licensing board to which the report is made must investigate the report for violation of subdivision 1 and the reporting board must cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the license, a board or school superintendent shall provide the licensing board with information about the teacher or administrator from the district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a board or school superintendent may, at the discretion of the board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the district. Any data transmitted to any board under this section is private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

The licensing board to which a report is made must transmit to the attorney general's office any record or data it receives under this subdivision for the sole purpose of having the attorney general's office assist that board in its investigation. When the attorney general's office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's or administrator's license within 45 days of receiving a stipulation executed by the teacher or administrator under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

Subd. 3. Immunity from liability. A school board, its members in their official capacity, and employees of the district run by the board are immune from civil or criminal liability for reporting or cooperating as required under subdivision 2, if their actions required under subdivision 2 are done in good faith and with due care.

6. M.S. 122A.22 DISTRICT VERIFICATION OF TEACHER LICENSES.

No person shall be accounted a qualified teacher until the school district or charter school contracting with the person for teaching services verifies through the Minnesota education licensing system available on the department web site that the person is a qualified teacher, consistent with sections 122A.16 and 122A.44, subdivision 1.

7. M.S. 122A.245 ALTERNATIVE TEACHER PREPARATION PROGRAM AND LIMITED- TERM TEACHER LICENSE.

Subdivision 1. Requirements. (a) To improve academic excellence, improve ethnic and cultural diversity in the classroom, and close the academic achievement gap, the Board of Teaching must approve qualified teacher preparation programs under this section that are a means to acquire a two-year limited-term 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 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, 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, 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; (2) pass the 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.

Subd. 2. Characteristics. An alternative teacher preparation program under this section must include: (1) a minimum 200-hour instructional phase that provides intensive preparation and student teaching before the teacher candidate assumes classroom responsibilities; (2) a research-based and results-oriented approach focused on best teaching practices to increase student proficiency and growth measured against state academic standards; (3) strategies to combine pedagogy and best teaching practices to better inform teacher candidates' classroom instruction; (4) assessment, supervision, and evaluation of teacher candidates to determine their specific needs throughout the program and to support their efforts to successfully complete

the program; (5) intensive, ongoing, and multiyear professional learning opportunities that accelerate teacher candidates' professional growth, support student learning, and provide a workplace orientation, professional staff development, and mentoring and peer review focused on standards of professional practice and continuous professional growth; and (6) a requirement that teacher candidates demonstrate to the local site team under subdivision 5 satisfactory progress toward acquiring a standard license from the Board of Teaching.

Subd. 3. Program approval; disapproval. (a) The Board of Teaching must approve alternative teacher preparation programs under this section based on board-adopted criteria that reflect best practices for alternative teacher preparation programs, consistent with this section. The board must permit teacher candidates to demonstrate mastery of pedagogy and content standards in school-based settings and through other nontraditional means.

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

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

Subd. 5. Approval for standard license. A school board or its designee must appoint members to a local site team that includes teachers, school administrators, and postsecondary faculty under subdivision 1, paragraph (a), clause (1), or staff of a participating nonprofit corporation under subdivision 1, paragraph (a), clause (2), to evaluate the performance of the teacher candidate. The evaluation must be consistent with board-adopted performance measures, use the Minnesota state standards of effective practice and subject matter content standards for teachers established in Minnesota Rules, and include a report to the board recommending whether or not to issue the teacher candidate a standard license.

Subd. 6. Applicants trained in other states. A person who successfully completes another state's alternative teacher preparation program, consistent with section 122A.23, subdivision 1, may apply to the Board of Teaching for a standard license under subdivision 7.

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 skills, pedagogy, and content area examinations under section 122A.09, subdivision 4, paragraphs (a) and (e), and is recommended for licensure under subdivision 5 or successfully demonstrates to the board qualifications for licensure under subdivision 6.

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

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

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

8. M.S. 122A.25 NONLICENSED COMMUNITY EXPERTS; VARIANCE.

Subdivision 1. Authorization. Notwithstanding any law or commissioner of children, families, and learning rule to the contrary, the board of teaching may allow school districts or charter schools to hire nonlicensed community experts to teach in the public schools or charter schools on a limited basis according to this section.

Subd. 2. Applications; criteria. The school district or charter school shall apply to the board of teaching for approval to hire nonlicensed teaching personnel from the community. In approving or disapproving the application for each community expert, the board shall consider:

(1) the qualifications of the community person whom the district or charter school proposes to employ;

(2) the reasons for the need for a variance from the teacher licensure requirements;

(3) the district's efforts to obtain licensed teachers, who are acceptable to the school board, for the particular course or subject area or the charter school's efforts to obtain licensed teachers for the particular course or subject area;

(4) the amount of teaching time for which the community expert would be hired;

(5) the extent to which the district or charter school is utilizing other nonlicensed community experts under this section;

(6) the nature of the community expert's proposed teaching responsibility; and

(7) the proposed level of compensation to the community expert.

Subd. 3. Approval of plan. The board of teaching shall approve or disapprove an application within 60 days of receiving it from a school district or charter school.

Subd. 4. Background check. A school district or charter school shall provide the board of teaching with confirmation that criminal background checks have been completed for all nonlicensed community experts employed by the district or charter school and approved by the board of teaching under this section.

9. M.S. 122A.26 COMMUNITY EDUCATION TEACHERS; LICENSURE REQUIREMENTS.

Subdivision 1. Exemption. Notwithstanding the provisions of any law to the contrary and except as otherwise provided in this section, a person who teaches in a community education program established pursuant to sections 124D.18 and 124D.19 is exempt from all licensure requirements.

Subd. 2. Exceptions. A person who teaches in a community education program which qualifies for aid pursuant to section 124D.52 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program which is offered through a community education program and which qualifies for community education aid pursuant to section 124D.20 or early childhood and family education aid pursuant to section 124D.135 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course which is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher. A person who teaches a driver training course which is offered through a community education program to persons under 18 years of age shall be licensed by the board of teaching or be subject to section 171.35. A license which is required for an instructor in a community education program pursuant to this subdivision shall not be construed to bring an individual within the definition of a teacher for purposes of section 122A.40,

subdivision 1, or 122A.41, subdivision 1, clause (a).

Subd. 3. English as a second language. Notwithstanding subdivision 2, a person who possesses a bachelor's or master's degree in English as a second language, applied linguistics, or bilingual education, or who possesses a related degree as approved by the commissioner, shall be permitted to teach English as a second language in an adult basic education program that receives funding under section 124D.531.

10. M.S. 122A.33 LICENSE AND DEGREE EXEMPTION FOR HEAD COACH.

Subdivision 1. Employment. Notwithstanding section 122A.15, subdivision 1, a school district may employ as a head varsity coach of an interscholastic sport at its secondary school a person who does not have a license as head varsity coach of interscholastic sports and who does not have a bachelor's degree if:

(1) in the judgment of the school board, the person has the knowledge and experience necessary to coach the sport;

(2) can verify completion of six quarter credits, or the equivalent, or 60 clock hours of instruction in first aid and the care and prevention of athletic injuries; and

(3) can verify completion of a coaching methods or theory course.

Subd. 2. Annual contract. Notwithstanding section 122A.58, a person employed as a head varsity coach has an annual contract as a coach that the school board may or may not renew as the board sees fit.

Subd. 3. Notice of nonrenewal; opportunity to respond. A school board that declines to renew the coaching contract of a licensed or nonlicensed head varsity coach must notify the coach within 14 days of that decision. If the coach requests reasons for not renewing the coaching contract, the board must give the coach its reasons in writing within ten days of receiving the request. The existence of parent complaints must not be the sole reason for a board not to renew a coaching contract. Upon request, the board must provide the coach with a reasonable opportunity to respond to the reasons at a board meeting. The hearing may be opened or closed at the election of coach unless the board closes the meeting under section 13D.05, subdivision 2, to discuss private data.

11. M.S. 122A.40 EMPLOYMENT; CONTRACTS; TERMINATION.

Subdivision 1. Teacher defined. A principal, supervisor, and classroom teacher and any other professional employee required to hold a license from the state department shall be deemed to be a "teacher" within the meaning of this section. A superintendent is a "teacher" only for purposes of Subds. 3 and 19.

Subd. 2. Nonprovisional license defined. For purposes of this section, "nonprovisional license" means an entrance, continuing, or life license.

Subd. 3. Hiring, dismissing. School boards must hire or dismiss teachers at duly called meetings. Where a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher shall be made or authorized except upon the unanimous vote of the full board. A teacher related by blood or marriage, within the fourth degree, computed by the civil law, to a board member shall not be employed except by a unanimous vote of the full board. The initial employment of the teacher in the district must be by written contract, signed by the teacher and by the chair and clerk. All subsequent employment of the teacher in the district must be by written contract, signed by the teacher and by the chair and clerk, except where there is a master agreement covering the employment of the teacher. Contracts for teaching or supervision of teaching can be made only with qualified teachers. A teacher shall not be required to reside within the employing district as a condition to teaching employment or continued teaching employment.

Subd. 4. Employment in supervisory positions. Notwithstanding other law, a teacher, as defined in section 179A.03, does not have a right to employment in a district as an assistant superintendent, as a principal defined in section 179A.03, as a confidential or supervisory employee defined in section 179A.03, or in a position that is a promotion from the position currently held, based on seniority, seniority date, or order of employment by the district. This provision shall not alter the reinstatement rights of an individual who is placed on leave from an assistant superintendent, principal or assistant principal, or supervisory or confidential employee position pursuant to this chapter.

Subd. 5. Probationary period. (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period that is consistent with subdivision 8. Evaluation must occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(e) A probationary teacher must complete at least 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teacher's workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

This section is effective retroactively from July 1, 2013.

Subd. 6. Mentoring for probationary teachers. A school board and an exclusive representative of the teachers in the district must develop a probationary teacher peer review process through joint agreement that is consistent with subdivision 8. The process may include having trained observers serve as mentors or

coaches or having teachers participate in professional learning communities.

This section is effective the day following final enactment and applies beginning in the 2014-2015 school year and later.

Subd. 7. Termination of contract after probationary period. (a) A teacher who has completed a probationary period in any district, and who has not been discharged or advised of a refusal to renew the teacher's contract under subdivision 5, shall elect to have a continuing contract with such district where contract terms and conditions, including salary and salary increases, are established based either on the length of the school calendar or an extended school calendar under section 120A.415. Thereafter, the teacher's contract must remain in full force and effect, except as modified by mutual consent of the board and the teacher, until terminated by a majority roll call vote of the full membership of the board prior to April 1 upon one of the grounds specified in subdivision 9 or July 1 upon one of the grounds specified in subdivision 10 or 11, or until the teacher is discharged pursuant to subdivision 13, or by the written resignation of the teacher submitted prior to April 1. If an agreement as to the terms and conditions of employment for the succeeding school year has not been adopted pursuant to the provisions of sections 179A.01 to 179A.25 prior to March 1, the teacher's right of resignation is extended to the 30th calendar day following the adoption of said contract in compliance with section 179A.20, subdivision 5. Such written resignation by the teacher is effective as of June 30 if submitted prior to that date and the teachers' right of resignation for the school year then beginning shall cease on July 15. Before a teacher's contract is terminated by the board, the board must notify the teacher in writing and state its ground for the proposed termination in reasonable detail together with a statement that the teacher may make a written request for a hearing before the board within 14 days after receipt of such notification. If the grounds are those specified in subdivision 9 or 13, the notice must also state a teacher may request arbitration under subdivision 15. Within 14 days after receipt of this notification the teacher may make a written request for a hearing before the board or an arbitrator and it shall be granted upon reasonable notice to the teacher of the date set for hearing, before final action is taken. If no hearing is requested within such period, it shall be deemed acquiescence by the teacher to the board's action. Such termination shall take effect at the close of the school year in which the contract is terminated in the manner aforesaid. Such contract may be terminated at any time by mutual consent of the board and the teacher and this section does not affect the powers of a board to suspend, discharge, or demote a teacher under and pursuant to other provisions of law.

(b) A teacher electing to have a continuing contract based on the extended school calendar under section 120A.415 must participate in staff development training under subdivision 7a and shall receive an increased base salary.

Subd. 7a. Additional staff development and salary. (a) A teacher electing to have a continuing contract based on the extended school calendar under section 120A.415 must participate in a total number of staff development days where the total number of such days equals the difference between the total number of days of student instruction and 240 days. Staff development includes peer mentoring, peer gathering, continuing education, professional development, or other training. A school board may schedule such days throughout the calendar year. Staff development programs provided during such days shall enable teachers to achieve the staff development outcomes under section 122A.60, subdivision 3.

(b) A public employer and the exclusive representative of the teachers must include terms in the collective bargaining agreement for all teachers who participate in additional staff development days under paragraph (a) that increase base salaries.

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 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 included 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; (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 (11) 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.

This section is effective for the 2014-2015 school year and later.

(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 122A.40 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.

This section is effective the day following final enactment and applies beginning in the 2014-2015 school year and later.

Subd. 9. Grounds for termination. A continuing contract may be terminated, effective at the close of the school year, upon any of the following grounds:

(a) Inefficiency in teaching or in the management of a school, consistent with subdivision 8, paragraph (b);

(b) Neglect of duty, or persistent violation of school laws, rules, regulations, or directives;

(c) Conduct unbecoming a teacher which materially impairs the teacher's educational effectiveness;

(d) Other good and sufficient grounds rendering the teacher unfit to perform the teacher's duties.

A contract must not be terminated upon one of the grounds specified in clause (a), (b), (c), or (d), unless the teacher fails to correct the deficiency after being given written notice of the specific items of complaint and reasonable time within which to remedy them.

This section applies to all collective bargaining agreements ratified after July 1, 2014.

Subd. 10. Negotiated unrequested leave of absence. The school board and the exclusive bargaining representative of the teachers may negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. Failing to successfully negotiate such a plan, the provisions of subdivision 11 shall apply. The negotiated plan must not include provisions which would result in the exercise of seniority by a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 11, clause (c), or the reinstatement of a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 11, clause (e). The provisions of section 179A.16 do not apply for the purposes of this subdivision.

Subd. 11. Unrequested leave of absence. The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave is effective at the close of the school year. In placing teachers on unrequested leave, the board is governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed is negotiable;

(c) Notwithstanding the provisions of clause (b), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a

provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses;

(d) Notwithstanding clauses (a), (b) and (c), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of clause (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the provisionally licensed teacher;

(e) Teachers placed on unrequested leave of absence must be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement must be in the inverse order of placement on leave of absence. A teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year is negotiable;

(f) Appointment of a new teacher must not be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board;

(g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

(h) The unrequested leave of absence must not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

(i) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any year a written statement requesting reinstatement;

(j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence;

(k) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive reemployment compensation if otherwise eligible.

Subd. 12. Suspension and leave of absence for health reasons. Affliction with a communicable disease, mental illness, drug or alcoholic addiction, or other serious incapacity shall be grounds for temporary suspension and leave of absence while the teacher is suffering from such disability. Unless the teacher consents, such action must be taken only upon evidence that suspension is required from a physician who has examined the teacher. The physician must be competent in the field involved and must be selected by the teacher from a list of three provided by the school board, and the examination must be at the expense of the school district. A copy of the report of the physician shall be furnished the teacher upon request. If the

teacher fails to submit to the examination within the prescribed time, the board may discharge the teacher, effective immediately. In the event of mental illness, if the teacher submits to such an examination and the examining physician's or psychiatrist's statement is unacceptable to the teacher or the board, a panel of three physicians or psychiatrists must be selected to examine the teacher at the board's expense. The board and the teacher shall each select a member of this panel, and these two members shall select a third member. The panel must examine the teacher and submit a statement of its findings and conclusions to the board. Upon receipt and consideration of the statement from the panel the board may suspend the teacher. The board must notify the teacher in writing of such suspension and the reasons therefor. During the leave of absence, the district must pay the teacher sick leave benefits up to the amount of unused accumulated sick leave, and after it is exhausted, the district may in its discretion pay additional benefits. The teacher must be reinstated to the teacher's position upon evidence from such a physician of sufficient recovery to be capable of resuming performance of duties in a proper manner. In the event that the teacher does not qualify for reinstatement within 12 months after the date of suspension, the continuing disability may be a ground for discharge under subdivision 13.

Subd. 13. Immediate discharge. (a) Except as otherwise provided in paragraph (b), a board may discharge a continuing-contract teacher, effective immediately, upon any of the following grounds:

(1) immoral conduct, insubordination, or conviction of a felony;

(2) conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties;

(3) failure without justifiable cause to teach without first securing the written release of the school board;

(4) gross inefficiency which the teacher has failed to correct after reasonable written notice;

(5) willful neglect of duty; or

(6) continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 12.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363.03, subdivision 5.

Prior to discharging a teacher under this paragraph, the board must notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. The board may suspend a teacher with pay pending the conclusion of the hearing and determination of the issues raised in the hearing after charges have been filed which constitute ground for discharge. If a teacher has been charged with a felony and the underlying conduct that is the subject of the felony charge is a ground for a proposed immediate discharge, the suspension pending the conclusion of the hearing and determination of the issues may be without pay. If a hearing under this paragraph is held, the board must reimburse the teacher for any salary or compensation withheld if the final decision of the board or the arbitrator does not result in a penalty to or suspension, termination, or discharge of the teacher.

(b) A board must discharge a continuing-contract teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5,

and must provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph. Unless restricted by federal or state data practices law or by the terms of a collective bargaining agreement, the responsible authority for a school district must disseminate to another school district private personnel data on a current or former teacher employee or contractor of the district, including the results of background investigations, if the requesting school district seeks the information because the subject of the data has applied for employment with the requesting school district.

This section is effective the day following final enactment.

Subd. 14. Hearing procedures. Any hearing held pursuant to this section must be held upon appropriate and timely notice to the teacher, and any hearing held pursuant to subdivision 9 or 13 must be private or public at the discretion of the teacher. A hearing held pursuant to subdivision 11 must be public and may be consolidated by the school board. At the hearing, the board and the teacher may each be represented by counsel at each party's own expense, and such counsel may examine and cross-examine witnesses and present arguments. The board must first present evidence to sustain the grounds for termination or discharge and then receive evidence presented by the teacher. Each party may then present rebuttal evidence. Dismissal of the teacher must be based upon substantial and competent evidence in the record. All witnesses shall be sworn upon oath administered by the presiding officer of the board. The clerk of the board shall issue subpoenas for witnesses or the production of records pertinent to the grounds upon the request of either the board or the teacher. The board must employ a court reporter to record the proceedings at the hearing, and either party may obtain a transcript of the hearing at its own expense.

Subd. 15. Hearing and determination by arbitrator. A teacher whose termination is proposed under subdivision 7 on grounds specified in subdivision 9, or whose discharge is proposed under subdivision 13, may elect a hearing before an arbitrator instead of the school board. The hearing is governed by this subdivision.

(a) The teacher must make a written request for a hearing before an arbitrator within 14 days after receiving notification of proposed termination on grounds specified in subdivision 9 or within ten days of receiving notification of proposed discharge under subdivision 13. If a request for a hearing does not specify that the hearing be before an arbitrator, it is considered to be a request for a hearing before the school board.

(b) If the teacher and the school board are unable to mutually agree on an arbitrator, the board must request from the bureau of mediation services a list of five persons to serve as an arbitrator. If the matter to be heard is a proposed termination on grounds specified in subdivision 9, arbitrators on the list must be available to hear the matter and make a decision within a time frame that will allow the board to comply with all statutory timelines relating to termination. If the teacher and the board are unable to mutually agree on an arbitrator from the list provided, the parties shall alternately strike names from the list until the name of one arbitrator remains. The person remaining after the striking procedure must be the arbitrator. If the parties are unable to agree on who shall strike the first name, the question must be decided by a flip of a coin. The teacher and the school board must share equally the costs and fees of the arbitrator.

(c) The arbitrator shall determine, by a preponderance of the evidence, whether the grounds for

termination or discharge specified in subdivision 9 or 13 exist to support the proposed termination or discharge. A lesser penalty than termination or discharge may be imposed by the arbitrator only to the extent that either party proposes such lesser penalty in the proceeding. In making the determination, the arbitration proceeding is governed by sections 572B.15 to 572B.28 and by the collective bargaining agreement applicable to the teacher.

(d) An arbitration hearing conducted under this subdivision is a meeting for preliminary consideration of allegations or charges within the meaning of section 13D.05, subdivision 3, paragraph (a), and must be closed, unless the teacher requests it to be open.

(e) The arbitrator's award is final and binding on the parties, subject to sections 572B.18 to 572B.28.

Subd. 16. Decision. After the hearing, the board must issue a written decision and order. If the board orders termination of a continuing contract or discharge of a teacher, its decision must include findings of fact based upon competent evidence in the record and must be served on the teacher, accompanied by an order of termination or discharge, prior to April 1 in the case of a contract termination for grounds specified in subdivision 9, prior to July 1 for grounds specified in subdivision 10 or 11, or within ten days after conclusion of the hearing in the case of a discharge. If the decision of the board or of a reviewing court is favorable to the teacher, the proceedings must be dismissed and the decision entered in the board minutes, and all references to such proceedings must be excluded from the teacher's record file.

Subd. 17. Judicial review. The pendency of judicial proceedings must not be ground for postponement of the effective date of the board's order, but if judicial review eventuates in reinstatement of the teacher, the board must pay the teacher all compensation withheld as a result of the termination or dismissal order.

Subd. 18. Exception. This section does not apply to any district in a city of the first class.

Subd. 19. Records relating to individual teacher; access; expungement. All evaluations and files generated within a school district relating to each individual teacher must be available to each individual teacher upon written request. Effective January 1, 1976, all evaluations and files, wherever generated, relating to each individual teacher must be available to each individual teacher upon written request. The teacher shall have the right to reproduce any of the contents of the files at the teacher's expense and to submit for inclusion in the file written information in response to any material contained therein.

A district may destroy the files as provided by law and must expunge from the teacher's file any material found to be false or inaccurate through the grievance procedure required pursuant to section 179A.20, subdivision 4. The grievance procedure promulgated by the director of the bureau of mediation services, pursuant to section 179A.04, subdivision 3, clause (h), applies to those principals and supervisory employees not included in an appropriate unit as defined in section 179A.03. Expungement proceedings must be commenced within the time period provided in the collective bargaining agreement for the commencement of a grievance. If no time period is provided in the bargaining agreement, the expungement proceedings must commence within 15 days after the teacher has knowledge of the inclusion in the teacher's file of the material the teacher seeks to have expunged.

12. M.S. 122A.413 EDUCATIONAL IMPROVEMENT PLAN.

Subdivision 1. Qualifying plan. A district or intermediate school district may develop an educational improvement plan for the purpose of qualifying for the alternative teacher professional pay system under section 122A.414. The plan must include measures for improving school district, intermediate school district, school site, teacher, and individual student performance.

Subd. 2. Plan components. The educational improvement plan must be approved by the school board and have at least these elements:

(1) assessment and evaluation tools to measure student performance and progress;

(2) performance goals and benchmarks for improvement;

(3) measures of student attendance and completion rates;

(4) a rigorous research and practice-based professional development system, based on national and state standards of effective teaching practice and consistent with section 122A.60, that is aligned with educational improvement and designed to achieve ongoing and schoolwide progress and growth in teaching practice;

(5) measures of student, family, and community involvement and satisfaction;

(6) a data system about students and their academic progress that provides parents and the public with understandable information;

(7) a teacher induction and mentoring program for probationary teachers that provides continuous learning and sustained teacher support; and

(8) substantial participation by the exclusive representative of the teachers in developing the plan.

Subd. 3. School site accountability. A district or intermediate school district that develops a plan under subdivisions 1 and 2 must ensure that each school site develops a board-approved educational improvement plan that is aligned with the district educational improvement plan under subdivision 2 and developed with the exclusive representative of the teachers. While a site plan must be consistent with the district educational improvement plan, it may establish performance goals and benchmarks that meet or exceed those of the district.

13. M.S. 122A.414 ALTERNATIVE TEACHER PAY.

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

Subd. 1a. Transitional planning year. (a) To be eligible to participate in an alternative teacher professional pay system, a school district, intermediate school district, or site, at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the school district or intermediate school district and the exclusive representative of the teachers to complete a plan preparing for full implementation, consistent with subdivision 2, that may include, among other activities, training to evaluate teacher performance, a restructured school day to develop integrated ongoing site-based professional development activities, release time to develop an alternative pay system agreement, and teacher and staff training on using multiple data sources; and

(2) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system agreement under this section.

(b) To be eligible to participate in an alternative teacher professional pay system, a charter school, at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the charter school and the charter school board of directors;

(2) submit the record of a formal vote by the teachers employed at the charter school indicating at

least 70 percent of all teachers agree to implement the alternative pay system; and

(3) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system.

(c) The commissioner may waive the planning year if the commissioner determines, based on the criteria under subdivision 2, that the school district, intermediate school district, site or charter school is ready to fully implement an alternative pay system.

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

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

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

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

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, and base at least 60 percent of any compensation increase on teacher performance using: (i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both; (ii) measures of student achievement; and (iii) an objective evaluation program that includes: (A) individual teacher evaluations aligned with the educational improvement plan under section 122A.413 and the staff development plan under section 122A.60; and (B) objective evaluations using multiple criteria conducted by a locally selected and periodically trained evaluation team that understands teaching and learning;

(4) provide integrated ongoing site-based professional development activities to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

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

(6) encourage collaboration rather than competition among teachers.

Subd. 2a. Charter school applications. For charter school applications, the board of directors of a charter school that satisfies the conditions under subdivisions 2 and 2b must submit to the commissioner an application that contains:

(1) an agreement to implement an alternative teacher professional pay system under this section;

(2) a resolution by the charter school board of directors adopting the agreement; and

(3) the record of a formal vote by the teachers employed at the charter school indicating that at least 70 percent of all teachers agree to implement the alternative teacher professional pay system, unless the charter school submits an alternative teacher professional pay system agreement under this section before the first year of operation.

Alternative compensation revenue for a qualifying charter school must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).

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

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

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 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.

(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.

Subd. 4. Planning and staff development. A school district that qualifies to participate in the alternative teacher professional pay system transitional planning year under subdivision 1a may use up to two percent of basic revenue that would otherwise be reserved under section 122A.61 for complying with the planning and staff development activities under this section.

14. M.S. 122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER PAY.

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

15. M.S. 122A.415 ALTERNATIVE COMPENSATION REVENUE.

Subdivision 1. Revenue amount. (a) A school district, intermediate school district, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals $260 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under subdivision 4, paragraphs (a) and (b).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

(d) The revenue is available only to school districts, intermediate school districts, school sites, and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

Subd. 2. Repealed.

Subd. 3. Revenue timing. (a) Districts, intermediate school districts, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district, intermediate school district, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with sections 122A.414, Subds. 2, paragraph (b), and 2a, if the applicant is a charter school, and 122A.415, subdivision 1, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, school sites, and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

(c) For fiscal year 2008 and later, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed the product of $3,374,000 times the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for fiscal year 2007. Additional basic alternative teacher compensation aid may be approved for charter schools after August 1, not to exceed the charter school limit for the following fiscal year, if the basic alternative teacher compensation aid entitlement for school districts based on applications approved by August 1 does not expend the remaining amount under the limit.

Subd. 4. Basic alternative teacher compensation aid. (a) For fiscal year 2015 and later, the basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals $260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed $75,636,000 for fiscal year 2015 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits.

This section is effective for revenue in fiscal year 2015 and later.

Subd. 5. Alternative teacher compensation levy. For fiscal year 2015 and later, the alternative teacher compensation levy for a district receiving basic alternative teacher compensation aid equals the product of (1) the difference between the district's alternative teacher compensation revenue and the district's basic alternative teacher compensation aid, times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per adjusted pupil unit to $6,100.

This section is effective for revenue in fiscal year 2015 and later.

Subd. 6. Alternative teacher compensation equalization aid. (a) For fiscal year 2015 and later, a district's alternative teacher compensation equalization aid equals the district's alternative teacher compensation revenue minus the district's basic alternative teacher compensation aid minus the district's alternative teacher compensation levy. If a district does not levy the entire amount permitted, the alternative teacher compensation equalization aid must be reduced in proportion to the actual amount levied.

(b) A district's alternative teacher compensation aid equals the sum of the district's basic alternative teacher compensation aid and the district's alternative teacher compensation equalization aid.

This section is effective for revenue in fiscal year 2015 and later.

16. M.S. 122A.4155 ALTERNATIVE COMPENSATION RURAL DISTRICT APPLICATION ASSISTANCE.

Subdivision 1. Eligibility. School districts located in greater Minnesota that submit a letter of intent and begin the transitional planning year, under section 122A.414, subdivision 1a, are eligible for alternative compensation application assistance. For the purposes of this section, an eligible school district is any school

district located in the rural equity region under section 126C.10, subdivision 28.

Subd. 2. Multidistrict technical assistance. The department shall provide technical assistance in the form of, but not limited to, networking, training, and professional development to a rural district or groups of rural districts in developing applications for the alternative compensation program.

Subd. 3. Model plans. The department shall develop and disseminate alternative compensation model plans based on the unique needs and characteristics of rural districts.

Subd. 4. Multidistrict consortia. The department may promote the development of multidistrict consortia to optimize opportunities for rural districts to participate in and implement alternative compensation programs. A multidistrict consortium shall develop and implement a collaborative alternative compensation plan that includes the program components outlined in section 122A.414, subdivision 2. A multidistrict consortium shall provide opportunities to share best practices, professional development training and expertise, training of teacher observers, or the purchase of programmatic resources.

17. M.S. 122A.43 SHORT-TERM, LIMITED CONTRACTS.

Subdivision 1. Authorization. A school board may enter into short-term, limited contracts with classroom teachers employed by the district.

Subd. 2. Board to identify needs. The board must determine the needs of its classroom teachers and the need for changes in its curriculum. In determining these needs, the school board must obtain recommendations from classroom teachers, staff responsible for curriculum, and the curriculum advisory committee. It shall consider assessment results, other test results, the need for mentor teachers, and the district improvement plan portion of the report adopted according to section 120B.11, subdivision 3. Contracts executed under this section shall relate directly to the identified needs.

Subd. 3. Selection committee. A committee of six members appointed by the board shall recommend teachers to receive contracts. Three members of the committee shall be classroom teachers. Three members shall be administrators, parents, members of the school board, or members of the community. The committee shall consider only classroom teachers who have background, knowledge, or expertise needed to perform duties in the areas of need identified by the board. Years of service in the district must not be a factor for consideration by the committee. A teacher shall not have a right to a contract under this section based on seniority or order of employment in the district. The committee shall recommend to the school board names of individual teachers. The number of individual teachers recommended shall be approximately the number designated by the board to meet the identified needs. The board may award contracts to any of the recommended teachers but not to any others. The board may request the committee to recommend additional names of teachers.

Subd. 4. Contract terms and conditions. Contracts executed under this section shall provide classroom teachers any one or a combination of the following:

(1) released time during the school day;
(2) additional hours in a school day; or
(3) additional days or weeks of employment during the summer.

Contracts executed under this section shall terminate within one year of the date of execution. During the term of a contract under this section a teacher may be discharged for cause from duties under this contract; a hearing shall be held on the discharge upon request of the teacher. A teacher has no rights in a subsequent year to a contract under this subdivision.

Subd. 5. Application of other laws. The provisions of section 122A.40 or 122A.41 shall not apply to initial awards, renewal, or termination of contracts under this section. The provisions of this section concerning short-term, limited contracts shall not be construed to alter any aspect of other contracts executed by a school board.

Subd. 6. Report. Each district awarding contracts under this section is encouraged to submit a report to the commissioner. The report shall indicate the number of contracts awarded, whether duties are to be performed before, during, or after the school day or during the summer, the total cost of all contracts, and a general description of the duties. The statement shall also describe how the recommendations required by subdivision 2 were obtained. Any problems associated with implementing this section may be included.

18. M.S. 122A.44 CONTRACTING WITH TEACHERS; SUBSTITUTE TEACHERS.

Subdivision 1. Contracting with qualified teachers. The board must employ and contract with necessary qualified teachers and discharge the same for cause.

Subd. 2. Hiring substitute teachers. (a) The board must not hire a substitute teacher except:

(1) For a duration of time of less than one school year to replace a regular teacher who is absent; or

(2) For a duration of time equal to or greater than one school year to replace a regular teacher on a leave of absence.

(b) If a substitute teacher is hired pursuant to paragraph (a), clause (2), each full school year during which the teacher is employed by a district pursuant to that clause shall be deemed one year of the teacher's probationary period of employment pursuant to either section 122A.40, subdivision 5, or 122A.41, subdivision 2. The teacher shall be eligible for continuing contract status pursuant to section 122A.40, subdivision 7, or tenure status pursuant to section 122A.41, subdivision 4, after completion of the applicable probationary period.

19. M.S. 122A.46 EXTENDED LEAVES OF ABSENCE.

Subdivision 1. Teachers defined. As used in this section, the term "teachers" shall have the meaning given it in section 122A.15, subdivision 1. The term "teachers" also includes any teacher in the classifications included in the professional state residential instructional unit, under section 179A.10, subdivision 2, clause (16).

Subd. 1a. Appointing authority. For purposes of teachers included in the professional state residential instructional unit, the term "school board" includes the appointing authority as defined in section 43A.02 subdivision 5.

Subd. 2. Leave of absence. The board of any district may grant an extended leave of absence without salary to any full- or part-time elementary or secondary teacher who has been employed by the district for at least five years and has at least ten years of allowable service, as defined in section 354.05, subdivision 13, or the bylaws of the appropriate retirement association or ten years of full-time teaching service in Minnesota public elementary and secondary schools. The duration of an extended leave of absence under this section must be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence under this section shall be taken by mutual consent of the board and the teacher. If the school board denies a teacher's request, it must provide reasonable justification for the denial.

Subd. 3. Reinstatement. Except as provided in subdivisions 7 and 8, a teacher on an extended leave of

absence pursuant to this section shall have the right to be reinstated to a position for which the teacher is licensed at the beginning of any school year which immediately follows a year of the extended leave of absence, unless the teacher fails to give the required notice of intention to return or is discharged or placed on unrequested leave of absence or the contract is terminated pursuant to section 122A.40 or 122A.41 while the teacher is on the extended leave. The board is not obligated to reinstate any teacher who is on an extended leave of absence pursuant to this section, unless the teacher advised the board of the intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return or by February 1 in the calendar year in which the leave is scheduled to terminate.

Subd. 4. Seniority and continuing contract rights. Any teacher who is reinstated to a teaching position after an extended leave of absence pursuant to this section shall retain seniority and continuing contract rights in the employing district as though the teacher had been teaching in the district during the period of the extended leave. This subdivision shall not be construed to require a board to reinstate a teacher to any particular position or to include the years spent on the extended leave of absence in the determination of a teacher's salary upon return to teaching in this district.

Subd. 5. Salary. The years spent by a teacher on an extended leave of absence pursuant to this section shall not be included in the determination of salary upon return to teaching in the district. The credits earned by a teacher on an extended leave of absence pursuant to this section shall not be included in the determination of salary upon return to teaching in the district for a period equal to the time of the extended leave of absence.

Subd. 6. School board authority. Nothing within the provisions of this section shall be construed to limit the authority of a school board to grant any teacher a leave of absence which is not subject to the provisions of this section and sections 354.094 and 354A.091.

Subd. 7. Employment in another district. A school board shall not be obligated to reinstate a teacher who takes a full-time or part-time position as a teacher in another Minnesota school district while on an extended leave of absence pursuant to this section. This subdivision shall not apply to a teacher who is employed as a substitute teacher.

Subd. 8. Superintendent. A school board shall not be obligated to reinstate a superintendent on an extended leave of absence pursuant to this section to a position in the district.

Subd. 9. Benefits. A teacher on an extended leave of absence shall receive all of the health, accident, medical, surgical and hospitalization insurance or benefits, for both the teacher and the teacher's dependents, for which the teacher would otherwise be eligible if not on an extended leave. A teacher shall receive the coverage if such coverage is available from the school district's insurer, if the teacher requests the coverage, and if the teacher either (a) reimburses the district for the full amount of the premium necessary to maintain the coverage within one month preceding the district's payment of the premium, or (b) if the district is wholly or partially self-insured, pays the district, according to a schedule agreed upon by the teacher and the school board, an amount determined by the school board to be the amount that would be charged for the coverage chosen by the teacher if the school board purchased all health, accident, medical, surgical and hospitalization coverage for its teachers from an insurer. A school district may enter into an agreement with the exclusive bargaining representative of the teachers in the district where the district agrees, for an individual teacher, to pay all or a portion of the premium for such coverage. Any such agreement must include a sunset of eligibility to qualify for the payment.

Cross References: School Law Bulletin "M": Licensed and Nonlicensed School District Employee Leave

20. M.S. 122A.48 TEACHER EARLY RETIREMENT INCENTIVE PROGRAM.

Subdivision 1. Teacher defined. For purposes of this section, "teacher" means a teacher as defined in section 122A.15, subdivision 1, who:

(a) is employed in a public elementary or secondary school in the state and

(b) either

(1)(i) has at least 15 total years of full-time teaching service in elementary, secondary, and technical colleges, or at least 15 years of allowable service as defined in sections 354.05, subdivision 13; 354.092; 354.093; 354.094; 354.53; 354.66; 354A.011, subdivision 4; 354A.091; 354A.092; 354A.093; 354A.094; or Laws 1982, chapter 578, article II, section 1 and

(ii) has or will have attained the age of 55 years but less than 65 years as of the June 30 in the school year during which an application for an early retirement incentive is made, or

(2) has at least 30 total years of full-time teaching service in elementary, secondary, and technical colleges, or at least 30 years of allowable service as defined in sections 354.05, subdivision 13; 354.092; 354.093; 354.094; 354.53; 354.66; 354A.011, subdivision 4; 354A.091; 354A.092; 354A.093; 354A.094; or Laws 1982, chapter 578, article II, section 1.

Subd. 2. Retirement. For purposes of this section, "retirement" means termination of services in the employing district and withdrawal from active teaching service.

Subd. 3. Employment exemptions for retired teachers. Notwithstanding the provisions of subdivision 2, a teacher who has entered into an agreement for termination of services and withdrawal from active teaching service with an early retirement incentive may be employed as a substitute teacher, behind-the-wheel instructor, or coach after retirement.

Subd. 4. Reemployment compensation benefits. Any amount of reemployment compensation benefits that the teacher receives and for which the district is required to pay into the reemployment compensation trust fund pursuant to section 268.052, subdivision 1, may be deducted by the district from the amount of the teacher's early retirement incentive or recovered by the district from the teacher up to the amount of the early retirement incentive.

Subd. 5. Applications. A teacher meeting the requirements of subdivision 1 may apply to the school board of the employing district for a contract for termination of services, withdrawal from active teaching service, and payment of an early retirement incentive. This application must be submitted on or before February 1 of the school year at the end of which the teacher wishes to retire. A school board must approve or deny the application within 30 days after it is received by the board. The amount of the early retirement incentive shall be agreed upon between the teacher and the school board. The early retirement incentive shall be paid by the employing district at the time and in the manner mutually agreed upon by a teacher and the board.

21. M.S. 122A.49 SABBATICAL LEAVE FOR TEACHERS.

Subdivision 1. Qualifications. A teacher who holds a license, according to this chapter, and a contract for employment by a school district or other organization providing public education may be granted a sabbatical leave by the board employing the teacher under rules promulgated by the board.

Subd. 2. Return to position. A teacher who applies for and accepts sabbatical leave shall agree that, upon the conclusion of said sabbatical leave, the teacher shall return to the teacher's position for a period

determined by the board before the leave is granted, or repay the district the portion of salary received while on sabbatical leave.

Subd. 3. Retain rights in employing district. A teacher who has been granted a sabbatical leave must retain all rights in the employing district as though teaching in that district.

Subd. 4. Sabbatical leave defined. The term "sabbatical leave," as used in this section, means compensated leaves of absence granted for purposes of professional improvement or service.

Cross References: School Law Bulletin "M": Licensed and Nonlicensed School District Employee Leave

22. M.S. 122A.50 PREPARATION TIME.

Beginning with agreements effective July 1, 1995, and thereafter, all collective bargaining agreements for teachers provided for under chapter 179A, must include provisions for preparation time or a provision indicating that the parties to the agreement chose not to include preparation time in the contract.

If the parties cannot agree on preparation time the following provision shall apply and be incorporated as part of the agreement: "Within the student day for every 25 minutes of classroom instructional time, a minimum of five additional minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the student day. Exceptions to this may be made by mutual agreement between the district and the exclusive representative of the teachers."

23. M.S. 122A.51 TEACHER LUNCH PERIOD.

A teacher must be provided with a duty-free lunch period, scheduled according to school board policy or negotiated agreement.

24. M.S. 122A.52 Repealed.

25. M.S. 122A.53 Repealed.

26. M.S. 122A.54 EXCHANGE TEACHERS.

Subdivision 1. Eligibility. A person holding a license and contract to teach in a Minnesota public school and assigned by the employing district to teach elsewhere is an exchange teacher.

Subd. 2. Teacher assignment. Any district is authorized to assign a teacher for service elsewhere than in the employing district in exchange for a teacher with qualifications satisfactory to the commissioner.

Subd. 3. Teacher rights retained. The exchange teacher shall retain all rights in the employing district as though teaching in that district.

27. M.S. 122A.55 STAFF EXCHANGE PROGRAM.

Subdivision 1. Establishment. A staff exchange program is established to allow local districts to arrange temporary and voluntary exchanges among members of their kindergarten through grade 12 instructional and administrative staffs. The purpose of the program is to provide participants with an understanding of the educational concerns of other local school districts, including concerns of class organization, curriculum development, instructional practices, and characteristics of the student population.

The educational needs and interests of the host district and the training, experience, and interests of the participants must determine the assignments of the participants in the host district. Participants may teach courses, provide counseling and tutorial services, work with teachers to better prepare students for future educational experiences, serve an underserved population in the district, or assist with administrative functions. The assignments participants perform for the host district must be comparable to the assignments the participants perform for the district employing the participants. Participation in the exchange program need not be limited to one school or one school district and may involve other education organizations including education districts and SCs.

Subd. 2. Program requirements. All staff exchanges made under this section are subject to the requirements in this subdivision.

(a) A school district employing a participating staff member must not adversely affect the staff member's salary, seniority, or other employment benefits, or otherwise penalize the staff member for participating in the program.

(b) Upon completion or termination of an exchange, a district employing a participating staff member must permit the staff member to return to the same assignment the staff member performed in the district before the exchange, if available, or, if not, a similar assignment.

(c) A district employing a participating staff member must continue to provide the staff member's salary and other employment benefits during the period of the exchange.

(d) A participant must be licensed and tenured.

(e) Participation in the program must be voluntary.

(f) The length of participation in the program must be no less than one-half of a school year and no more than one school year, and any premature termination of participation must be upon the mutual agreement of the participant and the participating district.

(g) A participant is responsible for transportation to and from the host district.

(h) This subdivision does not abrogate or change rights of staff members participating in the staff exchange program or the terms of an agreement between the exclusive representative of the school district employees and the district.

(i) Participating districts may enter into supplementary agreements with the exclusive representative of the school district employees to accomplish the purpose of this section.

Subd. 3. Application procedures. The school board of a district must decide by resolution to participate in the staff exchange program. A staff member wishing to participate in the exchange program must submit an application to the school district employing the staff member. The district must, in a timely and appropriate manner, provide to the exclusive bargaining representatives of teachers in the state the number and names of prospective participants within the district, the assignments available within the district, and the length of time for each exchange. The exclusive bargaining representatives are requested to cooperatively participate in the coordination of exchanges to facilitate exchanges across all geographical regions of the state. Prospective participants must contact teachers and districts with whom they are interested in making an exchange. The prospective participants must make all arrangements to accomplish their exchange and the superintendents of the participating districts must approve the arrangements for the exchange in writing.

28. M.S. 122A.56 FACULTY EXCHANGE AND TEMPORARY ASSIGNMENT PROGRAM.

Subdivision 1. Establishment. A program of faculty collaboration is established to allow Minnesota school districts and postsecondary institutions to arrange temporary placements in each other's institutions. These arrangements must be made on a voluntary cooperative basis between a school district and postsecondary institution, or between postsecondary institutions. Exchanges between postsecondary institutions may occur among campuses in the same system or in different systems.

Subd. 2. Uses of program. Each participating school district and postsecondary institution may determine the way in which the staff member's time is to be used, but it must be in a way that promotes understanding of the needs of each educational system or institution. For example, a public school educator may teach courses, provide counseling and tutorial services, assist with the preparation of future educators, or take professional development courses. A postsecondary teacher might teach courses at the school district, counsel students, or work in school administration. Participation need not be limited to one school or institution and may involve other groups including service cooperatives.

Subd. 3. Salaries; benefits; certification. Temporary placements made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding sections 123B.02, subdivision 14, and 122A.16, a member of the staff of a postsecondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would otherwise be required without holding the applicable license. In addition, a licensed educator employed by a school district may teach or perform a service, agreed upon according to this section, at a postsecondary institution without meeting the applicable qualifications of the postsecondary institution. A district is not subject to section 127A.43 as a result of entering into an agreement according to this section that enables a postsecondary educator to teach or provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by each participating school district and postsecondary institution before implementation.

Subd. 4. Educators' employment; continuation. An educator who held a temporary position or an exchanged position under this section must be continued in or restored to the position previously held, or to a position of like seniority, status, and pay upon return. Retirement benefits under an employer-sponsored pension or retirement plan must not be reduced because of time spent on an exchange or temporary position under this section.

Subd. 5. Entitlement to benefits and position. An educator who is continued in or restored to a position in accordance with subdivision 4:

(1) must be continued or restored without loss of seniority; and

(2) may participate in insurance or other benefits offered by the employer under its established rules and practices.

29. M.S. 122A.57 EXCHANGES BETWEEN EDUCATION FACULTY.

Subdivision 1. Authority; limits. The board of trustees of the Minnesota state colleges and universities and the board of regents of the University of Minnesota may develop programs to exchange faculty between colleges or schools of education and school districts, subject to section 122A.56.

The programs must be used to assist in improving teacher education by involving current teachers in education courses and placing postsecondary faculty in elementary and secondary classrooms. Programs must include exchanges that extend beyond the immediate service area of the institution to address the needs of different types of schools, students, and teachers.

Subd. 2. Compensation. State money for faculty exchange programs is to compensate for expenses that are unavoidable and beyond the normal living expenses exchange participants would incur if they were not involved in this exchange. The board of trustees of the Minnesota state colleges and universities, the board of regents of the University of Minnesota, and their respective campuses, in conjunction with the participating school districts, must control costs for all participants as much as possible, through means such as arranging housing exchanges, providing campus housing, and providing university, state, or school district cars for transportation. The boards and campuses may seek other sources of funding to supplement these appropriations, if necessary.

30. M.S. 122A.58 COACHES, TERMINATION OF DUTIES.

Subdivision 1. Termination; hearing. Before a district terminates the coaching duties of an employee who is required to hold a license as an athletic coach from the commissioner of education, the district must notify the employee in writing and state its reason for the proposed termination. Within 14 days of receiving this notification, the employee may request in writing a hearing on the termination before the board. If a hearing is requested, the board must hold a hearing within 25 days according to the hearing procedures specified in section 122A.40, subdivision 14, and the termination is final upon the order of the board after the hearing.

Subd. 2. Final decision. Within ten days after the hearing, the board must issue a written decision regarding the termination. If the board decides to terminate the employee's coaching duties, the decision must state the reason on which it is based and include findings of fact based upon competent evidence in the record. The board may terminate the employee's duties or not, as it sees fit, for any reason which is found to be true based on substantial and competent evidence in the record.

Subd. 3. Nonapplication of section. This section shall not apply to the termination of coaching duties pursuant to a district transfer policy or as a result of the nonrenewal or termination of the employee's contract or the employee's discharge, demotion or suspension pursuant to section 122A.40 or 122A.41. This section shall not apply to the termination of an employee's coaching duties prior to completion of the probationary period of employment.

31. M.S. 122A.60 STAFF DEVELOPMENT PROGRAM.

Subdivision 1. Staff development committee. A school board must use the revenue authorized in section 122A.61 for in-service education for programs under section 120B.22, subdivision 2, or for staff development plans under this section. The board must establish an advisory staff development committee to develop the plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators.

Subd. 1a. Effective staff development activities. (a) Staff development activities must:

(1) focus on the school classroom and research-based strategies that improve student learning;

(2) provide opportunities for teachers to practice and improve their instructional skills over time;

(3) provide opportunities for teachers to use student data as part of their daily work to increase student achievement;

(4) enhance teacher content knowledge and instructional skills, including to accommodate the delivery of digital and blended learning and curriculum and engage students with technology;

(5) align with state and local academic standards;

(6) provide opportunities to build professional relationships, foster collaboration among principals and staff who provide instruction, and provide opportunities for teacher-to-teacher mentoring; and

(7) align with the plan of the district or site for an alternative teacher professional pay system;

(8) provide teachers of English learners, including English as a second language and content teachers, with differentiated instructional strategies critical for ensuring students' long-term academic success; the means to effectively use assessment data on the academic literacy, oral academic language, and English language development of English learners; and skills to support native and English language development across the curriculum; and

(9) provide opportunities for staff to learn about current workforce trends, the connections between workforce trends and postsecondary education, and training options, including career and technical education options.

Staff development activities may include curriculum development and curriculum training programs, and activities that provide teachers and other members of site-based teams training to enhance team performance. The school district also may implement other staff development activities required by law and activities associated with professional teacher compensation models.

(b) Release time provided for teachers to supervise students on field trips and school activities, or independent tasks not associated with enhancing the teacher's knowledge and instructional skills, such as preparing report cards, calculating grades, or organizing classroom materials, may not be counted as staff development time that is financed with staff development reserved revenue under section 122A.61.

Subd. 2. Contents of the plan. The plan must include the staff development outcomes under subdivision 3, the means to achieve the outcomes, and procedures for evaluating progress at each school site toward meeting education outcomes, consistent with relicensure requirements under section 122A.18, subdivision 4. The plan also must:

(1) support stable and productive professional communities achieved through ongoing and schoolwide progress and growth in teaching practice;

(2) emphasize coaching, professional learning communities, classroom action research, and other job-embedded models;

(3) maintain a strong subject matter focus premised on students' learning goals;

(4) ensure specialized preparation and learning about issues related to teaching English learners and students with special needs by focusing on long-term systemic efforts to improve educational services and opportunities and raise student achievement; and

(5) reinforce national and state standards of effective teaching practice.

Subd. 3. Staff development outcomes. The advisory staff development committee must adopt a staff development plan for improving student achievement. The plan must be consistent with education outcomes that the school board determines. The plan must include ongoing staff development activities that contribute toward continuous improvement in achievement of the following goals:

(1) improve student achievement of state and local education standards in all areas of the curriculum by using research-based best practices methods;

(2) effectively meet the needs of a diverse student population, including at-risk children, children with disabilities, English learners, and gifted children, within the regular classroom and other settings;

(3) provide an inclusive curriculum for a racially, ethnically, linguistically, and culturally diverse student population that is consistent with the state education diversity rule and the district's education diversity plan;

(4) improve staff collaboration and develop mentoring and peer coaching programs for teachers new to the school or district;

(5) effectively teach and model violence prevention policy and curriculum that address early

intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution;

(6) effectively deliver digital and blended learning and curriculum and engage students with technology; and

(7) provide teachers and other members of site-based management teams with appropriate management and financial management skills.

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

(b) The report must break down expenditures for:

(1) curriculum development and curriculum training programs; and

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

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

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

32. M.S. 122A.61 RESERVED REVENUE FOR STAFF DEVELOPMENT.

Subdivision 1. Staff development revenue. A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for in-service education for programs under section 120B.22, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' evaluation, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs.

Subd. 2. Repealed.

Subd. 3. Coursework and training. A school district may use the revenue reserved under subdivision 1 for grants to the district's teachers to pay for coursework and training leading to certification as a college in the schools or concurrent enrollment teacher. In order to receive a grant, the teacher must be enrolled in a program that includes coursework and training focused on teaching a core subject.

33. M.S. 122A.68 TEACHING RESIDENCY PROGRAM.

Subdivision 1. Establishment. A school district with a teaching residency plan approved by the board of teaching may hire graduates of approved Minnesota teacher preparation programs as teaching residents. A district shall employ each resident for one school year. The district and the resident may agree to extend the residency for one additional school year. A school may employ no more than one teaching resident for every eight full-time equivalent licensed teachers. No more than 600 eligible teachers may be employed as teacher residents in any one school year.

Subd. 2. Teacher eligibility. Persons eligible to be hired as teaching residents must have received their initial license no more than two years prior to applying for a residency and must have less than nine months of full-time equivalency teaching experience as a licensed teacher.

Subd. 3. Program components. In order to be approved by the board of teaching, a school district's residency program must at minimum include:

(1) training to prepare teachers to serve as mentors to teaching residents;

(2) a team mentorship approach to expose teaching residents to a variety of teaching methods, philosophies, and classroom environments that includes differentiated instructional strategies, effective use of student achievement data, and support for native and English language development across the curriculum and grade levels, among other things;

(3) ongoing peer coaching and assessment;

(4) assistance to the teaching resident in preparing an individual professional development plan that includes goals, activities, and assessment methodologies; and

(5) collaboration with one or more teacher education institutions, career teachers, and other community experts to provide local or regional professional development seminars or other structured learning experiences for teaching residents.

A teaching resident's direct classroom supervision responsibilities shall not exceed 80 percent of the instructional time required of a full-time equivalent teacher in the district. During the time a resident does not supervise a class, the resident shall participate in professional development activities according to the individual plan developed by the resident in conjunction with the school's mentoring team. Examples of development activities include observing other teachers, sharing experiences with other teaching residents, and professional meetings and workshops.

Subd. 4. Employment conditions. A school district must pay a teaching resident a salary equal to 75 percent of the salary of a first-year teacher with a bachelor's degree in the district. The resident shall be a member of the local bargaining unit and shall be covered under the terms of the contract, except for salary and benefits, unless otherwise provided in this subdivision. The school district must provide health insurance coverage for the resident if the district provides it for teachers, and may provide other benefits upon negotiated agreement.

Subd. 5. Applies toward probationary period. A teaching residency shall count as one year of a teacher's probationary period under section 122A.40, subdivision 5, or section 122A.41, subdivision 2. A residency extended for one year shall not count as an additional year under this subdivision.

Subd. 6. Learning and development revenue eligibility. A school district with an approved teaching residency program may use learning and development revenue for each teaching resident in kindergarten through grade six. A district also may use the revenue for a paraprofessional who is a person of color enrolled in an approved teacher preparation program. A school district must not use a teaching resident to replace an existing teaching position unless:

(1) there is no teacher available who is properly licensed to fill the vacancy, who has been placed on unrequested leave of absence in the district, and who wishes to be reinstated; and

(2) the district's collective bargaining agreement includes a memorandum of understanding that permits teaching residents to fill an existing teaching position.

Subd. 7. Recommendation for licensure requirements. The board of teaching must develop for teachers of students in prekindergarten through grade 12, model teaching residency outcomes and assessments, and mentoring programs.

34. M.S. 122A.69 PRACTICE OR STUDENT TEACHERS.

The board may, by agreements with teacher preparing institutions, arrange for classroom experience in the district for practice or student teachers who have completed not less than two years of an approved teacher education program. Such practice teachers must be provided with appropriate supervision by a fully qualified teacher under rules promulgated by the board. Practice 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 section 123B.23; and legal counsel in accordance with the provisions of section 123B.25.

35. M.S. 181.535 ARMED FORCES RESERVES OR NATIONAL GUARD STATUS.

(a) No person, whether acting directly or through an agent or as the agent or employee of another may, with intent to discriminate:

(1) ask a person seeking employment with that person or the employer represented by that person whether the person seeking employment is a member of the National Guard or a reserve component of the United States Armed Forces; or

(2) require the person seeking employment to make any oral or written statement concerning National Guard or reserve status as a condition precedent to employment.

(b) The adjutant general and the commissioner of veterans affairs shall use reasonable means to publicize this section. This section does not apply to public employers asking a question or requesting a statement for the purpose of determining whether a veterans preference applies.

36. M.S. 471.975 PAY DIFFERENTIAL OF RESERVE ON ACTIVE DUTY.

(a) Except as provided in paragraph (b), a statutory or home rule charter city, county, town, school district, or other political subdivision may pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's base active duty military salary and the salary the member would be paid as an active political subdivision employee, including any adjustments the member would have received if not on leave of absence. This payment may be made only to a person whose base active duty military salary is less than the salary the person would be paid as an active political subdivision employee. Back pay authorized by this section may be paid in a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(b) Each school district shall pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's base active duty military salary and the salary the member would be paid as an active school district employee, including any adjustments the member would have received if not on leave of absence. The pay differential must be based on a comparison between the member's daily base rate of active duty pay, calculated by dividing the member's base military monthly salary by the number of paid days in the month, and the member's daily rate of pay for the member's school district salary, calculated by dividing the

member's total school district salary by the number of contract days. The member's salary as a school district employee must include the member's basic salary and any additional salary the member earns from the school district for cocurricular and extracurricular activities. The differential payment under this paragraph must be the difference between the daily base rates of military pay times the number of school district contract days the member misses because of military active duty. This payment may be made only to a person whose daily base rate of active duty pay is less than the person's daily rate of pay as an active school district employee. Payments may be made at the intervals at which the member received pay as a school district employee. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(c) An eligible member of the reserve components of the armed forces of the United States is a reservist or National Guard member who was an employee of a political subdivision at the time the member reported for active service on or after May 29, 2003, or who is on active service on May 29, 2003.

(d) Except as provided in paragraph (e) and elsewhere in Minnesota Statutes, a statutory or home rule charter city, county, town, or other political subdivision has total discretion regarding employee benefit continuation for a member who reports for active service and the terms and conditions of any benefit.

(e) A school district must continue the employee's enrollment in health and dental coverage, and the employer contribution toward that coverage, until the employee is covered by health and dental coverage provided by the armed forces. If the employee had elected dependent coverage for health or dental coverage as of the time that the employee reported for active service, a school district must offer the employee the option to continue the dependent coverage at the employee's own expense. A school district must permit the employee to continue participating in any pretax account in which the employee participated when the employee reported for active service, to the extent of employee pay available for that purpose.

(f) For purposes of this section, "active service" has the meaning given in section 190.05, subdivision 5, but excludes service performed exclusively for purposes of:

(1) basic combat training, advanced individual training, annual training, and periodic inactive duty training;

(2) special training periodically made available to reserve members; and

(3) service performed in accordance with section 190.08, subdivision 3.

(g) When an employee of a school district who as a member of the National Guard or any other reserve unit of the United States armed forces, reports for active service as defined in section 190.05, subdivision 5, the district must place into a special service members' aggregate salary savings account the amount of salary the district would have paid to the employee during the employee's leave for military service. The district must use the combined proceeds in the account only to fully pay the salary differentials of all eligible deployed employees in the district, as determined under paragraph (b). Funds remaining in the account at the end of the fiscal year after all obligations to employees under this statute have been satisfied may be used to pay for substitutes for the deployed employees, and then for any other purpose.

C. SUPERINTENDENT.

INTRODUCTION: The information in this section offers guidance to School Boards and Superintendents relative to establishing and maintaining a positive working relationship. An understanding of each other's roles and responsibilities and a clearly written employment contract, job description, and performance evaluation are components of an effective School Board-Superintendent relationship. School Boards and Superintendents with a positive working relationship are better positioned to focus on the School Board's priorities for the School District and its students.

The purpose of this guidance is to provide the following assistance to School Boards and Superintendents:

1. Outlining the method and legal implications of contracting for professional services with a Superintendent.
2. Describing the differing roles, responsibilities and working relationship between School Boards and Superintendents.
3. Outlining a process for conflict resolution.
4. Describing the performance review and evaluation process.
5. Providing samples of an employment contract, job description, and performance evaluation.

1. STATUTORY PROVISIONS GOVERNING THE SUPERINTENDENT'S EMPLOYMENT CONTRACT.

The statute regulating the School Board's employment of a Superintendent is provided below.

M.S. 123B.143 SUPERINTENDENT.

Subdivision 1. Contract; duties. All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

1. visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

2. recommend to the board employment and dismissal of teachers;
3. superintend school grading practices and examinations for promotions;
4. make reports required by the commissioner; and
5. perform other duties prescribed by the board.

Subd. 2. Disclose past buyouts or contract is void. (a) For the purposes of paragraph (b), a "buyout agreement" is any agreement under which a person employed as a superintendent left the position before the term of the contract was over and received a sum of money, something else of value, or the right to something of value for some purpose other than performing the services of a superintendent.

(b) Before a person may enter into a superintendent's contract with a board, the candidate shall disclose in writing the existence and terms of any previous buyout agreement, including amounts and the purpose for the payments, relating to a superintendent's contract with another board. A disclosure made under this paragraph is public data.

(c) The superintendent's contract of a person who fails to make a timely disclosure under paragraph (b) is void.

NOTE: In addition to requiring Superintendent candidates to disclose buyouts, the 1995 legislature amended the data privacy law to specify that the terms of Superintendent buyout agreements are public data. [See M.S. 13.43, subdivision 2.] Further requirements were added by the 1996 legislature. [See Laws 1996, Chapter 440, Article 1, Sections 10 and 11].

ITEMS TO CONSIDER FOR SUPERINTENDENT CONTRACT INCLUSION.
The Superintendent is considered the School District's chief executive officer and an ex-officio member of the School Board without voting rights; as a result, the terms and conditions of his/her employment contract are usually much different from those of regular classroom teachers or other licensed employees. Some of the differences are outlined below.

1. Superintendents were excluded from most of M.S. 122A.40 by legislative amendments, however, Subds. 9 and 13 continue to apply for purposes of terminating a Superintendent's employment contract for cause before the end of its term.
2. Because the Public Employee Labor Relations Act of 1971, as amended, excludes Superintendents employed by a School District from the definition of "teacher," Superintendents may not designate an exclusive representative for collective bargaining purposes.
3. Many Superintendent employment contracts include language relative to vehicle expenses. M.S. 471.666 severely limits the Superintendent's personal use of School District owned, leased, or loaned vehicles, except for incidental use related to School District business. Such a vehicle may not be used for transportation to or from the residence of a local government employee except for narrow, incidental use related to the School District's business. The effect of this restriction is so limiting that a School District's provision of vehicles it owns, leases, or loans for any personal use on the part of school administrators is impractical. For details of the narrow exceptions see M.S. 471.666.
4. Severance pay for a so-called "highly compensated employee" is addressed under M.S. 465.722. Statute sets forth limitations in reference to severance pay. Accordingly, a "highly compensated employee" is an employee with estimated annual wages that are greater than sixty percent (60%) of the governor's annual salary and are equal to, or greater than, eighty percent (80%) of the estimated annual wages of the second highest paid employee of the School District. Severance pay for highly compensated employees is restricted to an amount equivalent to six (6) months of wages. For purposes of this restriction, payments for accumulated vacation and sick leave liquidated to cover the cost of group term insurance may be paid in addition to the six (6) months of severance pay. For exceptions to the six (6)-month restriction, see M.S. 465.722, subdivision 3, which may be found in

Chapter 3, Section D in the MSBA Service Manual.

Some items that may be considered for possible inclusion in the written Superintendent's employment contract, or in School District policy depending upon legal review and local conditions, are listed below.

1. Business-related travel reimbursement,
2. Consultant service or other employment,
3. Dues,
4. Duty year,
5. Health and hospitalization insurance,
6. Holidays,
7. Honorariums,
8. Involvement in community affairs,
9. Leaves,
10. Life insurance,
11. Medical examinations,
12. Outside activities,
13. Salary,
14. Tax deferred annuities,
15. Vacation, and
16. Vehicle expenses.

A Superintendent Model Contract is included in this chapter. The model contract is illustrative of the subject matter that should be worked out between the Superintendent and the School Board in clear and definitive terms. The model contract contains additional notes in reference to specific items relating to restrictions that need to be considered. The model contract covers all of the above subject matters; however, the School District may wish to address items beyond those covered in the model contract. Since the model is only a guide, the model contract can be altered to meet local conditions and employment relationships. During the negotiations, the parties should fully discuss the legal and financial implications of each item before including them in the employment contract. Considerable controversy concerning the employment contracts of Superintendents has occurred in the past including harsh criticism by the State Auditor's office and negative media attention due to their lack of transparency relative to actual School District costs. School Boards should fully understand the legal, financial, and technical issues involved prior to including language in the Superintendent's employment contract. Therefore, MSBA recommends the Superintendent's employment contract be reviewed by the School District's legal counsel before School Board approval. Legal review and advice will ensure compliance with Minnesota law and may bring to light issues the School Board has not considered.

2. WORKING RELATIONSHIP BETWEEN SCHOOL BOARDS AND SUPERINTENDENTS.

The major elements necessary to establish a positive School Board-Superintendent relationship should include the following:

1. A clear understanding of the difference between policy decisions and administrative decisions.
2. A description of the Superintendent's position listing the major duties and responsibilities.
3. Clearly established goals for both the School District and the Superintendent with appropriate time lines for completion.
4. A plan for achieving the School Board's established goals for the School District, including a plan for evaluating the Superintendent's performance and an improvement plan depending upon the results.
5. An employment contract which specifies the terms and conditions of the employment relationship between the Superintendent and the School Board and addresses such items as salary, fringe benefits,

leaves of absence, expense reimbursement, etc.

A positive School Board-Superintendent relationship is essential to the effective management and operation of the School District. The foundation of an effective School Board-Superintendent relationship is a clear understanding by both parties of the Superintendent's duties and the School Board's expectations of the Superintendent. Therefore, the School Board should adopt a written job description for the Superintendent, which delineates his/her responsibilities and authority. Also, the School Board's expectations for the Superintendent should be set forth in an annual, prioritized list of performance goals.

Utilizing the School Board's Code of Ethics (found in Chapter 1 of this manual), the Superintendent's written job description and previously established performance goals, the School Board and Superintendent, together as a School Board – Administrative Leadership Team strive to work towards the following:

16 TENETS OF THE EFFECTIVE
SCHOOL BOARD-ADMINISTRATIVE LEADERSHIP TEAM

School Board Members Should:	Superintendents Should:
1. Recognize their function as being legislative and judicial, and respect the executive function of the superintendent.	1. Recognize his/her function as being executive and respect the legislative and judicial functions of the board.
2. Attend all board meetings. Confidentiality is maintained regarding all private data.	2. Attend all board meetings. Private data is clearly identified as such and confidentiality is maintained.
3. Recognize that authority to act rests with the entire board or a legally constituted quorum of the board and that business may be transacted only in official meetings. Refrain from making commitments to individuals or groups as an individual board member.	3. Interpret official actions of the board to school employees and community groups in a faithful, accurate, and objective manner and not make any commitments to individuals or organizations outside the context of adopted school policy.
4. Support the superintendent as the executor of board policies.	4. Faithfully and objectively administer the policies of the district.
5. Listen courteously to parents with questions and complaints, referring them to an appropriate member of the school staff in accordance with policies of the school.	5. Establish a program of school-community relations leading to open, two-way communications between the district and all parties.
6. Refer personal requests and criticism by school staff directly to the appropriate administrative officer in accordance with board policies.	6. Provide written grievance procedures for school staff and assure an effective means of communication among staff, board, and superintendent.
7. Keep the superintendent and fellow members of the board advised of community reaction to school policies.	7. Keep the board continuously, adequately, and objectively informed concerning the school program, curriculum, and problems – current and anticipated.

8. Submit items to be placed on the board meeting agenda in ample time so the superintendent may assemble information bearing upon the subject and according to locally adopted policy.	8. Accept items to be placed on the board meeting agenda from members of the board and others, and gather pertinent information relative to the items on the agenda.
9. Encourage and support the superintendent to consult with staff and community to seek opinions and recommendations for board consideration.	9. Formulate, when appropriate, with members of the school staff, board, and community, recommendations to be made to the board.
10. Require that meetings of the board be conducted on the basis of a planned agenda prepared by the superintendent in accordance with board policies and be made available to board members prior to the board meetings.	10. Prepare for all board meetings, in cooperation with appropriate board officers, an agenda and supporting materials to be distributed to board members in ample time prior to board meetings.
11. Develop a clear set of policies regarding such items as size of school, class size, assigned responsibilities, budget preparation, staffing, suspension, or dismissal, etc.	11. Carry out board policies and be held accountable for them. Assist the board in maintaining focus on policy matters and recommend and evaluate policy at all times.
12. Require that the administrative rules and regulations be in harmony with school policy.	12. Present to the board for its advice, counsel, and approval, administrative rules and regulations implementing the policies of the board.
13. Delegate full executive responsibility to the superintendent to make recommendations which establish and operate a total school program of acceptable standards.	13. Accept full executive responsibility for establishing and operating a total school program of acceptable standards.
14. Assume responsibility for adopting fiscal policies that will allow the superintendent to operate a total school program of acceptable standards.	14. Assume responsibility for presenting to the board responsible and detailed fiscal plans to assure the smooth operation of the school program.
15. Adopt policies that will allow the superintendent, staff and board to keep abreast of contemporary developments in education through conference attendance, inservice workshops, and consultant services.	15. Advise the board of programs designed to keep the superintendent and staff abreast of contemporary developments in education through conference attendance, inservice workshops, and consultant services.
16. Act on the selection, promotion, demotion, or dismissal of school personnel only after submission of a specific recommendation by the superintendent.	16. Present to the board recommendations for selection, promotion, demotion, or dismissal of school personnel.

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3. RESOLVING DIFFERENCES BETWEEN THE SCHOOL BOARD AND THE SUPERINTENDENT.

Circumstances may develop which result in the deterioration of a positive working relationship between the Superintendent and School Board. While such a negative situation may never occur, School Boards are prudent to plan and prepare for the eventuality of such a situation. Therefore, School Boards should consider adopting an orderly procedure which attempts to resolve differences, including perceived unsatisfactory performance by the Superintendent. Any procedure developed must conform to Minnesota laws including M.S. 123B.143, subdivision 1. The following are basic steps to resolving the differences between the School Board and the Superintendent:

1. A School Board Chair should informally discuss the issue with the Superintendent to facilitate articulation and recognition of the problem.
2. If the informal discussion does not result in agreement or resolution of the problem, the School Board and the Superintendent should then seek outside advice, including contacting their respective professional organizations. This step is aimed at resolving differences without resorting to formal proceedings or legal involvement. At this step, MSBA and MASA are available for consultation upon request. The organizations should be approached through the executive directors or their authorized representatives to determine the appropriate course of action.
3. If the involvement of outside resources still does not result in agreement or satisfactory performance after a reasonable time, the School Board should inform the Superintendent in writing, specifically outlining the deficiency or deficiencies, and allow the Superintendent a reasonable time within which to produce a remedy or remedies after consultation with and advice from the School Board. Such consultation and advice should represent positive efforts by the School Board to support and assist the Superintendent's remedial actions.
4. If the issue is still not resolved and termination of the employment contract appears to be the only solution, then both the School Board and Superintendent should seek legal counsel for advice regarding appropriate action.

4. PERFORMANCE REVIEW AND EVALUATION.

An equally important aspect of a positive School Board-Superintendent relationship involves at least an annual, systematic review and evaluation of the Superintendent's performance conducted by the School Board. A performance evaluation provides a valuable communication mechanism for the School Board and Superintendent. Evaluation allows the parties to construct a clear picture of what the Superintendent is expected to accomplish through his/her leadership relative to key School District goals and priorities. Superintendent evaluation should be based on the Superintendent's performance relative to previously established performance expectations and his/her job description. Ideally, the School Board and Superintendent should work together to adopt an evaluation process and procedure that is satisfactory to both parties. Few School Board members and Superintendents question the need for a performance evaluation. The difficulty lies in developing a fair and valid procedure and creating greater understanding of the purposes and limitations of a performance evaluation so it will not be misused.

For more information regarding superintendent performance evaluation, refer to the MSBA/MASA ***Superintendent Evaluation:*** A Resource for School Board Members and Superintendents document.

5. TERMINATION.

At the end of the Superintendent's term of employment as stated in the contract, a School Board, in its discretion, has the legal right to enter into or not enter into a subsequent contract with that Superintendent. However, if a School Board wishes to terminate a Superintendent for cause during the term of the employment contract, M.S. 123B.143, subdivision 1, requires that the termination be based on grounds as

specified in M.S. 122A.40, Subds. 9 and 13. Some of these grounds require a letter of deficiency providing the Superintendent an opportunity for notice and remediation; termination can then occur if the Superintendent fails to correct the deficiency. Accordingly, in the event the School Board decides addressing a potential termination during the term of the Superintendent's employment contract is necessary, progressive discipline, including letters of deficiency, may be required. Under such circumstances, School Districts are advised to consult with their legal counsel.

6. EMPLOYMENT CONTRACT SAMPLES.

6a. SUPERINTENDENT MODEL CONTRACT.

SUPERINTENDENT CONTRACT

ARTICLE I
PURPOSE

This Contract is entered into between Independent School District No._____, _____, Minnesota, hereinafter referred to as the School District, and _____, hereinafter referred to as the Superintendent, a legally qualified and licensed superintendent who agrees to perform the duties of the Superintendent of the School District.

ARTICLE II
APPLICABLE STATUTE

This Contract is entered into between the School District and the Superintendent in conformance with M.S. 123B.143.

ARTICLE III
LICENSE

The Superintendent shall furnish the School Board, throughout the life of this Contract, a valid and appropriate license to act as superintendent in the State of Minnesota as provided by applicable laws, rules, and regulations.

ARTICLE IV
DURATION, EXPIRATION, TERMINATION
DURING THE TERM, MUTUAL CONSENT, AND CONTINGENCY

Section 1. Duration: This Contract is for a term of _____ years commencing on July 1, 20__, and ending on June 30, 20__. It shall remain in full force and effect unless modified by mutual consent of the School Board and the Superintendent or unless terminated as provided in this Contract.

NOTE 1: Pursuant to M.S. 123B.143, Subd. 1., a School Board may enter into a Contract with a Superintendent for a period of time no longer than three (3) years. The Contract must provide that the School Board, at its discretion, may or may not enter into a subsequent Contract. Such a Contract may not be extended during its term. However, during the last three hundred sixty-five (365) days of such a Contract, a School Board may negotiate and enter into a subsequent Contract to take effect upon the expiration of the existing Contract. Such subsequent Contract must be contingent upon the Superintendent completing the terms of the existing Contract.

Section 2. Expiration: This Contract shall expire at the end of the term specified in Section 1. above. At the conclusion of its term, neither party shall have any further claim against the other, and the School District's employment of the Superintendent shall cease, unless a subsequent Contract is entered into in accordance with M.S. 123B.143, Subd. 1. Six (6) to (nine) months prior to the expiration of this Contact, at the Superintendent's written request, the School board shall conduct a performance evaluation of the Superintendent pursuant to M.S. 13D.05, Subd. 3.

NOTE 2: See "NOTE 1."

Section 3. Termination During the Term: The Superintendent's employment may be terminated during the term of this Contract only for cause as defined in M.S. 122A.40, Subd. 9. and Subd. 13., but, except for purposes of describing grounds for discharge, the provisions of M.S. 122A.40 shall not be applicable. If the School Board proposes to terminate the Superintendent during the term of this Contract for cause as described in M.S. 122A.40, Subd. 9. or Subd. 13., it shall notify the Superintendent in writing of the proposed grounds for termination. The Superintendent shall be entitled to a hearing before an arbitrator provided the Superintendent makes such a request in writing to the School Board Chair within fifteen (15) calendar days after receipt of the written notice of the proposed termination. In such event, the parties shall jointly petition the Minnesota Bureau of Mediation Services (BMS) for a list of five (5) arbitrators. The arbitrator shall be selected by the parties through the striking process as provided by BMS rules. The arbitrator shall conduct a hearing under arbitration procedure rules and issue a written decision. The decision of the arbitrator shall be final and binding on the parties, subject to judicial review of arbitration decisions as provided by law. The Superintendent may be suspended with pay pending final determination by the arbitrator. If the Superintendent fails to request a hearing as provided in this section within the fifteen (15)-day calendar period, he/she shall be deemed to have acquiesced to the School Board's proposed action, and the proposed action shall become final on such date as determined by the School Board, and the Superintendent shall have no further claim or recourse.

Section 4. Mutual Consent: This Contract may be terminated at any time by mutual consent of the School Board and the Superintendent.

Section 5. Contingency: If this Contract is a subsequent Contract entered into prior to the completion of an existing Contract, this subsequent Contract is contingent upon the Superintendent completing the terms of the existing Contract.

ARTICLE V
DUTIES

The Superintendent shall have charge of the administration of the schools under the direction of the School Board. The Superintendent shall be the chief executive officer of the School District; shall direct and assign teachers and other School District employees under the Superintendent's supervision; shall organize, reorganize, and arrange the administrative and supervisory staff, including instruction and business affairs, as best serves the School District subject to the approval of the School Board; shall select all personnel subject to the approval of the School Board; shall, from time to time, suggest policies, regulations, rules, and procedures deemed necessary for the School District; and, in general, perform all duties incident to the office of the Superintendent and such other duties as may be prescribed by the School Board from time to time. The Superintendent shall abide by the policies, regulations, rules, and procedures established by the School Board and the State of Minnesota. The Superintendent shall have the right to attend all School Board meetings and all School Board and citizen committee meetings, serve as an ex-officio member of the School Board and all School Board committees, and provide administrative recommendations on each item of business considered by each of these groups.

ARTICLE VI
DUTY YEAR AND LEAVES OF ABSENCE

Section 1. Basic Work Year: The Superintendent's duty year shall be for the entire twelve (12)-month

Contract year, and the Superintendent shall perform duties on those legal holidays on which the School Board is authorized to conduct school if the School Board so determines. The Superintendent shall be on duty during any emergency, natural or unnatural, unless otherwise excused in accordance with School Board administrative policy.

Section 2. Vacation: The Superintendent shall earn _____ working days of annual paid vacation each Contract year. Unused vacation must be taken within six (6) months after the end of the Contract year in which it is earned. Upon voluntary termination of employment, the Superintendent shall be entitled to payment for any unused vacation days earned and accrued pursuant to the provisions of this section; however, if the Superintendent is involuntarily terminated, he/she shall not be entitled to unused earned and accrued vacation days.

Section 3. Holidays: The Superintendent shall be entitled to _____ paid holidays as designated by the School Board each Contract year.

NOTE 3: The specific holidays should be listed.

Section 4. Sick Leave: The Superintendent shall earn paid sick leave at the rate of ____ day(s) each working month, and earned sick leave may accumulate to a maximum of ____ days. Upon voluntary termination of employment, the Superintendent shall be entitled to payment for any unused sick leave days earned and accrued pursuant to the provisions of this section; however, if the Superintendent is involuntarily terminated, he/she shall not be entitled to unused earned and accrued sick leave days.

Section 5. Workers' Compensation: Pursuant to M.S. Chapter 176, the Superintendent injured on the job in the service of the School District and collecting workers' compensation insurance may draw sick leave and receive full salary from the School District, the salary to be reduced by an amount equal to the insurance payments, and only that fraction of the days not covered by insurance will be deducted from accrued sick leave.

Section 6. Bereavement Leave: The Superintendent shall be granted bereavement leave for a death within the Superintendent's immediate family. The time utilized shall be in an amount to be determined after conferring with the School Board Chair. Days utilized [*will or will not*] be deducted from the Superintendent's sick leave. "Immediate family" is defined as the Superintendent's spouse, child, parent, brother, sister, or other relative who was living in the same household as the Superintendent.

Section 7. Emergency Leave: The Superintendent may be granted paid emergency leave at the discretion of the School Board.

Section 8. Jury Service: The Superintendent who serves on jury duty shall be granted the day or days necessary as stipulated by the court to discharge this responsibility without any salary deduction or loss of basic leave allowance. The compensation received for jury duty service shall be remitted to the School District.

Section 9. Military Leave: Military leave shall be granted pursuant to applicable law.

Section 10. Disability: If the Superintendent is unable to perform his/her regular duties because of personal illness or disability and has exhausted all accumulated sick leave, the School Board shall provide additional paid sick leave at a salary equal to ____ percent of the Superintendent's regular salary until the expiration of the waiting period for long-term disability insurance.

Section 11. Medical Leave: Pursuant to M.S. 122A.40, Subd. 12., the Superintendent shall have a right to a leave of absence for health reasons.

Section 12. Insurance Application: A Superintendent on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The Superintendent shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the School District the monthly premium in advance. In the event the Superintendent is on paid leave from the School District under Section 4. above or supplemented by sick leave pursuant to Section 5. above, the School District will continue insurance contributions as provided in this Contract until sick leave is exhausted. Thereafter, the Superintendent must pay the entire premium for any insurance retained.

ARTICLE VII
INSURANCE

Section 1. Health and Hospitalization and Dental Insurance: The School District shall provide the Superintendent and the Superintendent's dependents with health and hospitalization and dental insurance coverage under the School District's group health and hospitalization and dental insurance plans at the expense of the School District.

[*or*]

The School District shall provide the Superintendent and the Superintendent's dependents with health and hospitalization insurance coverage under the School District's group health and hospitalization insurance plan. The School District shall contribute the sum of $_____ per month toward the premium for such insurance. The balance of the premium shall be paid by the Superintendent through payroll deduction. The School District shall also provide the Superintendent and the Superintendent's dependents with dental insurance coverage under the School District's group dental insurance plan. The School District shall contribute the sum of $_____ per month toward the premium for such insurance. The balance of the premium shall be paid by the Superintendent through payroll deduction.

NOTE 4: In the event this Contract will cause or does cause penalties, fees, or fines to be assessed against the School District, the parties agree to reopen negotiations that result in a revised Contract between the parties that eliminates or reduces penalties, fees, or fines to be assessed against the School District. The amount of any reduction in the School District's contribution toward the Superintendent's healthcare benefits as a result of addressing the "highly compensated employee" component of the ACA will be placed into another School District provided benefit(s) (i.e., a retirement HRA, salary, etc.) as agreed upon between the parties.

Section 2. Life Insurance: The School District shall provide, at its own expense, term life insurance for the Superintendent under the School District's group term life insurance plan in the amount of $_____, payable to the Superintendent's named beneficiary(ies).

NOTE 5: According to the Internal Revenue Service rules, the amount of School District premium contribution that pays for life insurance coverage in excess of $50,000 is considered taxable income, so the School District should be certain that it is reporting that contribution as such, and the Superintendent needs to know why that amount is being reported.

Section 3. Long-Term Disability Insurance: The School District shall provide, at its own expense, long-term disability insurance for the Superintendent under the School District's group long-term disability

insurance plan.

Section 4. Eligibility: The eligibility of the Superintendent and the Superintendent's dependent(s) and beneficiary(ies) for insurance benefits shall be governed by the terms of the insurance policies purchased by the School District pursuant to this article.

Section 5. Claims Against the School District: The School District's only obligation is to purchase the insurance policies described in this article, and no claim shall be made against the School District as a result of denial of insurance benefits by an insurer if the School District has purchased the policies and paid the premiums described in this article.

ARTICLE VIII
OTHER BENEFITS

Section 1. Tax-Sheltered Annuities: The Superintendent is eligible to participate in a tax-sheltered annuity plan through payroll deduction established pursuant to Section 403(b) of the Internal Revenue Code of 1986, M.S. 123B.02, Subd. 15., School District policy, and as otherwise provided by law.

Section 2. Vehicle: The School District shall compensate the Superintendent for business use of his/her private vehicle at the rate of ____ cents per mile pursuant to M.S. 471.665, Subd. 1.

[*or*]

The School District shall provide the Superintendent with a monthly allowance of $____ for business use of his/her private vehicle pursuant to M.S. 471.665, Subd. 3.

NOTE 6: Prohibition Against Combination of Options. One of the two options above should be selected and the other option deleted. Some School Districts have been utilizing a combination of M.S. 471.665, Subd. 1. and Subd. 3. – i.e., in-district travel and out-of-district travel. However, an opinion by the Minnesota Attorney General indicates that using the combination is improper (see Op. Atty. Gen. 11/20/95).

NOTE 7: Prohibition Against Personal Use of School District Vehicle. Two opinions by the Minnesota Attorney General conclude that a School District may not provide a school district-owned vehicle which the Superintendent utilizes for personal use even if the Superintendent pays for such personal use (see Op. Atty. Gen. 161b-12 1/24/89 and Op. Atty. Gen. 395b- 10/24/89).

NOTE 8: Statutory Restrictions on Personal Use of District-Owned Vehicles. M.S. 471.666 prohibits personal use of a vehicle owned, leased by, or loaned to a School District, except for incidental use related to School District business. Such a vehicle may not be used for transportation to or from the residence of the School District employee except for narrow, incidental use related to the School District's business. The effect of this restriction is so limiting that a School District's provision of District-owned, leased, or loaned vehicles for any personal use by the Superintendent is impractical (see M.S. 471.666).

Section 3. Conferences and Meetings: The School District shall pay all legally valid expenses and fees for the Superintendent's attendance at professional conferences and meetings with other educational agencies when such attendance is required, directed, or permitted by the School Board. The Superintendent shall periodically report to the School Board relative to all meetings and conferences attended. The Superintendent shall file itemized expense statements to be processed and approved as provided by School Board policy and law.

ARTICLE IX
SALARY

The Superintendent shall be paid an annual salary of $_____ for the 20___-20___ Contract year, $_____ for the 20___ - 20___ Contract year, and $_____ for the 20___ - 20___ Contract year. During the term of this Contract, the annual salary may be modified but shall not be reduced. The annual salary shall be paid in ____ equal installments during the Contract year.

[*or*]

The Superintendent shall be paid an annual salary of $_____ for the 20___ - 20___ Contract year. The parties shall endeavor to agree by April 1 of each subsequent year as to the amount of the salary for the following year. During the term of this Contract, the annual salary may be modified but shall not be reduced. The annual salary shall be paid in ____ equal installments during the Contract year.

NOTE 9: Options. School Boards should use only one of the paragraphs above. The first paragraph fixes a salary for more than one year, while the second paragraph fixes the salary for one year and requires mutual agreement for the subsequent year(s). Practices vary from School District to School District.

ARTICLE X
OTHER PROVISIONS

Section 1. Outside Activities: While the Superintendent shall devote full time and due diligence to the affairs and the activities of the School District, he/she may also serve as a consultant to other school districts or educational agencies, lecture, engage in writing and speaking activities, and engage in other activities if, as solely determined by the School Board, such activities do not impede the Superintendent's ability to perform the duties of the superintendency. However, the Superintendent may not engage in other employment, consultant service, or other activity for which a salary, fee, or honorarium is paid without the prior approval of the School Board.

Section 2. Indemnification and Provision of Counsel: In the event that an action is brought or a claim is made against the Superintendent arising out of or in connection with his/her employment and the Superintendent is acting within the scope of employment or official duties, the School District shall defend and indemnify the Superintendent to the extent provided by law. Indemnification, as provided in this section, shall not apply in the case of malfeasance in office or willful or wanton neglect of duty, and the obligation of the School District in this regard shall be subject to the limitations as provided in M.S. Chapter 466.

Section 3. Dues: The Superintendent is encouraged to belong to and participate in appropriate professional, educational, economic development, community, and civic organizations when such membership will serve the best interests of the School District. Accordingly, the School District will pay the membership dues for such organizations as are required, directed, or permitted by the School Board. The Superintendent shall present appropriate statements for approval as provided by law.

NOTE 10: Until 2007, School Districts were restricted to paying dues for their superintendents to belong to professional and educational organizations, but the 2007 Minnesota Legislature enacted M.S. 123B.02, Subd. 24., allowing School Districts to pay dues for other organizations if their School Boards deemed such membership to be appropriate.

Section 4. Medical Examination: The Superintendent shall have a comprehensive medical examination

not less than once every ____ years. A summary document from the physician certifying the fitness of the Superintendent to perform the duties of the position shall be provided to the School Board Chair. The cost of said examination not covered by the School District's insurance program shall be paid by the School District.

[Section 5. Other Applicable Provisions: In this section, other terms and conditions of employment as agreed on between the parties should be included. Items such as severance pay, payment for unused sick leave, and extended leaves of absence, if provided to the Superintendent, are examples of what could be included. Since superintendents' contracts vary greatly in the manner in which they address such provisions, no attempt has been made to develop specific model Contract language. However, if the parties are considering the inclusion of such provisions, both MSBA and MASA may be able to provide sample language upon request.]

NOTE 11: Since July 31, 1993, severance pay for highly compensated employees has been restricted. A "highly compensated employee" is an employee with estimated annual wages that are greater than sixty percent (60%) of the governor's salary and are equal to, or greater than, eighty percent (80%) of the estimated annual wages of the second highest paid employee of the School District. Severance pay for highly compensated employees is restricted to an amount equivalent to six (6) months of wages. For purposes of this restriction, payments for accumulated vacation and sick leave liquidated to cover the cost of group term insurance may be paid in addition to the six (6) months of severance pay. For exceptions to the six (6)-month restriction, see M.S. 465.722, Subd. 3., which may be found in section "D.5." of "Chapter 3" in the MSBA Service Manual.

ARTICLE XI
SEVERABILITY

The provisions of this Contract shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Contract or the application of any provision thereof.

IN WITNESS WHEREOF, I have subscribed my signature this ____ day of _____, 20___.

_____
Superintendent

IN WITNESS WHEREOF, we have subscribed our signatures this ____ day of _____, 20___.

_____
School Board Chair

_____
School Board Clerk

6b. INTERIM SUPERINTENDENT MODEL CONTRACT.

NOTE 1: An Interim Superintendent is a temporary employee hired to fill a vacancy for a period of time prior to a School District filling the position on a permanent basis, and many School Districts hire Interim Superintendents without the benefit of a written Contract. However, because reducing such employment matters to writing is desirable, a suggested model Contract for Interim Superintendents is presented below.

INTERIM SUPERINTENDENT CONTRACT

This Contract is entered into between Independent School District No. ____, _____, Minnesota (hereinafter, "School District"), and _____ (hereinafter, "Interim Superintendent"), a legally qualified and licensed Superintendent who agrees to perform the duties of Superintendent of the School District.

ARTICLE I
DURATION

This Contract is for the period of _____, 20____, through _____, 20____, pending the search for and hiring of a permanent Superintendent. This Contract shall also terminate at an earlier date in the event a permanent Superintendent is hired earlier than _____, 20____.

ARTICLE II
LICENSE

The Interim Superintendent shall furnish the School Board, throughout the life of this Contract, a valid and appropriate license to act as Superintendent in the State of Minnesota as provided by applicable laws, rules, and regulations.

ARTICLE III
DUTIES

The Interim Superintendent shall have charge of the administration of the schools under the direction of the School Board. The Interim Superintendent shall be the chief executive officer of the School District; shall direct and assign teachers and other School District employees under the Interim Superintendent's supervision; shall organize, reorganize, and arrange the administrative and supervisory staff, including instruction and business affairs, as best serves the School District subject to the approval of the School Board; shall select all personnel subject to the approval of the School Board; shall, from time to time, suggest policies, regulations, rules, and procedures deemed necessary for the School District; and, in general, perform all duties incident to the office of the Interim Superintendent and such other duties as may be prescribed by the School Board from time to time. The Interim Superintendent shall abide by the policies, regulations, rules, and procedures established by the School Board and the State of Minnesota. The Interim Superintendent shall have the right to attend all School Board meetings and all School Board and citizen committee meetings, serve as an ex-officio member of the School Board and all School Board committees, and provide administrative recommendations on each item of business considered by each of these groups.

ARTICLE IV
COMPENSATION

OPTION 1: [to be used if the Interim Superintendent is presently employed by the School District in another position]

The Interim Superintendent shall continue to be compensated at his/her regular salary and pursuant to all other terms and conditions of employment as related to his/her previous assignment. In addition, the Interim Superintendent shall be compensated $_____ per month for performing the additional responsibilities of the Interim Superintendent's position. Upon completion of this Contract, the Interim Superintendent will return to his/her regular School District assignment at the regular salary and terms and conditions of employment therefor, and this interim assignment shall have no effect on his/her regular employment contract and assignment in the School District.

[*or*]

OPTION 2: [to be used if the Interim Superintendent is not presently employed by the School District]

The Interim Superintendent shall be compensated at a salary of $_____ per month. The Interim Superintendent shall also be eligible for the following specific benefits during the term of this Contract:

NOTE 2: The specific benefits being offered should be addressed here in a manner consistent with the circumstances and length of the Interim Superintendent's employment.

This Contract shall be effective only upon signatures of the Interim Superintendent and the officers of the School Board as a result of proper action by the School Board.

The provisions of this Contract shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Contract or the application of any provision thereof.

IN WITNESS WHEREOF, I have subscribed my signature this ____ day of _____, 20___.

_____
Interim Superintendent

IN WITNESS WHEREOF, we have subscribed our signatures this ____ day of _____, 20___.

_____
School Board Chair

_____
School Board Clerk

D. VARIOUS RELATED PROVISIONS.

1. M.S. 144.4165 TOBACCO PRODUCTS PROHIBITED IN PUBLIC SCHOOLS.

No person shall at any time smoke, chew, or otherwise ingest tobacco or a tobacco product, or inhale or exhale vapor from an electronic delivery device as defined in section 609.685, subdivision 1, in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13, and no person under the age of 18 shall possess any of these items. This prohibition extends to all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls. Nothing in this section shall prohibit the lighting of tobacco by an adult as a part of a traditional Indian spiritual or cultural ceremony. For purposes of this section, an Indian is a person who is a member of an Indian tribe as defined in section 260.755, Subd. 12. [NOTE: Any person who violates M.S. 144.4165 is guilty of a petty misdemeanor - See M.S. 609.681.]

2. M.S. 181.931-.934 NOTICE OF TERMINATION (WHISTLEBLOWER STATUTE).

M.S. 181.931 DEFINITIONS.

Subdivision 1. Generally. For the purpose of sections 181.931 to 181.935 the terms defined in this section have the meanings given them.

Subd. 2. Employee. "Employee" means a person who performs services for hire in Minnesota for an employer. Employee does not include an independent contractor.

Subd. 3. Employer. "Employer" means any person having one or more employees in Minnesota and includes the state and any political subdivision of the state.

Subd. 4. Good faith. "Good faith" means conduct that does not violate section 181.932, subdivision 3.

Subd. 5. Penalize. "Penalize" means conduct that might dissuade a reasonable employee from making or supporting a report, including post-termination conduct by an employer or conduct by an employer for the benefit of a third party.

Subd. 6. Report. "Report" means a verbal, written, or electronic communication by an employee about an actual, suspected, or planned violation of a statute, regulation, or common law, whether committed by an employer or a third party.

M.S. 181.932 DISCLOSURE OF INFORMATION BY EMPLOYEES.

Subdivision 1. Prohibited action. An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry; or

(c) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason.

(d) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm; or

(e) a public employee communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official. The disclosures protected pursuant to this section do not authorize the disclosure of data otherwise protected by law.

Subd. 2. Disclosure of identity. The identity of any employee making a report to a governmental body or law enforcement official under subdivision 1 clause (a) or (d), is private data on individuals as defined in section 13.02. The identity of an employee providing information under subdivision 1, clause (b), is private data on individuals if:

(1) the employee would not have provided the information without an assurance that the employee's identity would remain private, because of a concern that the employer would commit an action prohibited under subdivision 1 or that the employee would be subject to some other form of retaliation; or

(2) the state agency, statewide system, or political subdivision reasonably believes that the employee would not have provided the data because of that concern.

If the disclosure is necessary for prosecution, the identity of the employee may be disclosed but the employee shall be informed prior to the disclosure.

Subd. 3. False disclosures. This section does not permit an employee to make statements or disclosures knowing that they are false or that they are in reckless disregard of the truth.

Subd. 4. Collective bargaining rights. This section does not diminish or impair the rights of a person under any collective bargaining agreement.

Subd. 5. Confidential information. This section does not permit disclosures that would violate federal or state law or diminish or impair the rights of any person to the continued protection of confidentiality of communications provided by common law.

M.S. 181.933 NOTICE OF TERMINATION.

Subdivision 1. Notice required. An employee who has been involuntarily terminated may, within 15 working days following such termination, request in writing that the employer inform the employee of the reason for the termination. Within ten working days following receipt of such request, an employer shall inform the terminated employee in writing of the truthful reason for the termination.

Subd. 2. Defamation action prohibited. No communication of the statement furnished by the employer to the employee under subdivision 1 may be made the subject of any action for libel, slander, or defamation by the employee against the employer.

M.S. 181.934 EMPLOYEE NOTICE.

The department of labor and industry shall promulgate rules for notification of employees by employers

of an employee's rights under sections 181.931 to 181.935.

[NOTE: School districts are included in the definition of employer for purposes of M.S. 181.933. M.S. 181.933 notice requirements are in addition to any termination requirements of M.S. 122A.40 or other appropriate laws.]

3. M.S. 181.939 NURSING MOTHERS.

(a) An employer must provide reasonable unpaid break time each day to an employee who needs to express breast milk for her infant child. The break time must, if possible, run concurrently with any break time already provided to the employee. An employer is not required to provide break time under this section if to do so would unduly disrupt the operations of the employer.

(b) The employer must make reasonable efforts to provide a room or other location, in close proximity to the work area, other than a bathroom or a toilet stall, that is shielded from view and free from intrusion from coworkers and the public and that includes access to an electrical outlet, where the employee can express her milk in privacy. The employer would be held harmless if reasonable effort has been made.

(c) For the purposes of this section, "employer" means a person or entity that employs one or more employees and includes the state and its political subdivisions.

(d) An employer may not retaliate against an employee for asserting rights or remedies under this section.

4. M.S. 181.940 DEFINITIONS.

Subdivision 1. Scope. For the purposes of sections 181.940 to 181.944, the terms defined in this section have the meanings given them.

Subd. 2. Employee. "Employee" means a person who performs services for hire for an employer from whom a leave is requested under sections 181.940 to 181.944 for:

(1) at least 12 months preceding the request; and

(2) for an average number of hours per week equal to one-half the full-time equivalent position in the employee's job classification as defined by the employer's personnel policies or practices or pursuant to the provisions of a collective bargaining agreement, during the 12-month period immediately preceding the leave.

Employee includes all individuals employed at any site owned or operated by the employer but does not include an independent contractor.

Subd. 3. Employer. "Employer" means a person or entity that employs 21 or more employees at at least one site, except that, for purposes of the school leave allowed under section 181.9412, employer means a person or entity that employs one or more employees in Minnesota. The term includes an individual, corporation, partnership, association, nonprofit organization, group of persons, state, county, town, city, school district, or other governmental subdivision.

Subd. 4. Child. "Child" means an individual under 18 years of age or an individual under age 20 who is still attending secondary school.

5. M.S. 181.941 PREGNANCY AND PARENTING LEAVE.

Subdivision 1. Twelve-week leave; pregnancy, birth, or adoption. (a) An employer must grant an unpaid leave of absence to an employee who is:

(1) a biological or adoptive parent in conjunction with the birth or adoption of a child; or

(2) a female employee for prenatal care, or incapacity due to pregnancy, childbirth, or related health conditions.

(b) The length of the leave shall be determined by the employee, but must not exceed 12 weeks, unless agreed to by the employer.

Subd. 2. Start of leave. The leave shall begin at a time requested by the employee. The employer may adopt reasonable policies governing the timing of requests for unpaid leave and may require an employee who plans to take a leave under this section to give the employer reasonable notice of the date the leave shall commence and the estimated duration of the leave. For leave taken under subdivision 1, paragraph (a), clause (1), the leave must begin within 12 months of the birth or adoption; except that, in the case where the child must remain in the hospital longer than the mother, the leave must begin within 12 months the child leaves the hospital.

Subd. 3. No employer retribution. An employer shall not retaliate against an employee for requesting or obtaining a leave of absence as provided by this section.

Subd. 4. Continued insurance. The employer must continue to make coverage available to the employee while on leave of absence under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents. Nothing in this section requires the employer to pay the costs of the insurance or health care while the employee is on leave of absence.

6. M.S. 181.9413 SICK LEAVE BENEFITS; CARE OF RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) An employee may use sick leave as allowed under this section for safety leave, whether or not the employee's employer allows use of sick leave for that purpose for such reasonable periods of time as may be necessary. Safety leave may be used for assistance to the employee or assistance to the relatives described in paragraph (a). For the purpose of this section, "safety leave" is leave for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or stalking. For the purpose of this paragraph:

(1) "domestic abuse" has the meaning given in section 518B.01;

(2) "sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352; and

(3) "stalking" has the meaning given in section 609.749.

(c) An employer may limit the use of safety leave as described in paragraph (b) or personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

(d) For purposes of this section, “personal sick leave benefits” means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

(e) For the purpose of this section, “child” includes a stepchild and a biological, adopted, and foster child.

(f) For the purpose of this section, “grandchild” includes a step-grandchild, and a biological, adopted, and foster grandchild.

(g) This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

(h) An employer shall not retaliate against an employee for requesting or obtaining a leave of absence under this section.

Cross References: School Law Bulletin “M”: Licensed and Nonlicensed School District Employee Leave

7. 181.9414 PREGNANCY ACCOMMODATIONS.

Subdivision 1. Accommodation. An employer must provide reasonable accommodations to an employee for health conditions related to pregnancy or childbirth if she so requests, with the advice of her licensed health care provider or certified doula, unless the employer demonstrates that the accommodation would impose an undue hardship on the operation of the employer’s business. A pregnant employee shall not be required to obtain the advice of her licensed health care provider or certified doula, nor may an employer claim undue hardship for the following accommodations: (1) more frequent restroom, food, and water breaks; (2) seating; and (3) limits on lifting over 20 pounds. The employee and employer shall engage in an interactive process with respect to an employee’s request for a reasonable accommodation. “Reasonable accommodation” may include, but is not limited to, temporary transfer to a less strenuous or hazardous position, seating, frequent restroom breaks, and limits to heavy lifting. Notwithstanding any other provision of this section, an employer shall not be required to create a new or additional position in order to accommodate an employee pursuant to this section, and shall not be required to discharge any employee, transfer any other employee with greater seniority, or promote any employee.

Subd. 2. Interaction with other laws. Nothing in this section shall be construed to affect any other provision of law relating to sex discrimination or pregnancy, or in any way to diminish the coverage of pregnancy, childbirth, or health conditions related to pregnancy or childbirth under any other provisions of any other law.

Subd. 3. No employer retribution. An employer shall not retaliate against an employee for requesting or obtaining accommodation under this section.

Subd. 4. Employee not required to take leave. An employer shall not require an employee to take a leave or accept an accommodation.

8. M.S. 354.05 DEFINITIONS FOR TEACHERS RETIREMENT.

Subd. 37. Termination of teaching service. “Termination of teaching service” means the withdrawal of a member from active teaching service by resignation or the termination of the member’s teaching contract by the employer. A member is not considered to have terminated teaching service, if before the age of 62, and

before the effective date of the termination or retirement, the member has entered into a contract to resume teaching service with an employing unit covered by the provisions of this chapter. A contract to return to work after retirement for an active member who has attained age 62 must comply with the provisions of section 354.444.

Subd. 41. Annual base salary. (a) "Annual base salary" means:

(1) for an independent school district or educational cooperative, the lowest full-time Bachelor of Arts (BA) base contract salary for the previous fiscal year for that employing unit;

(2) for a charter school, the lowest starting annual salary for a full-time licensed teacher employed during the previous fiscal year for that employing unit; and

(3) for a state agency or professional organization, the lowest starting annual salary for a full-time Teachers Retirement Association covered position for the previous fiscal year for that employing unit.

(b) If there is no previous fiscal year data because an employer unit is new and paragraph (c) does not apply, the annual base salary for the first year of operation will be as provided in paragraph (a), except that the base contract salary for the current fiscal year, rather than the previous fiscal year, must be used.

(c) For a new employer unit created as a result of a merger or consolidation, the annual base salary must be the lowest annual base salary as specified in paragraph (a) for any of the employer units involved in the merger or consolidation.

9. M.S. 354.44 RESUMPTION OF TEACHING SERVICE AFTER RETIREMENT.

Subd. 5. Resumption of teaching service after retirement. (a) Any person who retired under the provisions of this chapter and has thereafter resumed teaching in any employer unit to which this chapter applies is eligible to continue to receive payments in accordance with the annuity except that all or a portion of the annuity payments must be deferred during the calendar year immediately following the fiscal year in which the person's salary from the teaching service is in an amount greater than $46,000. The amount of the annuity deferral is one-half of the salary amount in excess of $46,000 and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned.

(b) If the person is retired for only a fractional part of the fiscal year during the initial year of retirement, the maximum reemployment salary exempt from triggering a deferral as specified in this subdivision must be prorated for that fiscal year.

(c) After a person has reached the Social Security normal retirement age, no deferral requirement is applicable regardless of the amount of salary.

(d) The amount of the retirement annuity deferral must be handled or disposed of as provided in section 356.47.

(e) For the purpose of this subdivision, salary from teaching service includes, but is not limited to:

(1) all income for services performed as a consultant or an independent contractor for an employer unit covered by the provisions of this chapter; and

(2) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in an employer unit with approximately the same number of pupils and at the same level as the position occupied by the person who resumes teaching service.

10. M.S. 465.72 & 465.722 SEVERANCE PAY.

Subdivision 1. Payment, limits. Except as may otherwise be provided in Laws 1959, Chapter 690, as amended, a county, city, township, school district or other governmental subdivision may pay severance pay to its employees and adopt rules for the payment of severance pay to an employee who leaves employment. Severance pay does not include compensation for accumulated sick leave or other payments in the form of periodic contributions by an employer toward premiums for group insurance policies for a former employee. The severance pay must be excluded from retirement deductions and from any calculations in retirement benefits. Severance pay must be paid in a manner mutually agreeable to the employee and employer over a period not to exceed five years from retirement or termination of employment. If a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due must be paid to a named beneficiary or, lacking one, to the deceased's estate. Severance pay provided for an employee leaving employment may not exceed an amount equivalent to one year of pay.

M.S. 465.722 SEVERANCE PAY FOR HIGHLY COMPENSATED EMPLOYEES.

Subdivision 1. Definitions. For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Local unit of government" means a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision.

(b) "Wages" has the meaning provided by section 3401(a) of the Internal Revenue Code of 1986, as amended through December 31, 1992.

(c) "Highly compensated employee" means an employee of a local unit of government with estimated annual wages that:

(1) are greater than 60 percent of the governor's annual salary; and

(2) are equal to, or greater than, 80 percent of the estimated annual wages of the second highest paid employee of the local unit of government.

Subd. 2. Limits on severance pay. Notwithstanding any contrary provision of section 465.72, subdivision 1, severance pay for a highly compensated employee includes benefits or compensation with a quantifiable monetary value, that are provided for an employee upon termination of employment and are not part of the employee's annual wages and benefits and are not specifically excluded by this subdivision. Severance pay shall not include payments for accumulated vacation, accumulated sick leave, and accumulated sick leave liquidated to cover the cost of group term insurance provided under section 471.61 to retiring employees. Severance pay for a highly compensated employee does not include payments of periodic contributions by an employer toward premiums for group insurance policies. The severance pay for a highly compensated employee must be excluded from retirement deductions and from any calculations of retirement benefits. Severance pay for a highly compensated employee must be paid in a manner mutually agreeable to the employee and the governing body of the local unit of government over a period not to exceed five years from retirement or termination of employment. If a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, the balance due must be paid to a named beneficiary or, lacking one, to the deceased's estate. Except as provided in subdivision 3, severance pay provided for a highly compensated employee leaving employment may not exceed an amount equivalent to six months of wages.

Subd. 3. Exceptions to maximum allowable severance pay for a highly compensated employee. Severance pay for a highly compensated employee may exceed an amount equivalent to six months of wages

if:

(1) the severance pay benefit is included in an employment contract between the employee and the local unit of government that is in effect on August 1, 1993, and the termination of employment occurs before the expiration date of said contract;

(2) the severance pay is part of an early retirement incentive offer approved by the governing body of the local unit of government and the same early retirement incentive offer is also made available to all other employees of the local unit of government who meet generally defined criteria relative to age or length of service;

(3) the governing body of a local unit of government adopts a resolution certifying that:

(i) the highly-compensated employee was a full-time employee of the local unit of government for the entire period between January 1, 1983, and December 31, 1992;

(ii) the highly-compensated employee was covered by one or more employment contracts or agreements which entitled the employee to specified severance pay benefits throughout the entire ten-year period specified in clause (i);

(iii) the employment contract or agreement in effect on December 31, 1992, will, at the time of the employee's separation from employment with the local unit of government, result in a severance payment that exceeds the limits specified in subdivision 2; and

(iv) the amount of severance pay that exceeds the limits specified in subdivision 2 was based on a commitment to provide the employee with a specified severance guarantee in lieu of a higher level of some other form of compensation; or

(4) the commissioner of employee relations has determined a position within a specific local unit of government requires special expertise necessitating a larger severance pay guarantee to attract or retain a qualified person. The commissioner shall develop a process for the governing body of a local unit of government to use when applying for an exemption under this clause. The commissioner shall review each proposed exemption giving due consideration to severance pay guarantees that are made to other persons with similar responsibilities in the state and nation.

Nothing in this subdivision shall be deemed to allow total severance payments for a highly compensated employee that exceed the limits established in section 465.72.

Subd. 4. Governing body must approve certain payments; time for rescission. Notwithstanding section 13.43, subdivision 2, any payment to a highly compensated employee for settling disputed claims, whether or not the claims have been filed, or any payment to a highly compensated employee for terminating a written employment contract, must be approved by the governing body of the local unit of government during a public meeting. The financial terms of a payment made pursuant to this subdivision must be made public at the meeting. The effective date of the governing body's approval of a payment made pursuant to this subdivision shall be 15 days after the date of the public meeting. The governing body of a local unit of government approving a payment pursuant to this subdivision, or the employee to whom the payment is to be made, may rescind or reject the payment, prior to the effective date of the governing body's approval.

11. M.S. 471.666 PERSONAL USE OF PUBLICLY OWNED AUTOMOBILES PROHIBITED.

Subdivision 1. Definitions. For purposes of this section, the following definitions shall apply:

(a) "Local government vehicle" means a vehicle owned or leased by a political subdivision of the state of Minnesota or loaned to a political subdivision.

(b) "Political subdivision" means a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other special purpose district of this state.

(c) "Local government employee" or "employee" means an individual who is appointed or employed by a political subdivision, including all elected officials of political subdivisions.

Subd. 2. Restricted uses. A local government vehicle may be used only for authorized local government business, including personal use that is clearly incidental to the use of the vehicle for local government business. A local government vehicle may not be used for transportation to or from the residence of a local government employee, except as provided in subdivision 3.

Subd. 3. Permitted uses. A local government vehicle may be used by a local government employee to travel to or from the employee's residence:

(1) in connection with work-related activities during hours when the employee is not working;

(2) if the employee has been assigned the use of a local government vehicle for authorized local government business on an extended basis, and the employee's primary place of work is not the local government work station to which the employee is permanently assigned; or

(3) if the employee has been assigned the use of a local government vehicle for authorized local government business away from the work station to which the employee is permanently assigned, and the number of miles traveled, or the time needed to conduct the business, will be minimized if the employee uses a local government vehicle to travel to the employee's residence before or after traveling to the place of local government business.

Subd. 4. Exceptions. This section does not apply to public safety vehicles that are owned or leased by a political subdivision.

12. M.S. 471.991-.999 COMPARABLE WORTH - PAY EQUITY LAW.

M.S. 471.991 DEFINITIONS.

Subdivision 1. Terms. For the purposes of Laws 1984, Chapter 651, the following terms have the meanings given them.

Subd. 2. Balanced class. "Balanced class" means any class in which no more than 80 percent of the members are male and no more than 70 percent of the members are female.

Subd. 3. Comparable work value. "Comparable work value" means the value of work measured by the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 4. Class. "Class" means one or more positions that have similar duties, responsibilities, and general qualifications necessary to perform the duties, with comparable selection procedures used to recruit employees, and use of the same compensation schedule.

Subd. 5. Equitable compensation relationship. "Equitable compensation relationship" means that the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value, as determined under section 471.994 within the political subdivision.

Subd. 6. Female-dominated class. "Female-dominated class" means any class in which 70 percent or more of the members are female.

Subd. 7. Male-dominated class. "Male-dominated class" means any class in which 80 percent or more of the members are male.

Subd. 8. Position. "Position" means a group of current duties and responsibilities assigned or delegated by a supervisor to an individual.

M.S. 471.992 EQUITABLE COMPENSATION RELATIONSHIPS.

Subdivision 1. Establishment. Subject to sections 179A.01 to 179A.25 and sections 177.41 to 177.44, but notwithstanding any other law to the contrary, every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in order to eliminate sex-based wage disparities in public employment in this state. A primary consideration in negotiating, establishing, recommending, and approving compensation is comparable work value in relationship to other employee positions within the political subdivision. This law may not be construed to limit the ability of the parties to collectively bargain in good faith.

Subd. 2. Arbitration. In all interest arbitration involving a class other than a balanced class held under sections 179A.01 to 179A.25, the arbitrator shall consider the equitable compensation relationship standards established in this section and the standards established under section 471.993, together with other standards appropriate to interest arbitration. The arbitrator shall consider both the results of a job evaluation study and any employee objections to the study. In interest arbitration for a balanced class, the arbitrator may consider the standards established under this section and the results of, and any employee objections to, a job evaluation study, but shall also consider similar or like classifications in other political subdivisions.

Subd. 3. Repealed.

Subd. 4. Collective bargaining. In collective bargaining for a balanced class, the parties may consider the equitable compensation relationship standards established by this section and the results of a job evaluation study, but shall also consider similar or like classifications in other political subdivisions.

M.S. 471.993 COMPENSATION RELATIONSHIPS OF POSITIONS.

Subdivision 1. Assurance of reasonable relationship. In preparing management negotiation positions for compensation established through collective bargaining under chapter 179A and in establishing, recommending, and approving compensation plans for employees of political subdivisions not represented by an exclusive representative under chapter 179A, the respective political subdivision as the public employer, as defined in section 179A.03, subdivision 15, or, where appropriate, the Minnesota Merit System, shall assure that:

(1) compensation for positions in the classified civil service, unclassified civil service, and management bear reasonable relationship to one another;

(2) compensation for positions bear reasonable relationship to similar positions outside of that particular political subdivision's employment; and

(3) compensation for positions within the employer's work force bear reasonable relationship among related job classes and among various levels within the same occupational group.

Subd. 2. Reasonable relationship defined. For purposes of subdivision 1, compensation for positions bear "reasonable relationship" to one another if:

(1) the compensation for positions which require comparable skill, effort, responsibility, working conditions, and other relevant work-related criteria is comparable; and

(2) the compensation for positions which require differing skill, effort, responsibility, working conditions, and other relevant work-related criteria is proportional to the skill, effort, responsibility, working conditions, and other relevant work-related criteria required.

M.S. 471.994 JOB EVALUATION SYSTEM.

Every political subdivision shall use a job evaluation system in order to determine the comparable work value of the work performed by each class of its employees. The system must be maintained and updated to account for new employee classes and any changes in factors affecting the comparable work value of existing classes. A political subdivision that substantially modifies its job evaluation system or adopts a new system shall notify the commissioner. The political subdivision may use the system of some other public employer in the state. Each political subdivision shall meet and confer with the exclusive representatives of their employees on the development or selection of a job evaluation system.

M.S. 471.995 REPORT AVAILABILITY.

Notwithstanding section 13.37, every political subdivision shall submit a report containing the results of the job evaluation system to the exclusive representatives of their employees to be used by both parties in contract negotiations. At a minimum, the report to each exclusive representative shall identify the female-dominated classes in the political subdivision for which compensation inequity exists, based on the comparable work value, and all data not on individuals used to support these findings.

M.S. 471.996 Repealed.

M.S. 471.9966 EFFECT ON OTHER LAW.

Notwithstanding section 179A.13, subdivision 2, it is not an unfair labor practice for a political subdivision to specify an amount of funds to be used solely to correct inequitable compensation relationships. A political subdivision may specify an amount of funds to be used for general salary increases. The provisions of sections 471.991 to 471.999 do not diminish a political subdivision's duty to bargain in good faith under chapter 179A or sections 179.35 to 179.39.

M.S. 471.997 HUMAN RIGHTS ACT, EVIDENCE.

The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 in any proceeding or action alleging discrimination.

M.S. 471.999 REPORT TO LEGISLATURE.

The commissioner of management and budget shall report to the legislature by January 1 of each year on the status of compliance with section 471.992, subdivision 1, by governmental subdivisions.

The report must include a list of the political subdivisions in compliance with section 471.992, subdivision 1, and the estimated cost of compliance. The report must also include a list of political subdivisions found by the commissioner to be not in compliance, the basis for that finding, recommended changes to achieve compliance, estimated cost of compliance, and recommended penalties, if any. The commissioner's report must include a list of subdivisions that did not comply with the reporting requirements of this section. The commissioner may request, and a subdivision shall provide, any additional information needed for the preparation of a report under this subdivision.

Notwithstanding any rule to the contrary, beginning in 2005, a political subdivision must report on its compliance with the requirements of sections 471.991 to 471.999 no more frequently than once every three years. No report from a political subdivision is required for 2003 and 2004.

13. M.S. 624.701 LIQUOR IN CERTAIN BUILDINGS OR GROUNDS.

Subdivision. 1. Possession of alcohol on school grounds; penalty. Except as otherwise provided in subdivision la, any person who introduces or possesses an alcoholic beverage, as defined in section 340A.181, on any public elementary or secondary school ground or in any public elementary or secondary school building, is guilty of a misdemeanor.

Subd. la. Exceptions. Subdivision 1 does not apply to the following:

(1) Experiments in laboratories;

(2) A person who has been issued a temporary license to sell 3.2 percent malt liquor under section 340A.403, subdivision 2, or intoxicating liquor under section 340A.404, subdivision 10; or

(3) A person possessing 3.2 percent malt liquor or intoxicating liquor as a result of a purchase from a person or organization holding a temporary license under section 340A.403, subdivision 2, or section 340A.404, subdivision 10.

14. MS. 645.44 HOLIDAYS.

Subd. 5. Holidays. "Holiday" includes New Year's Day, January 1; Martin Luther King's birthday, the third Monday in January; Washington's and Lincoln's birthday, the third Monday in February; Memorial Day, the last Monday in May; Independence Day, July 4; Labor Day, the first Monday in September; Christopher Columbus Day, the second Monday in October; Veterans Day, November 11; Thanksgiving Day, the fourth Thursday in November; and Christmas Day, December 25; provided, when New Year's Day, January 1; or Independence Day, July 4; or Veterans Day, November 11; or Christmas Day, December 25; falls on Sunday, the following day shall be a holiday and, provided, when New Year's Day, January 1; or Independence Day, July 4; or Veterans Day, November 11; or Christmas Day, December 25; falls on Saturday, the preceding day shall be a holiday. No public business shall be transacted on any holiday, except in cases of necessity and except in cases of public business transacted by the legislature, nor shall any civil process be served thereon. However, for the executive branch of the state of Minnesota, "holiday" also includes the Friday after Thanksgiving but does not include Christopher Columbus Day. Other branches of state government and political subdivisions shall have the option of determining whether Christopher Columbus Day and the Friday after Thanksgiving shall be holidays. Where it is determined that Columbus Day or the Friday after Thanksgiving is not a holiday, public business may be conducted thereon.

Any agreement between a public employer and an employee organization citing Veterans Day as the fourth Monday in October shall be amended to cite Veterans Day as November 11.

SCHOOL DISTRICTS; ORGANIZATIONAL OPTIONS

(**Bolded Items - 2014 Session Changes**)

1. M.S. 123A.01 DEFINITIONS.

Subdivision 1. Definitions. For purposes of this chapter, the words defined in section 120A.05, have the same meaning.

Subd. 2. Teacher. For purposes of this chapter, "teacher" means a teacher as defined in section 122A.40, subdivision 1.

2. M.S. 123A.05 STATE-APPROVED ALTERNATIVE PROGRAM ORGANIZATION. **(2014 Session Change)**

Subdivision 1. Governance. (a) A district may establish an area learning center, alternative learning program, or contract alternative in accordance with sections 124D.68, subdivision 3, paragraph (d), and 124D.69

(b) An area learning center is encouraged to cooperate with a service cooperative, an intermediate school district, a local education and employment transitions partnership, public and private secondary and postsecondary institutions, public agencies, businesses, and foundations. Except for a district located in a city of the first class, an area learning center must be established in cooperation with other districts and must serve the geographic area of at least two districts. An area learning center must provide comprehensive educational services to enrolled secondary students throughout the year, including a daytime school within a school or separate site for both high school and middle school level students.

(c) An alternative learning program may serve the students of one or more districts, may designate which grades are served, and may make program hours and a calendar optional.

(d) A contract alternative is an alternative learning program operated by a private organization that has contracted with a school district to provide educational services for students under section 124D. 68, subdivision2.

Subd. 2. Reserve revenue. Each district that is a member of an area learning center or alternative learning program must reserve revenue in an amount equal to the sum of (1) at least 90 **and no more than 100** percent of the district average general education revenue per **adjusted** pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times **.0466**, calculated without basic skills revenue**, local optional revenue,** and transportation sparsity revenue, times the number of pupil units attending an area learning center or alternative learning program under this section, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center or alternative learning program. The amount of reserved revenue under this subdivision may only be spent on program costs associated with the area learning center or alternative learning program.
EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015 and later.

Subd. 3. Access to services. A state-approved alternative program shall have access to the district's regular education programs, special education programs, technology facilities, and staff. It may contract with individuals or postsecondary institutions. It shall seek the involvement of community education programs, postsecondary institutions, interagency collaboratives, culturally based organizations, mutual assistance associations, and other community resources, businesses, and other federal, state, and local public agencies.

Subd. 4. Nonresident pupils. A pupil who does not reside in the district may attend a state-approved alternative program without consent of the school board of the district of residence.

3. M.S. 123A.06 STATE-APPROVED ALTERNATIVE PROGRAMS AND SERVICES. **(2014 Session Change)**

Subdivision 1. Program focus. (a) The programs and services of a state-approved alternative program must focus on academic and learning skills, applied learning opportunities, trade and vocational skills, work-based learning opportunities, work experience, youth service to the community, transition services, and English language and literacy programs for children whose primary language is a language other than English. Applied learning, work-based learning, and service learning may best be developed in collaboration with a local education and transitions partnership, culturally based organizations, mutual assistance associations, or other community resources. In addition to offering programs, the state-approved alternative program shall coordinate the use of other available educational services, special education services, social services, health services, and postsecondary institutions in the community and services area.

(b) Consistent with the requirements of sections 121A.40 to 121A.56, a school district may provide an alternative education program for a student who is within the compulsory attendance age under section 120A.20, and who is involved in severe or repeated disciplinary action.

Subd. 2. People to be served. A state-approved alternative program shall provide programs for secondary pupils and adults. A center may also provide programs and services for elementary and secondary pupils who are not attending the state-approved alternative program to assist them in being successful in school. A center shall use research-based best practices for serving limited English learners and their parents**, taking into account the variations in students' backgrounds and needs and the amount of time and the staff resources necessary for students to overcome gaps in their education and to develop English proficiency and work-related skills**. An individual education plan team may identify a state-approved alternative program as an appropriate placement to the extent a state-approved alternative program can provide the student with the appropriate special education services described in the student's plan. Pupils eligible to be served are those who qualify under the graduation incentives program in section 124D.68, subdivision 2, those enrolled under section 124D.02, subdivision 2, or those pupils who are eligible to receive special education services under sections 125A.03 to 125A.24, and 125A.65.

Subd. 3. Hours of instruction exemption. Notwithstanding any law to the contrary, the area learning center programs must be available throughout the entire year.

Subd. 4. Granting a diploma. Upon successful completion of the area learning center program, a pupil is entitled to receive a high school diploma. The pupil may elect to receive a diploma from either the district of residence or the district in which the area learning center is located **or the intermediate district or educational cooperative responsible for the area learning center program**.

4. M.S. 123A.15 ESTABLISHING EDUCATION DISTRICTS.

Subdivision 1. Purpose. The purpose of an education district is to increase educational opportunities for learners by increasing cooperation and coordination among school districts, other governmental units, and postsecondary institutions, and to replace other existing cooperative structures.

Subd. 2. Agreement to establish an education district; special provision. (a) Boards meeting the requirements of subdivision 3 may enter into a written agreement to establish an education district. Once established, cities, counties, and other governmental units as defined in section 471.59, may become

members of the education district. The agreement and subsequent amendments must be adopted by majority vote of the full membership of each board.

(b) The education district agreement may contain a special provision adopted by the vote of a majority of the full membership of each of the boards of the member districts to allow a postsecondary institution or cities, counties, and other governmental units to become a member of the education district.

Subd. 3. Requirements for formation. (a) An education district must have one of the following at the time of formation:

(1) at least five districts;

(2) at least four districts with a total of at least 5,000 pupils in average daily membership; or

(3) at least four districts with a total of at least 2,000 square miles.

Members of an education district must be contiguous. Districts with a cooperation agreement according to section 123A.32 may belong to an education district only as a unit.

(b) A noncontiguous district may be a member of an education district if the commissioner of education determines that:

(1) a district between the education district and the noncontiguous district has considered and is unwilling to become a member; or

(2) a noncontiguous configuration of member districts has sufficient technological or other resources to offer effective levels of programs and services.

Subd. 4. Meeting with teacher representatives. Before entering into an agreement, the board of each member district must meet and confer with the exclusive representatives of the teachers of each district proposing to enter the education district.

Subd. 5. Notice and public hearing on proposed agreement. Before entering into an agreement, the board of each member district must publish a summary of the proposed agreement and its effect upon the district at least once in a newspaper of general circulation in the district. The board must conduct a public hearing on the proposed agreement not more than ten days after the notice and at least 30 days before entering into an agreement.

Subd. 6. Service cooperatives to assist in establishing education districts. If requested, service cooperatives must provide assistance to districts in establishing education districts. The assistance may include determination of appropriate boundaries of the education district and development of the agreement. The service cooperatives may provide any other services requested by the education district.

5. M.S. 123A.21 SERVICE COOPERATIVES.

Subdivision 1. Establishment of service cooperatives. (a) Ten service cooperatives, hereafter designated as SCs, are established. Geographical boundaries for each SC shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the Regional Development Act of 1969, Minnesota Statutes, sections 462.381 to 462.397, with the following exceptions:

(1) development regions one and two shall be combined to form a single SC;

(2) development regions six east and six west shall be combined to form a single SC; and

(3) development regions seven east and seven west shall be combined to form a single SC.

(b) The SC shall cooperate with the regional development commission for the region with which its

boundaries coincide but shall not be responsible to nor governed by that regional development commission.

(c) Two or more identified SCs may, upon approval by a majority of the members in each affected SC, be combined and administered as a single SC.

Subd. 2. Purpose of SC. The primary purposes of designation as a SC shall be to perform planning on a regional basis and to assist in meeting specific needs of clients in participating governmental units which could be better provided by a SC than by the members themselves. The SC must provide those programs and services which are determined, pursuant to subdivision 7, to be priority needs of the particular region and must assist in meeting special needs which arise from fundamental constraints upon individual members.

Subd. 3. Membership and participation. Full membership in a SC shall be limited to public school districts, cities, counties, and other governmental units as defined in section 471.59, but nonvoting memberships shall be available to nonpublic school administrative units and other partnership agencies or organizations within the SC. A school district, city, county, or other governmental unit or nonprofit organization may belong to one or more SCs. Participation in programs and services provided by the SC shall be discretionary. No school district, city, county, or other governmental unit shall be compelled to participate in these services under authority of this section. Nonpublic school students and personnel are encouraged to participate in programs and services to the extent allowed by law.

Subd. 4. Governing board. (a) The care, management, and control of a SC shall be vested in a board of directors composed of not less than six nor more than 15 members. A majority of the members of the SC board of directors shall be current members of school boards of participating public school districts. Election of the school board members to the SC board of directors shall be by vote of all current school board members of participating public school districts with each school board member having one vote. The remaining board members may be representatives at large appointed by the board members or elected as representatives by other participating agencies, such as cities, counties, or other governmental units.

(b) The election timeline shall be compatible with those for school board members and shall be addressed within the bylaws of each SC.

(c) A vacancy on the SC board which results in an unexpired term may be filled by appointment by the SC board of directors until such vacancy can be filled at the next board election.

(d) At the organizational meeting, the SC board shall choose its officers and conduct any other necessary organizational business. The SC board may, at its discretion, appoint up to three members at large to the SC board as ex officio, nonvoting members of the board and shall encourage the advisory participation of a cross-section of school and agency personnel within the SC to the extent allowed by law.

(e) The officers of the SC board shall be a chair, vice-chair, clerk, and treasurer, no two of whom when possible shall be from the same agency.

(f) A member of the SC board shall have the same liability applicable to a member of an independent school board or other elected governmental officials.

Subd. 5. Duties and powers of SC board of directors. The board of directors shall have authority to maintain and operate a SC. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit, by June 1 of each year to each participating member, an annual

plan which describes the objectives and procedures to be implemented in assisting in resolution of the needs of the SC.

(b) The SC board of directors shall provide adequate office, service center, and administrative facilities by lease, purchase, gift, or otherwise.

(c) The SC board of directors shall employ a central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The board may discharge staff and personnel pursuant to applicable provisions of law. SC staff and personnel may participate in retirement programs and any other programs available to public school staff and personnel.

(d) The SC board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents, lay persons, and representatives from cities, counties, and other governmental units.

(e) The SC board of directors may employ service area personnel pursuant to licensure and certification standards developed by the appropriate state agency such as the commissioner and the state board of teaching.

(f) The SC board of directors may enter into contracts with school boards of local districts including school districts outside the SC area.

(g) The SC board of directors may enter into contracts with other public and private agencies and institutions to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.

(h) The SC board of directors shall exercise all powers and carry out all duties delegated to it by members under provisions of the SC bylaws. The SC board of directors shall be governed, when not otherwise provided, by applicable laws of the state.

(i) The SC board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the members by September 1 of each year following the previous June 30 in which the programs and services were provided.

(j) The SC board is encouraged to establish cooperative, working relationships and partnerships with postsecondary educational institutions, other public agencies, business, and industry.

Subd. 6. Appointment of an advisory council. There may be advisory councils selected to give advice and counsel to the SC board of directors. The councils may be composed of representatives from public and nonpublic schools, cities, counties, and other governmental units.

Subd. 7. Educational programs and services. (a) The board of directors of each SC shall submit annually a plan to the members. The plan shall identify the programs and services which are suggested for implementation by the SC during the following year and shall contain components of long-range planning determined by the SC. These programs and services may include, but are not limited to, the following areas:

(1) administrative services;
(2) curriculum development;
(3) data processing;
(4) distance learning and other telecommunication services;
(5) evaluation and research;

(6) staff development;
(7) media and technology centers;
(8) publication and dissemination of materials;
(9) pupil personnel services;
(10) planning;
(11) secondary, postsecondary, community, adult, and adult vocational education;
(12) teaching and learning services, including services for students with special talents and special needs;
(13) employee personnel services;
(14) vocational rehabilitation;
(15) health, diagnostic, and child development services and centers;
(16) leadership or direction in early childhood and family education;
(17) community services;
(18) shared time programs;
(19) fiscal services and risk management programs, including health insurance programs providing reinsurance or stop loss coverage;
(20) technology planning, training, and support services;
(21) health and safety services;
(22) student academic challenges; and
(23) cooperative purchasing services.

An SC is subject to regulation and oversight by the commissioner of commerce under the insurance laws of this state when operating a health reinsurance program pursuant to clause (19) providing reinsurance or stop loss coverage.

(b) A group health, dental, or long-term disability coverage program provided by one or more service cooperatives may provide coverage to nursing homes licensed under chapter 144A and to boarding care homes licensed under sections 144.50 to 144.56 and certified for participation in the medical assistance program located in this state.

(c) A group health, dental, or long-term disability coverage program provided by one or more service cooperatives; (1) must rebid contracts for insurance and third-party administration at least every four years. The contacts may be regional or statewide in the discretion of the SC; and (2) may determine premiums for its health, dental, or long-term disability coverage individually for specific employers or may determine them on a pooled or other basis established by the SC.

Subd. 8. Technical assistance. Service cooperatives shall, to the extent possible, make technical assistance for long-range planning available to school districts upon request and shall establish a common database for local and regional decision making.

Subd. 9. Financial support for the service cooperatives. (a) Financial support for SC programs and services shall be provided by participating members with private, state, and federal financial support supplementing as available. The SC board of directors may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district, nonpublic school administrative unit, city, county, and other governmental unit its proportionate share of all expenses. This share shall be based upon the extent of participation by each school district, nonpublic school administrative unit, city, county, or other governmental unit and shall be in the form of a service fee. Each participating school district, nonpublic school administrative unit, city, county, or other governmental unit shall remit its assessment to the SC board as provided in the SC bylaws. The assessments shall be paid within the maximum levy limitations of each participating member. No

participating member shall have any additional liability for the debts or obligations of the SC except that assessment which has been certified as its proportionate share and any other liability the member assumes under section 123A.24, subdivisions 1 and 2.

(b) Any property acquired by the SC board is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments levied by a city, county, state, or political subdivision thereof. If the SC is dissolved, its property must be distributed to the members at the time of the dissolution.

(c) A member may elect to withdraw participation in the SC by a majority vote of its full board membership and upon compliance with the applicable withdrawal provisions of the SC organizational agreement. The withdrawal shall be effective on the June 30 following receipt by the board of directors of written notification of the withdrawal by February 1 of the same year. Notwithstanding the withdrawal, the proportionate share of any expenses already certified to the withdrawing member for the SC shall be paid to the SC board.

(d) The SC is a public corporation and agency and its board of directors may make application for, accept, and expend private, state, and federal funds that are available for programs of the members.

(e) The SC is a public corporation and agency and as such, no earnings or interests of the SC may inure to the benefit of an individual or private entity.

Subd. 10. Annual meeting. Each SC shall conduct a meeting at least annually for its members.

Subd. 11. Joint Powers Act. Nothing in this section shall restrict the authority granted to school district boards of education by section 471.59.

Subd. 12. Health Coverage Pool Comparison Shopping. (a) Service cooperatives must permit school districts and other political subdivisions participating in a service cooperative health coverage pool to solicit bids and other information from competing sources of health coverage at any time other than within five months prior to the end of a master agreement.

(b) A service cooperative must not impose a fine or other penalty against an enrolled entity for soliciting a bid or other information during the allowed period. The service cooperative may prohibit the entity from participating in service cooperative coverage for a period of up to one year, if the entity leaves the service cooperative pool and obtains other health coverage.

(c) A service cooperative must provide each enrolled entity with the entity's monthly claims data. This paragraph applies notwithstanding section 13.203.

6. M.S. 123A.215 INNOVATIVE TECHNOLOGY COOPERATIVE. (New 2014 Session)

Subdivision 1. Establishment and organization. (a) Two or more independent school districts may enter into an agreement to establish an innovative cooperative center to provide for technology and other educational services upon the vote of a majority of the full membership of each of the boards of the districts entering into the agreement. The agreement may also provide for membership by a Minnesota state college or university under section 136F.01. When a resolution approving this action has been adopted by the board of a district, the resolution shall be published once in a newspaper of general circulation in the district.

(b) The agreement may provide for the center to be organized into up to four regions. A region may consist of only school districts, only higher education institutions, or a combination of both.

Subd. 2. Name. A public corporation so created shall be known as ....(insert name).... Cooperative Center No. ..... and shall have an identification number assigned according to section 123A.56.

Subd. 3. Governing board. (a) The center must be operated by a center board consisting of 12 members. Membership on the center board must be established according to the bylaws and approved by every member of the cooperative.

(b) The terms of office of the first members of the center board must be determined by lot as follows: one-third of the members for one year, one-third of the members for two years, and the remainder of the members for three years, all terms to expire on June 30 of the appropriate year. Thereafter the terms shall be for three years commencing on July 1 of each year. If a vacancy occurs on the center board, it must be filled by the district, by the members of the appropriate region, or by the higher education members, within 90 days. A person appointed to the center board shall qualify as a center board member by filing with the chair a written certificate of appointment from the appointing school board.

(c) The first meeting of a center board must be at a time mutually agreed upon by center board members. At this meeting, the center board must choose its officers and conduct any other necessary organizational business. Thereafter, the center board must meet on July 1 of each year or as soon thereafter as practicable pursuant to notice sent to all center board members by the chief executive officer of the center.

(d) The officers of the center board shall be a chair, vice-chair, clerk, and treasurer, no two of whom when possible shall be from the same school district. The chair shall preside at all meetings of the center board, except that in the chair's absence the vice-chair shall preside. The clerk shall keep a complete record of the minutes of each meeting and the treasurer shall be the custodian of the funds of the center. Insofar as applicable, sections 123B.09, 123B.14, 123B.143, and 123B.147, shall apply to the board and officers of the center.

(e) A majority of the center board shall be a quorum. Any motion other than adjournment shall pass only upon receiving a majority of the votes of the entire center board.

Subd. 4. Center powers and duties. (a) The center board shall have the general charge of the business of the center. Where applicable, sections 123B.51 and 123B.52, subdivision 4, shall apply. The center board may not issue bonds on its behalf.

(b) The center board may furnish technology offerings to any eligible person residing in any participating district and may provide any other educational programs or services agreed upon by the participating members. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

(c) The center board must employ an executive director, contract with necessary qualified teachers and administrators, and may discharge the same for cause pursuant to section 122A.40. The authority for selection and employment of a director shall be vested in the center board. Notwithstanding the provisions of section 122A.40, subdivision 10 or 11, no individual shall have a right to employment as a director based on seniority or order of employment by the center. The center board may employ and discharge other necessary employees and may contract for other services deemed necessary.

(d) The center board may prescribe rates of tuition for services provided to nonmember students.

Subd. 5. Finances. (a) The center board established under this section is a public corporation and agency and may receive and disburse federal, state, and local funds made available to it. A participating school district or member must not have any additional individual liability for the debts or obligations of the center except that assessment which has been certified as its proportionate share in accordance with paragraph (b) and subdivision 4. A member of the center board shall have the liability that is applicable to a member of an independent school district board. Any property, real or personal, acquired or owned by the center board for its purposes shall be exempt from taxation by the state or any of its political subdivisions.

(b) The center board may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district its proportionate share of any and all expenses. This share must be based upon an equitable distribution formula agreed upon by the participating districts. Each participating district shall remit its assessment to the center board within 30 days after receipt.

Subd. 6. Laws governing independent school districts apply. As of the effective date of the creation of any center as contained in the agreement establishing the center, the organization, operation, maintenance, and conduct of the affairs of the center shall be governed by the general laws relating to independent school districts of the state unless provided otherwise in statute. The center does not have the authority to issue bonds or impose a property tax levy.

Subd. 7. Addition and withdrawal of districts. Upon approval by majority vote of a school board and of the center board, an adjoining district may become a member in the center and be governed by the provisions of this section and the agreement in effect. Any participating district may withdraw from the center and from the agreement in effect by a majority vote of the full board membership of the participating district desiring withdrawal and upon compliance with provisions in the agreement establishing the center. Upon receipt of the withdrawal resolution reciting the necessary facts, the center board must file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective at the end of the next following school year, but the withdrawal shall not affect the continued liability of the withdrawing district for liabilities incurred prior to the effective withdrawal date.

Subd. 8. Dissolution. The boards of each participating district may agree to dissolve the center effective at the end of any school year or at an earlier time as they may mutually agree. A dissolution must be accomplished in accordance with any applicable provisions of the agreement establishing the center. Upon receipt of the dissolution resolutions from the boards of the participating districts, the center board shall file a certified copy with the county auditors of the counties affected. The dissolution must not affect the continuing liability of the previously participating districts for any continuing obligations, including unemployment benefits.

7. M.S. 123A.24 WITHDRAWING FROM COOPERATIVE UNIT; APPEALING DENIAL OF MEMBERSHIP.

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. 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).

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

(1) an education district organized under sections 123A.15 to 123A.19;

(2) a cooperative vocational center organized under section 123A.22;

(3) an intermediate district organized under chapter 136D;

(4) a service cooperative organized under section 123A.21; or

(5) a regional management information center organized under section 123A.23 or as a joint powers district according to section 471.59.

Subd. 3. Appealing denial of membership to commissioner. If a cooperative unit as defined in subdivision 2, denies membership in the unit to a district, the district may appeal to the commissioner. The commissioner may require the cooperative unit to grant the district membership.

8. M.S. 123A.27 RESERVED REVENUE FOR DISTRICT COOPERATION.

A district that was a member of an intermediate school district organized pursuant to chapter 136D on July 1, 1996, must place a portion of its general education revenue in a reserved account for instructional services from entities formed for cooperative services for special education programs and secondary vocational programs. The amount reserved is equal to the levy made according to Minnesota Statutes 1993 supplement, section 124.2727, subdivision 6, for taxes payable in 1994 divided by the actual pupil units in the intermediate school district for fiscal year 1995 times the number of actual pupil units in the school district in 1995. The district must use 5/11 of the revenue for special education and 6/11 of the revenue for secondary vocational education. The district must demonstrate that the revenue is being used to provide the full range of special education and secondary vocational programs and services available to each child served by the intermediate. The secondary vocational programs and services must meet the requirements established in an articulation agreement developed between the commissioner of education and the board of trustees of the Minnesota state colleges and universities.

A district that was a member of an education district organized pursuant to section 123A.15 on July 1, 1999, must place a portion of its general education revenue in a reserve account for instructional services from entities formed for cooperative services. Services may include secondary vocational programs, special education programs, staff development, and gifted and talented instruction. The amount reserved is equal to $50 per pupil unit times the actual number of pupil units in the district.

9. M.S. 123A.30 AGREEMENTS FOR SECONDARY EDUCATION.

Subdivision 1. Applicability. The provisions of this section shall apply to a district with fewer than 375 pupils enrolled in grades 7 to 12.

Subd. 2. Agreement. The board may enter into one or more agreements providing for instruction of its secondary pupils in one or more districts. The agreement must be effective on July 1 and shall be for a specified or indefinite number of years. The agreement must set forth the obligations of transportation, the tuition to be paid to the providing district, and all additional charges and fees to be paid to the providing district. The amount of tuition shall not be subject to the provisions of section 123A.488, subdivision 2. The agreement may provide for negotiation of a plan for the assignment or employment in a providing district as an exchange teacher according to section 122A.54, or placement on unrequested leave of absence of teachers whose positions are discontinued as a result of the agreement.

Subd. 3. Public hearing. Before entering into agreements permitted by subdivision 2, the board must hold a public hearing. The board must publish notice of the hearing in the newspaper with the largest circulation in the district. If the board proposes to enter into agreements with two or more districts, the board may conduct separate or consolidated hearings.

Subd. 4. Review and comment. After the hearing required by subdivision 3 and before entering into an agreement, the board must submit the agreement to the commissioner for review and comment.

Subd. 5. Aid payments. A district entering into an agreement permitted in subdivision 2 must continue to count its resident pupils who are educated in other districts as resident pupils in the calculation of pupil units for the purposes of state aids, levy limitations, and any other purpose. A district may continue to provide transportation and collect transportation aid for its resident pupils. For purposes of aid calculations, the commissioner may adjust the cost per eligible pupil transported to reflect changes in cost resulting from the agreement, if any.

Subd. 6. Severance pay. A district must pay severance pay to a teacher who is placed on unrequested leave of absence by the district as a result of the agreement. A teacher is eligible under this subdivision if the teacher:

(1) is a teacher, but not a superintendent;

(2) has a continuing contract with the district according to section 122A.40, subdivision 7.

The amount of severance pay must be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities requiring a valid Minnesota teaching license include, but are not limited to, the district that placed the teacher on unrequested leave of absence, another district in Minnesota, an education district, an intermediate school district, a service cooperative, a board formed under section 471.59, a state residential academy, the Perpich center for arts education, a vocational center, or a special education cooperative. These entities do not include a district in another state, a Minnesota public postsecondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district must pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's

employers and gross earnings during that period. The district must pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further reinstatement rights under section 122A.40, subdivision 10 or 11. If the teacher receives severance pay, the teacher shall not receive credit for any years of service in the district paying severance pay prior to the year in which the teacher becomes eligible to receive severance pay.

The severance pay is subject to section 465.72. The district may levy annually according to section 126C.43, for the severance pay.

10. M.S. 123A.32 INTERDISTRICT COOPERATION.

Subdivision 1. District requirements. The boards of two or more districts may, after consultation with the department, enter into an agreement providing for:

(1) discontinuance by all districts except one of at least the 10th, 11th, and 12th grades; and

(2) instruction of the pupils in the discontinued grades in one of the cooperating districts. Each district must continue to operate a school with at least three grades. Before entering into a final agreement, the boards must provide a copy of this agreement to the commissioner.

Subd. 2. Aid; transportation. (a) Each district must continue to count its resident pupils who are educated in a cooperating district as resident pupils in the calculation of pupil units for all purposes. The agreement must provide for tuition payments between or among the districts.

(b) Each district must continue to provide transportation and collect transportation aid for its resident pupils pursuant to sections 123B.88 and 123B.92. A district may provide some or all transportation to its resident pupils by contracting with a cooperating district. For purposes of section 123B.92, the commissioner may adjust the base cost per eligible pupil transported to reflect changes in costs resulting from the agreement.

Subd. 3. Negotiated plan for teachers whose positions are discontinued. The board and exclusive bargaining representative of the teachers in each district discontinuing grades may negotiate a plan to assign or employ in a cooperating district or to place on unrequested leave of absence all teachers whose positions are discontinued as a result of the agreement. The board and exclusive bargaining representative of the teachers in each district providing instruction to nonresident pupils may negotiate a plan to employ teachers from a cooperating district whose positions are discontinued as a result of the agreement. If plans are negotiated and if the boards determine the plans are compatible, the boards shall include the plans in their agreement.

Subd. 4. Combined teacher seniority list. If compatible plans are not negotiated before the March 1 preceding any year of the agreement, the cooperating districts shall be governed by this subdivision. Insofar as possible, teachers who have acquired continuing contract rights and whose positions are discontinued as a result of the agreement shall be employed by a cooperating district or assigned to teach in a cooperating district as exchange teachers pursuant to section 122A.54. If necessary, teachers whose positions are discontinued as a result of the agreement and who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by a cooperating district, according to a combined seniority list of teachers in the cooperating districts. For the purpose of establishing a combined seniority list, each district must be considered to have started school each year on the same date.

Subd. 5. Notice; informational meeting. Prior to entering into an agreement, the board shall consult with the community at an informational meeting. The board must publish notice of the meeting in the official newspaper of the district and may send written notice of the meeting to parents of pupils who would be affected.

Subd. 6. Meeting location. Notwithstanding any law to the contrary, boards that have an agreement may hold a valid joint meeting at any location that would be permissible for one of the boards participating in the meeting. A board that has an agreement may hold a meeting in any district that is a party to the agreement. The board shall comply with section 13D.01 and any other law applicable to a meeting of a board.

11. M.S. 123A.33 EMPLOYEES OF COOPERATIVE DISTRICTS UPON DISSOLUTION OR WITHDRAWAL.

Subdivision 1. Definitions. For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Teacher" means a teacher who is employed by a district or center listed in subdivision 2, except that it does not include a superintendent.

(b) "Cooperative" means any district or center to which this section applies.

(c) "Withdrawal" means a district's removal of its students from a program of instruction, counseling, or evaluation provided by a cooperative in order to provide the same educational services by other means.

(d) "Education support position" means a position not requiring a teaching license in which an employee assists a teacher by providing instructional, counseling, or evaluative support services directly to students.

(e) "Education support employee" means an employee holding an education support position.

Subd. 2. Applicability. This section applies to:

(1) an education district organized according to sections 123A.15 to 123A.19;

(2) a cooperative vocational center organized according to section 123A.22;

(3) a joint powers district or board organized according to section 471.59 which employs teachers to provide instruction;

(4) an intermediate district organized according to chapter 136D;

(5) a service cooperative which employs teachers to provide instruction; and

(6) districts participating in an agreement for the cooperative provision of special education services to children with disabilities according to section 125A.11.

Subd. 3. Agreements for cooperative special education. (a) Upon the termination of an agreement according to section 125A.11, a teacher employed to provide special education services by a district participating in the agreement will be afforded rights to employment by other districts according to subdivisions 4, 5, and 6. Nonlicensed employees of a participating district employed to provide special education services will, upon the agreement's termination, be afforded rights to employment by other participating districts according to subdivision 9.

(b) Upon a district's withdrawal from the cooperative provision of special education under an agreement according to section 125A.11, a teacher employed to provide special education services by a participating district will be afforded rights to employment by other districts according to subdivisions 4, 7, and 8. Nonlicensed employees of a participating district employed to provide special education services will be

afforded rights to employment by the withdrawing district according to subdivision 10.

Subd. 4. Notification of teachers. In any year in which a cooperative dissolves or a member withdraws from a cooperative, the governing board of a cooperative must provide all teachers employed by the cooperative written notification by March 10 of:

(1) the dissolution of the cooperative and the effective date of dissolution; or

(2) the withdrawal of a member of the cooperative and the effective date of withdrawal.

Subd. 5. Rights of a teacher with a continuing contract in a member district upon dissolution. (a) This subdivision applies to a teacher previously employed in a member district who:

(1) had a continuing contract with that member district;

(2) has been continuously employed immediately after leaving that member district by one or more cooperatives that provided instruction to pupils enrolled in that member district; and

(3) is either a probationary teacher or has a continuing contract with the cooperative that is dissolving.

(b) A teacher may elect to resume the teacher's continuing contract with the member district by which the teacher was previously employed by filing a written notice of the election with the member board on or before March 20. Failure by a teacher to file a written notice by March 20 of the year the teacher receives a notice according to subdivision 4 constitutes a waiver of the teacher's rights under this subdivision.

The member district must make reasonable realignments of positions to accommodate the seniority rights of a teacher electing to resume continuing contract rights in the member district according to this subdivision.

Upon returning the teacher shall receive credit for:

(1) all years of continuous service under contract with the cooperative and the member district for all purposes relating to seniority, compensation, and employment benefits; and

(2) the teacher's current educational attainment on the member district's salary schedule.

(c) A teacher who does not elect to return to the member district according to this subdivision may exercise rights under subdivision 6.

Subd. 6. Rights of other teachers. (a) This subdivision applies to a teacher who:

(1) has a continuing contract with the cooperative; and

(2) either did not have a continuing contract with any member district or does not return to a member district according to the procedures set forth in subdivision 5, paragraph (b).

(b) By May 10 of the school year in which the cooperative provides the notice required by subdivision 4, clause (1), the cooperative must provide to each teacher described in subdivision 5 and this subdivision a written notice of available teaching positions in any member district to which the cooperative was providing services at the time of dissolution. Available teaching positions are all teaching positions that, during the school year following dissolution:

(1) are positions for which the teacher is licensed; and

(2) are not assigned to a continuing contract teacher employed by a member district after any reasonable realignments which may be necessary under the applicable provisions of section 122A.40, subdivision 10 or 11, to accommodate the seniority rights of teachers employed by the member district.

(c) On or before June 1 of the school year in which the cooperative provides the notice required by subdivision 4, clause (1), any teacher wishing to do so must file with the board a written notice of the teacher's intention to exercise the teacher's rights to an available teaching position. Available teaching

positions must be offered to teachers in order of their seniority within the dissolved cooperative.

(d) Paragraph (e) applies to:

(1) a district that was a member of a dissolved cooperative; or

(2) any other district that, except as a result of open enrollment according to section 124D.03, provides essentially the same instruction provided by the dissolved cooperative to pupils enrolled in a former member district.

(e) For five years following dissolution of a cooperative, a district to which this paragraph applies may not appoint a new teacher or assign a probationary or provisionally licensed teacher to any position requiring licensure in a field in which the dissolved cooperative provided instruction until the following conditions are met:

(1) a district to which this paragraph applies has provided each teacher formerly employed by the dissolved cooperative, who holds the requisite license, written notice of the position; and

(2) no teacher holding the requisite license has filed a written request to be appointed to the position with the board within 30 days of receiving the notice.

If no teacher files a request according to clause (2), the district may fill the position as it sees fit. During any part of the school year in which dissolution occurs and the first school year following dissolution, a teacher may file a request for an appointment according to this paragraph regardless of prior contractual commitments with other member districts. Available teaching positions must be offered to teachers in order of their seniority on a combined seniority list of the teachers employed by the cooperative and the appointing district.

(f) A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the appointing district's salary schedule for the teacher's years of continuous service under contract with the cooperative and the member district and the teacher's educational attainment at the time of appointment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits as if the teacher had been employed by the member district during the teacher's years of employment by the cooperative.

Subd. 7. Rights of a teacher with a continuing contract in a member district upon withdrawal of the district. (a) This subdivision applies to a teacher previously employed by a member district who:

(1) had a continuing contract with the member district which withdraws from a cooperative;

(2) has been continuously employed immediately after leaving that member district by one or more cooperatives that provided instruction to pupils enrolled in that member district; and

(3) is either a probationary teacher or has a continuing contract with the cooperative from which the member district is withdrawing.

(b) A teacher may elect to resume the teacher's continuing contract with the withdrawing district by which the teacher was previously employed by filing a written notice of the election with the withdrawing school board on or before March 20. Failure by a teacher to file written notice by March 20 of the year the teacher receives a notice according to subdivision 4 constitutes a waiver of a teacher's rights under this subdivision.

The member district must make reasonable realignments of positions to accommodate the seniority rights of a teacher electing to resume continuing contract rights in the member district according to this subdivision.

Upon returning, the teacher shall receive credit for:

(1) all years of continuous service under contract with the cooperative and the member district for all

purposes relating to seniority, compensation, and employment benefits; and

(2) the teacher's current educational attainment on the member district's salary schedule.

Subd. 8. Rights of a teacher placed on unrequested leave upon withdrawal. (a) This subdivision applies to a teacher who is placed on unrequested leave of absence, according to section 122A.40, subdivision 10 or 11, in the year in which the cooperative provides the notice required by subdivision 4, clause (2), by a cooperative from which a member district is withdrawing.

This subdivision applies to a district that, except as a result of open enrollment according to section 124D.03, provides essentially the same instruction provided by the cooperative to pupils enrolled in the withdrawing district.

(b) A teacher shall be appointed by a district to which this subdivision applies to an available teaching position which:

(1) is in a field of licensure in which pupils enrolled in the withdrawing district received instruction from the cooperative; and

(2) is within the teacher's field of licensure.

For the purpose of this paragraph, an available teaching position means any position that is vacant or would otherwise be occupied by a probationary or provisionally licensed teacher.

(c) A board may not appoint a new teacher to an available teaching position unless no teacher holding the requisite license on unrequested leave from the cooperative has filed a written request for appointment. The request must be filed with the board of the appointing district within 30 days of receiving written notice from the appointing board that it has an available teaching position. If no teacher holding the requisite license files a request according to this paragraph, the district may fill the position as it sees fit. Available teaching positions must be offered to teachers in order of their seniority on a combined seniority list of the teachers employed by the cooperative and the withdrawing member district.

(d) A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the appointing district's salary schedule for the teacher's years of continuous service under contract with the cooperative and the member district and the teacher's educational attainment at the time of appointment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits as if the teacher had been employed by the member district during the teacher's years of employment by the cooperative.

Subd. 9. Nonlicensed employees upon dissolution. (a) A nonlicensed employee who is terminated by a cooperative that dissolves shall be appointed by a district that is a member of the dissolved cooperative to a position that is created within 36 months of the dissolution of the cooperative and is created as a result of the dissolution of the cooperative. A position must be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the dissolved cooperative.

(b) When an education support employee is terminated by a cooperative that dissolves, a district that is a member of the dissolved cooperative must appoint the employee to an education support position if the position is created within 36 months of the dissolution of the cooperative as a result of the dissolution. An education support position must be offered to an education support employee, who fulfills the qualifications for that position, in order of the employee's seniority within the dissolved cooperative.

(c) An employee appointed according to this subdivision shall receive credit for the employee's:

(1) continuous years of service with the cooperative on the appointing district's compensation schedule and seniority list; and

(2) unused sick leave accumulated while employed by the cooperative.

(d) Notwithstanding section 179A.12 or Minnesota Rules, part 5510.0510, subparts 1 to 4, a representation petition seeking the exclusive representation of a unit of education support employees employed by a district formerly a member of a dissolved cooperative may be considered by the commissioner of the bureau of mediation services at any time within 11 months of the dissolution of the cooperative.

Subd. 10. Nonlicensed employees upon withdrawal. (a) A nonlicensed employee of a cooperative whose active employment is discontinued or reduced as a result of the withdrawal of a member district from the cooperative shall be appointed by the withdrawing member district to a position that is created within 36 months of the withdrawal and is created as a result of the withdrawal of the member district. A position must be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the cooperative from which a member district withdraws.

(b) When an education support employee of a cooperative has active employment discontinued or reduced as a result of the withdrawal of a member district from the cooperative, the withdrawing member district must appoint the employee to an education support position if the position is created within 36 months of the withdrawal as a result of the withdrawal of the member district. An education support position must be offered to an education support employee, who meets the qualifications for that position, in order of the employee's seniority within the cooperative from which a member district withdraws.

(c) An employee appointed according to this subdivision shall receive credit for the employee's:

(1) continuous years of service with the cooperative on the appointing district's compensation schedule and seniority list; and

(2) unused sick leave accumulated while employed by the cooperative.

(d) Notwithstanding section 179A.12 or Minnesota Rules, part 5510.0510, subparts 1 to 4, a representation petition seeking the exclusive representation of a unit of education support employees employed by a member district which has withdrawn from a cooperative may be considered by the commissioner of the bureau of mediation services at any time within 11 months of the district's withdrawal from the cooperative.

Subd. 11. Cooperatives that merge. (a) Notwithstanding subdivisions 1 to 10, paragraphs (b) and (c) apply to cooperatives that merge.

(b) If a cooperative enters into an agreement to merge with another cooperative, the boards of the cooperatives and the exclusive representatives of the teachers in the cooperatives and the teachers in each member district may negotiate a plan to assign or employ in a member district or to place on unrequested leave of absence all teachers whose positions are discontinued as a result of the agreement. If plans are negotiated and if the boards determine the plans are compatible, the boards must include the plans in their agreement.

(c) If compatible plans are not negotiated under paragraph (b) by the March 1 preceding the effective date of the merger of the cooperatives, subdivisions 2 to 10 apply to teachers and nonlicensed employees whose positions are terminated as a result of an agreement to merge cooperatives.

12. M.S. 123A.45 DETACHMENT AND ANNEXATION OF LAND.

Subdivision 1. Detachment and annexation. The owner of land which adjoins any independent district, and whose land is not in a special district may petition the county board of the county in which the greater

part of the area proposed for detachment and annexation lies to detach all or any part of the land together with the intervening lands as defined in paragraph (b), from the district it now is in, and to attach it, together with such intervening land, to the adjoining district. For purpose of this section, land is adjoining a district if:

(a) The boundary of the area proposed for detachment and annexation is the same as the district boundary to which attachment is sought at any point, including corners, or

(b) The area proposed for detachment and annexation is separated at any point from the district to which annexation is sought by not more than one-half mile and the intervening land is vacant and unoccupied or is owned by one or more of the following: The United States, or the state of Minnesota or any of its political subdivisions, or an owner who is unknown or cannot be found or

(c) The area proposed by a land owner for detachment and annexation is adjoining, as defined in paragraphs (a) and (b), any land proposed for detachment from and annexation to the same district in another pending petition.

Subd. 2. Petition. The petition must contain:

(a) A correct description of the area proposed for detachment and annexation, including supporting data regarding location and title to land to establish that the land is adjoining a district.

(b) The reasons for the proposed change with facts showing that the granting of the petition will not reduce the size of any district to less than four sections, unless the district is not operating a school within the district.

(c) Consent to the petition, if, at the time of the filing of the petition, any part of the area proposed for detachment is part of a district which maintains and operates a secondary school within the district. Before the hearing, the consent of the board of the district in which the area proposed for detachment lies must be endorsed on the petition.

(d) An identification of the district to which annexation is sought.

(e) Other information the petitioners may desire to affix.

(f) An acknowledgment by the petitioner.

(g) A description of whether bonded indebtedness will be allocated according to subdivision 6, paragraph (b) or (c).

Subd. 3. Filing petition. The petition must be filed with the auditor who shall present it to the county board at its next meeting. At the meeting, the county board must fix a time and place for hearing the petition. The hearing shall be not more than 60 nor less than ten days from the date of the meeting. The auditor shall serve notice of the hearing on each district directly affected by the petition, by mail addressed to the clerk. If any area affected by the petition is in another county, the auditor shall mail a notice of hearing to the auditor of such county and shall also give one week's published notice of the hearing in the county in which the hearing is to be held, and ten days' posted notice in each school district affected. Such posted and published notice may combine pending petitions. At the hearing on the petition, the county board must receive and hear any evidence for or against the petition. The hearing may be adjourned from time to time.

Subd. 4. Order. Within six months of the filing of the petition, the county board must issue its order either granting or denying the petition. If any of the land area described in the petition is included in a plat for consolidation or combination which has been approved by the commissioner, then no order may be issued while consolidation or combination proceedings are pending. No order shall be issued which results in attaching to a district any territory not adjoining that district, as defined in subdivision 1, paragraph (a). No order shall be issued which reduces the size of any district to less than four sections unless the district is not operating a school within the district. The order may have a deferred effective date not later than July 1 immediately following its issuance. If the petition is granted, the auditor shall transmit a certified copy to the commissioner. Failure to issue an order within six months of the filing of the petition or termination of proceedings upon an approved consolidation plat, whichever is later, is a denial of the petition.

Subd. 5. Modification of records. Upon receipt of the order, the commissioner shall modify the records and any plats and petitions and proceedings involving districts affected by such order presently before the commissioner for action or record, to conform to the order.

Subd. 6. Taxable property. (a) Upon the effective date of the order, the detachment and annexation is effected. The bonded indebtedness must be assigned to the detached and annexed land under either paragraph (b) or (c).

(b) Unless specified separately under paragraph (c), all taxable property in the area so detached and annexed remains taxable for payment of any school purpose obligations already authorized by or outstanding on the effective date of the order against the district from which detached. The order does not relieve such property from the obligation of any bonded debt already incurred to which it was subject prior to the order. All taxable property in the area so detached and annexed is taxable for payment of any district obligations authorized on or subsequent to the effective date of the order by the district to which annexation is made.

(c) Alternatively, if the school board of the district in which the area is proposed for detachment and the school board of the district in which the area is proposed for annexation agree, all taxable property in the area detached and annexed shall be taxable by the school district to which the property is annexed. Detached and annexed property is relieved from the obligation of any bonded debt already incurred by the district in which the area is detached and is obligated for any bonded debt already incurred by the district in which the are is annexed. This section is effective the day following final enactment for detachment and annexation requests approved by a county board on or after that date.

13. M.S. 123A.455 REALIGNING SPLIT RESIDENTIAL PARCELS.

Subdivision 1. Definitions. "Split residential property parcel" means a parcel of real estate that is located within the boundaries of more than one school district and that is classified as residential property under:

(1) section 273.13, subdivision 22, paragraph (a) or (b);

(2) section 273.13, subdivision 25, paragraph (b), clause (1); or

(3) section 273.13, subdivision 25, paragraph (c).

EFFECTIVE DATE. This section is effective for taxes payable in 2014 and thereafter.

Subd. 2. Petition. The owner of a split residential property parcel may petition the auditor of the county where the split parcel is located to transfer that part into the adjoining school district so the entire property will be located in the same school district. The petition must contain:

(1) a correct description of the split parcel to be affected by the transfer including supporting data on location and title to the land;

(2) a list of the school districts in which the split parcels currently lie;

(3) the school district into which the petitioner desires to have the whole split parcel transferred; and

(4) the district of attendance of any students currently residing on the property.

Subd. 3. Auditor's order. Within 60 days of receipt of the petition, the auditor of the county in which the petition was filed under subdivision 2 shall issue an order to transfer the affected parcel to the district determined by the county board. Orders issued on or before July 1 will be effective for taxes payable in the following year. The auditor must notify the affected school districts and the commissioner of the change in school district boundaries.

Subd. 4. Commissioner. The commissioner shall modify the records of school district boundaries to conform to the order.

Subd. 5. Taxable property. Upon the effective date of the order, the whole split property parcel is transferred into a single school district. Beginning in the next subsequent taxes payable year, all taxable property in the whole split parcel is:

(1) relieved of all school district taxes from the district in which the parcel is no longer located; and

(2) subject to all school district taxes in the district in which the whole split parcel is now located.

14. M.S. 123A.46 DISSOLUTION AND ATTACHMENT.

Subdivision 1. Dissolution. Any district may be dissolved and the territory attached to other districts by proceeding in accordance with this section.

Subd. 2. Instituting proceedings. Proceedings under this section may be instituted by:

(1) resolution of the county board of the county containing the greatest land area of the district proposed for dissolution when the district is dissolved pursuant to sections 123A.60 to 123A.72;

(2) petition executed by a majority of the eligible voters of the district proposed for dissolution and addressed to the county board of the county containing the greatest land area of the district;

(3) certification by the clerk of the district proposed for dissolution to the county board of the county containing the greatest land area of the district to the effect that a majority of votes cast at an election were in favor of dissolving the district.

Subd. 3. Resolution. A resolution adopted pursuant to subdivision 2, clause (1), shall contain findings of necessary jurisdictional facts and shall set a date for hearing. The hearing shall be not less than 20 nor more than 60 days from the date of the resolution.

Subd. 4. Petition. A petition executed pursuant to subdivision 2, clause (2), shall be filed with the auditor. The petition must contain the following:

(a) A statement that petitioners desire proceedings instituted leading to dissolution of the district and other provisions made for the education of the inhabitants of the territory and that petitioners are eligible voters of the district;

(b) An identification of the district; and

(c) The reasons supporting the petition which may include recommendations as to disposition of territory to be dissolved. The recommendations are advisory in nature only and are not binding on any petitioners or county board for any purpose.

The persons circulating the petition shall attach their affidavit swearing or affirming that the persons executing the petition are eligible voters, as defined in section 201.014, of the district and that they signed in

the presence of one of the circulators.

The auditor shall present the petition to the county board at its next meeting. At that meeting, the county board must determine a date for a hearing. The hearing shall be not less than 20 nor more than 60 days from the date of that meeting.

Subd. 5. Certification. Certification executed pursuant to subdivision 2, clause (3), must be filed with the auditor. The certification must contain the following:

(a) A copy of the resolution initiating the election;

(b) A copy of the notice of election with an affidavit of publication or posting;

(c) The question voted on;

(d) The results of the election by number of votes cast for and number against the question; and

(e) If an advisory ballot is taken on annexation, the question voted on and number of ballots cast for and against the proposal.

The auditor shall present the certification to the county board at its next meeting. At that meeting, the county board must determine a date for a hearing. The hearing shall be not less than 20 nor more than 60 days from the date of that meeting.

Subd. 6. Hearing. When a hearing is ordered under this section, the auditor shall give ten days' posted notice of the hearing in the district proposed for dissolution, one week's published notice in the county, and ten days' mailed notice to the clerk of the district proposed for dissolution and to the clerk of each adjoining district and to the commissioner. If any part of the district proposed for dissolution or any adjoining district lies in another county, the auditor shall mail notice of the hearing to the auditor of each county so situated upon establishment of the hearing date.

Subd. 7. When no order may be issued. No order dissolving a district may be issued by the county board if the district to be dissolved is included in a plat for consolidation which has been approved by the commissioner of education and upon which plat final action has not been taken unless all of the district to be dissolved and all of the district or districts to which attachment is proposed are included in the approved plat.

Subd. 8. Information to county auditor. (a) Before the day of a hearing ordered pursuant to this section, each district adjoining the district proposed for dissolution must provide the following information and resolution to the county auditor of the county containing the greatest land area of the district proposed for dissolution:

(1) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district;

(2) The net tax capacity of the district;

(3) The most current school tax rates for the district, including any referendum, discretionary, or other optional levies being assessed currently and the expected duration of the levies;

(4) A resolution passed by the school board of the district stating that if taxable property of the dissolved district is attached to it, one of the following requirements is imposed:

(i) the taxable property of the dissolving district which is attached to its district shall not be liable for the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or the capital loan obligation of the district which existed as of the time of the

attachment;

(ii) the taxable property of the dissolving district which is attached to its district shall be liable for the payment of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or the capital loan obligation of the district which existed as of the time of the attachment in the proportion which the net tax capacity of that part of the dissolving district which is included in the newly enlarged district bears to the net tax capacity of the entire district as of the time of attachment; or

(iii) the taxable property of the dissolving district which is attached to its district shall be liable for some specified portion of the amount that could be requested pursuant to subclause (ii).

(b) An apportionment pursuant to paragraph (a), clause (4), subclause (ii) or (iii), shall be made by the county auditor of the county containing the greatest land area of the district proposed for transfer.

(c) An apportionment of bonded indebtedness, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or capital loan obligation pursuant to paragraph (a), clause (4), subclause (ii) or (iii), shall not relieve any property from any tax liability for payment of any bonded or capital obligation, but taxable property in a district enlarged pursuant to this section becomes primarily liable for the payment of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or capital loan obligation to the extent of the proportion stated.

Subd. 9. When order may be issued. Within 90 days of the date set for the original hearing or within 30 days of the termination of a consolidation proceeding which stays the order under subdivision 7, the county board may issue its order:

(1) dismissing the proceedings; or

(2) providing for the dissolution of the district and the annexation of the territory to adjoining districts, or the entire district as a unit may be attached to and become part of a district which maintains a secondary school located within the same high school area if there is no intervening district maintaining a secondary school.

If no order is issued within the limited time, the proceedings are dismissed.

If an order is issued pursuant to clause (2) the order is a final order, unless an election on the order is required pursuant to subdivision 11.

Subd. 10. Order for dissolution. (a) An order issued under subdivision 9, clause (2), must contain the following:

(1) A statement that the district is dissolved unless the results of an election held pursuant to subdivision 11 provide otherwise;

(2) A description by words or plat or both showing the disposition of territory in the district to be dissolved;

(3) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district to be dissolved;

(4) A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding preexisting bonded indebtedness by any territory from the dissolving district which is attached to it;

(5) An effective date for the order. The effective date shall be July 1 of an odd-numbered year unless the school board and the exclusive representative of the teachers in each affected district agree to an effective date of July 1 of an even-numbered year. The agreement must be in writing and submitted to the commissioner; and

(6) Other information the county board may desire to include.

(b) The auditor shall within ten days from its issuance serve a copy of the order by mail upon the clerk of the district to be dissolved and upon the clerk of each district to which the order attaches any territory of the district to be dissolved and upon the auditor of each other county in which any part of the district to be dissolved or any district to which the order attaches territory lies, and upon the commissioner.

Subd. 11. Voter approval required. If the proceedings were instituted by petition, under subdivision 2, clause (2), or by election, under subdivision 2, clause (3), and an advisory recommendation was made in the petition or an advisory ballot taken at the election, as to annexation requested, and if the order makes a different provision for annexation than requested, then the order must be approved by a majority of those voting on the question at an election to be called in the district to be dissolved, under subdivision 12. The question voted on shall be:

"Shall the order of the county board of ..... county, dated ..... providing for the dissolution of this school district be approved?" Yes ..... No .....

Subd. 12. Election date. If an election is required under subdivision 11, then before the expiration of a 45 day period after the date of the order for dissolution and attachment, the auditor shall set a date and call the election by filing a written order for the election and serving a copy of the order personally or by mail on the clerk of the district in which the election is to be held. The date shall be not less than 15 nor more than 30 days after the date of the order, upon which date a special election shall be held in the district proposed for dissolution. The auditor shall post and publish notice of the election according to law. Upon receipt of the notice, the board shall conduct the election.

Subd. 13. Election results. The board must certify the results of the election to the auditor. If a majority of all votes cast on the question at the election approve the order, the order becomes final and effective as of the date specified in the order. Each person served with the order shall be so notified. If a majority of all votes cast on the question disapprove the order, the proceedings are dismissed, and the order becomes void.

Subd. 14. Bonded debt. The bonded debt of a district dissolved under provisions of this section must be paid according to levies made for that debt under provision of chapter 475. The obligation of the taxable property in the dissolved district with reference to the payment of such bonded debt is not affected by this section.

Subd. 15. Current assets and liabilities. If the dissolved district is not divided by the order of dissolution and attachment, all of its current assets and liabilities, real and personal, and all its legally valid and enforceable claims and contract obligations must pass to the district to which it is attached, except as provided in section 123A.75. If the district to be dissolved is divided by the order of dissolution and attachment, the commissioner shall, within 30 days after the order is issued, issue an order for the distribution of its current assets and liabilities, real and personal. If the commissioner's order provides for the transfer of an interest in real estate to a district, this order may also impose a dollar amount as a claim against that district in favor of other districts, and this claim shall be paid and enforced in the manner provided by law for the payment of judgments against a district. The obligations of districts to the teachers employed by the dissolved district shall be governed by the provisions of section 123A.75.

Subd. 16. Levies. (a) In the year prior to the effective date of the dissolution of a district, the board of a district to which all of the dissolving district is to be attached may adopt a resolution directing the board of the dissolving district to certify levies for general education, basic transportation, and capital expenditure equipment and facilities in an amount not to exceed the maximum amount authorized for the dissolving district for taxes payable in the year the dissolution is effective. If the dissolving district is to be attached to

more than one district, the boards of the districts to which the dissolving district is to be attached may adopt a joint resolution that accomplishes the purpose in this paragraph.

(b) Notwithstanding any other law to the contrary, upon receipt of a resolution under paragraph (a), the board of the dissolving district must certify levies in the amounts specified in the resolution for taxes payable in the year the dissolution is effective.

15. M.S. 123A.48 CONSOLIDATION.

Subdivision 1. Proceeding to consolidate. Common or independent districts or parts thereof, or any combination of the foregoing may consolidate into a single independent district by proceedings taken in accordance with this section. The proposed new district must contain at least 18 sections of land.

Subd. 2. Resolution. (a) Upon a resolution of a board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is less, the county auditor of the county which contains the greatest land area of the proposed new district shall prepare a plat. The resolution or petition must show the approximate area proposed for consolidation.

(b) The resolution or petition may propose the following:

(1) that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, or that the taxable property in the newly created district will be taxable for the payment of all or a portion of the bonded debt previously incurred by any component district as provided in subdivision 18;

(2) that obligations for a capital loan or an energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding in a preexisting district as of the effective date of consolidation remain solely with the preexisting district that obtained the loan, or that all or a portion of the loan obligations will be assumed by the newly created or enlarged district and paid by the newly created or enlarged district on behalf of the preexisting district that obtained the loan;

(3) that referendum levies previously approved by voters of the component districts pursuant to section 126C.17, subdivision 9, or its predecessor provision, be combined as provided in section 123A.73, subdivision 4 or 5, or that the referendum levies be discontinued;

(4) that the board of the newly created district consist of the number of members determined by the component districts, which may be six or seven members elected according to subdivision 20, or any number of existing school board members of the component districts, and a method to gradually reduce the membership to six or seven; or

(5) that separate election districts from which board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts be established.

The resolution must provide for election of board members from one of the following options: single-member districts; multimember districts; at large; or a combination of these options. The resolution must include a plan for the orderly transition to the option chosen.

A group of districts that operates a cooperative secondary facility funded under section 123A.443 may also propose a temporary board structure as specified in section 123A.443, subdivision 9.

If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected.

(c) The plat must show:

(1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries;

(2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts;

(3) The boundaries of any proposed separate election districts; and

(4) Other pertinent information as determined by the county auditor.

Subd. 3. Designated county auditor duties. The county auditor of the county containing the greatest land area of the area proposed to be consolidated shall perform the duties provided by this section.

Subd. 4. Orderly reduction plan. As part of the resolution required by subdivision 2, the board must prepare a plan for the orderly reduction of the membership of the board to six or seven members and a plan for the establishment or dissolution of election districts. The plan may shorten any or all terms of incumbent board members to achieve the orderly reduction. The plan must be submitted to the secretary of state for review and comment.

Subd. 5. Supporting statement. The county auditor shall prepare a supporting statement to accompany the plat. The statement must contain:

(a) The adjusted net tax capacity of property in the proposed district;

(b) If a part of any district is included in the proposed new district, the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district included shall be shown separately and the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district not included shall also be shown;

(c) The reasons for the proposed consolidation, including a statement that at the time the plat is submitted to the commissioner of education, no proceedings are pending to dissolve any district involved in the plat unless all of the district to be dissolved and all of each district to which attachment is proposed is included in the plat;

(d) A statement showing that the jurisdictional fact requirements of subdivision 1 are met by the proposal;

(e) Any proposal contained in the resolution or petition regarding the disposition of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, capital loan obligations, or referendum levies of component districts;

(f) Any other information the county auditor desires to include; and

(g) The signature of the county auditor.

Subd. 6. County auditor to submit plat. The county auditor shall submit the plat and supporting statement to the commissioner and a true copy of each to the auditor of each county containing any land area of the proposed new district.

Subd. 7. County auditor to notify county board; restriction on county board action. Upon receipt of a plat and the supporting statement, each county's auditor shall immediately notify the county's board. After such notification, and during the pendency of proceedings under the plat and supporting statement or for a period

of six months, whichever is shorter, no action may be taken by the county board under any other law to modify the boundary of any district if any part of the district is included in an area proposed for consolidation.

Subd. 8. Commissioner duties. The commissioner shall, upon receipt of a plat, examine it and approve, modify or reject it. The commissioner shall also approve or reject any proposal contained in the resolution or petition regarding the disposition of the bonded debt of the component districts. If the plat shows the boundaries of proposed separate election districts and if the commissioner modifies the plat, the commissioner shall also modify the boundaries of the proposed separate election districts. The commissioner shall conduct a public meeting at the nearest county seat in the area upon reasonable notice to the affected districts and county boards if requested within 20 days after submission of the plat. The public meeting may be requested by the board of any affected district, a county board of commissioners, or the petition of 20 resident voters living within the area proposed for consolidation. The commissioner shall endorse on the plat action regarding any proposal for the disposition of the bonded debt of component districts and the reasons for these actions and after a minimum of 20 days, but no more than 60 days of the date of the receipt of the plat, the commissioner shall return it to the county auditor who submitted it. The commissioner shall furnish a copy of that plat, and the supporting statement and its endorsement to the auditor of each county containing any land area of the proposed new district. If land area of a particular county was included in the plat, as submitted by the county auditor, and all of such land area is excluded in the plat as modified and approved, the commissioner shall also furnish a copy of the modified plat, supporting statement, and any endorsement to the auditor of such county.

Subd. 9. Notice to district board. Upon receipt of an approved plat, the county auditor shall notify the board of any district, all or part of whose land is included in the proposed new district.

Subd. 10. District board adoption of proposed plat. The board of any independent district maintaining a secondary school, the board of any common district maintaining a secondary school, all or part of whose land is included in the proposed new district, must, within 45 days of the approval of the plat by the commissioner, either adopt or reject the plan as proposed in the approved plat. If the board of any such district entitled to act on the petition rejects the proposal, the proceedings are terminated and dismissed. If any board fails to act on the plat within the time allowed, the proceedings are terminated. If any school board is unable to obtain a majority of its members' votes to accept or reject the plat and plan, a petition of residents of the district unable to obtain a majority of votes equal to 20 percent of the votes cast in the last school district general election in that district may be submitted to the county auditor requesting a public vote to accept or reject the plat and plan. The vote shall be scheduled on the next available election date. The county auditor shall notify the commissioner of the scheduled vote, conduct the election in that district and certify the results of the election to the commissioner. Other affected school boards that approve the plat and plan may choose to hold an election. If elections are conducted in each affected school district, results shall be separate and a majority vote to approve the plat and plan must be reached in each of the affected districts. If the plat and plan are rejected by the voters, a new plat and plan cannot be submitted, except by school board resolution in a district where the plat and plan were rejected, until January 1 of the year following the next school district general election.

Subd. 11. Multiple districts; approval. If the approved plat contains land area in more than one independent district maintaining a secondary school, or common district maintaining a secondary school, and if each board entitled to act on the plat approves the plat, each board shall publish notice of its action at least once in its official newspaper. If all of the boards entitled to act on the plat call, by resolution, for an election on the question, or if five percent of the eligible voters of any such district petition the clerk of the district, within 30 days after the publication of the notice, for an election on the question, the consolidation shall not become effective until approved by a majority vote in the district at an election held in the manner provided

in subdivisions 13, 14, and 15.

Subd. 12. Approval by residents. If an approved plat contains land area in any district not entitled to act on approval or rejection of the plat by action of its board, the plat may be approved by the residents of the land area within 60 days of approval of plat by the commissioner in the following manner:

A petition calling upon the county auditor to call and conduct an election on the question of adoption or rejection of the plat may be circulated in the land area by any person residing in the area. Upon the filing of the petition with the county auditor, executed by at least 25 percent of the eligible voters in each district or part of a district contained in the land area, the county auditor shall call and conduct a special election of the electors resident in the whole land area on the question of adoption of the plat. For the purposes of this section, the term "electors resident in the whole land area" means any person residing on any remaining portion of land, a part of which is included in the consolidation plat. Any eligible voter owning land included in the plat who lives upon land adjacent or contiguous to that part of the voter's land included in the plat shall be included and counted in computing the 25 percent of the eligible voters necessary to sign the petition and shall also be qualified to sign the petition. Failure to file the petition within 60 days of approval of the plat by the commissioner terminates the proceedings.

Subd. 13. Notice of election. Upon an election becoming callable under provisions of subdivision 11 or 12, the board shall give ten days' posted notice of election in the area in which the election is to be held and also if a newspaper is published in the area, one weeks' published notice shall be given. The notice must specify the time, place and purpose of the election.

Subd. 14. Election. The board shall determine the date of the election, the number of boundaries of voting precincts, and the location of the polling places where voting shall be conducted, and the hours the polls will be open. The board shall also provide official ballots which must be used exclusively and shall be in the following form: “Shall the (name of school district) and the (name of school district) be consolidated as proposed? Yes .... No ....”

The board must appoint election judges who shall act as clerks of election. The ballots and results must be certified to the board who shall canvass and tabulate the total vote cast for and against the proposal.

Subd. 15. Effective date. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the board must, within ten days of the election, notify the county auditor who shall, within ten days of the notice or of the expiration of the period during which an election can be called, issue an order setting a date for the effective date of the change. The effective date must be July 1 of the year determined by the board in the original resolution adopted under subdivision 2. The auditor shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. The board must similarly notify the county auditor if the election fails. The proceedings are then terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each district affected.

Subd. 16. Identification number. Upon receipt of the order creating a new district, the commissioner shall, by order, assign an identification number to the new district and shall mail a copy of the order to the county auditor and to each auditor who holds a copy of the plat. If all of the territory in one and only one independent district maintaining a secondary school is included in the new independent district created pursuant to consolidation, and if the commissioner finds that it is more practical and reasonable and in the interest of efficiency and economy of operation to so do, the commissioner may assign to the new district the same number as previously held by the included independent district.

Subd. 17. Distribution of district assets and liabilities. If no district is divided by virtue of the proceedings, all of the assets, real and personal, of the districts involved and all legally valid and enforceable claims and contract obligations of the districts pass to the new district, except as provided in section 123A.75. If a district is divided by virtue of the proceedings, upon receipt of the order of the commissioner, the auditor of the county containing the greatest land area of the new district shall present a copy of the plat and supporting statement and orders issued in the proceedings to the commissioner, together with such information as is available to that auditor concerning the assets and liabilities not secured by bonds of each district, any part of which is included in the newly created district. Thereafter within 30 days the commissioner shall issue an order providing for a division of the assets and liabilities of the districts involved and apportioning and dividing these assets and liabilities according to such terms as the commissioner may deem just and equitable. In making this division of assets and liabilities, the commissioner may consider the amount of bonded debt to be assumed by property in each area under the provisions of this section. If the order of consolidation transfers any real estate interest to the new district or to another district, the order apportioning assets and liabilities may impose a dollar claim on the district receiving the real estate in favor of any other district involved in an amount not exceeding the reasonable value of the real estate interest involved, which claim shall be paid in the manner provided by law for the enforcement of judgments.

Subd. 18. Bonded debt. (a) As of the effective date of the consolidation, the bonded debt of all component districts must be paid according to the plan for consolidation proposed in the approved plat and according to this subdivision.

(b) If the plan for consolidation so provides, the bonded debt of all component districts must be paid according to levies previously made for that debt under chapter 475. In this case, the obligation of the taxable property in the component districts with reference to the payment of such bonded debt is not affected by the consolidation.

(c) If the plan for consolidation makes no provision for the disposition of bonded debt, all the taxable property in the newly created district is taxable for the payment of any bonded debt incurred by any component district in the proportion which the net tax capacity of that part of a preexisting district which is included in the newly created district bears to the net tax capacity of the entire preexisting district as of the time of the consolidation.

(d) If the plan for consolidation so provides, all the taxable property in the newly created district will be taxable for a portion of the bonded debt incurred by any component district prior to the consolidation.

(e) The county auditor shall make the apportionment required under paragraphs (c) and (d) and incorporate the apportionment as an annex to the order of the commissioner dividing the assets and liabilities of the component parts. This subdivision shall not relieve any property from any tax liability for payment of any bonded obligation but taxable property in the newly created district becomes primarily liable for the payment of bonded debts to the extent of the proportion stated.

Subd. 19. Bonds; election. The board of the newly created district, when constituted as provided in Minnesota Statutes 1990, section 122.23, subdivision 17, may provide for an election of that district on the issuance of bonds. It may issue and sell bonds authorized at the election, or bonds authorized at an election previously held in any preexisting district wholly included within the newly created district, or bonds for a purpose for which an election is not required by law. The actions may be taken at any time after the date of the county auditor's order issued under Minnesota Statutes 1990, section 122.23, subdivision 17, and before or after the date upon which the consolidation becomes effective for other purposes, and taxes for the payment of the bonds shall be levied upon all taxable property in the newly created district. No bonds shall be delivered to purchasers until 30 days after the date of the county auditor's order. If within this period a

notice of appeal from the county auditor's order to the district court is filed in accordance with section 123A.49, no bonds shall be delivered by the newly created district to purchasers unless:

(1) the county auditor's order is affirmed by final order of the district court in the special proceeding, and a period of 30 days from the service of the final order expires without an appeal being commenced; or

(2) if an appeal is taken, the order is affirmed and the time for petitioning for further review has expired. Notwithstanding the pendency of the appeal, if all of the territory of one and only one independent district maintaining a secondary school is included in the newly created district, and if the net tax capacity of taxable property in the territory comprises 90 percent or more of the net tax capacity of all taxable property in the newly created district, then the board may issue, sell, and deliver any bonds voted by the preexisting independent district and any bonds voted or otherwise authorized by the newly created district, and the bonds must be paid by the levy of taxes upon the property within the territory of the preexisting independent district and within the other areas, if any, that are finally determined to be properly included within the newly created district. In any election held in the newly created district as authorized in the preceding sentence, all qualified electors residing within the area of that district as defined in the county auditor's order shall be entitled to vote, but the votes cast by residents of former districts or portions of former districts included in the area, other than the independent district maintaining the secondary school, shall be received and counted separately. The bonds must not be issued and sold unless authorized by a majority of the votes cast thereon by electors of the independent district maintaining the secondary school, and also by a majority of the votes cast thereon by electors residing within the entire area of the newly created district.

Subd. 20. Board election; duties. (a) The county auditor shall determine a date, not less than 30 nor more than 60 days from the date that the order setting the effective date of the consolidation according to subdivision 15 was issued, to hold a special election in the district for the purpose of electing a board of six members for terms of four years and until a successor is elected and qualifies according to provisions of law governing the election of board members in independent districts. Notwithstanding the foregoing, three members of the first board must be elected to terms that expire on the first Monday in January following the first regularly scheduled school district general election that occurs more than six months after the election of the first board and three members must be elected to terms that expire on the first Monday in January following the second school district general election that occurs more than six months after the election of the first board. If the first board consists of seven members, then four members may be elected at either the first or second regularly scheduled school district general election following the election of the first board. If the resolution or petition for consolidation pursuant to subdivision 2 proposed the establishment of separate election districts, these members shall be elected from separate election districts according to the provisions of that resolution or petition and of chapter 205A.

(b) The county auditor shall give ten days' posted notice of election in the area in which the election is to be held and also if a newspaper is published in the proposed new district, one weeks' published notice shall be given. The notice must specify the time, place, and purpose of the election.

(c) Any person desiring to be a candidate for a school election shall file an application with the county auditor to have the applicant's name placed on the ballot for such office, specifying the term for which the application is made. The application must be filed not less than 21 days before the election.

(d) The county auditor shall prepare, at the expense of the county, necessary ballots for the election of officers, placing thereon the names of the proposed candidates for each office. The ballots must be marked and signed as official ballots and shall be used exclusively at the election. The county auditor shall determine the number of voting precincts and the boundaries of each. The county auditor shall determine the location of polling places and the hours the polls shall be open and shall appoint three election judges for

each polling place who shall act as clerks of election. Election judges shall certify ballots and results to the county auditor for tabulation and canvass.

(e) After making a canvass and tabulation, the county auditor shall issue a certificate of election to the candidate for each office who received the largest number of votes cast for the office. The county auditor shall deliver such certificate to the person entitled to a certificate by certified mail, and each person so certified shall file an acceptance and oath of office with the county auditor within 30 days of the date of mailing of the certificate. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but such filing may be made at any time before action to fill vacancy has been taken.

(f) The board of each district included in the new enlarged district shall continue to maintain the schools therein until the effective date of the consolidation. Such boards shall have power and authority only to make such contracts, to do such things as are necessary to properly maintain the schools for the period prior to that date, and to certify to the county auditor according to levy limitations applicable to the component districts the taxes collectible in the calendar year when the consolidation becomes effective.

(g) The newly elected board of the enlarged district has the immediate duty, after the members have qualified and the board has been organized, to plan for the maintenance of the school or schools of the new district for the next school year, to enter into the necessary negotiations and contracts for the employment of personnel, purchase of equipment and supplies, and other acquisition and betterment purposes, when authorized by the voters to issue bonds under the provisions of chapter 475. On the effective date of the consolidation, the newly elected board must assume the full duties of the care, management and control of the new enlarged district. The board of the new enlarged district must give due consideration to the feasibility of maintaining such existing attendance centers and of establishing such other attendance centers, especially in rural areas, as will afford equitable and efficient school administration and assure the convenience and welfare of the pupils residing in the enlarged district. The obligations of the new board to teachers employed by component districts shall be governed by the provisions of section 123A.75. The obligations of the new board to nonlicensed employees employed by component districts is governed by subdivision 21.

Subd. 21. Nonlicensed employees. (a) As of the effective date of a consolidation of two or more districts or parts of them, each nonlicensed employee employed by an affected district must be assigned to the newly created district.

(b) As of the effective date of a consolidation, any employee organization may petition the commissioner of the bureau of mediation services for a certification election under chapter 179A. An organization certified as the exclusive representative for nonlicensed employees in a particular preexisting district continues as the exclusive representative for those particular employees for a period of 90 days from the effective date of a consolidation. If a petition for representation of nonlicensed employees is filed within 90 days, an exclusive representative for those particular nonlicensed employees continues as the exclusive representative until the bureau of mediation services certification proceedings are concluded.

(c) The terms and conditions of employment of nonlicensed employees assigned to the newly created district are temporarily governed by contracts executed by an exclusive representative for a period of 90 days from the effective date of the consolidation. If a petition for representation is filed with the bureau of mediation services within the 90 days, the contractual terms and conditions of employment for those nonlicensed employees who were governed by a preexisting contract continue in effect until the bureau of mediation services proceedings are concluded and, if an exclusive representative has been elected, until successor contracts are executed between the board of the newly created district and the new exclusive representative. The terms and conditions of employment of nonlicensed employees assigned to the newly

created district who were not governed by a collective bargaining agreement at the time of the consolidation are governed by the policies of the board of the newly created district.

(d) The date of first employment in the newly created district is the date on which services were first performed by the employee in the preexisting district. Any sick leave, vacation time, or severance pay benefits accumulated under policies of the preexisting district or contracts between the exclusive representatives and the board of the preexisting district continue to apply in the newly created district to the employees of the preexisting districts, subject to any maximum accumulation limitations negotiated in a successor contract. Future leaves of absence, vacations, or other benefits to be accumulated in the newly created district are governed by board policy or by contract between the exclusive representative of an appropriate unit of employees and the board of the newly created district. The board of the newly created district must provide, to transferred nonlicensed employees, open enrollment in all insurance plans with no limit on preexisting conditions.

Subd. 22. Attachment of land to consolidating districts. In case of the consolidation of two or more districts or parts of districts into a larger district, any portions or parts of divided districts which have less than four sections of land shall be attached to one or more adjoining districts by the board of county commissioners upon due notice and hearing.

The county auditor shall give ten days' posted notice of the hearing in the area to be attached and shall deliver a copy of the notice of hearing to the clerk of each district adjoining the area at least 30 days prior to the date set for the hearing. If any adjoining district by resolution of its board, a copy of which is served on the county board before the hearing, demands that area to be attached assume a proportionate share of the bonded debt of the demanding district, then if the order of the county board attaches any land area to such district, the taxable property in such area assumes its proportionate share of the authorized and outstanding bonded debt of the district to which it is attached.

Subd. 23. Retirement incentives. (a) For consolidations effective July 1, 1994, and thereafter, a board of a district may offer early retirement incentives to licensed and nonlicensed staff. The early retirement incentives that the board may offer are:

(1) the payment of employer pension plan contributions for a specified period of allowable service credit for district employees who have at least ten years of allowable service credit in the applicable pension plan under paragraph (b);

(2) an extended leave of absence for an eligible employee under section 122A.46;

(3) severance payment incentives under paragraph (c); and

(4) the employer payment of the premiums for continued health insurance coverage under paragraph (d).

These incentives may only be offered to employees who terminate active employment with the district or who enter into an extended leave of absence as a result of the consolidation. The board may determine the staff to whom the incentives are offered. Unilateral implementation of this section by a board is not an unfair labor practice under chapter 179A.

(b) An employee with at least ten years of allowable service credit in the applicable pension plan who is offered an early retirement incentive under paragraph (a), clause (1), may purchase up to five additional years of allowable service credit from the applicable pension plan. To do so, the former employee must pay the member contributions to the pension plan annually in a manner and in accord with a schedule specified by the executive director of the applicable fund. If the former employee makes the member contribution, the board must make the applicable employer contribution. The salary used to determine these contributions is the salary of the person in the last year that the former employee was employed by the district. During the

period of continuing member and employer contributions, the person is not considered to be an active member of the applicable pension plan, is not eligible for any active member disability or survivorship benefit coverage, and is not included in any postemployment termination benefit plan changes unless the applicable benefit legislation provides otherwise. Continued eligibility to purchase service credit under this paragraph expires if the person is subsequently employed during the service purchase period by a public employer with retirement coverage under a pension plan specified in section 356.30, subdivision 3.

(c) Severance payment incentives must conform with sections 465.72, 465.721, and 465.722.

(d) The board may offer a former employee continued employer-paid health insurance coverage. Coverage may not extend beyond age 65 or the end of the first month in which the employee is eligible for employer-paid health insurance coverage from a new employer. For purposes of this subdivision, "employer-paid health insurance coverage" means medical, hospitalization, or health insurance coverage provided through an insurance company that is licensed to do business in the state and for which the employing unit pays more than one-half of the cost of the insurance premiums.

(e) A board may offer these incentives beginning on the day that the consolidation is approved under subdivision 14 or, if an election is not called under subdivision 11 or 12, on the day that the plat is approved by the commissioner. A board may offer these incentives until the June 30 following the effective date of the consolidation.

16. M.S. 123A.482 JOINT POWERS COOPERATIVE FACILITY. (New 2014 Session)

Subdivision 1. Schools may be jointly operated. Two or more school districts may agree to jointly operate a secondary facility. The districts may choose to operate the facility according to a joint powers agreement under section 123A.78 or 471.59.

Subd. 2. Expanded program offerings. A jointly operated secondary program seeking funding under section 123A.485 must demonstrate to the commissioner's satisfaction that the jointly operated program provides enhanced learning opportunities and broader curriculum offerings to the students attending that program. The commissioner must approve or disapprove a cooperative secondary program within 60 days of receipt of an application.

Subd. 3. Transfer of employees. If an employee is transferred between two employer members of the joint powers agreement under this section, the employee's length of service under section 122A.40, subdivision 5, remains uninterrupted. The employee shall receive credit on the receiving district's salary schedule for the employee's educational attainment and years of continuous service in the sending district, or shall receive a comparable salary, whichever is greater. The employee shall receive credit for accrued sick leave and rights to severance benefits as if the employee had been employed by the receiving district during the employee's years of employment in the sending district.

Subd. 4. Revenue. An approved program that is jointly operated under this section is eligible for aid under section 123A.485 and qualifies for a facilities grant under sections 123A.44 to 123A.446.

Subd. 5. Duty to maintain elementary and secondary schools met. A school district operating a joint facility under this section meets the requirements of section 123A.64.

Subd. 6. Estimated market value limit exclusion. Bonds for a cooperative facility operated under this section issued by a member school district are not subject to the net debt limit under section 475.53, subdivision 4.

Subd. 7. Allocation of levy authority for joint facility. For purposes of determining each member district's school levy, a jointly operated secondary program may allocate program costs to each member district according to the joint powers agreement and each member district may include those costs in its tax levy. The joint powers agreement may choose to allocate costs on any basis adopted as part of the joint powers agreement.

Subd. 8. Effect of consolidation. The joint powers agreement may allow member school districts that choose to consolidate to continue to certify levies separately based on each component district's characteristics.

Subd. 9. Bonds. A joint powers district formed under this section may issue bonds according to section 123A.78 or its member districts may issue bonds individually after complying with this subdivision. The joint powers board must submit the project for review and comment under section 123B.71. The joint powers board must hold a hearing on the proposal. If the bonds are not issued under section 123A.78, each member district of the joint powers district must submit the question of authorizing borrowing of funds for the project to the voters of the district at a special election. The question submitted shall state the total amount of funding needed from that district. The member district may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question in that district vote in the affirmative and only after the board has adopted a resolution pledging the full faith and credit of that unit. The resolution must irrevocably commit that unit to pay an agreed-upon share of any debt levy shortages that, together with other funds available, would allow the member school board to pay the principal and interest on the obligations. The clerk of the joint powers board must certify the vote of any bond elections to the commissioner. Bonds issued under this section first qualify for debt service equalization aid in fiscal year 2018.

Subd. 10. Election. A district entering into a joint powers agreement under this section may conduct a referendum seeking approval for a new facility. This election may be held separately or at the same time as a bond election under subdivision 9. If the election is held at the same time, the questions may be asked separately or as a conjunctive question. The question must be approved by a majority of those voting on the question. If asked separately and the question fails, a district may not proceed with the sale of bonds according to subdivision 9.

17. M.S. 123A.485 CONSOLIDATION TRANSITION REVENUE.

Subdivision 1. Eligibility and use. A district that has been reorganized after June 30, 1994, under section 123A.48 is eligible for consolidation transition revenue. Revenue is equal to the sum of aid under subdivision 2 and levy under subdivision 3. Consolidation transition revenue may only be used according to this section. Revenue must be used for the following purposes and may be distributed among these purposes at the discretion of the district:

(1) to offer early retirement incentives as provided by section 123A.48, subdivision 23;
(2) to reduce operating debt as defined in section 123B.82;
(3) to enhance learning opportunities for students in the reorganized district; and
(4) for other costs incurred in the reorganization.

Revenue received and utilized under clause (3) or (4) may be expended for operating, facilities, and/or equipment.

Subd. 2. Aid. (a) Consolidation transition aid is equal to $200 times the number of resident pupil units in the newly created district in the year of consolidation and $100 times the number of resident pupil units in

the first year following the year of consolidation. The number of pupil units used to calculate aid in either year shall not exceed 1,000 for districts consolidating July 1, 1994, and 1,500 for districts consolidating July 1, 1995, and thereafter.

(b) If the total appropriation for consolidation transition aid for any fiscal year, plus any amount transferred under section 127A.41, subdivision 8, is insufficient to pay all districts the full amount of aid earned, the department must first pay the districts in the first year following the year of consolidation the full amount of aid earned and distribute any remaining funds to the newly created districts in the first year of consolidation.

Subd. 3. Levy. If the aid available in subdivision 2 is insufficient to cover the costs of the district under section 123A.48, subdivision 23, the district may levy the difference over a period of time not to exceed three years.

Subd. 4. New districts. If a district consolidates with another district that has received aid under section 123A.39, subdivision 3, or 123A.485 for a combination or consolidation taking effect within six years of the effective date of the new consolidation, only the pupil units in the district or districts not previously reorganized must be counted for aid purposes under subdivision 2. If two or more districts consolidate and all districts received aid under subdivision 2 for a consolidation taking effect within six years of the effective date of the new consolidation, only one quarter of the pupil units in the newly created district must be used to determine aid under subdivision 2.

18. M.S. 123A.488 CONSOLIDATION; INSTRUCTION BY NONRESIDENTIAL DISTRICT.

Subdivision 1. Aid payments in case of alteration of boundaries. Where two or more districts hereafter unite the state aid shall continue to be paid for the remainder of the school year in which the union was completed as the state aids were paid to the individual districts prior to the union.

Subd. 2. Tuition. Except as otherwise provided in law, every district that provides for the instruction of a pupil without a disability in a nonresident district shall pay to the nonresident district the actual cost of the instruction, excluding transportation costs. Tuition for a nonresident pupil with a disability must be determined according to section 125A.11.

The resident district shall also pay to the nonresident district, for capital expenditures and debt service, $10 per resident pupil unit in average daily membership for each nonresident pupil unit. However, a nonresident district may include in its tuition, for capital expenditures and debt service, an amount per resident pupil unit in average daily membership based on the amount that the average expenditure for capital expenditures and debt service determined by dividing such annual expenditure by the total number of pupil units in average daily membership in the district exceeds $10 per resident pupil unit. If the nonresident district has no capital expenditures or debt service, it may use the money for any purpose for which it is authorized to spend money.

Subd. 3. Tuition as agreed. Notwithstanding subdivision 2, a resident district may pay a nonresident district the amount for tuition that is agreed upon by the districts.

19. M.S. 123A.49 APPEALS.

Subdivision 1. Grounds for appeal from final order. Any district or any person aggrieved by final order of the county board or final order of the county auditor, made pursuant to the provisions of this code, may appeal from such final order to the district court upon the following grounds:

(1) That the county board or the county auditor had no jurisdiction to act;

(2) That the county board or the county auditor exceeded its jurisdiction;

(3) That the action appealed from is arbitrary, fraudulent, capricious or oppressive or in unreasonable disregard of the best interest of the territory affected;

(4) That the order of action appealed from is based upon an erroneous theory of law.

An appeal from a final order of a county board or the county auditor shall be taken by serving a notice of appeal upon the county auditor. An appeal from a final order of a county board or a county auditor shall be taken to the district court in the county of the board or auditor. Notice of appeal must be served within 30 days of the issuance of the order appealed from and shall be accompanied by a corporate surety bond in the amount of $250, conditioned for the payment of all costs taxed against appellant on such appeal. The notice of appeal shall be filed with the court administrator of the district court and noticed for hearing in the manner provided for the trial of civil actions by Minnesota rules of civil procedure.

In an appeal from an order of a county auditor effecting a consolidation the action of the commissioner approving the plat is reviewable and the commissioner may be called by either party as a witness in such appeal proceedings and may be examined under the rules of civil procedure relating to the cross-examination of adverse parties.

Subd. 2. Affected school district or person may intervene. Any school district or any person affected by final order of the county board or final order of the county auditor shall be permitted to intervene in appeals under this section as a party respondent.

Subd. 3. Appeal. An appeal lies from the district court in accordance with the rules of civil appellate procedure.

Subd. 4. Administrative remedies for aggrieved school district or person. Unless otherwise provided by law, any school district or any person aggrieved by a final order of the commissioner made pursuant to provisions of this code may proceed under the provisions of sections 14.57 to 14.69.

20. M.S. 123A.50 PLATS.

The auditor shall keep in the auditor's office books containing a correct plat and description of each district, whether wholly or partly in the auditor's county. The auditor shall submit to the state department a description and the revised plats showing changes made in district boundaries within 60 days of such changes.

21. M.S. 123A.71 APPEAL.

The appeal provisions of section 123A.49 shall be applicable only after the county board has issued its final order of attachment under section 123A.46.

22. M.S. 123A.73 LEVY LIMITATIONS OF REORGANIZED DISTRICTS.

Subdivision 1. Definitions. The terms defined in chapters 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A, have the same meaning when they are used in this section, unless otherwise clearly indicated.

Subd. 2. Involuntary dissolution referendum revenue. As of the effective date of the involuntary dissolution of a district and its attachment to one or more existing districts pursuant to sections 123A.60 or 123A.64 to 123A.72, the authorization for any referendum revenue previously approved by the voters of the

dissolved district in that district pursuant to section 126C.17, subdivision 9, or its predecessor or successor provision, is canceled. The authorization for any referendum revenue previously approved by the voters of a district to which all or part of the dissolved district is attached shall not be affected by the attachment and shall apply to the entire area of the district as enlarged by the attachment.

Subd. 3. Voluntary dissolution; referendum revenue. As of the effective date of the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 123A.46, the authorization for all referendum revenues previously approved by the voters of all affected districts for those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision, is canceled. However, if all of the territory of any independent district is included in the enlarged district, and if the adjusted net tax capacity of taxable property in that territory comprises 90 percent or more of the adjusted net tax capacity of all taxable property in an enlarged district, the enlarged district's referendum revenue shall be determined as follows:

The referendum revenue shall be the revenue per adjusted pupil unit times the number of adjusted pupil units in the enlarged district. Any new referendum revenue shall be authorized only after approval is granted by the voters of the entire enlarged district in an election pursuant to section 126C.17, subdivision 9.
EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015 and later.

Subd. 4. Consolidation; maximum authorized referendum revenues. (a) As of the effective date of a consolidation pursuant to section 123A.48, if the plan for consolidation so provides, or if the plan for consolidation makes no provision concerning referendum revenues, the authorization for all referendum revenues previously approved by the voters of all affected districts for those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision shall be recalculated as provided in this subdivision. The referendum revenue authorization for the newly created district shall be the revenue per adjusted pupil unit that would raise an amount equal to the combined dollar amount of the referendum revenues authorized by each of the component districts for the year preceding the consolidation, unless the referendum revenue authorization of the newly created district is subsequently modified pursuant to section 126C.17, subdivision 9.

(b) The referendum allowance for a consolidated district in the years following consolidation equals the average of the consolidating districts' existing authorities for those years, weighted by the districts' adjusted pupil units in the year preceding consolidation. For purposes of this calculation, the referendum authorities used for individual districts shall not decrease from year to year until such time as all existing authorities for all the consolidating districts have fully expired, but shall increase if they were originally approved with consumer price index-based or other annual increases.

(c) The referendum revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district.
EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015 and later.

Subd. 5. Alternative method. (a) As of the effective date of a consolidation pursuant to section 123A.48, if the plan for consolidation so provides, the authorization for all referendum revenues previously approved by the voters of all affected districts for those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision shall be combined as provided in this subdivision. The referendum revenue authorization for the newly created district may be any allowance per adjusted pupil unit provided in the plan for consolidation, but may not exceed the allowance per adjusted pupil unit that would raise an amount equal to the combined dollar amount of the referendum revenues authorized by each of the component districts for the year preceding the consolidation.

(b) The referendum allowance for a consolidated district in the years following consolidation equals the

average of the consolidating districts' existing authorities for those years, weighted by the districts' adjusted pupil units in the year preceding consolidation. For purposes of this calculation, the referendum authorities used for individual districts shall not decrease from year to year until such time as all existing authorities for all the consolidating districts have fully expired, but shall increase if they were originally approved with consumer price index-based or other annual increases.

(c) The referendum revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. The referendum revenue authorization for the newly created district may be modified pursuant to section 126C.17, subdivision 9. EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015 and later.

Subd. 6. Discontinued referendum revenue. If the plan for consolidation provides for discontinuance of referendum revenue previously approved by voters of the component districts pursuant to section 126C.17, subdivision 9, or its predecessor provision, the newly created district must not receive referendum revenue unless the voters of the newly created district authorize referendum revenue pursuant to section 126C.17, subdivision 9.

Subd. 7. Repealed.

Subd. 8. Taxable property. As of the effective date of a consolidation of districts or the dissolution of a district and its attachment to one or more existing districts pursuant to chapter 123A, all the taxable property which is in the newly created or enlarged district and which was previously taxable for the payment of any statutory operating debt theretofore incurred by any preexisting district of which the taxable property was a part prior to the consolidation or dissolution and attachment shall remain taxable for the payment of that debt and shall not become taxable for the payment of any statutory operating debt theretofore incurred by any preexisting district of which the taxable property was not a part prior to the consolidation or dissolution and attachment. The amount of statutory operating debt attributable to that taxable property and to the newly created or enlarged district in which it is located, and the amount of a preexisting district's reserved fund balance reserve account for purposes of statutory operating debt reduction attributable to the newly created or enlarged district, shall be apportioned according to the proportion which the adjusted net tax capacity of that part of the preexisting district bears to the total adjusted net tax capacity of the entire preexisting district at the time of the consolidation or dissolution and attachment. This apportionment shall be made by the county auditor and shall be incorporated as an annex to the order of the commissioner dividing the assets and liabilities of the component districts. As used in this section, "statutory operating debt" shall have the meaning given it in section 123B.81.

Subd. 9. Reorganization operating debt levies. (a) A district that receives revenue under section 123A.39, subdivision 3, for cooperation or has combined according to sections 123A.35 to 123A.43 may levy to eliminate reorganization operating debt as defined in section 123B.82, clause (1). The amount of the debt must be certified over a period of five years. After the effective date of combination according to sections 123A.35 to 123A.43, the levy may be certified and spread either

(1) only on the property in the combined district that would have been taxable in the preexisting district that incurred the debt; or

(2) on all of the taxable property in the combined district.

(b) A district that has reorganized according to section 123A.46 or 123A.48 may levy to eliminate reorganization operating debt as defined in section 123B.82, clause (2). The amount of debt must be certified over a period not to exceed five years and may be spread either

(1) only on the property in the newly created or enlarged district which was taxable in the preexisting district that incurred the debt; or

(2) on all of the taxable property in the newly created or enlarged district.

Subd. 10. Repealed.

Subd. 11. Repealed.

Subd. 12. Levy for severance pay or early retirement incentives. The board of a newly created or enlarged district to which part or all of a dissolved district was attached according to section 123A.46 may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the dissolution or consolidation, if the commissioner approves the incentives and the amount to be levied. The amount may be levied over a period of up to five years and must be spread in whole or in part on the property of a preexisting district or the newly created or enlarged district, as determined by the board of the newly created or enlarged district.

23. M.S. 123A.74 OBLIGATIONS UPON DISTRICT REORGANIZATION.

Subdivision 1. Capital loan obligations. If a district has a capital loan outstanding at the time of reorganization according to section 123A.46, 123A.48, or sections 123A.35 to 123A.43, and if the plan for reorganization provides for payment of all or a portion of the capital loan obligation by the newly created or enlarged district or makes no provision for payment, all of the taxable property in the newly created or enlarged district is taxable for the payment to the extent stated in the plan. Notwithstanding any contract to the contrary, if all of the taxable property in the newly created or enlarged district is taxable for the payment of the capital loan and until the capital loan is retired or canceled, the maximum effort debt service levy must be recalculated annually by the department to be equal to the required debt service levy plus an additional amount. The additional amount must be the greater of:

(i) zero, or

(ii) the maximum effort debt service levy of the preexisting district minus the required debt service levy of the preexisting district that received the capital loan.

For the purpose of the recalculation, additional bond issues after the date of the reorganization shall not impact the maximum effort debt service levy or the required debt service levy.

Notwithstanding any contract to the contrary, the plan for reorganization may specify that the obligation for a capital loan remains solely with the preexisting district that incurred the obligation. This subdivision does not relieve any property from any tax liability for payment of any capital loan obligation.

Subd. 2. Energy loan obligations. If a district has an energy loan outstanding at the time of reorganization according to section 123A.46, 123A.48, or sections 123A.35 to 123A.43, and if the plan for reorganization provides for payment of all or a portion of the energy loan obligation by the newly created or enlarged district or makes no provision for payment, all of the taxable property in the newly created or enlarged district is taxable for the payment.

Notwithstanding any contract to the contrary, the plan for reorganization may specify that the obligation for an energy loan remains solely with the preexisting district that incurred the obligation. This subdivision does not relieve any property from any tax liability for payment of any energy loan obligation.

24. M.S. 123A.75 EMPLOYEES OF REORGANIZED DISTRICTS.

Subdivision 1. Teacher assignment. (a) As of the effective date of a consolidation in which a district is divided or the dissolution of a district and its attachment to two or more existing districts, each teacher

employed by an affected district shall be assigned to the newly created or enlarged district on the basis of a ratio of the pupils assigned to each district according to the new district boundaries. The district receiving the greatest number of pupils must be assigned the teacher with the greatest seniority, and the remaining teachers must be alternately assigned to each district until the district receiving the fewest pupils has received its ratio of teachers who will not be retiring before the effective date of the consolidation or dissolution.

(b) Notwithstanding paragraph (a), the board and the exclusive representative of teachers in each district involved in the consolidation or dissolution and attachment may negotiate a plan for assigning teachers to each newly created or enlarged district.

Subd. 2. Collective bargaining. The organization certified as the exclusive bargaining representative for the teachers in the particular preexisting district which employed the largest proportion of the teachers who are assigned to a new employing district according to subdivision 1 shall be certified as the exclusive bargaining representative for the teachers assigned to that new employing district, until that organization is decertified or another organization is certified in its place pursuant to sections 179A.01 to 179A.25. For purposes of negotiation of a new contract with the board of the new employing district and the certification of an exclusive bargaining representative for purposes of that negotiation, the teachers assigned to that district shall be considered an appropriate unit of employees of that district as of the date the county board orders its interlocutory order of dissolution and attachment to be final and effective or as of the date the commissioner assigns an identification number to a new district created by consolidation. During the school year before the consolidation becomes effective, the newly elected board or the board of the district to which a dissolved district is attached, may place teachers assigned to it on unrequested leave of absence as provided in section 122A.40 according to: (a) a plan negotiated in a new master contract between it and the exclusive bargaining representative of the teachers assigned to it, or (b) if no such plan exists, an applicable plan negotiated in the contract which according to this subdivision will temporarily govern the terms and conditions of employment of teachers assigned to it, or (c) if no plan exists pursuant to either (a) or (b), the provisions of section 122A.40, subdivision 11, on the basis of a combined seniority list of all teachers assigned to it.

Subd. 3. Interim contractual agreements. (a) Until a successor contract is executed between the new board and the exclusive representative of the teachers of the new district, the boards of both districts and the exclusive representatives of the teachers of both districts may agree:

(1) to comply with the contract of either district with respect to all of the teachers assigned to the new district; or

(2) that each of the contracts shall apply to the teachers previously subject to the respective contract.

(b) In the absence of an agreement according to paragraph (a), the following shall apply:

(1) if the effective date is July 1 of an even-numbered year, each of the contracts shall apply to the teachers previously subject to the respective contract and shall be binding on the new board; or

(2) if the effective date is July 1 of an odd-numbered year, the contract of the district that previously employed the largest proportion of teachers assigned to the new district applies to all of the teachers assigned to the new district and shall be binding on the new board. The application of this section shall not result in a reduction in a teacher's basic salary, payments for cocurricular or extracurricular assignments, district contributions toward insurance coverages or tax-sheltered annuities, leaves of absence, or severance pay until a successor contract is executed between the new board and the exclusive representative.

Subd. 4. Contracts; termination; tenure. Except as provided in this section, the provisions of section 122A.40 or 122A.41 shall apply to the employment of each teacher by the new employing district on the same basis as they would have applied to the employment if the teacher had been employed by that new

district before the effective date of the consolidation or dissolution and attachment. For the purpose of applying the provisions of subdivision 2, clause (c), and the provisions of section 122A.40, subdivision 11, each district must be considered to have started school each year on the same date.

25. M.S. 123A.76 EXPENSES OF TRANSITION.

The board of a district to which a dissolved district is attached pursuant to section 123A.46, may, for the purpose of paying the expenses of negotiations and other administrative expenses relating to the transition, enter into agreements with banks or any person to take its orders at any rate of interest not to exceed seven percent per annum. These orders shall be paid by the treasurer of the district from district funds after the effective date of the dissolution and attachment. Notwithstanding the provisions of sections 124D.22, 126C.40 to 126C.45, and 126C.48, the district may, in the year the dissolution and attachment becomes effective, levy an amount equal to the amount of the orders issued pursuant to this subdivision and the interest on these orders. No district shall issue orders for funds or make a levy pursuant to this subdivision without the commissioner's approval of the expenses to be paid with the funds from the orders and levy.

26. M.S. 123A.77 SURPLUS COUNTY SCHOOL TAX FUNDS; DISTRIBUTION.

When, by reason of reorganization of districts, there is a surplus in the county treasury to the credit of the county school tax fund on account of an excessive tax levy already made, and when there is no need for the surplus, the county treasurer shall pay the surplus to the reorganized district upon the order of the county board.

27. M.S. 123A.78 JOINT POWERS AGREEMENTS FOR FACILITIES.

Subdivision 1. Instructional facilities. Any group of districts may form a joint powers district under section 471.59 representing all participating districts to build or acquire a facility to be used for instructional purposes. The joint powers board must submit the project for review and comment under section 123B.71. The joint powers board must hold a hearing on the proposal. The joint powers district must submit the question of authorizing the borrowing of funds for the project to the voters of the joint powers district at a special election. The question submitted shall state the total amount of funding needed from all sources. The joint powers board may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question vote in the affirmative and only after the school boards of each member district have adopted a resolution pledging the full faith and credit of that district. The resolution shall irrevocably commit that district to pay a proportionate share, based on pupil units, of any debt levy shortages that, together with other funds available, would allow the joint powers board to pay the principal and interest on the obligations. The district's payment of its proportionate share of the shortfall shall be made from the district's capital expenditure fund. The clerk of the joint powers board must certify the vote of the bond election to the commissioner.

Subd. 2. Shared facilities. A group of governmental units may form a joint powers district under section 471.59 representing all participating units to build or acquire a facility. The joint powers board must submit the project for review and comment under section 123B.71. The joint powers board must hold a hearing on the proposal. The joint powers district must submit the question of authorizing the borrowing of funds for the project to the voters of the joint powers district at a special election. The question submitted shall state the total amount of funding needed from all sources. The joint powers board may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question vote in the affirmative and only after the boards of each member unit have adopted a resolution pledging the full faith and credit of that unit. The resolution must irrevocably commit that unit to pay an agreed upon share of any debt levy shortages that, together with other funds available, would allow the joint

powers board to pay the principal and interest on the obligations. The clerk of the joint powers board must certify the vote of the bond election to the commissioner.

28. M.S. 123A.79 MEETINGS OF JOINT POWERS BOARD.

(a) Notwithstanding any law to the contrary, a joint powers board established under section 123A.443 or 123A.78, and the board of each of its member districts may hold meetings at a facility operated by the joint powers board.

(b) The joint powers board shall establish and maintain a schedule of the time and place of its meetings and shall give notice of regular and special meetings as required under section 471.705.

29. M.S. 471.59 JOINT EXERCISE OF POWERS.

Subdivision 1. Agreement. Two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. The agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units. The term "governmental unit" as used in this section includes every city, county, town, school district, independent nonprofit firefighting corporation, other political subdivision of this or another state, another state, federally recognized Indian tribe, the University of Minnesota, the Minnesota Historical Society, nonprofit hospitals licensed under sections 144.50 to 144.56, rehabilitation facilities and extended employment providers that are certified by the commissioner of employment and economic development, day and supported employment services licensed under chapter 245D, and any agency of the state of Minnesota or the United States, and includes any instrumentality of a governmental unit. For the purposes of this section, an instrumentality of a governmental unit means an instrumentality having independent policy- making and appropriating authority.

Subd. 1a. Liability. (a) A governmental unit participating in a joint venture or joint enterprise, including participation in a cooperative activity undertaken pursuant to this section or other law, is not liable for the acts or omissions of another governmental unit participating in the joint venture or joint enterprise, unless the participating governmental unit has agreed in writing to be responsible for the acts or omissions of another participating governmental unit.

(b) For purposes of determining total liability for damages, the participating governmental units and the joint board, if one is established, are considered a single governmental unit and the total liability for the participating governmental units and the joint board, if established, shall not exceed the limits on governmental liability for a single governmental unit as specified in section 3.736 or 466.04, subdivision 1, or as waived or extended by the joint board or all participating governmental units under section 3.736, subdivision 8; 466.06; or 471.981. This paragraph does not protect a governmental unit from liability for its own independent acts or omissions not directly related to the joint activity.

(c) If a participating governmental unit has procured or extended insurance coverage pursuant to section 3.736, subdivision 8; 466.06; or 471.981 in excess of the limits on governmental liability under section 3.736 or 466.04, subdivision 1, covering participation in the joint venture or joint enterprise, the procurement of that insurance constitutes a waiver of the limits of governmental liability for that governmental unit to the extent that valid and collectable insurance or self-insurance, including, where applicable, proceeds from the Minnesota Guarantee Fund, exceeds those limits and covers that governmental unit's liability for the claim, if any.

Subd. 2. Agreement to state purpose. Such agreement shall state the purpose of the agreement or the power to be exercised and it shall provide for the method by which the purpose sought shall be accomplished or the manner in which the power shall be exercised. When the agreement provides for use of a joint board, the board shall be representative of the parties to the agreement. A joint board that is formed for educational purposes may conduct public meetings via interactive television if the board complies with chapter 13D in each location where board members are present. Irrespective of the number, composition, terms, or qualifications of its members, such board is deemed to comply with statutory or charter provisions for a board for the exercise by any one of the parties of the power which is the subject of the agreement.

Subd. 3. Disbursement of funds. The parties to such agreement may provide for disbursements from public funds to carry out the purposes of the agreement. Funds may be paid to and disbursed by such agency as may be agreed upon, but the method of disbursement shall agree as far as practicable with the method provided by law for the disbursement of funds by the parties to the agreement. Contracts let and purchases made under the agreement shall conform to the requirements applicable to contracts and purchases of any one of the parties, as specified in the agreement. Strict accountability of all funds and report of all receipts and disbursements shall be provided for.

Subd. 4. Termination of agreement. Such agreement may be continued for a definite term or until rescinded or terminated in accordance with its terms.

Subd. 5. Shall provide for distribution of property. Such agreement shall provide for the disposition of any property acquired as the result of such joint or cooperative exercise of powers, and the return of any surplus moneys in proportion to contributions of the several contracting parties after the purpose of the agreement has been completed.

Subd. 6. Residence requirement. Residence requirements for holding office in any governmental unit shall not apply to any officer appointed to carry out any such agreement.

Subd. 7. Not to affect other acts. This section does not dispense with procedural requirements of any other act providing for the joint or cooperative exercise of any governmental power.

Subd. 8. Services performed by county, commonality of powers. Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement the board of county commissioners of any county may by resolution enter into agreements with any governmental unit as defined in subdivision 1 to perform on behalf of that unit any service or function which that unit would be authorized to provide for itself.

Subd. 9. Exercise of power. For the purposes of the development, coordination, presentation and evaluation of training programs for local government officials, governmental units may exercise their powers under this section in conjunction with organizations representing governmental units and local government officials.

Subd. 10. Services performed by governmental units; commonality of powers. Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement, the governing body of any governmental unit as defined in subdivision 1 may enter into agreements with any other governmental unit to perform on behalf of that unit any service or function which the governmental unit providing the service or function is authorized to provide for itself. If the agreement has the effect of eliminating or replacing a public employee who is part of a collective bargaining agreement represented by an exclusive representative, and there is no provision in the collective bargaining agreement detailing the effect of the action on the affected public employee, negotiations on the effects to the employee of the job

elimination or restructuring must be conducted between the exclusive representative and the employer.

Subd. 11. Joint powers board. (a) Two or more governmental units, through action of their governing bodies, by adoption of a joint powers agreement that complies with the provisions of subdivisions 1 to 5, may establish a joint board to issue bonds or obligations under any law by which any of the governmental units establishing the joint board may independently issue bonds or obligations and may use the proceeds of the bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued. A joint board established under this section may issue obligations and other forms of indebtedness only in accordance with express authority granted by the action of the governing bodies of the governmental units that established the joint board. Except as provided in paragraph (b) and (c), the joint board established under this subdivision must be composed solely of members of the governing bodies of the governmental unit that established the joint board. A joint board established under this subdivision may not pledge the full faith and credit or taxing power of any of the governmental units that established the joint board. The obligations or other forms of indebtedness must be obligations of the joint board issued on behalf of the governmental units creating the joint board. The obligations or other forms of indebtedness must be issued in the same manner and subject to the same conditions and limitations that would apply if the obligations were issued or indebtedness incurred by one of the governmental units that established the joint board, provided that any reference to a governmental unit in the statute, law, or charter provision authorizing the issuance of the bonds or the incurring of the indebtedness is considered a reference to the joint board.

(b) Notwithstanding paragraph (a), one school district, one county, and one public health entity, through action of their governing bodies, may establish a joint board to establish and govern a family services collaborative under section 124D.23. The school district, county, and public health entity may include other governmental entities at their discretion. The membership of a board established under this paragraph, in addition to members of the governing bodies of the participating governmental units, must include the representation required by section 124D.23, subdivision 1, paragraph (a), selected in accordance with section 124D.23, subdivision 1, paragraph (c).

(c) Notwithstanding paragraph (a), counties, school districts, and mental health entities, through action of their governing bodies, may establish a joint board to establish and govern a children's mental health collaborative under sections 245.491 to 245.495, or a collaborative established by the merger of a children's mental health collaborative and a family services collaborative under section 124D.23. The county, school district, and mental health entities may include other entities at their discretion. The membership of a board established under this paragraph, in addition to members of the governing bodies of the participating governmental units, must include the representation provided by section 245.493, subdivision 1.

Subd. 12. Joint exercise of police power (omitted).

Subd. 13. Joint powers board for housing (omitted).

VARIOUS EDUCATIONAL PROGRAMS

(**Bolded Items - 2014 Session Changes)**

1. M.S. 124D.02 SCHOOL BOARD POWERS; ENROLLMENT.

Subdivision 1. Kindergarten instruction. The board may establish and maintain one or more kindergartens for the instruction of children and after July 1, 1974, shall provide kindergarten instruction for all eligible children, either in the district or in another district. All children to be eligible for kindergarten must be at least five years of age on September 1 of the calendar year in which the school year commences. In addition all children selected under an early admissions policy established by the school board may be admitted. If established, a board-adopted 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 or review by the commissioner of education. The evaluation is subject to section 127A.41. Nothing in this section shall prohibit a school district from establishing head start, prekindergarten, or nursery school classes for children below kindergarten age. Any school board with evidence that providing kindergarten will cause an extraordinary hardship on the school district may apply to the commissioner of education for an exception.

Subd. 2. Secondary school programs. The board may permit a person who is over the age of 21 or who has graduated from high school to enroll in a class or program at a secondary school if there is space available. In determining if there is space available, public school students eligible for free enrollment under section 120A.20, subdivision 1, and shared-time students shall be given priority over students seeking enrollment pursuant to this subdivision, and students returning to complete a regular course of study shall be given priority over other students seeking enrollment pursuant to this subdivision. The following are not prerequisites for enrollment:

(1) residency in the school district;

(2) United States citizenship; or

(3) for a person over the age of 21, a high school diploma or equivalency certificate. A person may enroll in a class or program even if that person attends evening school, an adult or continuing education, or a postsecondary educational program or institution.

Subd. 3. Counting pupils. A district may not count a person enrolled pursuant to subdivision 2 as a pupil unit or a pupil in average daily membership for the purpose of receiving any state aid.

Subd. 4. Part-time student fee. Notwithstanding the provisions of sections 120A.20 and 123B.37, a board may charge a student enrolled pursuant to subdivision 2 a reasonable fee for a class or program.

2. M.S. 124D.03 ENROLLMENT OPTIONS PROGRAM. (**2014 Session Change**)

Subdivision 1. Establishment. (a) An enrollment options program is established to enable any pupil to attend a school or program in a district in which the pupil does not reside, subject to the limitations in this section.

(b) A district may refuse to allow a pupil who is expelled under section 121A.45 to enroll during the term of the expulsion if the student was expelled for:

(1) possessing a dangerous weapon, as defined by United States Code, title 18, section 930, paragraph (g)(2), at school or a school function;

(2) possessing or using an illegal drug at school or a school function;

(3) selling or soliciting the sale of a controlled substance while at school or a school function; or

(4) committing a third-degree assault as described in section 609.223, subdivision 1.

Subd. 2. Limited enrollment of nonresident pupils. (a) A board may, by resolution, limit the enrollment of nonresident pupils in its schools or programs according to this section to a number not less than the lesser of:

(1) one percent of the total enrollment at each grade level in the district; or

(2) the number of district residents at that grade level enrolled in a nonresident district according to this section.

(b) A district that limits enrollment of nonresident pupils under paragraph (a) shall report to the commissioner by July 15 on the number of nonresident pupils denied admission due to the limitations on the enrollment of nonresident pupils.

Subd. 3. Pupil application procedures. In order that a pupil may attend a school or program in a nonresident district, the pupil's parent or guardian must submit an application to the nonresident district. The pupil's application must identify **a** reason for enrolling in the nonresident district. The parent or guardian of a pupil must submit **a signed** application by January 15 for initial enrollment beginning the following school year. The application must be on a form provided by the Department of Education. A particular school or program may be requested by the parent. Once enrolled in a nonresident district, the pupil may remain enrolled and is not required to submit annual or periodic applications. **If the student moves to a new resident district, the student retains the seat in the nonresident district, but must submit a new enrollment options form to update the student's information**. To return to the resident district or to transfer to a different nonresident district, the parent or guardian of the pupil must provide notice to the resident district or apply to a different nonresident district by January 15 for enrollment beginning the following school year.

Subd. 4. **Achievement and integration** district transfers. (a) This subdivision applies to a transfer into or out of a district that has **an achievement and integration** plan approved by the commissioner of education under sections 124D.861 and 124D.862.

(b) An application to transfer may be submitted at any time for enrollment beginning at any time.

(c) A pupil enrolled in a nonresident district under **an achievement and integration** plan approved by the commissioner of education is not required to make annual or periodic application for enrollment but may remain enrolled in the same district. A pupil may transfer to the resident district at any time.

(d) Section 124D.03, subdivision 2, applies to a transfer into or out of a district with **an achievement and integration** plan.

Subd. 5. Nonresident district procedures. A district shall notify the parent or guardian in writing by February 15 or within 90 days for applications submitted after January 15 **in the case of achievement and integration district transfers** whether the application has been accepted or rejected. If an application is rejected, the district must state in the notification the reason for rejection. The parent or guardian must notify the nonresident district by March 1 **or within 45 days** whether the pupil intends to enroll in the nonresident district. Notice of intent to enroll in the nonresident district obligates the pupil to attend the

nonresident district during the following school year, unless the boards of the resident and the nonresident districts agree in writing to allow the pupil to transfer back to the resident district**. If** the pupil's parents or guardians change residence to another district**, the student does not lose the seat in the nonresident district but the parent or guardian must complete an updated enrollment options form**. If a parent or guardian does not notify the nonresident district **by the January 15 deadline, if it applies**, the pupil may not enroll in that nonresident district during the following school year, unless the boards of the resident and nonresident district agree otherwise. The nonresident district must notify the resident district by March 15 **or 30 days later** of the pupil's intent to enroll in the nonresident district. The same procedures apply to a pupil who applies to transfer from one participating nonresident district to another participating nonresident district.

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

Subd. 6. Basis for decisions. The board must adopt, by resolution, specific standards for acceptance and rejection of applications. Standards may include the capacity of a program, **excluding special education services;** class; or school building. The school board may not reject applications for enrollment in a particular grade level if the nonresident enrollment at that grade level does not exceed the limit set by the board under subdivision 2. Standards may not include previous academic achievement, athletic or other extracurricular ability, disabling conditions, proficiency in the English language, previous disciplinary proceedings, or the student's district of residence**, except where the district of residence is directly included in an enrollment options strategy included in an approved achievement and integration program**.

Subd. 7. Exceptions to deadlines. Notwithstanding subdivision 3, the following pupil application procedures apply: (a) Upon agreement of the resident and nonresident districts, a pupil may submit an application to a nonresident district after January 15 for enrollment beginning the following school year.

(b) If, as a result of entering into, modifying, or terminating an agreement between boards, a pupil is assigned after December 1 to a different school for enrollment beginning at any time, the pupil, the pupil's siblings, or any other pupil residing in the pupil's residence may submit an application to a nonresident district at any time before July 1 for enrollment beginning the following school year.

(c) A pupil who becomes a resident of a district after December 1 may submit an application to a nonresident district on January 15 or any time after that date for enrollment beginning any time before the following December 1.

(d) If the commissioner of education and the commissioner of human rights determine that the policies, procedures, or practices of a district are in violation of Title VI of the Civil Rights Act of 1964 (Public Law Number 88-352) or chapter 363, any pupil in the district may submit an application to a nonresident district at any time for enrollment beginning at any time. For exceptions under this subdivision, the applicant, the applicant's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application and notice procedures in subdivisions 3 and 5, except that the application and notice deadlines do not apply.

Subd. 8. Transportation. If requested by the parent of a pupil, the nonresident district shall provide

transportation within the district.

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a nonresident district notifies a parent or guardian that an application has been accepted under subdivision 4 or 5, the nonresident district must provide the parent or guardian with the following information regarding the transportation of nonresident pupils under section 123B.88, subdivision 6.

Subd. 9. Credits toward graduation. A nonresident district shall accept credits toward graduation that were awarded by another district. The nonresident district shall award a diploma to a nonresident pupil if the pupil meets its graduation requirements.

Subd. 10. Information. A district shall make information about the district, schools, programs, policies, and procedures available to all interested people.

Subd. 11. General education aid. Adjustments to general education aid for the resident and nonresident districts shall be made according to section 127A.47, subdivision 7.

Subd. 12. Termination of enrollment. A district may terminate the enrollment of a nonresident student enrolled under this section or section 124D.08 at the end of a school year if the student meets the definition of a habitual truant under section 260C.007, subdivision 19, the student has been provided appropriate services under chapter 260A, and the student's case has been referred to juvenile court. A district may also terminate the enrollment of a nonresident student over the age of 17 enrolled under this section if the student is absent without lawful excuse for one or more periods on 15 school days and has not lawfully withdrawn from school under section 120A.22, subdivision 8.
EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

3. M.S. 124D.08 SCHOOL BOARDS' APPROVAL TO ENROLL IN NONRESIDENT DISTRICT.

Subdivision 1. Enrollment exception. A pupil may enroll in a district of which the pupil is not a resident under this section.

Subd. 2. Board approval. The pupil's parent or guardian must receive the approval of the board of the nonresident district and the board of the resident district. The nonresident board shall notify the resident board of the approval.

Subd. 2a. Continued enrollment for homeless students. Notwithstanding subdivision 2, a pupil who has been enrolled in a district, who is identified as homeless, and whose parent or legal guardian moves to another district, may continue to enroll in the nonresident district without the approval of the board of the nonresident district. The approval of the board of the pupil's resident district is not required.

Subd. 2b. Continued enrollment for students placed in foster care. Notwithstanding subdivision 2, a pupil who has been enrolled in a district who is placed in foster care in another district may continue to enroll in the prior district without the approval of the board of the prior district. The approval of the board where the pupil's foster home is located is not required.

Subd. 3. 11th and 12th grade students. Notwithstanding subdivision 2, an 11th or 12th grade pupil who has been enrolled in a district and whose parent or guardian moves to another district, may continue to enroll in the nonresident district upon the approval of the board of the nonresident district. The approval of the board of the pupil's resident district is not required.

Subd. 4. Aid payments. General education aid and transportation aid for pupils covered by programs under this section must be paid according to sections 123B.92, subdivision 3, and 127A.47, subdivision 7.

4. M.S. 124D.085 EXPERIENTIAL AND APPLIED LEARNING OPPORTUNITIES FOR STUDENTS. (New 2014 Session)

(a) To strengthen the alignment between career and college ready curriculum and state and local academic standards and increase students' opportunities for participating in applied and experiential learning in a nontraditional setting, school districts are encouraged to provide programs such as magnet schools, language immersion programs, project-based learning, accelerated learning, college prep schools, career and technical education, Montessori schools, military schools, work-based schools, and place-based learning. Districts may provide such programs independently or in cooperation with other districts, at a school single site, for particular grades, or throughout the district. In addition to meeting the other accountability measures under chapter 120B, districts may declare that a student meets or exceeds specific academic standards required for graduation under the rigorous course of study waiver in section 120B.021, subdivision 1a, where appropriate.

(b) The board of a district that chooses to participate must publicly adopt and review a plan for providing a program under this section. The plan must: define the program and its structure; describe the enrollment process; identify measures and processes for regularly assessing, evaluating, and publicly reporting on program efficacy and use summary data to show student progress and outcomes; and establish a data-informed public process for modifying and revising the plan as needed. A district must publish its plan contents and evaluation outcomes on the district Web site.

(c) For purposes of further integrating experiential and applied learning into career and college ready curricula, the commissioner may request program information from providing districts under this section.
EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

5. M.S. 124D.09 POSTSECONDARY ENROLLMENT OPTIONS ACT. (**2014 Session Change**)

Subdivision 1. Citation. This section may be cited as the "Postsecondary Enrollment Options Act."

Subd. 2. Purpose. The purpose of this section is to promote rigorous academic pursuits and to provide a wider variety of options to high school pupils by encouraging and enabling secondary pupils to enroll full time or part time in nonsectarian courses or programs in eligible postsecondary institutions, as defined in subdivision 3.

Subd. 3. Definitions. For purposes of this section, the following terms have the meanings given to them.

(a) "Eligible institution" means a Minnesota public postsecondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, an opportunities industrialization center accredited by the North Central Association of Colleges and Schools, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota.

(b) "Course" means a course or program.

Subd. 4. Alternative pupil. "Alternative pupil" means an 11th or 12th grade student not enrolled in a public school district, and includes students attending nonpublic schools and students who are home schooled. An alternative pupil is considered a pupil for purposes of this section only. An alternative pupil must register with the commissioner of education before participating in the postsecondary enrollment options program. The commissioner shall prescribe the form and manner of the registration, in consultation with the nonpublic education council under section 123B.445, and may request any necessary information from the alternative pupil.

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 subdivision10, if after all 11th and 12th grade students have applied for a course, additional students are necessary to offer the 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.

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 secondary pupil may enroll in their 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, diploma, or an associate degree.

Subd. 6. Counseling. The school or school district must provide counseling services to pupils and their parents or guardian before the pupils enroll in courses under this section to ensure that the pupils and their parents or guardian are fully aware of the risks and possible consequences of enrolling in postsecondary courses. The school or school district must provide information on the program including who may enroll, what institutions and courses are eligible for participation, the decision-making process for granting academic credits, financial arrangements for tuition, books and materials, eligibility criteria for transportation aid, available support services, the need to arrange an appropriate schedule, consequences of failing or not

completing a course in which the pupil enrolls, the effect of enrolling in this program on the pupil's ability to complete the required high school graduation requirements, and the academic and social responsibilities that must be assumed by the pupils and their parents or guardian. The person providing counseling shall encourage pupils and their parents or guardian to also use available counseling services at the postsecondary institutions before the quarter or semester of enrollment to ensure that anticipated plans are appropriate.

Prior to enrolling in a course, the pupil and the pupil's parents or guardian must sign a form that must be provided by the school or school district and may be obtained from a postsecondary institution stating that they have received the information specified in this subdivision and that they understand the responsibilities that must be assumed in enrolling in this program. The department must, upon request, provide technical assistance to a school or school district in developing appropriate forms and counseling guidelines.

Subd. 7. Dissemination of information; notification of intent to enroll. By March 1 of each year, a district must provide general information about the program to all pupils in grades 8, 9, 10, and 11. To assist the district in planning, a pupil shall inform the district by May 30 of each year of the pupil's intent to enroll in postsecondary courses during the following school year. A pupil is bound by notifying or not notifying the district by May 30.

Subd. 8. Limit on participation. A pupil who first enrolls in grade 9 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of four academic years. A pupil who first enrolls in grade 10 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of three academic years. A pupil who first enrolls in grade 11 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of one academic year. If a pupil in grade 9, 10, 11, or 12 first enrolls in a postsecondary course for secondary credit during the school year, the time of participation shall be reduced proportionately. If a pupil is in a learning year or other year-round program and begins each grade in the summer session, summer sessions shall not be counted against the time of participation. A pupil who has graduated from high school cannot participate in a program under this section. A pupil who has completed course requirements for graduation but who has not received a diploma may participate in the program under this section.

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.** 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 in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program specifically designed to allow the student to earn dual high school and college credit. In this case, the student shall receive developmental college credit and not college credit for completing remedial or developmental courses**. Once a pupil has been enrolled in **any** postsecondary course under this section, the pupil shall not be displaced by another student.

(b) 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.

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

Subd. 11. Participation in high school activities. Enrolling in a course under this section shall not, by itself, prohibit a pupil from participating in activities sponsored by the pupil's high school.

Subd. 12. Credits. A pupil must not audit a course under this section.

A district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Seven quarter or four semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A district must also grant academic credit to a pupil enrolled in a course for postsecondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district must, as soon as possible, notify the commissioner, who shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the board's decision to the commissioner. The commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil must be counted toward the graduation requirements and subject area requirements of the district. Evidence of successful completion of each course and secondary credits granted must be included in the pupil's secondary school record. A pupil shall provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record must also include evidence of successful completion and credits granted for a course taken for postsecondary credit. In either case, the record must indicate that the credits were earned at a postsecondary institution.

If a pupil enrolls in a postsecondary institution after leaving secondary school, the postsecondary institution must award postsecondary credit for any course successfully completed for secondary credit at that institution. Other postsecondary institutions may award, after a pupil leaves secondary school, postsecondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

The Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota must, and private nonprofit and proprietary postsecondary institutions, should award postsecondary credit for any successfully completed courses in a program certified by the National Alliance of Concurrent Enrollment Partnerships offered according to an agreement under subdivision 10.

Subd. 13. Financial arrangements. For a pupil enrolled in a course under this section, the department must make payments according to this subdivision for courses that were taken for secondary credit.

The department must not make payments to a school district or postsecondary institution for a course

taken for postsecondary credit only. The department must not make payments to a postsecondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester or who has been absent from the postsecondary institution for the first 15 consecutive school days of the quarter or semester and is not receiving instruction in the home or hospital.

A postsecondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance minus $**425**, multiplied by **1.2**, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance minus $**425**, multiplied by **1.2**, and divided by 30.

The department must pay to each postsecondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the postsecondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department notifies a postsecondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

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

Subd. 14. Grants and financial aid prohibited. A pupil enrolled in a postsecondary course for secondary credit is not eligible for any state student financial aid under chapter 136A.

Subd. 15. Repealed.

Subd. 16. Financial arrangements for courses provided according to agreements. (a) The agreement between a board and the governing body of a public postsecondary system or private postsecondary institution shall set forth the payment amounts and arrangements, if any, from the board to the postsecondary institution. No payments shall be made by the department according to subdivision 13 or 15. For the purpose of computing state aids for a district, a pupil enrolled according to subdivision 10 shall be counted in the average daily membership of the district as though the pupil were enrolled in a secondary course that is not offered in connection with an agreement. Nothing in this subdivision shall be construed to prohibit a public postsecondary system or private postsecondary institution from receiving additional state funding that may be available under any other law.

(b) If a course is provided under subdivision 10, offered at a secondary school, and taught by a secondary teacher, the postsecondary system or institution must not require a payment from the school board that exceeds the cost to the postsecondary institution that is directly attributable to providing that course.

Subd. 17. Alternative pupils financial arrangements. For an alternative pupil enrolled in a course or program under this section, the Department of Education shall make payments to the eligible institution according to subdivision 13. The department shall not make any payments to a school district for alternative pupils.

Subd. 18. Tuition at nonpublic secondary institution. A nonpublic secondary institution must proportionately adjust its tuition to accurately reflect the time an alternative pupil spends in a postsecondary enrollment course or program.

Subd. 19. Fees; textbooks; materials. A postsecondary institution that receives reimbursement for a pupil

under subdivision 13 may not charge that pupil for fees, textbooks, materials, support services as defined in section 135A.16, or other necessary costs of the course or program in which the pupil is enrolled if the charge would be prohibited under section 123B.37, except for equipment purchased by the pupil that becomes the property of the pupil. An institution may require the pupil to pay for fees, textbooks, and materials for a course taken for postsecondary credit.

Subd. 20. Textbooks; materials. All textbooks and equipment provided to a pupil, and paid for under subdivision 13, are the property of the pupil's postsecondary institution. Each pupil is required to return all textbooks and equipment to the postsecondary institution after the course has ended.

Subd. 21. Support services. The postsecondary institution must inform the pupil of the support services available at that institution. If the student has an individual education plan that provides general education support and accommodations, the postsecondary institution must provide the support services as described in the student's IEP and the postsecondary institution and the district shall negotiate an agreement on the rate to be charged for the services. Nothing in this section shall prevent the student from enrolling while the agreement is being developed. If the parties cannot agree on the services, on application of either party, the commissioner shall resolve the dispute in the same manner the commissioner fixes tuition rates under section 125A.11. The commissioner's decision is binding on both parties.

Subd. 22. Transportation. (a) A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the postsecondary institution that the pupil attends. The state shall provide state aid to a district in an amount sufficient to reimburse the parent or guardian for the necessary transportation costs when the family's or guardian's income is at or below the poverty level, as determined by the federal government. The reimbursement shall be the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest postsecondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school or the pupil's home and the nearest postsecondary institution times ten. The state must pay aid to the district according to this subdivision.

(b) A parent or guardian of an alternative pupil enrolled in a course for secondary credit may apply to the pupil's postsecondary institution for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the postsecondary institution in an amount sufficient to reimburse the parent or guardian for the necessary transportation costs when the family's or guardian's income is at or below the poverty level, as determined by the federal government. The amount of the reimbursement shall be determined as in paragraph (a). The state must pay aid to the postsecondary institution according to this subdivision.

Subd. 23. Exception; intermediate districts. A secondary pupil who is a resident of a member district of an intermediate district, as defined in section 136D.01, may not enroll in that intermediate district's vocational program as a postsecondary pupil under this section when the intermediate district operates a secondary program at a college facility and secondary students have access to the postsecondary curriculum and receive high school and college credit for successfully completing the program.

Subd. 24. Limit; state obligation. The provisions of subdivisions 13, 19, and 22 shall not apply for any postsecondary courses in which a pupil is enrolled in addition to being enrolled full time in that pupil's district or for any postsecondary course in which a pupil is enrolled for postsecondary credit. The pupil is enrolled full time if the pupil attends credit-bearing classes in the high school or high school program for all of the available hours of instruction.

Subd. 25. Pupils 40 miles or more from an eligible institution. A pupil who is enrolled in a secondary school that is located 40 miles or more from the nearest eligible institution may request that the resident district offer at least one accelerated or advanced academic course within the resident district in which the pupil may enroll for postsecondary credit. A pupil may enroll in a course offered under this subdivision for either secondary or postsecondary credit according to subdivision 12.

A district must offer an accelerated or advanced academic course for postsecondary credit if one or more pupils requests such a course under this subdivision. The district may decide which course to offer, how to offer the course, and whether to offer one or more courses. The district must offer at least one such course in the next academic period and must continue to offer at least one accelerated or advanced academic course for postsecondary credit in later academic periods.

Subd. 26. Pupils less than 40 miles from an eligible institution. A pupil enrolled in a secondary school that is located less than 40 miles from the nearest eligible institution may enroll in a postsecondary course provided at the secondary school.

6. M.S. 124D.091 CONCURRENT ENROLLMENT PROGRAM AID.

Subdivision 1. Accreditation. To establish a uniform standard by which concurrent enrollment courses and professional development activities may be measured, postsecondary institutions are encouraged to apply for accreditation by the National Alliance of Concurrent Enrollment Partnership.

Subd. 2. Eligibility. A district that offers a concurrent enrollment course according to an agreement under section 124D.09, subdivision 10, is eligible to receive aid for the costs of providing postsecondary courses at the high school. Beginning in fiscal year 2011, districts only are eligible for aid if the college or university concurrent enrollment courses offered by the district are accredited by the National Alliance of Concurrent Enrollment Partnership, in the process of being accredited, or are shown by clear evidence to be of comparable standard to accredited courses, or are technical courses within a recognized career and technical education program of study approved by the commissioner of education and the chancellor of the Minnesota State Colleges and Universities.

Subd. 3. Aid. An eligible district shall receive $150 per pupil enrolled in a concurrent enrollment course. The money must be used to defray the cost of delivering the course at the high school. The commissioner shall establish application procedures and deadlines for receipt of aid payments.

7. M.S. 124D.095 ONLINE LEARNING OPTION.

Subdivision 1. Citation. This section may be cited as the "Online Learning Option Act."

Subd. 2. Definitions. For purposes of this section, the following terms have the meanings given them.

(a) “Digital learning” is learning facilitated by technology that offers students an element of control over the time, place, path, or pace of their learning and includes blended and online learning.

(b) "Blended learning" is a form of digital learning that occurs when a student learns part time in a supervised physical setting and part time through digital delivery of instruction, or a student learns in a supervised physical setting where technology is used as a primary method to deliver instruction.

(c) "Online learning" is a form of digital learning delivered by an approved online learning provider under paragraph (d).

(d) "Online learning provider" is a school district, an intermediate school district, an organization of two or more school districts operating under a joint powers agreement, or a charter school located in Minnesota that provides online learning to students and is approved by the department to provide online learning courses.

(e) "Student" is a Minnesota resident enrolled in a school under section 120A.22, subdivision 4, in kindergarten through grade 12.

(f) "Online learning student" is a student enrolled in an online learning course or program delivered by an online learning provider under paragraph (d).

(g) "Enrolling district" means the school district or charter school in which a student is enrolled under section 120A.22, subdivision 4, for purposes of compulsory attendance.

(h) “Supplemental online learning” means an online learning course taken in place of a course period at a local district school.

(i) “Full-time online learning provider” means an enrolling school authorized by the department to deliver comprehensive public education at any or all of the elementary, middle, or high school levels.

(j) “Online learning course syllabus” is a written document that an online learning provider transmits to the enrolling district using a format prescribed by the commissioner to identify the state academic standards embedded in an online course, the course content outline, required course assessments, expectations for actual teacher contact time and other student-to-teacher communications, and the academic support available to the online learning student.

Subd. 3. Authorization; notice; limitations on enrollment. (a) A student may apply for full-time enrollment in an approved online learning program under section 124D.03, 124D.08 or 124D.10. Notwithstanding sections 124D.03, 124D.08, and 124D.10, procedures for enrolling in supplemental online learning are as provided in this subdivision. A student age 17 or younger must have the written consent of a parent or guardian to apply. No school district or charter school may prohibit a student from applying to enroll in online learning. In order to enroll in online learning, the student and the student’s parents must submit an application to the online learning provider and identify the student’s reason for enrolling. An online learning provider that accepts a student under this section must notify the student and the enrolling district in writing within ten days if the enrolling district is not the online learning provider. The student and the student’s parent must notify the online learning provider of the student’s intent to enroll in online learning within ten days of being accepted, at which time the student and the student’s parent must sign a statement indicating that they have reviewed the online course or program and understand the expectations of enrolling in online learning. The online learning provider must use a form provided by the department to notify the enrolling district of the student’s application to enroll in online learning.

(b) The supplemental online learning notice to the enrolling district when a student applies to the online learning provider will include the courses or program, credits to be awarded, and the start date of the online course or program. An online learning provider must make available the supplemental online course syllabus to the enrolling district. Within 15 days after the online learning provider makes information in this paragraph available to the enrolling district, the enrolling district must notify the online provider whether the student, the student’s parent, and the enrolling district agree or disagree that the course meets the enrolling district’s graduation requirements. A student may enroll in a supplemental online learning course up to the midpoint of the enrolling district’s term. The enrolling district may waive this requirement for special circumstances and with the agreement of the online provider. An online learning course or program that

meets or exceeds a graduation standard or the grade progression requirement of the enrolling district as described in the provider's online course syllabus meets the corresponding graduation requirements applicable to the student in the enrolling district. If the enrolling district does not agree that the course or program meets its graduation requirements, then:

(1) the enrolling district must make available an explanation of its decision to the student, the student's parent, and the online provider; and

(2) the online provider may make available a response to the enrolling district, showing how the course or program meets the graduation requirements of the enrolling district.

(c) An online learning provider must notify the commissioner that it is delivering online learning and report the number of online learning students it accepts and the online learning courses and programs it delivers.

(d) An online learning provider may limit enrollment if the provider's school board or board of directors adopts by resolution specific standards for accepting and rejecting students' applications.

(e) An enrolling district may reduce an online learning student's regular classroom instructional membership in proportion to the student's membership in online learning courses.

(f) The online provider must report or make available information on an individual student's progress and accumulated credit to the student, the student's parent, and the enrolling district in a manner specified by the commissioner unless the enrolling district and the online provider agree to a different form of notice and notify the commissioner. The enrolling district must designate a contact person to help facilitate and monitor the student's academic progress and accumulated credits towards graduation.

Subd. 4. Online learning parameters. (a) An online learning student must receive academic credit for completing the requirements of an online learning course or program. Secondary credits granted to an online learning student count toward the graduation and credit requirements of the enrolling district. The enrolling district must apply the same graduation requirements to all students, including online learning students, and must continue to provide nonacademic services to online learning students. If a student completes an online learning course or program that meets or exceeds a graduation standard or the grade progression requirement at the enrolling district, that standard or requirement is met. The enrolling district must use the same criteria for accepting online learning credits or courses as it does for accepting credits or courses for transfer students under section 124D.03, subdivision 9. The enrolling district may reduce the course schedule of an online learning student in proportion to the number of online learning courses the student takes from an online learning provider that is not the enrolling district.

(b) An online learning student may:

(1) enroll in supplemental online learning courses equal to a maximum of 50 percent of the student’s full schedule of courses per term during a single school year and the student may exceed the supplemental online learning registration limit if the enrolling district grants permits supplemental online learning enrollment above the limit, or if the enrolling district and the online learning provider agree to the instructional services;

(2) complete course work at a grade level that is different from the student's current grade level; and

(3) enroll in additional courses with the online learning provider under a separate agreement that includes terms for paying any tuition or course fees.

(c) An online learning student has the same access to the computer hardware and education software available in a school as all other students in the enrolling district. An online learning provider must assist an online learning student whose family qualifies for the education tax credit under section 290.0674 to acquire

computer hardware and educational software for online learning purposes.

(d) An enrolling district may offer digital learning to its enrolled students. Such digital learning does not generate online learning funds under this section. An enrolling district that offers digital learning only to its enrolled students is not subject to the reporting requirements or review criteria under subdivision 7, unless the enrolling district is a full-time online learning provider. A teacher with a Minnesota license must assemble and deliver instruction to enrolled students receiving online learning from an enrolling district. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher holding a Minnesota license.

(e) Both full-time and supplemental online learning providers are subject to the reporting requirements and review criteria under subdivision 7. A teacher holding a Minnesota license must assemble and deliver instruction to online learning students. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher holding a Minnesota license. Unless the commissioner grants a waiver, a teacher providing online learning instruction must not instruct more than 40 students in any one online learning course or program.

(f) To enroll in more than 50 percent of the student's full schedule of courses per term in online learning, the student must qualify to exceed the supplemental online learning registration limit under paragraph (b) or apply to enroll in an approved full-time online learning program, consistent with subdivision 3, paragraph (a). Full-time online learning students may enroll in classes at a local school under a contract for instructional services between the online learning provider and the school district.

Subd. 5. Participation in extracurricular activities. An online learning student may participate in the extracurricular activities of the enrolling district on the same basis as other enrolled students.

Subd. 6. Information. School districts and charter schools must make available information about online learning to all interested people.

Subd. 7. Department of Education. (a) The department must review and approve or disapprove online learning providers within 90 calendar days of receiving an online learning provider's completed application. The commissioner, using research-based standards of quality for online learning programs, must review all approved online learning providers on a cyclical three-year basis. Approved online learning providers annually must submit program data to, confirm statements of assurances for, and provide program updates including a current course list to the commissioner.

(b) The online learning courses and programs must be rigorous, aligned with state academic standards, and contribute to grade progression in a single subject. The online learning provider, other than a digital learning provider offering digital learning to its enrolled students only under subdivision 4, paragraph (d), must give the commissioner written assurance that:

(1) all courses meet state academic standards; and

(2) the online learning curriculum, instruction, and assessment, expectations for actual teacher-contact time or other student-to-teacher communication, and academic support meet nationally recognized professional standards and are described as such in an online learning course syllabus that meets the commissioner's requirements. Once an online learning provider is approved under this paragraph, all of its online learning course offerings are eligible for payment under this section unless a course is successfully challenged by an enrolling district or the department under paragraph (c).

(c) An enrolling district may challenge the validity of a course offered by an online learning provider. The department must review such challenges based on the approval procedures under paragraph (b). The department may initiate its own review of the validity of an online learning course offered by an online learning provider.

(d) The department may collect a fee not to exceed $250 for approving online learning providers or $50 per course for reviewing a challenge by an enrolling district.

(e) The department must develop, publish, and maintain a list of online learning providers that it has reviewed and approved.

(f) The department may review a complaint about an online learning provider, or a complaint about a provider based on the provider's response to notice of a violation. If the department determines that an online learning provider violated a law or rule, the department may:

(1) create a compliance plan for the provider; or

(2) withhold funds from the provider under sections 124D.095, 124D.10, subdivision 8, and 127A.42. The department must notify an online learning provider in writing about withholding funds and provide detailed calculations.

Subd. 8. Financial arrangements. (a) For a student enrolled in an online learning course, the department must calculate average daily membership and make payments according to this subdivision.

(b) The initial online learning average daily membership equals 1/12 for each semester course or a proportionate amount for courses of different lengths. The adjusted online learning average daily membership equals the initial online learning average daily membership times .88.

(c) No online learning average daily membership shall be generated if:

(1) the student does not complete the online learning course, or

(2) the student is enrolled in online learning provided by the enrolling district.

(d) Online learning average daily membership under this subdivision for a student currently enrolled in a Minnesota public school shall be used only for computing average daily membership according to section 126C.05, subdivision 19, paragraph (a), clause (ii), and for computing online learning aid according to section 124D.096.

8. M.S. 124D.096 ONLINE LEARNING AID.

(a) The online learning aid for an online learning provider equals the product of the adjusted online learning average daily membership for students under section 124D.095, subdivision 8, paragraph (d), times the student grade level weighting under section 126C.05, subdivision 1, times the formula allowance.

(b) Notwithstanding section 127A.45, the department must pay each online learning provider the current year aid payment percentage multiplied by the amount in paragraph (a) within 45 days of receiving final enrollment and course completion information each quarter or semester. The final adjustment payment must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement. This payment must be made on September 30 of the next fiscal year.

9. M.S. 124D.111 LUNCH AID; FOOD SERVICE ACCOUNTING. (New 2014 Session)

Subdivision 1. School lunch aid computation. Each school year, the state must pay participants in

the national school lunch program the amount of 12.5 cents for each full paid and free student lunch and 52.5 cents for each reduced-price lunch served to students.

Subd. 2. Application. A school district, charter school, nonpublic school, or other participant in the national school lunch program shall apply to the department for this payment on forms provided by the department.

Subd. 3. School food service fund. (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Subd. 4. No fees. A participant that receives school lunch aid under this section must make lunch available without charge to all participating students who qualify for free or reduced-price meals. The participant must also ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program.

10. M.S. 124D.1158 SCHOOL BREAKFAST PROGRAM. (New 2014 Session)

Subdivision 1. Purpose. The purpose of the school breakfast program is to provide affordable morning nutrition to children so that they can effectively learn. Public and nonpublic schools that participate in the federal school breakfast program may receive state breakfast aid. Schools shall encourage all children to eat a nutritious breakfast, either at home or at school, and shall work to eliminate barriers to breakfast participation at school such as inadequate facilities and transportation.

Subd. 2.Program; eligibility. Each school year, public and nonpublic schools that participate in the federal school breakfast program are eligible for the state breakfast program.

Subd. 3. Program reimbursement. Each school year, the state must reimburse each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully paid breakfast served to students in grades 1 to 12, and $1.30 for each fully paid breakfast served to a kindergarten student.

Subd. 4. No fees. A school that receives school breakfast aid under this section must make breakfast available without charge to all participating students in grades 1 to 12 who qualify for free or reduced-price meals and to all kindergarten students.

11. M.S. 124D.13 EARLY CHILDHOOD FAMILY EDUCATION (ECFE) PROGRAMS. (**2014 Session Change**)

Subdivision 1. Establishment; purpose. A district that provides a community education program under sections 124D.18 and 124D.19 may establish an early childhood family education program. Two or more districts, each of which provides a community education program, may cooperate to jointly provide an early childhood family education program. The purpose of the early childhood family education program is to provide parenting education to support children's learning and development.

Subd. 2. Program requirements. (a) Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents and other relatives of these children, and for expectant parents. To the extent that funds are insufficient to provide programs for all children, early childhood family education programs should emphasize programming for a child from birth to age three and encourage parents and other relatives to involve four- and five-year-old children in school readiness programs, and other public and nonpublic early learning programs. A district may not limit participation to school district residents. Early childhood family education programs must provide:

(1) programs to educate parents and other relatives about the physical, **cognitive, social,** and emotional development of children and to enhance the skills of parents and other relatives in providing for their children's learning and development;

(2) structured learning activities requiring interaction between children and their parents or relatives;

(3) structured learning activities for children that promote children's development and positive interaction with peers, which are held while parents or relatives attend parent education classes;

(4) information on related community resources;

(5) information, materials, and activities that support the safety of children, including prevention of child abuse and neglect;

(6) a community **needs assessment that identifies new and underserved populations, identifies**

child and family risk factors, particularly those that impact children's learning and development, and assesses family and parenting education needs in the community;

(7) programming and services that are tailored to the needs of families and parents prioritized in the community needs assessment; and

(8) provide information about and, if needed, assist in making arrangements for an early childhood health and developmental screening under sections 121A.16 and 121A.17, when the child nears the third birthday.

Early childhood family education programs should prioritize programming and services for families and parents identified in the community needs assessment, particularly those families and parents with children with the most risk factors birth to age three.

Early childhood family education programs are encouraged to provide parents of English learners with translated oral and written information to monitor the program's impact on their children's English language development, to know whether their children are progressing in developing their English and native language proficiency, and to actively engage with and support their children in developing their English and native language proficiency.

The programs must include learning experiences for children, parents, and other relatives that promote children's early literacy **and, where practicable, their native language** skills **and** activities for children that require substantial involvement of the children's parents or other relatives.

The program may provide parenting education programming or services to anyone identified in the community needs assessment.

Providers must review the program periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs must encourage parents to be aware of practices that may affect equitable development of children.

(b) For the purposes of this section, "relative" or "relatives" means noncustodial grandparents or other persons related to a child by blood, marriage, adoption, or foster placement, excluding parents.

Subd. 3. Substantial parental involvement. The requirement of substantial parental or other relative involvement in subdivision 2 means that:

(a) parents or other relatives must be physically present much of the time in classes with their children or be in concurrent classes;

(b) parenting education or family education must be an integral part of every early childhood family education program;

(c) early childhood family education appropriations must not be used for traditional day care or nursery school, or similar programs; and

(d) the form of parent involvement common to kindergarten, elementary school, or early childhood special education programs such as parent conferences, newsletters, and notes to parents do not qualify a program under subdivision 2.

Subd. 4. Home visiting program. A district that levies for home visiting under section 124D.135, subdivision 6, shall use this revenue to include as part of the early childhood family education programs a

parent education component that is designed to reach isolated or at-risk families. The home visiting program must:

(1) **incorporate evidence-informed parenting education practices designed to support the healthy growth and development of children, with a priority focus on those children who have high needs;**

(2) establish clear objectives and protocols for home visits;

(3) encourage families to make a transition from home visits to site-based parenting programs;

(4) provide program services that are community-based, accessible, and culturally relevant;

(5) foster collaboration among existing agencies and community-based organizations that serve young children and their families**, such as public health evidence-based models of home visiting and Head Start home visiting; and**

(6) provide information about and assist in making arrangements for an early childhood health and developmental screening when the child nears his or her third birthday.

The home visiting program should **be provided by licensed parenting educators, certified family life educators, or professionals with an equivalent license that** reflect the demographic composition of the community to the extent possible.

Subd. 5. Separate accounts. The district must maintain a separate account within the community education fund for money for early childhood family education programs.

Subd. 6. Participants' fees. A district must establish a reasonable sliding fee scale but it shall waive the fee for a participant unable to pay.

Subd. 7. Additional funding. A district may receive funds from any governmental agency or private source.

Subd. 8. Coordination. (a) A district must describe strategies to coordinate and maximize public and private community resources and reduce duplication of services.

(b) A district is encouraged to coordinate adult basic education programs provided to parents and early childhood family education programs provided to children to accomplish the goals of section 124D.895.

Subd. 9. District advisory councils. The board must appoint an advisory council from the area in which the program is provided. A majority of the council must be parents participating in the program**, who represent the demographics of the community. The district must ensure, to the extent possible, that the council includes representation of families who are racially, culturally, linguistically, and economically diverse**. The council must assist the board in developing, planning, and monitoring the early childhood family education program. The council must report to the board and the community education advisory council.

Subd. 10. Alternative council. A board may direct the community education council, required according to section 124D.19, subdivision 2, to perform the functions of the Advisory Council for Early Childhood Family Education.

Subd. 11. Teachers. A school board must employ necessary licensed teachers for its early childhood family education programs. The Board of Teaching, at its discretion, may grant an applicant a variance under this subdivision, consistent with sections 122A.09, subdivision 10, and 122A.25, and Board of Teaching rules.

Subd. 12. Assistance. The department must provide assistance to districts with programs described in this section. The department must establish guidelines that list barriers to learning and development affecting children served by early childhood family education programs.

Sudd. 13. Program data submission requirements. Districts receiving early childhood family education revenue under section 124D.135 must submit annual program **data, including data that demonstrates the program response to the community needs assessment,** to the department by July 15 in the form and manner prescribed by the commissioner.

Subd. 14. Supervision. A program provided by a board must be supervised by a licensed early childhood teacher or a licensed parent educator.

Subd. 15. Parenting education transition program. To the extent that funds are sufficient, early childhood family education may provide parenting education transition programming for parents of children birth to grade three in districts in which there is a prekindergarten-grade three initiative in order to facilitate continued parent engagement in children's learning and development. Early childhood family education programs are encouraged to develop partnerships to provide a parenting education liaison to providers of other public and nonpublic early learning programs, such as Head Start, school readiness, child care, early childhood special education, local public health programs, and health care providers.

12. M.S. 124D.135 EARLY CHILDHOOD FAMILY EDUCATION (ECFE) REVENUE.

Subdivision 1. Revenue. The revenue for early childhood family education programs for a school district equals **$120 for fiscal year 2014 and the formula allowance for the year times 0.023 for fiscal year 2015** and later, times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the district on October 1 of the previous school year.

Subd. 2. Population. For the purposes of subdivision 1, data reported to the department may be used to determine the number of people under five years of age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Subd. 3. Early childhood family education levy. By September 30 of each year, the commissioner shall establish a tax rate for early childhood family education revenue that raises $22,135,000 in each fiscal year. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy must equal the early childhood family education revenue. A district may not certify an early childhood family education levy unless it has met the annual program data reporting requirements under section 124D.13, subdivision 13.

Subd. 4. Early childhood family education aid. If a district complies with the provisions of section 124D.13, it must receive early childhood family education aid equal to the difference between the early childhood family education revenue and the early childhood family education levy. If the district does not levy the entire amount permitted, the early childhood family education aid must be reduced in proportion to

the actual amount levied.

Subd. 5. Use of revenue restricted. (a) Early childhood family education revenue may be used only for early childhood family education programs.

(b) Not more than five percent of early childhood family education revenue, as defined in subdivision 7, may be used to administer early childhood family education programs.

(c) An early childhood family education program may use up to ten percent of its early childhood family education revenue as defined in subdivision 1, including revenue from participant fees, for equipment that is used in the early childhood family education program. This revenue may only be used for the following purposes:

(1) to purchase or lease computers and related materials; and

(2) to purchase or lease equipment for instruction for participating children and their families.

If a district anticipates an unusual circumstance requiring its early childhood family education program capital expenditures to exceed the ten percent limitation, prior approval to exceed the limit must be obtained in writing from the commissioner.

Subd. 6. Home visiting levy. A district that is eligible to levy for early childhood family education under subdivision 3 and that enters into a collaborative agreement to provide education services and social services to families with young children may levy an amount equal to $1.60 times the number of people under five years of age residing in the district on September 1 of the last school year. Levy revenue under this subdivision must not be included as revenue under subdivision 1. The revenue must be used for home visiting programs under section 124D.13, subdivision 4 .

Subd. 7. Reserve account. Early childhood family education revenue, which includes aids, levies, fees, grants, and all other revenues received by the district for early childhood family education programs, must be maintained in a reserve account within the community service fund.

13. M.S. 124D.15 SCHOOL READINESS PROGRAMS. (**2014 Session Change**)

Subdivision 1. Establishment; purpose. A district or a group of districts may establish a school readiness program for children age three to kindergarten entrance. The purpose of a school readiness program is to prepare children to enter kindergarten.

Subd. 2. Child eligibility. (a) A child is eligible to participate in a school readiness program offered by the resident district or another district if the child is:

(1) at least 3-1/2 years old but has not entered kindergarten; and

(2) receives developmental screening under section 121A.17 within 90 days of enrolling in the program or the child's fourth birthday.

(b) A child younger than 3-1/2 years old may participate in a school readiness program if the district or group of districts that establishes the program determines that the program can more effectively accomplish its purpose by including children younger than 3-1/2 years old.

Subd. 3. Program requirements. A school readiness program provider must:

(1) assess each child's cognitive **and language** skills with a comprehensive child assessment instrument when the child enters and again before the child leaves the program to **improve** program planning and **implementation, communicate with** parents**,** and promote kindergarten readiness;

(2) provide comprehensive program content and intentional instructional practice aligned with the state early childhood learning guidelines and kindergarten standards and based on early childhood research and professional practice that is focused on children's cognitive, social, emotional, and physical skills and development and prepares children for the transition to kindergarten, including early literacy **and language** skills;

(3) coordinate appropriate kindergarten transition with parents and kindergarten teachers;

(4) involve parents in program planning and decision making;

(5) coordinate with relevant community-based services;

(6) cooperate with adult basic education programs and other adult literacy programs;

(7) ensure staff-child ratios of one-to-ten and maximum group size of 20 children with the first staff required to be a teacher; and

(8) have teachers knowledgeable in early childhood curriculum content, assessment, **native and English language development programs,** and instruction.

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

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

Subd. 4. Repealed.

Subd. 5. Services with new or existing providers. A district may contract with a charter school or community-based organization to provide eligible children developmentally appropriate services that meet the program requirements in subdivision 3. In the alternative, a district may pay tuition or fees to place an eligible child in an existing program. A district may establish a new program where no existing, reasonably accessible program meets the program requirements in subdivision 3. Districts must submit a copy of each contract to the commissioner with the biennial plan. Services may be provided in a site-based program or in the home of the child or a combination of both. The district may not restrict participation to district residents.

Subd. 6. Repealed.

Subd. 7. Repealed.

Subd. 8. Repealed.

Subd. 9. Repealed.

Subd. 10. Supervision. A program provided by a board must be supervised by a licensed early childhood teacher, a certified early childhood educator, or a licensed parent educator.

Subd. 11. Repealed.

Subd. 12. Program fees. A district must adopt a sliding fee schedule based on a family's income but must waive a fee for a participant unable to pay. School districts must use school readiness aid for eligible children. Children who do not meet the eligibility requirements in subdivision 15 may participate on a fee-

for-service basis.

Subd. 13. Repealed.

Subd. 14. Assistance. The department must assist districts, upon request, with programs under this section.

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

(1) is at least three years old on September 1;

(2) has completed health and developmental screening within 90 days of program enrollment under sections 121A.16 to 121A.19; and

(3) has one or more of the following risk factors:

(i) qualifies for free or reduced-price lunch;

(ii) is an English language learning child;

(iii) is homeless;

(iv) has an individualized education program (IEP) or an individual interagency intervention plan (IIIP);

(v) is identified, through health and developmental screenings under sections 121A.16 to 121A.19, with a potential risk factor that my influence learning; or

(vi) is defined as at risk by the school district.

14. M.S. 124D.165 EARLY LEARNING SCHOLARSHIPS.

Subdivision 1. Establishment; purpose. There is established an early learning scholarships program in order to increase access to high-quality early childhood programs for children ages three to five.

Subd. 2. Family eligibility. (a) For a family to receive an early childhood education 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 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; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212.

(b) Notwithstanding the other provisions of this section, a parent under age 21 who is pursuing a high school or general education equivalency diploma is eligible for an early learning scholarship if the parent has a child age zero to five years old and meets the income eligibility guidelines in this subdivision.

(c) Any siblings between the ages zero to five years old of a child who has been awarded a scholarship under this section must be awarded a scholarship upon request, provided the sibling attends the same program.

(d) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20.

(e) Early learning scholarships may not be counted as earned income for the purposes of medical

assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

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. The commissioner may prioritize applications on factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) **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.

(c) 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) 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 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.

(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) 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 (c) according to the metered payment system or another schedule established by the commissioner.

(e) 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.

Subd. 4. Early childhood program eligibility. (a) In order to be eligible to accept an early childhood education 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.

(c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program

pilot sites are eligible to accept an early learning scholarship under this section.

Subd. 5. Report required. The commissioner shall contract with an independent contractor to evaluate the early learning scholarship program. The evaluation must include recommendations regarding the appropriate scholarship amount, efficiency, and effectiveness of the administration, and impact on kindergarten readiness.

By January 15, 2016, the commissioner shall submit a written copy of the evaluation to the chairs and ranking minority members of the legislative committees and divisions with primary jurisdiction over kindergarten through grade 12 education.

15. M.S. 124D.19 COMMUNITY EDUCATION PROGRAMS; ADVISORY COUNCIL.

Subdivision 1. Authorization. Each school board may initiate a community education program in its district and provide for the general supervision of the program. Each board may, as it considers appropriate, employ community education staff to further the purposes of the community education program.

Subd. 2. Advisory council. Each board must provide for an advisory council to consist of members who represent: various service organizations; churches; public and nonpublic schools; local government including elected officials; public and private nonprofit agencies serving youth and families; parents; youth; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

Subd. 3. Community education director. (a) Except as provided under paragraphs (b) and (c), each board shall employ a licensed community education director. The board shall submit the name of the person who is serving as director of community education under this section on the district's annual community education report to the commissioner.

(b) A board may apply to the Minnesota board of school administrators under Minnesota Rules, part 3512.3500, subpart 9, for authority to use an individual who is not licensed as a community education director.

(c) A board of a district with a total population of 6,000 or less may identify an employee who holds a valid superintendent license under Minnesota Rules, chapter 3512, to serve as director of community education. To be eligible for an exception under this paragraph, the board shall certify in writing to the commissioner that the district has not placed a licensed director of community education on unrequested leave. A principal serving as a community education director under this paragraph on June 1, 2011, may continue to serve in that capacity.

Subd. 4. Cooperation. The council must function in cooperation with the community education director in an advisory capacity in the interest of promoting the goals and objectives of sections 124D.18 and 124D.19.

Subd. 5. Policy to avoid program duplication. Each council must adopt a policy to reduce and eliminate program duplication within the district.

Subd. 6. Summer programs. Notwithstanding any law to the contrary, during the summer a school district may offer community education programs to elementary and secondary pupils. The district may use community education revenue received pursuant to section 124D.20 and charge fees for the cost of the

programs.

Subd. 7. Programs for adults with disabilities. A board may offer, as part of a community education program, a program for adults with disabilities. Boards are encouraged to offer programs cooperatively with other districts and organizations. Programs may not be limited to district residents. Programs may include:

(1) services enabling the adults to participate in community activities or community education classes;

(2) classes specifically for adults with disabilities;

(3) outreach activities to identify adults needing service;

(4) activities to increase public awareness of the roles of people with disabilities;

(5) activities to enhance the role of people with disabilities in the community; and

(6) other direct and indirect services and activities benefiting adults with disabilities.

Subd. 8. Program approval. To be eligible for revenue for the program for adults with disabilities, a program and budget must receive approval from the community education section in the department. Approval may be for five years. During that time, a board must report any significant changes to the department for approval. For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. A request for approval must include all of the following:

(1) characteristics of the people to be served;

(2) description of the program services and activities;

(3) program budget and amount of aid requested;

(4) participation by adults with disabilities in developing the program;

(5) assessment of the needs of adults with disabilities; and

(6) cooperative efforts with community organizations.

Subd. 9. Youth development plans. A district advisory council may prepare a youth development plan. The council is encouraged to use the state guidelines when developing the local plan. The school board may approve the youth development plan.

Subd. 10. Youth service programs. (a) A school board may offer, as part of a community education program with a youth development program, a youth service program that provides young people with meaningful opportunities to become involved in their community, develop individual capabilities, make career connections, seek support networks and services, become active citizens, and address community needs through youth service. The board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district. The community education advisory council, after considering the results of the commissioner's study under section 124D.50, subdivision 1, must design the program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services.

(b) Programs must include:

(1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;

(2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;

(3) sufficient opportunity, in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self-esteem and self-worth, and to give genuine service to their community;

(4) integration of academic learning with the service experience; and

(5) integration of youth community service with elementary and secondary curriculum.

(c) Youth service projects include, but are not limited to, the following:

(1) human services for the elderly, including home care and related services;

(2) tutoring and mentoring;

(3) training for and providing emergency services;

(4) services at extended day programs;

(5) environmental services; and

(6) service-learning programs in which schools, including postsecondary schools, and employers work together with young people to provide them with meaningful opportunities for community service and with the academic and technical skills that employers require.

(d) A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide additional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

(e) The commissioner shall assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Subd. 11. School-age care programs. (a) A school board may offer, as part of a community education program, a school-age care program for children from kindergarten through grade 6 for the purpose of expanding students' learning opportunities. If the school board chooses not to offer a school-age care program, it may allow an appropriate insured community group, for profit entity or nonprofit organization to use available school facilities for the purpose of offering a school-age care program.

(b) A school-age care program must include the following:

(1) adult supervised programs while school is not in session;

(2) parental involvement in program design and direction;

(3) partnerships with the kindergarten through grade 12 system, and other public, private, or nonprofit entities;

(4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program; and

(5) access to available school facilities, including the gymnasium, sports equipment, computer labs, and media centers, when not otherwise in use as part of the operation of the school. The school district may establish reasonable rules relating to access to these facilities and may require that:

(i) the organization request access to the facilities and prepare and maintain a schedule of proposed use;

(ii) the organization provide evidence of adequate insurance to cover the activities to be conducted in the facilities; and

(iii) the organization prepare and maintain a plan demonstrating the adequacy and training of staff to supervise the use of the facilities.

(c) The district may charge a sliding fee based upon family income for school-age care programs. The district may receive money from other public or private sources for the school-age care program. The board of the district must develop standards for school-age child care programs. The commissioner of education may not adopt rules for school-age care programs.

(d) The district shall maintain a separate account within the community services fund for all funds related to the school-age care program.

(e) A district is encouraged to coordinate the school-age care program with its special education,

vocational education, adult basic education, early childhood family education programs, kindergarten through grade 12 instruction and curriculum services, youth development and youth service agencies, and with related services provided by other governmental agencies and nonprofit agencies.

Subd. 12. Youth after-school enrichment programs. Each district operating a community education program under this section may establish a youth after-school enrichment program to maintain and expand participation by school-age youth in supervised activities during nonschool hours. The youth after-school enrichment programs must include activities that support development of social, mental, physical, and creative abilities of school-age youth; provide structured youth programs during high-risk times; and design programming to promote youth leadership development and improved academic performance.

Subd. 13. Youth after-school enrichment program goals. The goals of youth after-school enrichment programs are to:

(1) collaborate with and leverage existing community resources that have demonstrated effectiveness;

(2) reach out to children and youth, including at-risk youth, in the community;

(3) increase the number of children participating in adult-supervised programs during nonschool hours;

(4) support academic achievement; and

(5) increase skills in technology, the arts, sports, and other activities.

Subd. 14. Community education; annual report. Each district offering a community education program under this section must annually report to the department information regarding each community education program, including youth after-school enrichment programs, that receives aid or levy.

16. M.S. 124D.36 CITATION; SERVEMINNESOTA INNOVATION ACT.

Sections 124D.37 to 124D.45 shall be cited as the "ServeMinnesota Innovation Act."

17. M.S. 124D.4531 CAREER AND TECHNICAL LEVY REVENUE. (**2014 Session Change**)

Subdivision 1. Career and technical levy revenue. (a) A district with a career and technical program approved under this section for the fiscal year in which the levy is certified is eligible for career and technical revenue equal to 35 percent of approved expenditures in the fiscal year in which the levy is certified for the following:

(1) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year, including extended contracts, for services rendered in the district's approved career and technical education programs, excluding salaries reimbursed by another school district under clause (2);

(2) amounts paid to another Minnesota school district for salaries of essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved career and technical education programs;

(3) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under **chapter 123A or 136D**;

(4) necessary travel between instructional sites by licensed career and technical education personnel;

(5) necessary travel by licensed career and technical education personnel for vocational student organization activities held within the state for instructional purposes;

(6) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(7) necessary travel by licensed career and technical education personnel for noncollegiate credit-bearing professional development; and

(8) specialized vocational instructional supplies.

(b) The district must recognize the full amount of this levy as revenue for the fiscal year in which it is certified.

(c) The amount of the revenue calculated under this subdivision may not exceed $17,850,000 for taxes payable in 2012, $15,520,000 for taxes payable in 2013, and $20,657,000 for taxes payable in 2014.

(**d**) If the estimated revenue exceeds the amount in paragraph (c), the commissioner must reduce the percentage in paragraph (a) until the estimated revenue no longer exceeds the limit in paragraph (c).

Subd. 1a. Career and technical levy. (a) For fiscal year 2014 only, a district may levy an amount not more than the product of its career and technical revenue times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit in the fiscal year in which the levy is certified to the career and technical revenue equalizing factor. The career and technical revenue equalizing factor for fiscal year 2014 equals $7,612.

(b) For fiscal year 2015 and later, a district may levy an amount not more than the product of its career and technical revenue times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit in the fiscal year in which the levy is certified to the career and technical revenue equalizing factor. The career and technical revenue equalizing factor for fiscal year 2015 and later equals $7,612.

Subd. 1b. Career and technical aid. For fiscal year 2014 and later, a district's career and technical aid equals its career and technical revenue less its career and technical levy. If the district levy is less than the permitted levy, the district's career and technical aid shall be reduced proportionately.

Subd. 2. Allocation from cooperative centers and intermediate districts. For purposes of this section, a cooperative center or an intermediate district must allocate its approved expenditures for career and technical education programs among participating districts.

Subd. 3. Revenue guarantee. Notwithstanding subdivision 1, paragraph (a), the career and technical education revenue for a district is not less than the lesser of:

(1) the district's career and technical education revenue for the previous fiscal year; or

(2) 100 percent of the approved expenditures for career and technical programs included in subdivision 1, paragraph (**a**), for the fiscal year in which the levy is certified.

Subd. 3a. Revenue adjustments. Notwithstanding subdivisions 1, 1a, and 3, for taxes payable in 2012 to 2014 only, the department must calculate the career and technical revenue for each district according to Minnesota Statutes 2010, section 124D.4531, and adjust the revenue for each district proportionately to meet the statewide revenue target under subdivision 1, paragraph (c). For purposes of calculating the revenue guarantee under subdivision 3, the career and technical education revenue for the previous fiscal year is the revenue according to Minnesota Statutes 2010, section 124D.4531, before adjustments to meet the statewide revenue target.

Subd. 4. District reports. Each district or cooperative center must report data to the department for all career and technical education programs as required by the department to implement the career and technical revenue formula.

Subd. 5. Allocation from districts participating in agreements for secondary education or interdistrict cooperation. For purposes of this section, a district with a career and technical program approved under this section that participates in an agreement under section 123A.30 or 123A.32 must allocate its revenue authority

under this section among participating districts.
EFFECTIVE DATE. This section is effective for fiscal year 2014 and later.

18. M.S. 124D.51 EVENING SCHOOLS; ADULT AND CONTINUING EDUCATION.

The board may establish and maintain public evening schools and adult and continuing education programs. The evening schools and adult and continuing education programs maintained by the board must be available to all persons over 16 years of age who, from any cause, are unable to attend the full-time elementary or secondary schools of such district.

19. M.S. 124D.52 ADULT BASIC EDUCATION. (**2014 Session Change**)

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

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

(c) Each approved adult basic education program must develop a memorandum of understanding with the local workforce development centers located in the approved program's service delivery area. The memorandum of understanding must describe how the adult basic education program and the workforce development centers will cooperate and coordinate services to provide unduplicated, efficient, and effective services to clients.

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

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

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

(1) how the needs of different levels of learning **and English language proficiency** will be met;
(2) for continuing programs, an evaluation of results;
(3) anticipated number and education level of participants;
(4) coordination with other resources and services;
(5) participation in a consortium, if any, and money available from other participants;
(6) management and program design;
(7) volunteer training and use of volunteers;
(8) staff development services;

(9) program sites and schedules; and

(10) program expenditures that qualify for aid.

(11) program ability to provide data related to learner outcomes as required by law, and

(12) a copy of the memorandum of understanding described in subdivision 1 submitted to the commissioner.

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

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill **and English language** levels **of need**;

(2) provide a participatory and experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

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

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

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

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

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

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

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

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

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

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

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

Subd. 3. Accounts; revenue; aid. (a) Each district, group of districts, or private nonprofit organization providing adult basic education programs must establish and maintain a reserve account within the community service fund for **receiving** and **disbursing** all funds related to these programs. All revenue received **under** this section must be **used** solely for the purposes of adult basic education programs. State aid must not equal more than 100 percent of the unreimbursed expenses of providing these programs, excluding in-kind costs.

(b) For purposes of paragraph (a), an adult basic education program may include as valid expenditures for

the previous fiscal year program spending that occurs from July 1 to September 30 of the following year. A program may carry over a maximum of 20 percent of its adult basic education aid revenue into the next fiscal year. Program spending may only be counted for one fiscal year.

(c) Notwithstanding section 123A.26 or any other law to the contrary, an adult basic education consortium providing an approved adult basic education program may be its own fiscal agent and is eligible to receive state-aid payment directly from the commissioner.

Subd. 4. English as a second language programs. Persons may teach English as a second language classes at a worksite, if they meet the requirements of section 122A.19, subdivision 1, clause (a), regardless of whether they are licensed teachers. Persons teaching English as a second language for an approved adult basic education program must possess a bachelor's or master's degree in English as a second language, applied linguistics, or bilingual education, or a related degree approved by the commissioner.

Subd. 5. Basic service level. A district, or a consortium of districts, with a program approved by the commissioner under subdivision 2 must establish, in consultation with the commissioner, a basic level of service for every adult basic education site in the district or consortium. The basic service level must describe minimum levels of academic **and English language** instruction and support services to be provided at each site. The program must set a basic service level that promotes effective learning and student achievement with measurable results. Each district or consortium of districts must submit its basic service level to the commissioner for approval.

Subd. 6. Cooperative English as a second language and adult basic education programs. (a) A school district, or adult basic education consortium that receives revenue under section 124D.531, may deliver English as a second language, citizenship, or other adult education programming in collaboration with community-based and nonprofit organizations located within its district or region, and with correctional institutions. The organization or correctional institution must have the demonstrated capacity to offer education programs for adults. Community-based or nonprofit organizations must meet the criteria in paragraph (b), or have prior experience. A community-based or nonprofit organization or a correctional institution may be reimbursed for unreimbursed expenses as defined in section 124D.518, subdivision 5, for **administering** English as a second language or adult basic education programs, not to exceed eight percent of the total funds provided by a school district or adult basic education consortium. The administrative reimbursement for a school district or adult basic education consortium that delivers services cooperatively with a community-based or nonprofit organization or correctional institution is limited to five percent of the program aid, not to exceed the unreimbursed expenses of administering programs delivered by community-based or nonprofit organizations or correctional institutions.

(b) A community-based organization or nonprofit organization that delivers education services under this section must demonstrate that it has met the following criteria;

(1) be legally established as a nonprofit organization;

(2) have an established system for fiscal accounting and reporting that is consistent with the **department's** adult basic education completion report and reporting requirements under section 124D.531;

(3) require all instructional staff to complete a training course in teaching adult learners; and

(4) develop a learning plan for each student that identifies defined educational and occupational goals with measures to evaluate progress.

Subd. 7. Performance tracking system. (a) By July 1, 2000, each approved adult basic education program must develop and implement a performance tracking system to provide information necessary to comply with federal law and serve as one means of assessing the effectiveness of adult basic education programs. For required reporting, longitudinal studies, and program improvement, the tracking system must be designed to

collect data on the following core outcomes for learners**, including English learners,** who have completed participating in the adult basic education program:

(1) demonstrated improvements in literacy skill levels in reading, writing, speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills;

(2) placement in, retention in, or completion of postsecondary education, training, unsubsidized employment, or career advancement;

(3) receipt of a secondary school diploma or its recognized equivalent; and

(4) reduction in participation in the diversionary work program, Minnesota family investment program, and food support education and training program.

(b) A district, group of districts, state agency, or private nonprofit organization providing an adult basic education program may meet this requirement by developing a tracking system based on either or both of the following methodologies:

(1) conducting are liable follow-up survey; or

(2) submitting student information, including Social Security numbers for data matching.

Data related to obtaining employment must be collected in the first quarter following program completion or can be collected while the student is enrolled, if known. Data related to employment retention must be collected in the third quarter following program exit. Data related to any other specified outcome may be collected at any time during a program year.

(c) When a student in a program is requested to provide the student's Social Security number, the student must be notified in written form easily understandable to the student that:

(1) providing the Social Security number is optional and no adverse action may be taken against the student if the student chooses not to provide the Social Security number;

(2) the request is made under section 124D.52, subdivision 7;

(3) if the student provides the Social Security number, it will be used to assess the effectiveness of the program by tracking the student's subsequent career; and

(4) the Social Security number will be shared with the Department of Education; Minnesota State Colleges and Universities; Office of Higher Education; Department of Human Services; and Department of Employment and Economic Development in order to accomplish the purposes described in paragraph (a) and will not be used for any other purpose or reported to any other governmental entities.

(d) Annually a district, group of districts, state agency, or private nonprofit organization providing programs under this section must forward the tracking data collected to the Department of Education. For the purposes of longitudinal studies on the employment status of former students under this section, the Department of Education must forward the Social Security numbers to the Department of Employment and Economic Development to electronically match the Social Security numbers of former students with wage detail reports filed under section 268.044. The results of data matches must, for purposes of this section and consistent with the requirements of the United States Code, title 29, section 2871, of the Workforce Investment Act of 1998, be compiled in a longitudinal form by the Department of Employment and Economic Development and released to the Department of Education in the form of summary data that does not identify the individual students. The Department of Education may release this summary data. State funding for adult basic education programs must not be based on the number or percentage of students who decline to provide their Social Security numbers or on whether the program is evaluated by means of a follow-up survey instead of data matching.

Subd. 8. Standard high school diploma for adults. (a) **Consistent with subdivision 9,** the commissioner shall **provide for** a standard adult high school diploma to persons who:

(1) are not eligible for kindergarten through grade 12 services;

(2) do not have a high school diploma; and

(3) successfully complete an adult basic education program of instruction approved by the commissioner of education necessary to earn an adult high school diploma.

(b) Persons participating in an approved adult basic education program of instruction must demonstrate the competencies, knowledge, and skills **and, where appropriate, English language proficiency,** sufficient to ensure that postsecondary programs and institutions and potential employers regard persons with a standard high school diploma and persons with a standard adult high school diploma as equally well prepared and qualified graduates. Approved adult basic education programs of instruction under this subdivision must issue a standard adult high school diploma to persons who successfully demonstrate the competencies, knowledge, and skills required by the program.

Subd. 9. Standard adult high school diploma requirements. (a) The commissioner must establish criteria and requirements for eligible adult basic education consortia under section 124D.518, subdivision 2, to effectively operate and provide instruction under this subdivision.

(b) An eligible and interested adult basic education consortium must apply to the commissioner, in the form and manner determined by the commissioner, for approval to provide an adult high school diploma program to eligible students under subdivision 8, paragraph (a). An approved consortium annually must submit to the commissioner the longitudinal and evaluative data, identified in the consortium's application, to demonstrate its compliance with applicable federal and state law and its approved application and the efficacy of its adult high school diploma program. The commissioner must use the data to evaluate whether or not to reapprove an eligible consortium every fifth year. The commissioner, at the commissioner's discretion, may reevaluate the compliance or efficacy of a program provider sooner than every fifth year. The commissioner may limit the number or size of adult high school diploma programs based on identified community needs, available funding, other available resources, or other relevant criteria identified by the commissioner.

(c) At the time a student applies for admission to an adult high school diploma program, the program provider must work with the student applicant to:

(1) identify the student's learning goals, skills and experiences, required competencies already completed, and goals and options for viable career pathways;

(2) assess the student's instructional needs; and

(3) develop an individualized learning plan to guide the student in completing adult high school diploma requirements and realizing career goals identified in the plan.

To fully implement the learning plan, the provider must provide the student with ongoing advising, monitor the student's progress toward completing program requirements and receiving a diploma, and provide the student with additional academic support services when needed. At the time a student satisfactorily completes all program requirements and is eligible to receive a diploma, the provider must conduct a final student interview to examine both student and program outcomes related to the student's ability to demonstrate required competencies and complete program requirements and to assist the student with the student's transition to training, a career, or postsecondary education.

(d) Competencies and other program requirements must be rigorous, uniform throughout the state, and align to Minnesota academic high school standards applicable to adult learners and their career and college needs. The commissioner must establish competencies, skills, and knowledge requirements in the following areas, consistent with this paragraph:

(1) language arts, including reading, writing, speaking, and listening;

(2) mathematics;

(3) career development and employment-related skills;

(4) social studies; and

(5) science.

(e) Consistent with criteria established by the commissioner, students may demonstrate satisfactory completion of program requirements through verification of the student's:

(1) prior experiences, including kindergarten through grade 12 courses and programs, postsecondary courses and programs, adult basic education instruction, and other approved experiences aligned with the Minnesota academic high school standards applicable to adult learners and their career and college needs;

(2) knowledge and skills as measured or demonstrated by valid and reliable high school assessments, secondary credentials, adult basic education programs, and postsecondary entrance exams;

(3) adult basic education instruction and course completion; and

(4) applied and experiential learning acquired via contextualized projects and other approved learning opportunities.

(f) Program providers must transmit a student's record of work to another approved consortium for any student who transfers between approved programs under this subdivision. The commissioner must establish a uniform format and transcript to record a student's record of work and also the manner under which approved consortia maintain permanent student records and transmit transferred student records. At a student's request, a program provider must transmit the student's record of work to other entities such as a postsecondary institution or employer.

(g) The commissioner may issue a standard adult high school diploma and transmit the transcript and record of work of the student who receives the diploma. Alternatively, a school district that is a member of an approved consortium providing a program under this subdivision may issue a district diploma to a student who satisfactorily completes the requirements for a standard adult high school diploma under this subdivision.

(h) The commissioner must identify best practices for adult basic education programs and develop adult basic education recommendations consistent with this subdivision to assist approved consortia in providing an adult high school diploma program. The commissioner must provide assistance to consortia providing an approved adult high school diploma program.

(i) The commissioner must consult with practitioners from throughout Minnesota, including educators, school board members, and school administrators, among others, who are familiar with adult basic education students and programs, on establishing the standards, requirements, and other criteria needed to ensure, consistent with subdivision 8, that persons with a standard adult high school diploma are as equally well prepared and qualified graduates as persons with a standard high school diploma. The commissioner, in consultation with the practitioners, shall regularly review program requirements and diploma standards.

20. M.S. 124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS. (New 2014 Session)

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and

materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; initiatives to accelerate English language acquisition and the achievement of career and college ready skills among English learners; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

(b) The commissioner must establish eligibility criteria and grant application procedures. Grants under this section must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. Beginning in fiscal year 2002, the commissioner may make grants under this section from the state total adult basic education aid set aside for supplemental service grants under section 124D.531. Up to one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult basic education instruction and service delivery. A grant to a single organization cannot exceed 40 percent of the total supplemental services aid. Nothing in this section prevents an approved adult basic education program from using state or federal aid to purchase supplemental services.

21. M.S. 124D.58 CITATION; EDUCATION FOR LIMITED ENGLISH PROFICIENT STUDENTS ACT.

Sections 124D.58 to 124D.64 may be cited as the Education for Limited English Proficient Students Act.

22. M.S. 124D.59 DEFINITIONS. (**2014 Session Change**)

Subdivision 1. Generally. For purposes of sections 124D.58 to 124D.65, the terms defined in this section shall have the meanings given them.

Subd. 2. English learner. (a) "English learner" means a pupil in kindergarten through grade 12 who meets the **requirements under subdivision 2a or the** following requirements:

(1) the pupil as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) the pupil is determined by **a valid assessment measuring the pupil's English language proficiency and by** developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in **academic** classes taught in English.

(b) A pupil in grades 4 through 12 who was enrolled in a Minnesota public school on the dates during the previous school year when a commissioner provided assessment that measures the pupil's emerging academic English was administered, shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, unless the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on an assessment measuring emerging academic English provided by the commissioner during the previous school year.

(c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade 12 shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, if:

(1) the pupil is not enrolled during the current fiscal year in an educational program for English learners **under** sections 124D.58 to 124D.64; or

(2) the pupil has generated five or more years of average daily membership in Minnesota public schools since July 1, 1996.

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

Subd. 2a. English learner; interrupted formal education. Consistent with subdivision 2, an English learner includes an English learner with an interrupted formal education who:

(1) comes from a home where the language usually spoken is other than English, or usually speaks a language other than English;

(2) enters school in the United States after grade 6;

(3) has at least two years less schooling than the English learner's peers;

(4) functions at least two years below expected grade level in reading and mathematics; and

(5) may be preliterate in the English learner's native language.

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

Subd. 3. Essential instructional personnel. "Essential instructional personnel" means the following:

(1) a teacher licensed by the state Board of Teaching to teach bilingual education or English as a second language;

(2) any teacher as defined in section 122A.15 who holds a valid license from the state Board of Teaching, if the district assures the department that the teacher will obtain the preservice and in-service training the department considers necessary to enable the teacher to provide appropriate service to English learners.

Subd. 4. English as a second language program. "English as a second language program" means a program for the instruction of English learners in the following English language skills: reading, writing, listening and speaking.

Subd. 5. Bilingual education program. "Bilingual education program" means an educational program in which instruction is given in both English and the primary language of the English learner to the extent necessary to allow the pupil to progress effectively through the educational system and to attain the basic skills of reading, writing, listening, and speaking in the English language so that the pupil will be able to perform ordinary classwork successfully in English.

Subd. 6. Primary language. "Primary language" means a language other than English which is the language normally used by the child or the language which is spoken in the child's home environment.

Subd. 7. Parent. "Parent" includes a child's legal guardian.

Subd. 8. Educational program for English learners. "Educational program for English learners" means an English as a second language program, bilingual education program, or both an English as a second language and a bilingual education program.

23. M.S. 124D.60 RIGHTS OF PARENTS.

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

(1) be in writing in English and in the primary language of the pupil's parents;

(2) inform the parents that their child has been enrolled in an instructional program for limited English

proficient students;

(3) contain a simple, nontechnical description of the purposes, method and content of the program;

(4) inform the parents that they have the right to visit the educational program for limited English proficient students in which their child is enrolled;

(5) inform the parents of the time and manner in which to request and receive a conference for the purpose of explaining the nature and purpose of the program; and

(6) inform the parents of their rights to withdraw their child from an educational program for limited English proficient students and the time and manner in which to do so.

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

Subd. 2. Withdrawal from program. Any parent whose child is enrolled in an educational program for limited English proficient students shall have the right, either at the time of the original notification of enrollment or at the close of any semester thereafter, to withdraw the child from the program by providing written notice of this intent to the principal of the school in which the child is enrolled or to the superintendent of the district in which the child resides. Nothing in this section shall preclude a parent from reenrolling a child of limited English proficiency in an educational program for limited English proficient students.

Subd. 3. Parental involvement. A district which receives moneys pursuant to section 124D.65 must encourage involvement of parents of pupils enrolled in the educational program for limited English proficient students in this program. The district shall solicit the views of parents about the program and its effects upon their children.

24. M.S. 124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.

A district that enrolls one or more children of limited English proficiency must implement an educational program that includes at a minimum the following requirements:

(1) identification and reclassification criteria for children of limited English proficiency and program entrance and exit criteria for children with limited English proficiency must be documented by the district, applied uniformly to children of limited English proficiency, and made available to parents and other stakeholders upon request;

(2) a written plan of services that describes programming by English proficiency level made available to parents upon request. The plan must articulate the amount and scope of service offered to children of limited English proficiency through an educational program for children of limited English proficiency;

(3) professional development opportunities for ESL, bilingual education, mainstream, and all staff working with children of limited English proficiency which are: (i) coordinated with the district's professional development activities; (ii) related to the needs of children of limited English proficiency; and (iii) ongoing;

(4) to the extent possible, avoid isolating children of limited English proficiency for a substantial part of the school day; and

(5) in predominantly nonverbal subjects, such as art, music, and physical education, permit pupils of limited English proficiency to participate fully and on an equal basis with their contemporaries in public school classes provided for these subjects. To the extent possible, the district must assure to pupils enrolled in a program for limited English proficient students an equal and meaningful opportunity to participate fully with other pupils in all extracurricular activities.

25. M.S. 124D.66 ASSURANCE OF MASTERY PROGRAMS.

Subdivision 1. Eligible districts. A district with a local process to review curriculum and instruction may provide an assurance of mastery program to eligible pupils.

Subd. 2. Eligible pupils. A pupil is eligible to receive services through an assurance of mastery program if the pupil has not demonstrated progress toward mastering the required graduation standards, after receiving instruction that was designed to enable the pupil to make progress toward mastering the required graduation standards in a regular classroom setting. A pupil also is eligible to receive services through an assurance of mastery program if the pupil, based on the professional judgment of a classroom teacher or a team of licensed professionals, demonstrates a need for alternative instructional strategies or interventions. To determine pupil eligibility, a district must use a process adopted by the school board to review curriculum and instruction, for the subjects and at the grade level at which the district uses the revenue.

Subd. 3. Eligible services. (a) Assurance of mastery programs may provide direct scientific, research-based instructional services and intervention to an eligible pupil, or a group of eligible pupils, under the following conditions in paragraphs (b) to (d).

(b) Instruction may be provided at one or more grade levels from kindergarten to grade 8 and for students in grades 9 through 12 who were enrolled in grade 8 before the 2005-2006 school year and have failed the basic skills tests, or were enrolled in grade 8 in the 2005-2006 school year and later and who have failed the Minnesota Comprehensive Assessments (MCA-IIs) in reading, mathematics, or writing as required for high school graduation under section 120B.02. If an assessment of pupils' needs within a district demonstrates that the eligible pupils in grades kindergarten to grade 8 are being appropriately served, a district may serve eligible pupils in grades 9 to 12.

(c) Instruction must be provided under the supervision of the eligible pupil's regular classroom teacher. Instruction may be provided by the eligible pupil's classroom teacher, by another teacher, by a team of teachers, or by an education assistant or aide. A special education teacher may provide instruction, but instruction that is provided under this section is not eligible for aid under section 125A.76.

(d) The instruction that is provided must differ from the initial instruction the pupil received in the regular classroom setting. The instruction may differ by presenting different curriculum than was initially presented in the regular classroom or by presenting the same curriculum:

(1) at a different rate or in a different sequence than it was initially presented;

(2) using different teaching methods or techniques than were used initially; or

(3) using different instructional materials than were used initially.

26. M.S. 124D.68 GRADUATION INCENTIVES PROGRAM.

Subdivision 1. Purpose. The legislature finds that it is critical to provide options for children to succeed in school. Therefore, the purpose of this section is to provide incentives for and encourage all Minnesota students who have experienced or are experiencing difficulty in the traditional education system to enroll in alternative programs.

Subd. 2. Eligible pupils. A pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation incentives program if the pupil:

(1) performs substantially below the performance level for pupils of the same age in a locally determined achievement test;

(2) is behind in satisfactorily completing coursework or obtaining credits for graduation;

(3) is pregnant or is a parent;

(4) has been assessed as chemically dependent;

(5) has been excluded or expelled according to sections 121A.40 to 121A.56;

(6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69;

(7) is a victim of physical or sexual abuse;

(8) has experienced mental health problems;

(9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;

(10) speaks English as a second language or has limited English proficiency;

(11) has withdrawn from school or has been chronically truant; or

(12) is being treated in a hospital in the seven-county metropolitan area for cancer or other life threatening illness or is the sibling of an eligible pupil who is being currently treated, and resides with the pupil's family at least 60 miles beyond the outside boundary of the seven-county metropolitan area.

Subd. 3. Eligible programs. (a) A pupil who is eligible according to subdivision 2 may enroll in a state-approved alternative program under sections 123A.05 to 123A.08.

(b) A pupil who is eligible according to subdivision 2 and who is a high school junior or senior may enroll in postsecondary courses under section 124D.09.

(c) A pupil who is eligible under subdivision 2, may enroll in any public elementary or secondary education program.

(d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic, nonsectarian school that has contracted with the serving school district to provide educational services. However, notwithstanding other provisions of this section, only a pupil who is eligible under subdivision 2, clause (12), may enroll in a contract alternative school that is specifically structured to provide educational services to such a pupil.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124D.52 and operated under the community education program contained in section 124D.19.

Subd. 4. Additional eligible program. A pupil who is at least 16 years of age, who is eligible under subdivision 2, and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this subdivision, may transfer to any nonpublic school that has contracted with the serving school district to provide nonsectarian educational services. The school must enroll every eligible pupil who seeks to transfer to the school under this program subject to available space.

Subd. 5. Pupil enrollment. (a) Any eligible pupil may apply to enroll in an eligible program. Approval of the resident district is not required for:

(1) an eligible pupil to enroll in any eligible program in a nonresident district under subdivision 3 or 4 or a state-approved alternative program established under section 123A.05; or

(2) an eligible pupil under subdivision 2, to enroll in an adult basic education program approved under section 124D.52.

(b) Notwithstanding paragraph (a), a nonresident district must first approve the enrollment application of any eligible pupil who was expelled under section 121A.45 for a reason stated in section 124D.03, subdivision 1, paragraph (b).

Subd. 6. Dissemination of information. A district must disseminate information, developed by the department, about the graduation incentives program to residents in the district who are under the age of 21.

Subd. 7. Desegregation plans. Notwithstanding any provision to the contrary, students may not enroll in a

nonresident district under this section if their enrollment in another district would result in a violation of a district's desegregation plan, as mandated and approved by the commissioner of education.

Subd. 8. Aid adjustments. General education aid and transportation aid attributable to a pupil covered by programs under this section must be paid according to sections 127A.47, subdivision 7, and 123B.92, subdivision 3, respectively.

Subd. 9. Enrollment verification. (a) For a pupil attending an eligible program full time under subdivision 3, paragraph (d), the department must pay 90 percent of the district's average general education revenue less basic skills revenue to the eligible program and ten percent of the district's average general education revenue less basic skills revenue to the contracting district within 30 days after the eligible program verifies enrollment using the form provided by the department. For a pupil attending an eligible program part time, revenue, excluding compensatory revenue, shall be reduced proportionately, according to the amount of time the pupil attends the program, and the payments to the eligible program and the contracting district shall be reduced accordingly. A pupil for whom payment is made according to this section may not be counted by any district for any purpose other than computation of general education revenue. If payment is made for a pupil under this subdivision, a district shall not reimburse a program under section 124D.69 for the same pupil. The basic skills revenue generated by pupils attending the eligible program according to section 126C.10, subdivision 4, shall be paid to the eligible program.

(b) The department must pay up to 100 percent of the revenue to the eligible program if there is an agreement to that effect between the school district and the eligible program.

(c) Notwithstanding paragraphs (a) and (b), for an eligible program that provides chemical treatment services to students, the department must pay 100 percent of the revenue to the eligible program.

Subd. 10. Severability. If for any reason any portion of this section is found by a court to be unconstitutional, the remaining portions of the section shall remain in effect.

27. M.S. 124D.71 CITATION; AMERICAN INDIAN EDUCATION ACT.

Sections 124D.71 to 124D.82 may be cited as the American Indian Education Act of 1988.

28. M.S. 124D.861 ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.

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

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

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

(1) integrated learning environments that prepare all students to be effective citizens and enhance social cohesion;

(2) policies and curricula and trained instructors, administrators, school counselors, and other advocates to support and enhance integrated learning environments under this section, including through magnet

schools, innovative, research-based instruction, differentiated instruction, and targeted interventions to improve achievement; and

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

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

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

(2) increasing racial and economic integration in schools and districts.

(b) Among other requirements, an eligible district must implement effective, research-based interventions that include formative assessment practices to reduce the disparities in student academic performance among the specific categories of students as measured by student progress and growth on state reading and math assessments and as aligned with section 120B.11.

(c) Eligible districts must create efficiencies and eliminate duplicative programs and services under this section, which may include forming collaborations or a single, seven-county metropolitan areawide partnership of eligible districts for this purpose.

Subd. 3. Public engagement; progress report and budget process. (a) To receive revenue under section 124D.862, the school board of an eligible district must incorporate school and district plan components under section 120B.11 into the district's comprehensive integration plan.

(b) A school board must hold at least one formal annual hearing to publicly report its progress in realizing the goals identified in its plan. At the hearing, the board must provide the public with longitudinal data demonstrating district and school progress in reducing the disparities in student academic performance among the specified categories of students and in realizing racial and economic integration, consistent with the district plan and the measures in paragraph (a). At least 30 days before the formal hearing under this paragraph, the board must post its plan, its preliminary analysis, relevant student performance data, and other longitudinal data on the district Web site. A district must hold one hearing to meet the hearing requirements of both this section and section 120B.11.

(c) The district must submit a detailed budget to the commissioner by March 15 in the year before it implements its plan. The commissioner must review, and approve or disapprove the district's budget by June 1 of that year.

(d) The longitudinal data required under paragraph (a) must be based on student growth and progress in

reading and mathematics, as defined under section 120B.30, subdivision 1, and student performance data and achievement reports from fully adaptive reading and mathematics assessments for grades 3 through 7 beginning in the 2015-2016 school year under section 120B.30, subdivision 1a, and either (i) school enrollment choices, (ii) the number of world language proficiency or high achievement certificates awarded under section 120B.022, subdivision 1, paragraphs (b) and (c), or (iii) school safety and students' engagement and connection at school under section 120B.35, subdivision 3, paragraph (d). Additional longitudinal data may be based on: students' progress toward career and college readiness under section 120B.30, subdivision 1; or rigorous coursework completed under section 120B.35, subdivision 3, paragraph (c), clause (2).

Subd. 4. Timeline and implementation. A board must approve its plan and submit it to the department by March 15. If a district that is part of a multidistrict council applies for revenue for a plan, the individual district shall not receive revenue unless it ratifies the plan adopted by the multidistrict council. Each plan has a term of three years. For the 2014-15 school year, an eligible district under this section must submit its plan to the commissioner for review by March 15, 2014. For the 2013-14 school year only, an eligible district may continue to implement its current plan until the commissioner approves a new plan under this section.

Subd. 5. Evaluation. The commissioner must evaluate the efficacy of district plans in reducing the disparities in student academic performance among the specified categories of students within the district, and in realizing racial and economic integration. The commissioner shall report evaluation results to the kindergarten through grade 12 education committees of the legislature by February 1 of every odd-numbered year.

29. M.S. 124D.862 ACHIEVEMENT AND INTEGRATION REVENUE.

Subdivision 1. Initial achievement and integration revenue. (a) An eligible district's initial achievement and integration revenue equals the sum of (1) $350 times the district's adjusted pupil units for that year times the ratio of the district's enrollment of protected students for the previous school year to total enrollment for the previous school year and (2) the greater of zero or 66 percent of the difference between the district's integration revenue for fiscal year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

(b) In each year, 0.3 percent of each district's initial achievement and integration revenue is transferred to the department for the oversight and accountability activities required under this section and section 124D.861.

Subd. 2. Incentive revenue. An eligible school district's maximum incentive revenue equals $10 per adjusted pupil unit. In order to receive this revenue, a district must be implementing a voluntary plan to reduce racial and economic enrollment disparities through intradistrict and interdistrict activities that have been approved as a part of the district's achievement and integration plan.

Subd. 3. Achievement and integration revenue. Achievement and integration revenue equals the sum of initial achievement and integration revenue and incentive revenue.

Subd. 4. Achievement and integration aid. For fiscal year 2015 and later, a district's achievement and integration aid equals 70 percent of its achievement and integration revenue.

Subd. 5. Achievement and integration levy. A district's achievement and integration levy equals its achievement and integration revenue times the levy percentage specified in H.F. No. 677 or a similarly styled bill. For Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, and Independent School District No. 709, Duluth, 100 percent of the levy certified under this subdivision is shifted into the prior calendar year for purposes of sections 123B.75, subdivision 5, and 127A.441.

Subd. 6. Revenue uses. (a) At least 80 percent of a district's achievement and integration revenue received

under this section must be used for innovative and integrated learning environments, school enrollment choices, family engagement activities, and other approved programs providing direct services to students.

(b) Up to 20 percent of the revenue may be used for professional development and staff development activities and placement services.

(c) No more than ten percent of the total amount of revenue may be spent on administrative services.

Subd. 7. Revenue reserved. Integration revenue received under this section must be reserved and used only for the programs authorized in subdivision 2.

Subd. 8. Commissioner authority to withhold revenue. (a) The commissioner must review the results of each district's integration and achievement plan by August 1 at the end of the third year of implementing the plan and determine if the district met its goals.

(b) If a district met its goals, it may submit a new three-year plan to the commissioner for review.

(c) If a district has not met its goals, the commissioner must:

(1) develop a district improvement plan and timeline, in consultation with the affected district, that identifies strategies and practices designed to meet the district's goals under this section and section 120B.11; and

(2) use up to 20 percent of the district's integration revenue, until the district's goals are reached, to implement the improvement plan.

30. M.S. 124D.895 PARENTAL INVOLVEMENT PROGRAMS. (**2014 Session Change**)

Subdivision 1. Program goals. The department, in consultation with the state curriculum advisory committee, must develop guidelines and model plans for parental involvement programs that will:

(1) engage the interests and talents of parents or guardians in recognizing and meeting the emotional, intellectual, **native and English language development,** and physical needs of their school-age children;

(2) promote healthy self-concepts among parents or guardians and other family members;

(3) offer parents or guardians a chance to share and learn about educational skills, techniques, and ideas;

(4) provide creative learning experiences for parents or guardians and their school-age children, including involvement from parents or guardians of color;

(5) encourage parents to actively participate in their district's curriculum advisory committee under section 120B.11 in order to assist the school board in improving children's education programs; and

(6) encourage parents to help in promoting school desegregation/integration **under sections 124D.861 and 124D.862**.

Subd. 2. Plan contents. Model plans for a parental involvement program must include at least the following:

(1) program goals;

(2) means for achieving program goals;

(3) methods for informing parents or guardians, in a timely way, about the program;

(4) strategies for ensuring the full participation of parents or guardians, including those parents or guardians who lack literacy skills or whose native language is not English, including **the** involvement **of** parents or guardians of color;

(5) procedures for coordinating the program with kindergarten through grade 12 curriculum, with parental involvement programs currently available in the community, with the **world's best workforce**

under section 120B.11, and with other education facilities located in the community;

(6) strategies for training teachers and other school staff to work effectively with parents and guardians;

(7) procedures for parents or guardians and educators to evaluate and report progress toward program goals; and

(8) a mechanism for convening a local community advisory committee composed primarily of parents or guardians to advise a district on implementing a parental involvement program.

Subd. 3. Plan activities. Activities contained in the model plans must include:

(1) educational opportunities for families that enhance children's learning **and native and English language** development;

(2) educational programs for parents or guardians on families' educational responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster **linguistic and culturally competent** communication among families, educators, and students**, consistent with the definition of culturally competent under section 120B.30, subdivision 1, paragraph (1)**;

(4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family involvement programs;

(6) parent resource centers;

(7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;

(8) reports to parents on children's progress;

(9) use of parents as classroom volunteers, or as volunteers in before and after school programs for school-age children, tutors, and aides;

(10) soliciting parents' suggestions in planning, developing, and implementing school programs;

(11) educational programs and opportunities for parents or guardians that are multicultural, **multilingual,** gender fair, and disability sensitive;

(12) involvement in a district's curriculum advisory committee or a **site** team under section 120B.11 and

(13) opportunities for parent involvement in developing, implementing, or evaluating school and district desegregation/integration plans **under sections 124D.861 and 124D.862**.

31. M.S. 124D.8955 PARENTAL AND FAMILY INVOLVEMENT POLICY. (New 2014 Session)

(a) In order to promote and support student achievement, a local school board is encouraged to formally adopt and implement a parent and family involvement policy that promotes and supports:

(1) oral and written communication between home and school that is regular, two-way, meaningful, and in families' native language;

(2) parenting skills;

(3) parents and caregivers who play an integral role in assisting student learning and learn about fostering students' academic success and learning at home and school;

(4) welcoming parents in the school and using networks that support families' cultural connections, seeking their support and assistance;

(5) partnerships with parents in the decisions that affect children and families in the schools; and

(6) providing community resources to strengthen schools, families, and student learning, including establishing a safe and supportive school climate by developing and implementing prevention and intervention programs on prohibited conduct under section 121A.031.

(b) A school board that implements a parent and family involvement policy under paragraph (a) must convene an advisory committee composed of an equal number of resident parents who are not

district employees and school staff to make recommendations to the board on developing and evaluating the board's parent and family involvement policy. If possible, the advisory committee must represent the diversity of the district. The advisory committee must consider the district's demographic diversity and barriers to parent involvement when developing its recommendations. The advisory committee must recommend to the school board and district or school how programs serving children and adolescents can collaborate on:

(1) understanding child and adolescent development;
(2) encouraging healthy communication between parents and children;
(3) managing students' behavior through positive reinforcement;
(4) establishing expectations for student behavior;
(5) providing media and Internet limits and supervision; and
(6) promoting resilience and reducing risks for children.
The advisory committee must present its recommendations to the board for board consideration.

(c) The board must consider research-based best practices when implementing this policy.

(d) The board periodically must review this policy to determine whether it is aligned with the most current research findings on parent involvement policies and practices and how effective the policy is in supporting increased student achievement.

(e) Nothing in this section obligates a school district to exceed any parent or family involvement requirement under federal law.

SPECIAL EDUCATION AND EARLY CHILDHOOD INTERVENTION

(**Bolded Items - 2014 Session Changes**)

1. M.S. 125A.01 DEFINITIONS.

For purposes of this chapter, the words defined in section 120A.05 have the same meaning.

2. M.S. 125A.02 CHILD WITH A DISABILITY DEFINED.

Subdivision 1. Child with a disability. "Child with a disability" means a child identified under federal and state special education law as deaf or hard-of-hearing, blind or visually impaired, deafblind, or having a speech or language impairment, a physical impairment, other health disability, developmental cognitive disability, an emotional or behavioral disorder, specific learning disability, autism spectrum disorder, traumatic brain injury, or severe multiple impairments, and who needs special education and related services, as determined by the rules of the commissioner. A licensed physician, an advanced practice nurse, or a licensed psychologist is qualified to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder for purposes of identifying a child with a disability.

Subd. 1a. Children ages three through seven experiencing developmental delays. In addition, every child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the rules of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

Subd. 2. Not a child with a disability. A child with a short-term or temporary physical or emotional illness or disability, as determined by the rules of the commissioner, is not a child with a disability.

3. M.S. 125A.023 COORDINATED INTERAGENCY SERVICES. (**2014 Session Change)**

Subdivision 1. Citation. This section and section 125A.027 shall be cited as the "Interagency Services for Children with Disabilities Act."

Subd. 2. Purpose. It is the policy of the state to develop and implement a coordinated, multidisciplinary, interagency intervention service system for children ages three to 21 with disabilities.

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 Children and Community Services 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 individual education plan 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 the interagency early intervention committee and 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 individual education plan or the child's individual family service plan.

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, economic security, 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 boards of the interagency early intervention committees.

Subd. 5. Repealed.

Subd. 6. Third-party liability. Nothing in this section and section 125A.027 relieves a health plan company, third party administrator or other third-party payer of an obligation to pay for, or changes the validity of an obligation to pay for, services provided to children with disabilities ages three to 21 and their families.

Subd. 7. Agency obligation. Nothing in this section and section 125A.027 removes the obligation of the state, counties, local school districts, a regional agency, or a local agency or organization to comply with any federal or state law that mandates responsibility for finding, assessing, delivering, assuring, or paying for education or related services for children with disabilities and their families.

4. M.S. 125A.027 INTERAGENCY EARLY INTERVENTION COMMITTEE RESPONSIBILITIES. (**2014 Session Changes**)

Subdivision 1. Additional duties. (a) The governing boards of the interagency early intervention committees 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 boards of the interagency early intervention committees shall 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 and assist in removing state and federal barriers to local coordination of services provided to children with disabilities;

(2) identify adequate, equitable, and flexible use of funding by local agencies for these services;

(3) implement 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;

(4) use a standardized written plan for providing services to a child with disabilities developed under

section 125A.023;

(5) access the coordinated dispute resolution system and incorporate the guidelines for coordinating services at the local level, consistent with section 125A.023;

(6) use the evaluation process to measure the success of the local interagency effort in improving the quality and coordination of services to children with disabilities ages three to 21 consistent with section 125A.023;

(7) develop a transitional plan for children moving from the interagency early childhood intervention system under sections 125A.259 to 125A.48 into the interagency intervention service system under this section;

(8) coordinate services and facilitate payment for services from public and private institutions, agencies, and health plan companies; and

(9) 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 board of an interagency early intervention committee must provide those services contained in a child's individual education plan 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, individual education plan, 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 individual education plan or a standardized written plan.

Subd. 3. Repealed.

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).

5. M.S. 125A.03 SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.

(a) As defined in paragraph (b), every district must provide special instruction and services, either within the district or in another district, for children with a disability, including providing required services under the Code of Federal Regulations, title 34, section 300.121, paragraph (d), to those children suspended or expelled from school for more than ten school days in that school year, who are residents of the district and who are disabled as set forth in section 125A.02. For purposes of state and federal special education laws, the phrase "special instruction and services" in the state education code means a free and appropriate public education provided to an eligible child with disabilities. **"Free appropriate public education" means special education and related services that:**

(1) are provided at public expense, under public supervision and direction, and without charge;

(2) meet the standards of the state, including the requirements of the Individuals with Disabilities Education Act, Part B or C;

(3) include an appropriate preschool, elementary school, or secondary school education; and

(4) are provided to children ages three through 21 in conformity with an individualized education program that meets the requirements of the Individuals with Disabilities Education Act, subpart A, sections 300.320 to 300.324, and provided to infants and toddlers in conformity with an individualized family service plan that meets the requirements of the Individuals with Disabilities Education Act, subpart A, sections 303.300 to 303.346.

(b) Notwithstanding any age limits in laws to the contrary, special instruction and services must be provided from birth until July 1 after the child with a disability becomes 21 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 124D.68, subdivision 2. Local health, education, and social service agencies must refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the commissioner must cooperate with other districts to maintain a full range of programs for education and services for children with a disability. This section does not alter the compulsory attendance requirements of section 120A.22.

6. M.S. 125A.04 HIGH SCHOOL DIPLOMA.

Upon completion of secondary school or the equivalent, a pupil with a disability who satisfactorily attains the objectives in the pupil's individual education plan must be granted a high school diploma that is identical to the diploma granted to a pupil without a disability.

7. M.S. 125A.06 BLIND PERSONS' LITERARY RIGHTS.

(a) Paragraphs (b) to (f) may be cited as the "Blind Persons' Literacy Rights and Education Act."

(b) The following definitions apply to paragraphs (c) to (f).

"Blind student" means an individual who is eligible for special educational services and who:

(1) has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than 20 degrees; or

(2) has a medically indicated expectation of visual deterioration.

"Braille" means the system of reading and writing through touch commonly known as standard English Braille.

(c) In developing an individualized education plan for each blind student the presumption must be that proficiency in Braille reading and writing is essential for the student to achieve satisfactory educational progress. The assessment required for each student must include a Braille skills inventory, including a statement of strengths and deficits. Braille instruction and use are not required by this paragraph if, in the course of developing the student's individualized education program, team members concur that the student's visual impairment does not affect reading and writing performance commensurate with ability. This paragraph does not require the exclusive use of Braille if other special education services are appropriate to the student's educational needs. The provision of other appropriate services does not preclude Braille use or instruction. Instruction in Braille reading and writing must be available for each blind student for whom the multidisciplinary team has determined that reading and writing is appropriate.

(d) Instruction in Braille reading and writing must be sufficient to enable each blind student to communicate effectively and efficiently with the same level of proficiency expected of the student's peers of comparable ability and grade level.

(e) The student's individualized education plan must specify:
(1) the results obtained from the assessment required under paragraph (c);
(2) how Braille will be implemented through integration with other classroom activities;
(3) the date on which Braille instruction will begin;
(4) the length of the period of instruction and the frequency and duration of each instructional session;
(5) the level of competency in Braille reading and writing to be achieved by the end of the period and the objective assessment measures to be used; and
(6) if a decision has been made under paragraph (c) that Braille instruction or use is not required for the student:

(i) a statement that the decision was reached after a review of pertinent literature describing the educational benefits of Braille instruction and use; and

(ii) a specification of the evidence used to determine that the student's ability to read and write effectively without Braille is not impaired.

(f) Instruction in Braille reading and writing is a service for the purpose of special education and services under this section.

(g) Paragraphs (b) to (f) must not be construed to supersede any rights of a parent or guardian of a child with a disability under federal or state law.

8. M.S. 125A.07 RULEMAKING.

(a) Consistent with this section, the commissioner shall adopt new rules and amend existing rules related to children with disabilities only under specific authority and consistent with the requirements of chapter 14 and paragraph (c).

(b) As provided in this paragraph, the state's regulatory scheme should support schools by assuring that all state special education rules adopted by the commissioner result in one or more of the following outcomes:

(1) increased time available to teachers and, where appropriate, to support staff including school nurses for educating students through direct and indirect instruction;

(2) consistent and uniform access to effective education programs for students with disabilities

throughout the state;

(3) reduced inequalities and conflict, appropriate due process hearing procedures and reduced court actions related to the delivery of special education instruction and services for students with disabilities;

(4) clear expectations for service providers and for students with disabilities;

(5) increased accountability for all individuals and agencies that provide instruction and other services to students with disabilities;

(6) greater focus for the state and local resources dedicated to educating students with disabilities; and

(7) clearer standards for evaluating the effectiveness of education and support services for students with disabilities.

(c) Subject to chapter 14, the commissioner may adopt, amend, or rescind a rule related to children with disabilities if such action is specifically required by federal law.

9. M.S. 125A.08 INDIVIDUALIZED EDUCATION PROGRAMS. (**2014 Session Change**)

(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 individual education plan 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 individual education plan. The individual education plan 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 individual education plan. The plan must address the student's need to develop skills to live and work as independently as possible within the community. The individual education plan team must consider positive behavioral interventions, strategies, and supports that address behavior for children with attention deficit disorder or attention deficit hyperactivity disorder. During grade 9, the plan 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 plan, districts must inform parents of the full range of transitional goals and related services that should be considered. The plan 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, chapter 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 paraprofessionals employed to work in programs for 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 of the students with whom the paraprofessional works;

(2) annual training opportunities are available 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, 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.

10. M.S. 125A.091 ALTERNATIVE DISPUTE RESOLUTION AND DUE PROCESS HEARINGS.

Subdivision 1. REPEALED - 2009.

Subd. 2. REPEALED- 2009.

Subd. 3. REPEALED - 2009.

Subd. 3a. Additional requirements for prior written notice. In addition to federal law requirements, a prior written notice shall:

(1) inform the parent that except for the initial placement of a child in special education, the school district will proceed with its proposal for the child's placement or for providing special education services unless the child's parent notifies the district of an objection within 14 days of when the district sends the prior written notice to the parent; and

(2) state that a parent who objects to a proposal or refusal in the prior written notice may request a conciliation conference under subdivision 7 or another alternative dispute resolution procedure under subdivision 8 or 9.

Subd. 4. REPEALED - 2009.

Subd. 5. Initial action; parent consent. (a) The district must not proceed with the initial evaluation of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent. A district may not override the written refusal of a parent to consent to an initial evaluation or reevaluation.

(b) A parent, after consulting with health care, education, or other professional providers, may agree or disagree to provide the parent's child with sympathomimetic medications unless section 144.344 applies.

Subd. 6. Dispute resolution processes; generally. Parties are encouraged to resolve disputes over the

identification, evaluation, educational placement, manifestation determination, interim alternative educational placement, or the provision of a free appropriate public education to a child with a disability through conciliation, mediation, facilitated team meetings, or other alternative process. All dispute resolution options are voluntary on the part of the parent and must not be used to deny or delay the right to a due process hearing. All dispute resolution processes under this section are provided at no cost to the parent.

Subd. 7. Conciliation conference. A parent must have an opportunity to meet with appropriate district staff in at least one conciliation conference if the parent objects to any proposal of which the parent receives notice under subdivision 3a. A district must hold a conciliation conference within ten calendar days from the date the district receives a parent's objection to a proposal or refusal in the prior written notice. Except as provided in this section, all discussions held during a conciliation conference are confidential and are not admissible in a due process hearing. Within five school days after the final conciliation conference, the district must prepare and provide to the parent a conciliation conference memorandum that describes the district's final proposed offer of service. This memorandum is admissible in evidence in any subsequent proceeding.

Subd. 8. Voluntary dispute resolution options. In addition to offering at least one conciliation conference, a district must inform a parent of other dispute resolution processes, including at least mediation and facilitated team meetings. The fact that an alternative dispute resolution process was used is admissible in evidence at any subsequent proceeding. State-provided mediators and team meeting facilitators shall not be subpoenaed to testify at a due process hearing or civil action under federal special education law nor are any records of mediators or state-provided team meeting facilitators accessible to the parties.

Subd. 9. Mediation. Mediation is a dispute resolution process that involves a neutral party provided by the state to assist a parent and a district in resolving disputes over the identification, evaluation, educational placement, manifestation determination, interim alternative educational placement, or the provision of a free appropriate public education to a child with a disability. A mediation process is available as an informal alternative to a due process hearing but must not be used to deny or postpone the opportunity of a parent or district to obtain a due process hearing. Mediation is voluntary for all parties. All mediation discussions are confidential and inadmissible in evidence in any subsequent proceeding, unless the:

(1) parties expressly agree otherwise;
(2) evidence is otherwise available; or
(3) evidence is offered to prove bias or prejudice of a witness.

Subd. 10. Mediated agreements. If the parties resolve all or a portion of the dispute, or agree to use another procedure to resolve the dispute, the mediator shall ensure that the resolution or agreement is in writing and signed by the parties and each party is given a copy of the document. The written resolution or agreement shall state that all discussions that occurred during mediation are confidential and may not be used as evidence in any hearing or civil proceeding. The resolution or agreement is legally binding upon the parties and is enforceable in the state or federal district court. A party may request another mediation to resolve a dispute over implementing the mediated agreement.

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

Subd. 12. Impartial due process hearing. A parent or a district is entitled to an impartial due process hearing conducted by the state when a dispute arises over the identification, evaluation, educational placement, manifestation determination, interim alternative educational placement, or the provision of a free appropriate public education to a child with a disability. The hearing must be held in the district responsible

for ensuring that a free appropriate public education is provided according to state and federal law. The proceedings must be recorded and preserved, at state expense, pending ultimate disposition of the action. The parent and the district shall receive, at state expense, a copy of the hearing transcript or recording and the hearing officer's findings of fact, conclusion of law, and decisions.

Subd. 13. Hearing officer qualifications. The commissioner shall maintain a list of qualified hearing offices. The list shall include a statement of the qualifications of each person listed. Upon receipt of a written request for a hearing, the commissioner shall appoint a hearing officer from the list. The hearing officer must:

(1) be knowledgeable and impartial;

(2) have no personal interest in or specific involvement with the student who is a party to the hearing;

(3) not have been employed as an administrator by the district that is a party to the hearing;

(4) not have been involved in selecting the district administrator who is a party to the hearing;

(5) have no personal, economic, or professional interest in the outcome of the hearing other than properly administering federal and state laws, rules, and policies;

(6) have no substantial involvement in developing state or local policies or procedures challenged in the hearing;

(7) not be a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, or the department if the department is the service provider;

(8) not be a current employee or board member of a disability advocacy organization or group;

(9) not otherwise be under contract with the department or the school district;

(10) know and understand state and federal special education laws, rules, and regulations, and legal interpretations by federal and state courts; and

(11) have the knowledge and ability to conduct hearings and render and write decisions according to appropriate, standard legal practice.

Subd. 14. Request for hearing. (a) A parent or a school district may file a written request for a due process hearing regarding a proposal or refusal to initiate or change that child's evaluation, individualized education program, or educational placement, or to provide a free appropriate public education.

(b) The parent shall include in the hearing request the name of the child, the address of the child's residence, the name of the school the child attends, a description of the child's problem relating to the proposed or refused initiation or change, including facts relating to the problem, and a proposed resolution of the problem to the extent known and available to the parents at the time.

(c) A parent or a school district may file a written request for a hearing under United States Code, title 20, section 1415, paragraph (k).

(d) A parent or school district filing a request for a hearing under this subdivision must provide the request to the other party and a copy of the request to the department. Upon receiving a request for a hearing, the department shall give to the child's parent a copy of the procedural safeguards notice available to a parent under federal regulations.

(e) (1) If the parent of a child with a disability files a written request for a hearing, and the school district has not previously sent a written notice to the parent under subdivision 3a, regarding the subject matter of the hearing request, the school district shall, within ten days of receiving the hearing request, send to the child's parent a written explanation of why the school district proposed or refused to take the action raised in the hearing request. The explanation must include a description of other options that the individualized education program team considered and the reason why those options were rejected; a description of each evaluation procedure, assessment, record, or report that the school district used as the basis for the proposed or refused

action; and a description of the factors that are relevant to the school district's proposal or refusal. A response by a school district under this subdivision does not preclude the school district from asserting that the parent's request for a hearing is insufficient under clause (2) of this paragraph; and (2) a hearing may not occur until the party requesting the hearing files a request that meets the requirements of paragraph (b). The request under paragraph (b) is considered sufficient unless the party receiving the request notifies the hearing officer and the other party in writing within 15 days of receiving the request that the receiving party believes the request does not meet the requirements of paragraph (b). Within five days of receiving a notice under this subdivision, the hearing officer shall determine whether the request meets the requirements under paragraph (b) and notify the parties.

(f) Except as provided in paragraph (e), clause (1), the party receiving a request for a hearing shall send to the party requesting the hearing a written response that addresses the issues raised in the hearing request within ten days of receiving the request.

Subd. 15. Prehearing conference. A prehearing conference must be held within five business days of the date the commissioner appoints the hearing officer. The hearing officer must initiate the prehearing conference which may be conducted in person, at a location within the district, or by telephone. The hearing officer must create a written verbatim record of the prehearing conference which is available to either party upon request. At the prehearing conference, the hearing officer must:

(1) identify the questions that must be answered to resolve the dispute and eliminate claims and complaints that are without merit;

(2) set a scheduling order for the hearing and additional prehearing activities;

(3) determine if the hearing can be disposed of without an evidentiary hearing and, if so, establish the schedule and procedure for doing so; and

(4) establish the management, control, and location of the hearing to ensure its fair, efficient, and effective disposition.

Subd. 16. Burden of proof. The burden of proof at a due process hearing is on the party seeking relief.

Subd. 17. Admissible evidence. The hearing officer may admit all evidence that possesses probative value, including hearsay, if it is the type of evidence on which reasonable, prudent persons are accustomed to rely in conducting their serious affairs. The hearing officer must give effect to the rules of privilege recognized by law and exclude evidence that is incompetent, irrelevant, immaterial, or unduly repetitious.

Subd. 18. Hearing officer authority. (a) A hearing officer must limit an impartial due process hearing to the time sufficient for each party to present its case.

(b) A hearing officer must establish and maintain control and manage the hearing. This authority includes, but is not limited to:

(1) requiring attorneys representing parties at the hearing, after notice and an opportunity to be heard, to pay court reporting and hearing officer costs, or fines payable to the state, for failing to:

(i) obey scheduling or prehearing orders,

(ii) appear,

(iii) be prepared, or

(iv) participate in the hearing process in good faith;

(2) administering oaths and affirmations;

(3) issuing subpoenas;

(4) determining the responsible and providing districts and joining those districts, if not already notified, in the proceedings;

(5) making decisions involving identification, evaluation, educational placement, manifestation

determination, interim alternative educational placement, or the provision of a free appropriate public education to a child with a disability;

(6) ordering an independent educational evaluation of a child at district expense; and

(7) extending the hearing decision timeline if the hearing officer determines that good cause exists.

(c) Good cause includes, but is not limited to, the time required for mediation or other settlement discussions, independent educational evaluation, complexity and volume of issues, or finding or changing counsel.

Subd. 19. Expedited due process hearings. Consistent with federal law, a parent or a school district may file a written request for an expedited due process hearing. A hearing officer must hold an expedited due process hearing within 20 school days of the date the expedited due process request is filed and must issue a decision within ten school days after the hearing. A resolution meeting must occur within seven days of receiving the request for an expedited due process hearing unless the parent and the school district agree in writing either to waive the resolution meeting or use the mediation process. The expedited due process hearing may proceed unless the matter has been resolved to the satisfaction of both parties within 15 days of receiving the expedited due process hearing request.

Subd. 20. Hearing officer's decision; time period. (a) The hearing officer must ensure that not later than 45 days after the 30-day period or the adjusted time periods under federal regulations expire, the hearing officer reaches a final decision in the due process hearing and transmits a copy of the decision to each party. A hearing officer, at the request of either party, may grant specific extensions of time beyond the 45-day period under subdivision 18. The hearing officer must conduct the oral arguments in a hearing at a time and place that is reasonably convenient to the parents and child involved. A hearing officer is encouraged to accelerate the time line to 30 days for a child under the age of three whose needs change rapidly and who requires quick resolution of a dispute.

(b) Once the hearing officer has issued a final decision, the hearing officer lacks authority to amend the decision except for clerical or mathematical errors.

(c) Nothing in this subdivision precludes a hearing officer from ordering a school district to comply with federal procedural safeguards under the federal Individuals with Disabilities Education Act.

Subd. 21. Compensatory educational services. The hearing officer may require the resident or responsible district to provide compensatory educational services to the child if the hearing officer finds that the district has not offered or made available to the child a free appropriate public education in the least restrictive environment and the child suffered a loss of educational benefit. Such services take the form of direct and indirect special education and related services designed to address any loss of educational benefit that may have occurred. The hearing officer's finding must be based on a present determination of whether the child has suffered a loss of educational benefit.

Subd. 22. REPEALED - 2009.

Subd. 23. REPEALED - 2009.

Subd. 24. Review of hearing officer decisions. The parent or district may seek review of the hearing officer's decision in the Minnesota Court of Appeals or in the federal district court. A party must appeal to the Minnesota Court of Appeals within 60 days of receiving the hearing officer's decision or must appeal to federal district court within 90 days of receiving the hearing officer’s decision.

Subd. 25. Enforcement of orders. The commissioner must monitor final hearing officer decisions and ensure enforcement of hearing officer decisions.

Subd. 26. Hearing officer and person conducting alternative dispute resolution are state employees. A hearing officer or person conducting alternative dispute resolution under this section is an employee of the state under section 3.732 for purposes of section 3.736 only.

Subd. 27. Hearing officer training. A hearing officer must participate in training offered by the commissioner.

Subd. 28. District liability. A district is not liable for harmless technical violations of federal or state laws, rules, or regulations governing special education if the school district can demonstrate that the violations did not harm a student's educational progress or the parent's right to notice, participation, or due process. The subdivision is applicable to due process hearings and special education complaints filed with the department.

11. M.S. 125A.0941 DEFINITIONS.

(a) The following terms have the meanings given them.

(b) "Emergency" means a situation in which immediate intervention is necessary to protect a pupil or other individual from physical injury. Emergency does not mean circumstances such as: a child who does not respond to a task or request and instead places his or her head on a desk or hides under a desk or table; a child who does not respond to a staff person’s request unless failing to respond would result in physical injury to the child or other individual; or an emergency incident has already occurred and no threat of physical injury currently exists.

(c) “Physical holding” means physical intervention intended to hold a child immobile or limit a child’s movement, where body contact is the only source of physical restraint, and where immobilization is used to effectively gain control of a child in order to protect a child or other individual from physical injury. The term physical holding does not mean physical contact that;

(1) helps a child respond or complete a task;

(2) assists a child without restricting the child’s movement;

(3) is needed to administer an authorized health-related service or procedure; or

(4) is needed to physically escort a child when the child does not resist or the child’s resistance is minimal.

(d) “Positive behavioral interventions and supports” means interventions and strategies to improve the school environment and teach children the skills to behave appropriately.

(e) “Prone restraint” means placing a child in a face down position.

(f) “Restrictive procedures” means the use of physical holding or seclusion in an emergency. Restrictive procedures must not be used to punish or otherwise discipline a child.

(g) “Seclusion” means confining a child alone in a room from which egress is barred. Egress may be barred by an adult locking or closing the door in the room or preventing the child from leaving the room. Removing a child from an activity to a location where the child cannot participate in or observe the activity is not seclusion.

12. M.S. 125A.0942 STANDARDS FOR RESTRICTIVE PROCEDURES. (**2014 Session Change**)

Subdivision 1. (a) Restrictive procedures plan. Schools that intend to use restrictive procedures shall maintain and make publicly accessible in an electronic format on a school or district Web site or make a paper copy available upon request describing a restrictive procedures plan for children with disabilities that at least:

(1) lists the restrictive procedures the school intends to use;

(2) describes how the school will implement a range of positive behavior strategies and provide links to mental health services;

(3) **describes how the school will provide training on de-escalation techniques, consistent with section 122A.09, subdivision 4, paragraph (k);**

(4) describes how the school will monitor and review the use of restrictive procedures, including:

(i) conducting post-use debriefings, consistent with subdivision 3, paragraph (a), clause (5); and

(ii) convening an oversight committee to undertake a quarterly review of the use of restrictive procedures based on patterns or problems indicated by similarities in the time of day, day of the week, duration of the use of a procedure, the individuals involved, or other factors associated with the use of restrictive procedures; the number of times a restrictive procedure is used schoolwide and for individual children; the number and types of injuries, if any, resulting from the use of restrictive procedures; whether restrictive procedures are used in nonemergency situations; the need for additional staff training; and proposed actions to minimize the use of restrictive procedures; and

(**5**) includes a written description and documentation of the training staff completed under subdivision 5.

(b) Schools annually must publicly identify oversight committee members who must at least include:

(1) a mental health professional, school psychologist, or school social worker;

(2) an expert in positive behavior strategies;

(3) a special education administrator; and

(4) a general education administrator.

Subd. 2. Restrictive procedures. (a) Restrictive procedures may be used only by a licensed special education teacher, school social worker, school psychologist, behavior analyst certified by the National Behavior Analyst Certification Board, a person with a master's degree in behavior analysis, other licensed education professional, paraprofessional under section 120B.363, or mental health professional under section 245.4871, subdivision 27, who has completed the training program under subdivision 5.

(b) A school shall make reasonable efforts to notify the parent on the same day a restrictive procedure is used on the child, or if the school is unable to provide same-day notice, notice is sent within two days by written or electronic means or as otherwise indicated by the child's parent under paragraph (**f**).

(c) The district must hold a meeting of the individualized education plan team, conduct or review a functional behavioral analysis, review data, consider developing additional or revised positive behavioral interventions and supports, consider actions to reduce the use of restrictive procedures, and modify the individualized education plan or behavior intervention plan as appropriate. The district must hold the meeting: within ten calendar days after district staff use restrictive procedures on two separate school days within 30 calendar days or a pattern of use emerges and the child's individualized education program or behavior intervention plan does not provide for using restrictive procedures in an emergency; or at the request of a parent or the district after restrictive procedures are used. The district must review use of restrictive procedures at a child's annual individualized education program meeting when the child's individualized education program provides for using restrictive procedures in an emergency.

(d) If the individualized education program team under paragraph (c) determines that existing interventions and supports are ineffective in reducing the use of restrictive procedures or the district uses restrictive procedures on a child on ten or more school days during the same school year, the team, as appropriate, either must consult with other professionals working with the child; consult with experts in behavior analysis, mental health, communication, or autism; consult with culturally competent professionals; review existing evaluations, resources, and successful strategies; or consider whether to reevaluate the child.

(e) At the individualized education program meeting under paragraph (c), the team must review any known medical or psychological limitations, including any medical information the parent provides voluntarily, that contraindicate the use of a restrictive procedure, consider whether to prohibit that restrictive procedure, and document any prohibition in the individualized education program or behavior intervention plan.

(f) An individualized education plan team may plan for using restrictive procedures and may include these procedures in a child's individualized education program or behavior intervention plan; however, the restrictive procedures may be used only in response to behavior that constitutes an emergency, consistent with this section. The individualized education program or behavior intervention plan shall indicate how the parent wants to be notified when a restrictive procedure is used.

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

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

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

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

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

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

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

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

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

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

(6) the room used for seclusion must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) By **February 1, 2015, and annually thereafter**, stakeholders must recommend to the commissioner specific and measurable implementation and outcome goals for reducing the use of restrictive procedures and the commissioner must submit to the legislature a report on districts' progress in reducing the use of restrictive procedures that recommends how to further reduce these procedures and eliminate the use of prone restraints. The statewide plan includes the following components: measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts' use of prone restraints; and recommendations to clarify and improve the law governing districts' use of restrictive procedures. The commissioner must consult with interested stakeholders when preparing the report, including representatives of advocacy organizations, special education directors, teachers, paraprofessionals, intermediate school districts, school boards, day treatment providers, county social services, state human services department staff, mental health professionals, and autism experts. By June 30 each year, districts must report summary data on their use of restrictive procedures to the department, in a form and manner determined by the commissioner.

The summary data must include information about the use of restrictive procedures, including use of reasonable force under section1 21A.582.

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

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

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

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

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

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

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

(7) withholding regularly scheduled meals or water;

(8) denying access to bathroom facilities; and

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

Subd. 5. Training for staff. (a) To meet the requirements of subdivision 1, staff who use restrictive procedures, including paraprofessionals, shall complete training in the following skills and knowledge areas:

(1) positive behavioral interventions;

(2) communicative intent of behaviors;

(3) relationship building;

(4) alternatives to restrictive procedures, including techniques to identify events and environmental factors that may escalate behavior;

(5) de-escalation methods;

(6) standards for using restrictive procedures only in an emergency;

(7) obtaining emergency medical assistance;

(8) the physiological and psychological impact of physical holding and seclusion;

(9) monitoring and responding to a child's physical signs of distress when physical holding is being used;

(10) recognizing the symptoms of and interventions that may cause positional asphyxia when physical holding is used;

(11) district policies and procedures for timely reporting and documenting each incident involving use of a restricted procedure; and

(12) schoolwide programs on positive behavior strategies.

(b) The commissioner, after consulting with the commissioner of human services, must develop and maintain a list of training programs that satisfy the requirements of paragraph (a). The commissioner also must develop and maintain a list of experts to help individualized education program teams to reduce the use of restrictive procedures. The district shall maintain records of staff who have been trained and the organization or professional that conducted the training. The district may collaborate with children's community mental health providers to coordinate trainings.

Subd. 6. Behavior supports**; reasonable force**. **(a)** School districts are encouraged to establish effective schoolwide systems of positive behavior interventions and supports.

(b) Nothing in this section or section 125A.0941 precludes the use of reasonable force under sections 121A.582; 609.06, subdivision 1; and 609.379.

For the 2014-2015 school year and later, districts must collect and submit to the commissioner summary data, consistent with subdivision 3, paragraph (b), on district use of reasonable force that is consistent with the definition of physical holding or seclusion for a child with a disability under this section.

13. M.S. 125A.11 SPECIAL INSTRUCTIONS FOR NONRESIDENT CHILDREN. (**2014 Session Change**)

Subdivision 1. Nonresident tuition rate; other costs. (a) For fiscal year 2015 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum equalization aid attributable to that pupil, calculated using the resident district’s average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the

amount of special education aid for children with a disability under section 125A.76 received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal agent school district, the general education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid excluding compensatory revenue, elementary sparsity revenue and secondary sparsity revenue. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(b) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs (b) to (d), a charter school where more than 30 percent of enrolled students receive special education and related services, a site approved under section 125A.515, an intermediate district, a special education cooperative, or a school district that served as the applicant agency for a group of school districts for federal special education aids for fiscal year 2006 may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

(c) For purposes of this subdivision and section 127A.47, subdivision 7, **paragraph (b)**, "general education revenue and referendum aid" means the sum of the general education revenue according to section 126C.10, subdivision 1, **excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph (c),** plus the referendum aid according to section 126C.17, subdivision 7.
EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015 and later.

Subd. 2. Nonresident transportation. When a district provides instruction and services in a day program outside the district of residence, the district of residence is responsible for providing transportation. When a district provides instruction and services requiring board and lodging or placement in a residential program outside the district of residence, the nonresident district in which the child is placed is responsible for providing transportation. Transportation costs shall be paid by the district responsible for providing transportation and the state shall pay transportation aid to that district.

Subd. 3. Agreement between districts to provide special instruction and services. For the purposes of this section, any school district may enter into an agreement, upon mutually agreed upon terms and conditions, to provide special instruction and services for children with a disability. In that event, one of the participating units may employ and contract with necessary qualified personnel to offer services in the several districts. Each participating unit must reimburse the employing unit a proportionate amount of the actual cost of providing the special instruction and services, less the amount of state special education aid.

14. M.S. 125A.12 ATTENDANCE IN ANOTHER DISTRICT.

No resident of a district who is eligible for special instruction and services pursuant to this section may be denied provision of this instruction and service because of attending a public school in another district pursuant to section 123B.88, subdivision 5, if the attendance is not subject to section 124D.06 or 124D.08. If the pupil attends a public school located in a contiguous district and the district of attendance does not provide special instruction and services, the district of residence must provide necessary transportation for the pupil between the boundary of the district of residence and the educational facility where special instruction and services are provided within the district of residence. The district of residence may provide necessary transportation for the pupil between its boundary and the school attended in the contiguous district, but must not pay the cost of transportation provided outside the boundary of the district of residence.

15. M.S. 125A.13 SCHOOL OF PARENTS' CHOICE.

(a) Nothing in this chapter must be construed as preventing parents of a child with a disability from sending the child to a school of their choice, if they so elect, subject to admission standards and policies adopted according to sections 125A.62 to 125A.64 and 125A.66 to 125A.73, and all other provisions of chapters 120A to 129C.

(b) The parent of a student with a disability not yet enrolled in kindergarten and not open enrolled in a nonresident district may request that the resident district enter into a tuition agreement with the nonresident district if:

(1) the child is enrolled in a Head Start program or a licensed child care setting in the nonresident district; and

(2) the child can be served in the same setting as other children in the nonresident district without the same level of disability.

16. M.S. 125A.14 EXTENDED SCHOOL YEAR.

A district may provide extended school year services for children with a disability living within the district and nonresident children temporarily placed in the district pursuant to section 125A.15. Prior to March 31 or 30 days after the child with a disability is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to section 125A.15, of its intention to provide these programs. Notwithstanding any contrary provisions in section 125A.15, the district providing the special instruction and services must apply for special education aid for the extended school year services. The unreimbursed actual cost of providing the program for nonresident children with a disability, including the cost of board and lodging, may be billed to the district of the child's residence and must be paid by the resident district. Transportation costs must be paid by the district responsible for providing transportation pursuant to section 125A.15 and transportation aid must be paid to that district.

17. M.S. 125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

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

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner.

(b) If a district other than the resident district places a pupil for care and treatment, the district placing the pupil must notify and give the resident district an opportunity to participate in the placement decision. When an immediate emergency placement of a pupil is necessary and time constraints foreclose a resident district from participating in the emergency placement decision, the district in which the pupil is temporarily placed must notify the resident district of the emergency placement within 15 days. The resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

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

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

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

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

18. M.S. 125A.155 SPECIAL EDUCATION RECIPROCITY; COMMISSIONER DUTIES.

The commissioner of education must develop a special education reciprocity agreement form. The reciprocity form must specify the procedures used to calculate special education tuition charges for both Minnesota students that are served in other states and for out-of-state students who are served in Minnesota. The commissioner shall attempt to enter into reciprocity agreements with any state that sends students to Minnesota and any state that provides services to Minnesota students.

19. M.S. 125A.17 LEGAL RESIDENCE OF A CHILD WITH A DISABILITY PLACED IN A FOSTER FACILITY.

The legal residence of a child with a disability placed in a foster facility for care and treatment is the district in which the child resides when:

(1) parental rights have been terminated by court order;

(2) the parent or guardian is not living within the state;

(3) no other district residence can be established; or

(4) the parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections.

The school board of the district of residence must provide the same educational program for the child as it provides for all resident children with a disability in the district.

20. M.S. 125A.18 SPECIAL INSTRUCTION; NONPUBLIC SCHOOLS.

No resident of a district who is eligible for special instruction and services under this section may be denied instruction and service on a shared time basis consistent with section 126C.19, subdivision 4, because of attending a nonpublic school defined in section 123B.41, subdivision 9. If a resident pupil with a disability attends a nonpublic school located within the district of residence, the district must provide necessary transportation for that pupil within the district between the nonpublic school and the educational facility where special instruction and services are provided on a shared time basis. If a resident pupil with a disability attends a nonpublic school located in another district and if no agreement exists under section 126C.19, subdivision 1 or 2, for providing special instruction and services on a shared time basis to that pupil by the district of attendance and where the special instruction and services are provided within the district of residence, the district of residence must provide necessary transportation for that pupil between the boundary of the district of residence and the educational facility. The district of residence may provide necessary transportation for that pupil between its boundary and the nonpublic school attended, but the nonpublic school must pay the cost of transportation provided outside the district boundary.

Parties serving students on a shared time basis have access to the due process hearing system described under United States Code, title 20, and the complaint system under Code of Federal Regulations, title 34, section 300.660-662. In the event it is determined under these systems that the nonpublic school or staff impeded the public school district's provision of a free appropriate education, the commissioner may withhold public funds available to the nonpublic school proportionally applicable to that student under section 123B.42.

21. M.S. 125A.19 NONRESIDENT EDUCATION; BILLING.

All tuition billing for the education of nonresident children pursuant to sections 125A.03 to 125A.24, 125A.51, 125A.515, and 125A.65 must be done on uniform forms prescribed by the commissioner. The billing shall contain an itemized statement of costs that are being charged to the district of residence.

22. M.S. 125A.20 TRANSPORTATION AID AGREEMENTS.

Notwithstanding the provisions of sections 125A.11, 125A.14, and 125A.15, when a child receives special instruction and services in a day program outside the resident district, the resident district and the nonresident district where the child is placed may enter into an agreement providing for the nonresident district to pay the cost of any particular transportation categories specified in section 123B.92, subdivision 1,

and claim transportation aid for those categories. In this case, the nonresident district may not obtain any payment from the resident district for the categories covered by the agreement.

23. M.S. 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 copayments, 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.

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 o 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 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 individual education 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 individual education 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. 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 individual education 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 individual education 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 health-related services; or

(3) reallocate reimbursements for the benefit of students with individualized education programs or individual 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 individual education 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, 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, copayments, coinsurance, deductibles, premium increases or other enrollee cost-sharing amounts for health and related services required by an individual service plan, or individual 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 individual education 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; 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.

24. M.S. 125A.22 COMMUNITY TRANSITION INTERAGENCY COMMITTEE. (**2014 Session Change**)

A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, **may** establish a community transition interagency committee for youth with disabilities, beginning at grade 9 or age equivalent, and their families. Members of the committee **may include** representatives from special education, vocational and regular education, community education, postsecondary education and training institutions, mental health, adults with disabilities who have received transition services if such persons are available, parents of youth with disabilities, local business or industry, rehabilitation services, county social services, health agencies, and additional public or private adult service providers as appropriate. The committee **may**:

(1) identify current services, programs, and funding sources provided within the community for secondary and postsecondary aged youth with disabilities and their families **that prepare them for further education; employment, including integrated competitive employment; and independent living**;

(2) facilitate the development of multiagency teams to address present and future transition needs of individual students on their individual education plans;

(3) develop a community plan to include mission, goals, and objectives, and an implementation plan to assure that transition needs of individuals with disabilities are met;

(4) recommend changes or improvements in the community system of transition services; **and**

(5) exchange agency information such as appropriate data, effectiveness studies, special projects, exemplary programs, and creative funding of programs.

25. M.S. 125A.23 AGENCY ACCESS TO NONPUBLIC DATA.

The commissioner of administration must prepare a form and disseminate guidelines for state agencies, political subdivisions, and other responsible authorities to use to enable a responsible authority to allow another responsible authority access to data about a child with a disability that is classified as not public. The form and guidelines must be consistent with section 13.05, subdivision 9, and federal law, and are not subject to the rulemaking requirements under chapter 14.

26. M.S. 125A.24 PARENT ADVISORY COUNCILS.

In order to increase the involvement of parents of children with disabilities in district policymaking and decision making, school districts must have a special education advisory council that is incorporated into the district's special education system plan.

(1) This advisory council may be established either for individual districts or in cooperation with other districts who are members of the same special education cooperative.

(2) A district may set up this council as a subgroup of an existing board, council, or committee.

(3) At least half of the designated council members must be parents of students with a disability.

When a nonpublic school is located in the district, the council must include at least one member who is a parent of a nonpublic school student with a disability, or an employee of a nonpublic school if no parent of a nonpublic school student with a disability is available to serve. Each local council must meet no less than

once each year. The number of members, frequency of meetings, and operational procedures are to be locally determined.

27. M.S. 125A.25 LEGISLATIVE COMMITMENT TO CONCILIATION.

Subdivision 1. Policy statement. The legislature finds that conciliation conferences pursuant to sections 125A.03 to 125A.24 and 125A.65 serve better than formal hearings to promote communications between parents and school staff and to reach prompt, shared decisions about educational programs for children with a disability. Further, the legislature urges the United States Department of Education and the United States office of civil rights to acknowledge that the conciliation conference process violates no federal statute or regulation.

Subd. 2. State plan. The commissioner shall not adopt any provision in the state plan for special education that reduces the opportunities for parents and school districts to resolve their differences through conciliation.

28. M.S. 125A.259 CITATION; INTERAGENCY EARLY CHILDHOOD INTERVENTION SYSTEM.

Sections 125A.26 to 125A.48 may be cited as the Interagency Early Childhood Intervention System.

29. M.S. 125A.26 PURPOSE.

It is the policy of the state to develop and implement comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

30. M.S. 125A.27 DEFINITIONS.

Subdivision 1. Scope. For the purposes of sections 125A.259 to 125A.48, the following terms have the meanings given them.

Subd. 2. Coordinate. "Coordinate" means to provide ready access to a community's services and resources to meet child and family needs.

Subd. 3. Core early intervention services. "Core early intervention services" means services that are available at no cost to children and families. These services include:

(1) identification and referral;

(2) screening;

(3) evaluation;

(4) assessment;

(5) service coordination;

(6) special education and related services provided under section 125A.08, and United States Code, title 20, section 1401; and

(7) protection of parent and child rights by means of procedural safeguards.

Subd. 4. County board. "County board" means a county board established under chapter 375.

Subd. 5. Early intervention record. "Early intervention record" means any personally identifiable information about a child or the child's family that is generated by the early intervention system, and that pertains to evaluation and assessment, development of an individualized family service plan, and the delivery of early intervention services.

Subd. 6. Early intervention services. "Early intervention services" means services provided in conformity with an individualized family service plan that are designed to meet the special developmental needs of a child eligible under Code of Federal Regulations, title 34, part 303, and the needs of the child's family related to enhancing the child's development and that are selected in collaboration with the parent. These services include core early intervention services and additional early intervention services listed in section 125A.29 and services defined in Code of Federal Regulations, title 34, section 303, et seq.

Subd. 7. Early intervention system. "Early intervention system" means the total effort in the state to meet the needs of eligible children and their families.

Subd. 8. Eligibility for Part C. "Eligibility for Part C" means eligibility for infant and toddler intervention services under section 125A.02 and Minnesota Rules.

Subd. 9. Facilitate payment. "Facilitate payment" means helping families access necessary public or private assistance that provides payment for services required to meet needs identified in a service plan, individual education plan (IEP), individual service plan (ISP), or individualized family service plan (IFSP), according to time frames required by the plan. This may also include activities to collect fees for services provided on a sliding fee basis, where permitted by state law.

Subd. 10. Individualized family service plan. "Individualized family service plan" or "IFSP" means a written plan for providing services to a child age birth to three years and the child's family.

Subd. 11. Interagency child find systems. "Interagency child find systems" means activities developed on an interagency basis with the involvement of interagency early intervention committees and other relevant community groups, including primary referral sources included in Code of Federal Regulations, title 34, section 303.303(c), using rigorous standards to actively seek out, identify, and refer infants and young children, with, or at risk of, disabilities, and their families, to reduce the need for future services. The child find system must mandate referrals for a child under the age of three who: (1) is the subject of a substantiated case of abuse or neglect, or (2) is identified as directly affected by illegal substance abuse, or withdrawal symptoms resulting from prenatal drug exposure, to reduce the need for future services. The referral procedures must specify that a referral must occur within seven calendar days from the date of identification.

Subd. 12. Local primary agency. "Local primary agency" means the agency designated jointly by the school and county board under section 125A.29.

Subd. 13. Natural environments. "Natural environments" means the child's home and community settings in which children without disabilities participate.

Subd. 14. Parent. "Parent" means “parent” as defined by Code of Federal Regulations, title 34, section 303.27, or a surrogate parent appointed in accordance with Code of Federal Regulations, title 34, section 303.422, or United States Code, title 20, section 1439(a)(5).

Subd. 15. Part C state plan. "Part C state plan" means the annual state plan application approved by the federal government.

Subd. 16. Pay for. "Pay for" means using federal, state, local, and private dollars available for early intervention services.

Subd. 17. Respite. "Respite" means short-term, temporary care provided to a child with a disability due to the temporary absence or need for relief of the family member or members or primary caregiver, normally providing the care.

Subd. 18. State lead agency. "State lead agency" means the state agency receiving federal funds for the purposes of providing early intervention services.

Subd. 19. Surrogate parent. "Surrogate parent" means a person appointed by the local education agency to assure that the rights of the child to early intervention services are protected. A person cannot be a surrogate parent to a child for whom the person provides early intervention services.

31. M.S. 125A.28 STATE INTERAGENCY COORDINATING COUNCIL. (**2014 Session Change**)

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 the federal Office of Special Education, 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.

32. M.S. 125A.29 RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL BOARDS.

(a) It is the joint responsibility of county boards and school 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 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. The services provided must be in conformity with:

(1) an IFSP for each eligible infant and toddler from birth through age two and the infant's or toddler's family including:

(i) American Indian infants and toddlers with disabilities and their families residing on a reservation geographically located in the state;

(ii) infants and toddlers with disabilities who are homeless children and their families; and

(iii) infants and toddlers with disabilities who are wards of the state; or

(2) an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four.

(b) Appropriate early intervention services include services provided in conformity with an IFSP that are designed to meet the special developmental needs of an eligible child and the needs of the child's family related to enhancing the child's development and that are selected in collaboration with the parent. These services include core early intervention services and additional early intervention services listed in this section and infant and toddler intervention services defined under United States Code, title 20, sections 1431 to 1444, and Code of Federal Regulations, title 34, section 303, including service coordination under section 125A.33.

(c) School and county boards shall coordinate early intervention services. In the absence of agreements established according to section 125A.39, service responsibilities for children birth through age two are as follows: (1) school boards must provide, pay for, and facilitate payment for special education and related services required under sections 125A.03 and 125A.06; (2) county boards must provide, pay for, and facilitate payment for noneducational services of social work, psychology, transportation and related costs, nursing, respite, and nutrition services not required under clause (1).

(d) School and county boards may develop an interagency agreement according to section 125A.39 to establish agency responsibility that assures early intervention services are coordinated, provided, paid for, and that payment is facilitated from public and private sources.

(e) County and school boards must jointly determine the primary agency in this cooperative effort and must notify the commissioner of the state lead agency of their decision.

33. M.S. 125A.515 PLACEMENT OF STUDENTS; APPROVAL OF EDUCATION PROGRAM.

Subdivision 1. Approval of education programs. The commissioner shall approve on-site education programs for placement of children and youth in residential facilities including detention centers, before being licensed by the Department of Human Services or the Department of Corrections. Education programs in these facilities shall conform to state and federal education laws including the Individuals with Disabilities

Education Act (IDEA). This section applies only to placements in facilities licensed by the Department of Human Services or the Department of Corrections. For purposes of this section, "on-site education program" means the educational services provided directly on the grounds of the care and treatment facility to children and youth placed for care and treatment.

Subd. 2. Repealed.

Subd. 3. Responsibilities for providing education. (a) The district in which the residential facility is located must provide education services, including special education if eligible, to all students placed in a facility.

(b) For education programs operated by the Department of Corrections, the providing district shall be the Department of Corrections. For students remanded to the commissioner of corrections, the providing and resident district shall be the Department of Corrections.

Subd. 3a. Students without a disability from other states. A school district is not required to provide education services under this section to a student who: (1) is not a resident of Minnesota; (2) does not have an individualized education program; and (3) does not have a tuition arrangement or agreement to pay the cost of education from the placing authority.

Subd. 4. Education services required. (a) Education services must be provided to a student beginning within three business days after the student enters the care and treatment facility. The first four days of the student's placement may be used to screen the student for educational and safety issues.

(b) If the student does not meet the eligibility criteria for special education, regular education services must be provided to that student.

Subd. 5. Education programs for students placed in residential facilities. (a) When a student is placed in a facility approved under this section that has an on-site education program, the providing district, upon notice from the care and treatment facility, must contact the resident district within one business day to determine if a student has been identified as having a disability, and to request at least the student's transcript, and for students with disabilities, the most recent individualized education plan (IEP) and evaluation report, and to determine if the student has been identified as a student with a disability. The resident district must send a facsimile copy to the providing district within two business days of receiving the request.

(b) If a student placed under this section has been identified as having a disability and has an individual education plan in the resident district:

(1) the providing agency must conduct an individualized education plan meeting to reach an agreement about continuing or modifying special education services in accordance with the current individualized education plan goals and objectives and to determine if additional evaluations are necessary; and

(2) at least the following people shall receive written notice or documented phone call to be followed with written notice to attend the individualized education plan meeting:

(i) the person or agency placing the student;

(ii) the resident district;

(iii) the appropriate teachers and related services staff from the providing district;

(iv) appropriate staff from the residential facility;

(v) the parents or legal guardians of the student; and

(vi) when appropriate, the student.

(c) For a student who has not been identified as a student with a disability, a screening must be conducted by the providing districts as soon as possible to determine the student's educational and behavioral needs and must include a review of the student's educational records.

Subd. 6. Exit report summarizing educational progress. If a student has been placed in a facility under this section for 15 or more business days, the providing district must prepare an exit report summarizing the regular education, special education, evaluation, educational progress, and service information and must send the report to the resident district and the next providing district if different, the parent or legal guardian, and any appropriate social service agency. For students with disabilities, this report must include the student's IEP.

Subd. 7. Minimum educational services required. When a student is placed in a facility approved under this section, at a minimum, the providing district is responsible for:

(1) the education necessary, including summer school services, for a student who is not performing at grade level as indicated in the education record or IEP; and

(2) a school day, of the same length as the school day of the providing district, unless the unique needs of the student, as documented through the IEP or education record in consultation with treatment providers, requires an alteration in the length of the school day.

Subd. 8. Placement, services, and due process. When a student's treatment and educational needs allow, education shall be provided in a regular educational setting. The determination of the amount and site of integrated services must be a joint decision between the student's parents or legal guardians and the treatment and education staff. When applicable, educational placement decisions must be made by the IEP team of the providing district. Educational services shall be provided in conformance with the least restrictive environment principle of the Individuals with Disabilities Education Act. The providing district and care and treatment facility shall cooperatively develop discipline and behavior management procedures to be used in emergency situations that comply with the Minnesota Pupil Fair Dismissal Act and other relevant state and federal laws and regulations.

Subd. 9. Reimbursement for education services. (a) Education services provided to students who have been placed under this section are reimbursable in accordance with special education and general education statutes.

(b) Indirect or consultative services provided in conjunction with regular education prereferral interventions and assessment provided to regular education students suspected of being disabled and who have demonstrated learning or behavioral problems in a screening are reimbursable with special education categorical aids.

(c) Regular education, including screening, provided to students with or without disabilities is not reimbursable with special education categorical aids.

Subd. 10. Students unable to attend school but not covered under this section. Students who are absent from, or predicted to be absent from, school for 15 consecutive or intermittent days, and placed at home or in facilities not licensed by the Departments of Corrections or Human Services are entitled to regular and special education services consistent with this section or Minnesota Rules, part 3525.2325. These students include students with and without disabilities who are home due to accident or illness, in a hospital or other medical facility, or in a day treatment center.

34. M.S. 125A.57 DEFINITION.

Subdivision 1. Applicability. For the purposes of sections 125A.57 to 125A.60, the following terms have the meanings given them.

Subd. 2. Assistive technology device. "Assistive technology device" means any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of a child with a disability. It does not mean a medical device that is surgically implanted or a replacement of such a device.

35. M.S. 125A.58 PURCHASING GUIDELINES.

Subdivision 1. Rights of districts to purchase school-owned assistive technology. (a) When a child with a disability exits a district and enters a new district, the child's new district may purchase any assistive technology devices that the child's former district has purchased on the child's behalf. The child's new district must notify, in writing, the child's former district of the intent to purchase the device. The child's new district must complete a purchase agreement according to section 125A.36. The child's former district must respond, in writing, to the request to purchase within 30 days.

(b) Districts may decline to sell a device if they can demonstrate the technology is a general use device or can be modified for use by other students.

Subd. 2. Liability for used equipment. The child's former district is not liable for any nonconformities in the equipment after it is purchased by the child's new district, or for injuries arising out of the use of the assistive technology device. This section does not foreclose the child's right to bring suit against the manufacturer, assistive device lessor, or assistive device dealer for nonconformities in or injuries arising out of the use of the assistive technology device.

Subd. 3. Third-party payors. Nothing contained in this section may be construed as decreasing the obligation of an insurance company or other third-party payor to provide coverage for assistive technology.

36. M.S. 125A.65 ATTENDANCE AT ACADEMIES FOR THE DEAF AND BLIND.

Subdivision 1. Responsibility allocated. Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind must be determined in subdivisions 2 to 10.

Subd. 2. Child's legal residence. The legal residence of the child is the district in which the child's parent or guardian resides.

Subd. 3. Educational program; tuition. (a) When it is determined pursuant to section 125A.69, subdivision 1 or 2, that the child is entitled to attend either school, the board of the Minnesota State Academies must provide the appropriate educational program for the child.

(b) For fiscal year 2006, the board of the Minnesota State Academies must make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged must not exceed the sum of (1) the general education revenue formula allowance times the pupil unit weighting factor pursuant to section 126C.05 for that child, for the amount of time the child is in the program, plus (2), if the child was enrolled at the Minnesota State Academies on October 1, of the previous fiscal year, the compensatory education revenue attributable to that child under section 126C.10, subdivision 3. The district of the child's residence must pay the tuition and may claim general education aid for the child. Tuition received by the board of the Minnesota State Academies, except for tuition for compensatory education

revenue under this paragraph and tuition received under subdivision 4, must be deposited in the state treasury as provided in subdivision 8.

(c) For Fiscal year 2007 and later, the district of the child's residence shall claim general education revenue for the child, except as provided in this paragraph. Notwithstanding section 127A.47, subdivision 1, an amount equal to the general education revenue formula allowance times the pupil unit weighting factor pursuant to section 126C.05 for that child for the amount of time the child is in the program, as adjusted according to subdivision 8, paragraph (d), must be paid to the Minnesota State Academies. Notwithstanding section 126C.15, subdivision 2, paragraph (d), the compensatory education revenue under section 126C.10, subdivision 3, attributable to children enrolled at the Minnesota State Academies on October 1 of the previous fiscal year must be paid to the Minnesota State Academies. General education aid paid to the Minnesota State Academies under this paragraph must be credited to their general operation account. Other general education aid attributable to the child must be paid to the district of the child's residence.

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

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

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

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

Subd. 5. Providing appropriate educational programs. When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the district where the institution is located must provide an appropriate educational program for the child and must make a tuition charge to the board of the Minnesota State Academies for the actual cost of providing the program, less any amount of aid received pursuant to section 125A.75. The board of the Minnesota State Academies must pay the tuition and other program costs including the unreimbursed transportation costs. Aids for children with a disability must be paid to the district providing the special instruction and services. Special transportation must be provided by the district providing the educational program and the state must reimburse that district within the limits provided by law.

Subd. 6. Tuition reduction. Notwithstanding the provisions of subdivisions 3 and 5, the board of the Minnesota State Academies may agree to make a tuition charge or receive an aid adjustment, as applicable, for less than the amount specified in subdivision 3 for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the board of the Minnesota State Academies for less than the amount specified in subdivision 5 for providing appropriate educational programs to pupils attending the applicable school.

Subd. 7. Staff allocation. Notwithstanding the provisions of subdivisions 3 and 5, the board of the Minnesota State Academies may agree to supply staff from the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

Subd. 8. Student count; tuition. (a) On May 1, 1996, and each year thereafter, the board of the Minnesota State Academies shall count the actual number of Minnesota resident special education eligible students enrolled and receiving education services at the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind.

(b) For fiscal year 2006, the board of the Minnesota State Academies shall deposit in the state treasury an amount equal to all tuition received for the basic revenue according to subdivision 3, less the amount calculated in paragraph (c).

(c) For fiscal year 2006, the Minnesota State Academies shall credit to their general operation account an amount equal to the tuition received which represents tuition earned for the total number of students over 175 based on: (1) the total number of enrolled students on May 1 less 175; times (2) the ratio of the number of students in that grade category to the total number of students on May 1; times (3) the general education revenue formula allowance; times (4) the pupil unit weighting factor pursuant to section 126C.05.

(d) For fiscal year 2007 and later, the Minnesota State Academies shall report to the department the number of students by grade level counted according to paragraph (a). The amount paid to the Minnesota State Academies under subdivision 3, paragraph (c), must be reduced by an amount equal to: (1) the ratio of 175 to the total number of students on May 1; times (2) the total basic revenue determined according to subdivision 3, paragraph (c).

Subd. 9. Calculation. The sum provided by the calculation in subdivision 8 must be deposited in the state treasury and credited to the general operation account of the Minnesota state academy for the deaf and the Minnesota state academy for the blind.

Subd. 10. Annual appropriation. There is annually appropriated to the department for the Minnesota State Academies the tuition or aid payment amounts received and credited to the general operation account of the academies under this section. A balance in an appropriation under this paragraph does not cancel but is available in successive fiscal years.

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

EDUCATION FUNDING - LIMITED PROVISIONS

(Bolded Items - 2014 Session Changes)

1. M.S. 126C.01 DEFINITIONS.

Subdivision 1. Applicability. For the purposes of this chapter, the terms defined in section 120A.05 have the same meanings. For the purpose of this chapter, the following terms have the meanings given them.

Subd. 2. Adjusted net tax capacity. "Adjusted net tax capacity" means the net tax capacity of the taxable property of the district as adjusted by the commissioner of revenue under section 127A.48. The adjusted net tax capacity for any given calendar year must be used to compute levy limitations for levies certified in the succeeding calendar year and aid for the school year beginning in the second succeeding calendar year.

Subd. 3. Referendum market value. "Referendum market value" means the market value of all taxable property, excluding property classified as class 2, 4c(4), or 4c(12) under section 273.13. The portion of class 2a property consisting of the house, garage, and surrounding one acre of land of an agricultural homestead is included in referendum market value. For the purposes of this subdivision, in the case of class 1a, 1b, or 2a property, “market value” means the value prior to the exclusion under section 273.13, subdivision 35. Any class of property, or any portion of a class of property, that is included in the definition of referendum market value and that has a class rate of less than one percent under section 273.13 shall have a referendum market value equal to its market value times its class rate, multiplied by 100. This section is effective for taxes payable in 2012 and thereafter.

Subd. 4. Repealed.

Subd. 5. Levy use. A levy "for use in a particular school year," "attributable to a particular school year," or "recognized as revenue in a particular school year," means the levy certified in the calendar year ending in the school year preceding that particular school year, and payable in the calendar year in which that school year begins.

Subd. 6. Shared time average daily membership. The average daily membership of a pupil enrolled on a shared time basis equals the ratio of the total minutes for which the pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil.

Subd. 7. Shared time aid. Aid for shared time pupils must equal the formula allowance times the full-time equivalent resident pupil units for shared time pupils. Aid for shared time pupils is in addition to any other aid to which the district is otherwise entitled. Shared time average daily membership may not be used in the computation of pupil units under section 126C.05, subdivision 1, for any purpose other than the computation of shared time aid pursuant to subdivisions 6 to 8 and section 126C.19, subdivisions 1 to 3.

Subd. 8. Shared time pupils. "Shared time pupils" means those pupils who attend public school programs for part of the regular school day and who otherwise fulfill the requirements of section 120A.22 by attendance at a nonpublic school.

Subd. 9. Training and experience index. "Training and experience index" means a measure of a district's teacher training and experience relative to the education and experience of teachers in the state. The measure must be determined pursuant to section 126C.11.

Subd. 10. Repealed.

Subd. 11. Net unreserved general fund balance. "Net unreserved general fund balance" means the sum of the unreserved general fund balance and encumbrances, computed as of June 30 each year.

2. M.S. 126C.05 DEFINITION OF PUPIL UNITS. (**2014 Session Change**)

Subdivision 1. Pupil unit. Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.08, or 124D.68; in a charter school under section 124D.10; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil units.

(b) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil units if the pupil is enrolled in a free all-day, every-day kindergarten program available to all kindergarten pupils at the pupil’s school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil units, if the pupil is not enrolled in a free all-day, every-day kindergarten program available to all kindergarten pupils at the pupils school.

(e) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil units.

(f) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

(g) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

Subd. 2. Foreign exchange pupils. Notwithstanding section 124D.02, subdivision 3, or any other law to the contrary, a foreign exchange pupil enrolled in a district under a cultural exchange program registered with the Office of the Secretary of State under section 5A.02 may be counted as a resident pupil for the purposes of this chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, and 127A, even if the pupil has graduated from high school or the equivalent.

Subd. 3. Compensation revenue pupil units. Compensation revenue pupil units for fiscal year 1998 and thereafter must be computed according to this subdivision.

(a) The compensation revenue concentration percentage for each building in a district equals the product of 100 times the ratio of (1) the sum of the number of pupils enrolled in the building eligible to receive free

lunch plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; to (2) the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(b) The compensation revenue pupil weighting factor for a building equals the lesser of one or the quotient obtained by dividing the building's compensation revenue concentration percentage by 80.0.

(c) The compensation revenue pupil units for a building equals the product of (1) the sum of the number of pupils enrolled in the building eligible to receive free lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; times (2) the compensation revenue pupil weighting factor for the building; times (3) .60.

(d) Notwithstanding paragraphs (a) to (c), for charter schools and contracted alternative programs in the first year of operation, compensation revenue pupil units shall be computed using data for the current fiscal year. If the charter school or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

(e) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

Subd. 4. Repealed.

Subd. 5. Adjusted pupil units. Adjusted pupil units for a district or charter school means the sum of: (1) the number of pupil units served, according to subdivision 7, plus (2) pupil units according to subdivision 1 for whom the district or charter school pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, minus (3) pupil units according to subdivision 1 for whom the district or charter school receives tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65.

Subd. 6. Resident pupil units. Resident pupil units for a district means the number of pupil units according to subdivision 1 residing in the district.

Subd. 7. Pupil units served. Pupil units served for a district or charter school means the number of pupil units according to subdivision 1 enrolled in the district or charter school.

Subd. 8. Average daily membership. (a) Membership for pupils in grades kindergarten through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused. However, a pupil, regardless of age, who has been absent from school for 15 consecutive school days during the regular school year or for five consecutive school days during summer school or intersession classes of flexible school year programs without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this section shall be construed as waiving the compulsory attendance provisions cited in section 120A.22. Average daily membership equals the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days the schools are in session. Days of summer school or intersession classes of flexible school year programs are only included in the computation of membership for pupils with a disability not appropriately served primarily in the regular classroom. A student must not be counted as more than 1.2

pupils in average daily membership under this section. When the initial total average daily membership exceeds 1.2 for a pupil enrolled in more than one school district during the fiscal year, each district's average daily membership must be reduced proportionately.

(b) A student must not be counted as more than one pupil in average daily membership except for purposes of section 126C.10, subdivision 2a.

Subd. 9. Transitional year pupils. Notwithstanding subdivision 8, pupils granted transitional year status shall continue to be counted as members on the current roll of the school for the remainder of the school year. For purposes of computing average daily membership, transitional year pupils must be considered to be enrolled every day school is in session for the remainder of the school year.

Subd. 10. National guard pupils. Notwithstanding subdivision 8, pupils enrolled in the Minnesota National Guard program shall be construed to be in attendance, for purposes of computing average daily membership, during any period of the regular school year, but not to include summer school, during which the pupil is attending military active duty training pursuant to that program. During that period of military active duty training, the pupil shall earn all aid for the district of residence or attendance which would be otherwise earned by the pupil's presence.

Subd. 11. Notwithstanding subdivision 8, in cases when school is in session but pupils are prevented from attending for more than 15 consecutive school days during the regular school year or five consecutive school days during summer school or intersession classes of flexible school year programs, because of epidemic, calamity, weather, fuel shortage, or other justifiable cause, the commissioner, upon application, may allow the district to continue to count these pupils in average daily membership. A lawful employees' strike is not a justifiable cause for purposes of this subdivision.

Subd. 12. Repealed.

Subd. 13. PSEO pupils. The average daily membership for a pupil participating in the postsecondary enrollment options program equals the lesser of (a) 1.00, or (b) the greater of (1) .12, or (2) the ratio of (i) the sum of the number of instructional hours the pupil is enrolled in the secondary school during quarters, trimesters, or semesters during which the pupil participates in PSEO, and hours enrolled in the secondary school during the remainder of the school year, to (ii) the actual number of instructional days in the school year times the length of day in the school.

Subd. 14. Computing pupil units for a prior year. In computing pupil units for a prior year, the number of pupil units shall be adjusted to reflect any change for the current year in relative weightings by grade level or category of special assistance, any change in measurement from average daily attendance to average daily membership, any change in the limit on average daily membership that can be generated by a pupil for a fiscal year as provided in subdivisions 8 and 15, and any change in school district boundaries, but not for the addition for the first time in the current year of a specified category of special assistance as provided in subdivision 1, clause (4).

Subd. 15. Learning year pupil units. (a) When a pupil is enrolled in a learning year program under section 124D.128, an area learning center or an alternative learning program approved by the commissioner under sections 123A.05 and 123A.06, or a contract alternative program under section 124D.68, subdivision 3, paragraph (d), or subdivision 4, for more than 1,020 hours in a school year for a secondary student, more than 935 hours in a school year for an elementary student, more than 850 hours in a school year for a kindergarten student without a disability in an all-day kindergarten program, or more than 425 hours in a school year for a half-day kindergarten student without a disability, that pupil may be counted as more than one pupil in

average daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of (i) the greater of 1,020 hours or the number of hours required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours or the number of hours required for a full-time elementary pupil in the district to 935 for an elementary pupil in grades 1 through 6; **and** (iii) the greater of **850** hours or the number of hours required for a full-time kindergarten student without a disability in the district to **850** for a kindergarten student without a disability. Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. A student in kindergarten or grades 1 through 12 must not be counted as more than 1.2 pupils in average daily membership under this subdivision.

(b)(i) To receive general education revenue for a pupil in an area learning center or alternative learning program that has an independent study component, a district must meet the requirements in this paragraph. The district must develop, for the pupil, a continual learning plan consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 **and not more than 100** percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills **revenue, local optional revenue,** and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(ii) General education revenue for a pupil in a state-approved alternative program without an independent study component must be prorated for a pupil participating for less than a full year, or its equivalent. The district must develop a continual learning plan for the pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 **and not more than 100** percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills **revenue, local optional revenue,** and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(iii) General education revenue for a pupil in a state-approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit or graduation standards necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by 1,020.

(iv) For a state-approved alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

Subd. 16. Free and reduced priced lunches. The commissioner shall determine the number of children eligible to receive either a free or reduced priced lunch on October 1 each year. Children enrolled in a building on October 1 and determined to be eligible to receive free or reduced price lunch by December 15 of that school year shall be counted as eligible on October 1 for purposes of subdivision 3. The commissioner may use federal definitions for these purposes and may adjust these definitions as appropriate. The

commissioner may adopt reporting guidelines to assure accuracy of data counts and eligibility. Districts shall use any guidelines adopted by the commissioner.

Subd. 17. LEP pupil units. (a) Limited English proficiency pupil units for fiscal year 2004 and thereafter shall be determined according to this subdivision.

(b) The limited English proficiency concentration percentage for a district equals the product of 100 times the ratio of (1) the number of eligible pupils of limited English proficiency in average daily membership enrolled in the district during the current fiscal year; to (2) the number of pupils in average daily membership enrolled in the district.

(c) The limited English proficiency pupil units for each eligible pupil of limited English proficiency in average daily membership equals the lesser of one or the quotient obtained by dividing the limited English proficiency concentration percentage for the pupil's district of enrollment by 11.5.

(d) Limited English proficiency pupil units shall be counted by the district of enrollment.

(e) Notwithstanding paragraph (d), for the purposes of this subdivision, pupils enrolled in a cooperative or intermediate school district shall be counted by the district of residence.

(f) For the purposes of this subdivision, the terms defined in section 124D.59 have the same meaning.

Subd. 18. Pupil adjustment for closed charter schools and contracted alternative programs. For a charter school or contracted alternative program operating during the prior school year but ceasing operations before the end of the current school year, prior year pupil data used in computing revenues for the current school year shall be prorated based on the number of days of student instruction in the current school year to 170.

Subd. 19. On-line learning students. (a) The average daily membership for a public school pupil generating on-line learning average daily membership according to section 124D.095, subdivision 8, paragraph (b), equals the sum of (i) the ratio of the sum of the number of instructional hours the pupil is enrolled in a regular classroom setting at the enrolling school to the actual number of instructional hours in the school year at the enrolling school, plus (ii) .12 times the initial on-line learning average daily membership according to section 124D.095, subdivision 8, paragraph (b).

(b) When the sum of the average daily membership under paragraph (a) and the adjusted on-line learning average daily membership under section 124D.095, subdivision 8, paragraph (b), exceeds the maximum allowed for the student under subdivision 8 or 15, as applicable, the average daily membership under paragraph (a) shall be reduced by the excess over the maximum, but shall not be reduced below .12. The adjusted on-line learning average daily membership according to section 124D.095, subdivision 8, paragraph (b), shall be reduced by any remaining excess over the maximum.

Subd. 20. Project-based average daily membership. (a) Project-based is an instructional program where students complete coursework for credit at an individual pace that is primarily student-led and may be completed on site, in the community, or online. A project-based program may be made available to all or designated students and grades in a school. To receive general education revenue for a pupil enrolled in a public school with a project-based program, a school must meet the requirements in this paragraph. The school must:

(1) apply and receive approval from the commissioner as a project-based program at least 90 days prior to starting the program;

(2) provide a minimum teacher contact of no less than one hour per week per project-based credit for

each pupil;

(3) ensure that the program will not increase the total average daily membership generated by the student and that there will be the expectation that the students will be making typical progression towards high school graduation;

(4) maintain a record system that shows when each credit or portion thereof was reported for membership for each pupil; and

(5) report pupil membership consistent with paragraph (b).

(b) The commissioner must develop a formula for reporting pupil membership to compute average daily membership for each approved project-based program. Average daily membership for a pupil in an approved project-based program is the lesser of: (1) 1.0; or (2) the ratio of (i) the number of membership hours generated by project-based credits completed during the school year plus membership hours generated by credits completed in a seat-based setting to (ii) the annual required instructional hours at that grade level. Membership hours for a partially completed project-based credit must be prorated. General education revenue for a pupil in a project-based program must be prorated for a pupil participating for less than a full year, or its equivalent.

(c) For a program that has not been approved by the commissioner for project-based learning but an auditor or other site visit deems that any portion or credits awarded by the school are project-based, student membership must be computed according to paragraph (b).

3. M.S. 126C.10 **LOCAL OPTIONAL** REVENUE. (**2014 Session Change**)

Subd. 2e. **Local optional** revenue. (a) **Local optional** revenue **for a school district** equals $424 times the adjusted pupil units of the district for that school year.

(b) A district's **local optional** levy equals its **local optional** revenue times the lesser of one or the ratio of its referendum market value per resident pupil unit to $510,000. The **local optional** revenue levy must be spread on referendum market value. **A district may levy less than the permitted amount.**

(c) A district's **local optional** aid equals its **local optional** revenue less its **local optional** levy, times the ratio of the actual amount levied to the permitted levy.

EFFECTIVE DATE. This section if effective for revenue for fiscal year **2016** and later.

4. M.S. 126C.126 USE OF GENERAL EDUCATION REVENUE FOR ALL-DAY KINDERGARTEN AND PREKINDERGARTEN.

A school district may spend general education revenue on extended time kindergarten and prekindergarten programs. At the school board's discretion, the district may use revenue generated by the all-day kindergarten pupil count under section 126C.05, subdivision 1, paragraph (d), to meet the needs of three- and four-year-olds in the district. A school district may not use these funds on programs for three- and four-year-old children while maintaining a fee-based all-day kindergarten program.

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

5. M.S. 126C.13 GENERAL EDUCATION AID. (**2014 Session Change**)

Subd. 3a. Student achievement rate. The commissioner must establish the student achievement rate by July 1 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 district, 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.

Subd. 3b. Student achievement levy. To obtain general education revenue, a district may levy an amount not to exceed the student achievement rate times the adjusted net tax capacity of the district for the preceding year. If the amount of the student achievement levy would exceed the general education revenue, the student achievement levy must be determined according to subdivision 3c.

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) equity aid under section 126C.10, subdivision 30; plus

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

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

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

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

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

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2016 and later.

6. M.S. 126C.46 ABATEMENT LEVY.

(a) Each year, a school district may levy an amount to replace the net revenue lost to abatements that have occurred under chapter 278, section 270.07, 375.192, or otherwise. The maximum abatement levy is the sum of: (1) the amount of the net revenue loss determined under section 127A.49, subdivision 2, that is not paid in state aid including any aid amounts not paid due to proration; (2) the difference of (i) the amount of any abatements that have been reported by the county auditor for the first six months of the calendar year during which the abatement levy is certified that the district chooses to levy, (ii) less any amount actually levied under this clause that was certified in the previous calendar year for the first six months of the previous calendar year; and (3) an amount equal to any interest paid on abatement refunds.

(b) A district may spread this levy over a period not to exceed two years. With the approval of the commissioner, a district may spread this levy over a period not to exceed three years.

By July 15, the county auditor shall separately report the abatements that have occurred during the first six calendar months of that year to the commissioner and each district located within the county.

7. M.S. 126C.48 LEVY PROCEDURE. (**2014 Session Change**)

Subdivision 1. Certify levy limits. (a) By September 8, the commissioner shall notify the school districts of their levy limits. The commissioner shall certify to the county auditors the levy limits for all districts headquartered in the respective counties together with adjustments for errors in levies not penalized pursuant to subdivision 3, as well as adjustments to final pupil unit counts. A district may require the commissioner to review the certification and to present evidence in support of modification of the certification.

The county auditor shall reduce levies for any excess of levies over levy limitations pursuant to section 275.16. Such reduction in excess levies may, at the discretion of the school district, be spread over two calendar years.

(b) As part of the commissioner's certification under paragraph (a), the commissioner shall certify the amount by which a district's levy for its general fund was reduced under subdivision 8.

Subd. 2. Notice to commissioner; forms. By October 7 of each year each district must notify the commissioner of the proposed levies in compliance with the levy limitations of this chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, 127A, and 136D. By January 7 of each year each district must notify the commissioner of the final levies certified. The commissioner shall prescribe the form of these notifications and may request any additional information necessary to compute certified levy amounts.

Subd. 3. Adjustments. If any district levy is found to be excessive as a result of a decision of the tax court or a redetermination by the commissioner of revenue under section 127A.48, subdivisions 7 to 16, or for any other reason, the amount of the excess shall be deducted from the levy certified in the next year for the same purpose. If no levy is certified in the next year for the same purpose or if the amount certified is less than the amount of the excess, the excess must be deducted from that levy and the general fund levy certified pursuant to chapters 122A, 123A, 123B, 124D, and 126C. If the amount of any aid would have been increased in a prior year as a result of a decision of the tax court or a redetermination by the commissioner of revenue, the amount of the increase shall be added to the amount of current aid for the same purposes.

Subd. 4. Applicability. Notwithstanding any other charter provision, general or special laws to the contrary, every school district in the state shall abide by the terms and provisions of this section and chapters 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A.

Subd. 5. Estimates. The computation of levy limitations pursuant to this chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, 127A, 136C, and 136D shall be based on estimates where necessary. If as a result of using estimates for these computations the amount of any levy is different from the amount which could actually have been levied if actual data had been available, levy limitations in the first year when the actual data is known shall be adjusted to reflect for this difference. The amount of any adjustment to levy limitations pursuant to this subdivision shall be recognized as revenue in the school year when the levy for which the levy limitation is so adjusted is recognized as revenue.

Subd. 6. Adjustments for law changes. Whenever a change enacted in law changes the levy authority for a school district or an intermediate school district for a fiscal year after the levy for that fiscal year has been certified by the district under section 275.07, the department must adjust the next levy certified by the district by the amount of the change in levy authority for that fiscal year resulting from the change. Notwithstanding section 123B.75, the entire amount of the levy adjustment must be recognized as revenue in the fiscal year the levy is certified, if sufficient levy resources are available under generally accepted accounting principles in the district fund where the adjustment is to occur. Districts that do not have sufficient levy resources available in the fund where the adjustment is to occur must recognize in the fiscal year the levy is certified an amount equal to the levy resources available. The remaining adjustment amount

must be recognized as revenue in the fiscal year after the levy is certified.

Subd. 7. Reporting. For each tax settlement, the county auditor shall report to each school district by fund, the district tax settlement revenue defined in section 123B.75, subdivision 1a, on the form specified in section 276.10. The county auditor shall send to the district a copy of the spread levy report specified in section 275.124.

Subd. 8. Taconite payment and other reductions:

(1) Reductions in levies pursuant to section 126C.48, subdivision 1, must be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts that have revenue pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A 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, Subd. 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.

8. M.S. 126C.50 TAX AND AID ANTICIPATION BORROWING; DEFINITIONS.

School district as used in sections 126C.50 to 126C.56 means any common, independent, and special school district in the state of Minnesota, however organized and wherever located.

9. M.S. 126C.51 APPLICATION OF LIMITING TAX LEGISLATION.

Notwithstanding the provisions of section 471.69 or 471.75, or of any other provision of law which by per capita limitation, local tax rate limitation, or otherwise, limits the power of a district to incur any debt or to issue any warrant or order, a school district or intermediate school district has the powers in sections 126C.50 to 126C.56 specifically conferred upon it and all powers incident and necessary to carrying out the purposes of sections 126C.50 to 126C.56.

10. M.S. 126C.52 AUTHORITY TO BORROW MONEY; LIMITATIONS.

Subdivision 1. Borrowing authority. The board of any school district may borrow money upon negotiable tax anticipation certificates of indebtedness, in the manner and subject to the limitations set forth in sections 126C.50 to 126C.56, for the purpose of anticipating general taxes already levied by the district for school purposes. The aggregate of the borrowing under this subdivision must never exceed 75 percent of the taxes which are due and payable in the calendar year, and as to which taxes no penalty for nonpayment or delinquency has attached. In determining the amount of taxes due and payable in the calendar year, any amounts paid by the state to replace such taxes, whether paid in that calendar year or not, must be included.

Subd. 2. Limitations. The board of any school district may also borrow money in the manner and subject to the limitations set forth in sections 126C.50 to 126C.56 in anticipation of receipt of state aids for schools as defined in Minnesota Statutes and of federal school aids to be distributed by or through the department. The aggregate of such borrowings under this subdivision shall never exceed 75 percent of such aids which are receivable by said school district in the fiscal year in which the money is borrowed, as estimated and certified by the commissioner.

Subd. 3. Intermediate school districts. (a) The board of an intermediate school district may borrow money in the manner and subject to the limitations set forth in sections 126C.50 to 126C.56 in anticipation of the receipt of: 1) state aids for schools as defined in Minnesota Statutes; (2) federal school aids to be distributed by or through the department; and (3) membership fees and tuition payments from its member school districts. The aggregate of such borrowings under this subdivision shall never exceed 75 percent of such aids, fees, and tuition payments which are receivable by the intermediate school district in the fiscal year in which the money is borrowed, as estimated and certified by the commissioner.

(b) The board of an intermediate school district may, upon receipt of a written resolution by each of its member school districts, pledge the member district's full faith and credit and unlimited taxing powers to repay each member district's pro rata share of any certificates issued or the amount paid by the state under section 126C.55, subdivision 2, plus interest, if the revenues specified in paragraph (a) and any other revenues of the intermediate school district are insufficient to do so.

11. M.S. 126C.53 ENABLING RESOLUTION; FORM OF CERTIFICATES OF INDEBTEDNESS.

The board of a school district or intermediate school district may authorize and effect such borrowing, and may issue such certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems such borrowing is necessary. The resolution must be adopted by a vote of at least two-thirds of its members. The board must fix the amount, date, maturity, form, denomination, and other details of the certificates of indebtedness, not inconsistent with this chapter. The board must fix the date and place for receipt of bids for the purchase of the certificates when bids are required and direct the clerk to give notice of the date and place for bidding.

12. M.S. 126C.54 REPAYMENT; MATURITY DATE OF CERTIFICATES; INTEREST.

The proceeds of the current tax levies and future state aid receipts or other school funds which may

become available must be applied to the extent necessary to repay such certificates and the full faith and credit of the district shall be pledged to payment of the certificates. Certificates issued in anticipation of receipt of aids shall mature not later than the anticipated date of receipt of the aids as estimated by the commissioner, but in no event later than three months after the close of the school year in which issued. Certificates issued in anticipation of receipt of taxes shall mature not later than the anticipated date of receipt in full of the taxes, but in no event later than three months after the close of the calendar year in which issued. The certificates must be sold at not less than par. The certificates must bear interest after maturity until paid at the rate they bore before maturity and any interest accruing before or after maturity must be paid from any available school funds.

13. M.S. 126C.55 STATE PAYMENT OF DEBT OBLIGATION UPON POTENTIAL DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.

Subdivision 1. Definitions. For the purposes of this section, the term "debt obligation" means: (1) a certificate of indebtedness issued under section 126C.52; (2) a certificate of participation issued under section 126C.40, subdivision 6; or (3) a general obligation bond.

Subd. 2. Notifications; payment; appropriation. (a) If a school district or intermediate school district believes that it may be unable to make a principal or interest payment on any outstanding debt obligation on the date that payment is due, it must notify the commissioner as soon as possible, but not less than 15 working days before the date that principal or interest payment is due. The notice must include the name of the school district or intermediate school district, an identification of the debt obligation issue in question, the date the payment is due, the amount of principal and interest due on the payment date, the amount of principal or interest that the school district or intermediate school district will be unable to repay on that date, the paying agent for the debt obligation, the wire transfer instructions to transfer funds to that paying agent, and an indication as to whether a payment is being requested by the school district or intermediate school district under this section. If a paying agent becomes aware of a potential default, it shall inform the commissioner of that fact. After receipt of a notice which requests a payment under this section, after consultation with the school district or intermediate school district and the paying agent, and after verification of the accuracy of the information provided, the commissioner shall notify the commissioner of finance of the potential default. The notice must include a final figure as to the amount due that the school district or intermediate school district will be unable to repay on the date due.

(b) Except as provided in subdivision 9, upon receipt of this notice from the commissioner, the commissioner of finance shall issue a warrant and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the department from the state general fund.

(c) The Departments of Education and Finance must jointly develop detailed procedures for school districts or intermediate school districts to notify the state that they have obligated themselves to be bound by the provisions of this section, procedures for school districts or intermediate school districts and paying agents to notify the state of potential defaults and to request state payment under this section, and procedures for the state to expedite payments to prevent defaults. The procedures are not subject to chapter 14.

Subd. 3. School district bound; interest rate on state paid amount. If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the school district or intermediate school district is bound by all provisions of this section and the amount paid shall bear taxable interest from the date paid until the date of repayment at the state treasurer's invested cash rate as it is certified by the commissioner of finance. Interest shall only accrue on the amounts paid and outstanding less the reduction in aid under subdivision 4 and other payments

received from the district.

Subd. 4. Pledge of district's full faith and credit. If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district to repay the principal and interest due on those debt obligations shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district to repay to the state the amount paid, with interest. Amounts paid by the state must be repaid in the order in which the state payments were made. Whenever the state pays under this section interest on bonds for which the issuer is entitled to federal interest subsidy payments, the state is subrogated to the issuer's rights to any federal interest subsidy payments relating to the interest paid by the state, unless and until the state has been reimbursed by the issuer in full.

Subd. 4a. Aid reduction for repayment. (a) Except as provided in this subdivision, the state must reduce the state aid payable to the school district or intermediate school district under this chapter and chapters 122A, 123A, 123B, 124D, 125A, 126C, and 273 by the amount paid by the state under this section on behalf of the district, plus the interest due on it, and the amount reduced must revert from the appropriate account to the state general fund. Payments from the school district endowment fund or any federal aid payments shall not be reduced.

(b) For an intermediate school district, the state aid payable to the intermediate school district must first be reduced, before any reduction is made to the state aids payable to the member districts. If the state aid payable to the intermediate school district is not sufficient to repay the state, state aid payable to member districts may be reduced proportionately based on the ratio of each member district's adjusted net tax capacity to the total adjusted net tax capacity of all member districts.

(c) If, after review of the financial situation of the school district or intermediate school district, the commissioner advises the commissioner of finance that a total reduction of aids would cause an undue hardship on or an undue disruption of the educational program of the district, the commissioner, with the approval of the commissioner of finance, may establish a different schedule for reduction of aids to repay the state. The amount of aids to be reduced is decreased by any amounts repaid to the state by the district from other revenue sources.

Subd. 5. Repealed.

Subd. 6. Tax levy for repayment. (a) With the approval of the commissioner, a district may levy in the year the state makes a payment under this section an amount up to the amount necessary to provide funds for the repayment of the amount paid by the state plus interest through the date of estimated repayment by the district. The proceeds of this levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the district for purposes of section 275.065, subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by the amount levied. This levy by the district is not eligible for debt service equalization under section 123B.53.

(b) If the state is not repaid in full for a payment made under this section by November 30 of the calendar year following the year in which the state makes the payment, the commissioner shall require the district to certify a property tax levy in an amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. To

prevent undue hardship, the commissioner may allow the district to certify the levy over a five-year period. The proceeds of the levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. If the commissioner orders the district to levy, the amount of aids reduced to repay the state shall be decreased by the amount levied. This levy by the district is not eligible for debt service equalization under section 123B.53 or any successor provision.

(c) For an intermediate district, a levy made by a member district under paragraph (a) or (b) to pay its pro rata share must be spread by the commissioner as a tax rate based on the total adjusted net tax capacity of the member school districts. The proceeds of the levy must be remitted by the member school district to the intermediate school district and must be used by the intermediate district only to repay the state amounts owed. Any amount in excess of the amount owed to the state must be repaid to the member school districts and the commissioner shall adjust each member district's property tax levy in the next year.

Subd. 7. Election as to mandatory application. A school district or intermediate school district may covenant and obligate itself, prior to the issuance of an issue of debt obligations, to notify the commissioner of a potential default and to use the provisions of this section to guarantee payment of the principal and interest on those debt obligations when due. If the district obligates itself to be bound by this section, it must covenant in the resolution that authorizes the issuance of the debt obligations to deposit with the paying agent three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the commissioner under subdivision 1 that it will be unable to make all or a portion of that payment. A district that has obligated itself must include a provision in its agreement with the paying agent for that issue that requires the paying agent to inform the commissioner if it becomes aware of a potential default in the payment of principal or interest on that issue or if, on the day two business days prior to the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent. Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date. If a district either covenants to be bound by this section or accepts state payments under this section to prevent a default of a particular issue of debt obligations, the provisions of this section shall be binding as to that issue as long as any debt obligation of that issue remain outstanding. If the provisions of this section are or become binding for more than one issue of debt obligations and a district is unable to make payments on one or more of those issues, the district must continue to make payments on the remaining issues.

Subd. 8. Mandatory plan; technical assistance. If the state makes payments on behalf of a school district or intermediate school district under this section or the district defaults in the payment of principal or interest on an outstanding debt obligation, it must submit a plan to the commissioner for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. The department must provide technical assistance to the district in preparing its plan. If the commissioner determines that a district's plan is not adequate, the commissioner shall notify the district that the plan has been disapproved, the reasons for the disapproval, and that the state shall not make future payments under this section for debt obligations issued after the date specified in that notice until its plan is approved. The commissioner may also notify the district that until its plan is approved, other aids due the district will be withheld after a date specified in the notice.

Subd. 9. State bond rating. If the commissioner of finance determines that the credit rating of the state would be adversely affected thereby, the commissioner of finance shall not issue warrants under subdivision 2 for the payment of principal or interest on any debt obligations for which a district did not, prior to their issuance, obligate itself to be bound by the provisions of this section.

Subd. 10. Continuing disclosure agreements. The commissioner of finance may enter into written agreements or contracts relating to the continuing disclosure of information needed to facilitate the ability of school districts or intermediate school districts to issue debt obligations according to federal securities laws, rules, and regulations, including securities and exchange commission rules and regulations, section 240.15c2-12. Such agreements or contracts may be in any form the commissioner of finance deems reasonable and in the state's best interests.

14. M.S. 126C.56 SALE OF CERTIFICATES; DISBURSEMENT OF PROCEEDS.

Subdivision 1. Public sale. The clerk of the board shall give notice of the proposed sale as required by chapter 475. At the time and place so fixed, such certificates may be sold by the board, or its officers if authorized by the board, to the bidder who will agree to purchase the same on terms deemed most favorable to the district. Such certificates shall be executed and delivered as required by chapter 475. The money so received shall be disbursed solely for the purposes for which such taxes are levied or aids are receivable. The purchaser of such certificates shall not be obligated to see to such application of the proceeds.

Subd. 2. Public sale exception. Public sale of tax and aid anticipation certificates of indebtedness according to subdivision 1 shall not be required (1) if the proposed borrowing is in an amount less than $400,000, and if the sum of all outstanding tax and aid anticipation certificates issued by the board within the preceding six months does not exceed $400,000 or, (2) if the certificates mature no later than 13 months after their date of issue. If no public sale is held, the certificates of indebtedness may be sold in accordance with the most favorable of two or more proposals solicited privately or the interest rates may be determined by direct negotiation.

15. M.S. 609.761 HIGH SCHOOL RAFFLES.

Subd. 5. High School Raffles. Sections 609.755 and 609.76 do not prohibit a raffle, as defined in section 349.12, subdivision 33, conducted by a school district or a nonprofit organization organized primarily to support programs of a school district, if the following conditions are complied with:

(1) tickets for the raffle may only be sold and the drawing conducted at a high school event sponsored by a school district. All tickets must be sold for the same price;

(2) tickets may only be sold to persons 18 years of age or older attending the event;

(3) the drawing must be held during or immediately after the conclusion of the event;

(4) one-half of the gross receipts from the sale of tickets must be awarded as prizes for the raffle, and the remaining one-half may only be expended to defray the school district’s costs of sending event participants to high school activities held at other locations; and

(5) if a school district’s or nonprofit organization’s gross receipts from the conduct of raffles exceeds $12,000 in a calendar year or $5,000 in a single raffle, the school district or organization must report the following information to the Gambling Control Board annually: the total amount of gross receipts received, the total expenses for the raffles, the total prizes awarded, and an accounting of the expenditures from the gross receipts of the raffles.

INSURANCE

(Bolded Items - 2014 Session Changes)

1. PUBLIC SCHOOL INSURANCE; SCHOOL BOARD RESPONSIBILITY.

The local school board has the responsibility to adequately insure the properties of the public school district; consequently, the school board should review the school district's insurance program annually. The superintendent of schools and the clerk of the school board should keep a complete register of the district's insurance policies and the amount and type of coverage in each policy. Persons handling the district's insurance program should be encouraged to seek professional advice and assistance in setting the program of insurance coverage for the school district. The replacement of property lost to the public school district is very costly, and if the district's insurance program is not adequate to meet the replacement needs, the burden falls to a greater degree on the taxpayers of the district. The Minnesota School Boards Association has established a nonprofit insurance trust as a further service to its membership. Under this MSBA Insurance Trust we have established six separate insurance programs: Property-Casualty; Errors and Omissions; Workers' Compensation; Volunteer Accident Coverage; LTD and Life insurance. The board of directors hopes that these programs will provide quality coverage for better rates. For additional information on these programs, contact your Association office.

2. M.S. 466.01 DEFINITIONS.

Subdivision 1. Municipality. For the purposes of sections 466.01 to 466.15, "municipality" means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, nonprofit firefighting corporation that has associated with it a relief association as defined in section 424A.001, subdivision 4, special district, school district, however organized, county agricultural society organized pursuant to Chapter 38, joint powers board or organization created under section 471.59 or other statute, public library, regional public library system, multi-county multi-type library system, the following local collaboratives whose plans have been approved by the children's cabinet: family services collaboratives established under section 124D.23, children's mental health collaboratives established under sections 245.491 to 245.496, or a collaborative established by the merger of a children's mental health collaborative and a family services collaborative, other political subdivision, or community action agency.

Subd. 2. For the purposes of sections 466.01 to 466.15, the "governing body of a town" means the board of supervisors thereof; "school district" includes an unorganized territory as defined in Minnesota Statutes 1961, Section 120.02, subdivision 17.

Subd. 3. For the purposes of sections 466.01 to 466.15, "release" and "hazardous substances" have the meanings given in section 115B.02.

Subd. 6. Employee, officer, or agent. For the purposes of sections 466.01 to 466.15, "employee," "officer," or "agent" means a present or former employee, officer, or agent of a municipality, or other person acting on behalf of the municipality in an official capacity, temporarily or permanently, with or without compensation, but does not include an independent contractor other than a nonprofit firefighting corporation that has associated with it a relief association as defined in section 424A.001, subdivision 4. "Employee" includes court administrators who are not under section 480.181, subdivision 1, paragraph (b), and their staff under chapter 485, district administration staff in the second and fourth judicial districts, and other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 480.181, subdivision 2.

3. M.S. 466.02 TORT LIABILITY.

Subject to the limitations of sections 466.01 to 466.15, every municipality is subject to liability for its torts and those of its officers, employees and agents acting within the scope of their employment or duties whether arising out of a governmental or proprietary function.

4. M.S. 466.03 EXCEPTIONS.

Subdivision 1. Scope. Section 466.02 does not apply to any claim enumerated in this section. As to any such claim every municipality shall be liable only in accordance with the applicable statute and where there is no such statute every municipality shall be immune from liability.

Subd. 3. Tax claims. Any claim in connection with the assessment and collection of taxes.

Subd. 4. Accumulations of snow and ice. (a) Any claim based on snow or ice conditions on any highway or public sidewalk that does not abut a publicly-owned building or publicly-owned parking lot, except when the condition is affirmatively caused by the negligent acts of the municipality.

(b) Notwithstanding paragraph (a), a municipality that owns or leases a building or parking lot in another municipality is not immune from a claim based on snow or ice conditions on a public sidewalk abutting the building or parking lot, but the other municipality is immune, except when the condition is affirmatively caused by its own negligent acts.

Subd. 5. Execution of statute. Any claim based upon an act or omission of an officer or employee, exercising due care, in the execution of a valid or invalid statute, charter, ordinance, resolution, or rule.

Subd. 6. Discretionary acts. Any claim based upon the performance or the failure to exercise or perform a discretionary function or duty, whether or not the discretion is abused.

Subd. 6a. Driving under the influence; custody of motor vehicle. Any claim for which recovery is prohibited by section 169A.48.

Subd. 6b. Unimproved property. Any claim based upon the condition of unimproved real property owned by the municipality.

Subd. 6c. Water access sites. Any claim based upon the construction, operation, or maintenance by a municipality of a water access site created by the iron range resources and rehabilitation board. A water access site under this subdivision that provides access to an idled, water filled mine pit also includes the entire water filled area of the pit, and further, claims related to a mine pit water access site under this subdivision include those based upon the caving or slumping of mine pit walls.

Subd. 6d. Licensing of providers. Any claim against a municipality based on the failure of a provider to meet the standards needed for a license to operate a day care facility, under chapter 245A for children, unless the municipality had actual knowledge of a failure to meet licensing standards that resulted in a dangerous condition that foreseeably threatened the plaintiff. A municipality shall be immune from liability for a claim arising out of a provider’s use of a swimming pool located at a family day care or group family day care home under section 245A.14, subdivision 10, unless the municipality had actual knowledge of a provider’s failure to meet the licensing standards under section 245A.14, subdivision 10, paragraph (a), clauses (1) to (3), that resulted in a dangerous condition that foreseeably threatened the plaintiff.

Subd. 6e. Parks and recreation areas. Any claim based upon the construction, operation, or maintenance of any property owned or leased by the municipality that is intended or permitted to be used as a park, as an open area for recreational purposes, or for the provision of recreational services, or from any claim based on the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, if the claim arises from a loss incurred by a user of park and recreation property or services. Nothing in this subdivision limits the liability of a municipality for conduct that would entitle a trespasser to damages against a private person, except as provided in subdivision 23.

Subd. 6f. Beach or pool equipment. (Not including school districts).

Subd. 7. Other immunity. Any claim against a municipality as to which the municipality is immune from liability by the provisions of any other statute.

Subd. 8. Other than property, personal injury, death. Any claim for a loss other than injury to or loss of property or personal injury or death.

Subd. 9. Welfare benefits; exceptions. Any claim for a loss of benefits or compensation due under a program of public assistance or public welfare, except where municipal compensation for loss is expressly required by federal law in order for the municipality to receive federal grants-in-aid.

Subd. 10. Municipal authorization standard not met. Any claim for a loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the municipality or its agents.

Subd. 11. Unusual care and treatment, hospital, corrections. Any claim for a loss based on the usual care and treatment, or lack of care and treatment, of any person at a municipal hospital or corrections facility where reasonable use of available funds has been made to provide care.

Subd. 12. Loss by municipal patient or inmate. Any claim for a loss, damage, or destruction of property of a patient or inmate of a municipal institution.

Subd. 13. Unimproved realty, old mines. Any claim for a loss caused by the condition of unimproved real property owned by a municipality, which means land that the municipality has not improved, land that is owned or administered by the municipality that contains idled or abandoned mine pits or shafts, and appurtenances, fixtures and attachments to land that the municipality has neither affixed nor improved.

Subd. 14. Arrestee’s motor vehicle; care custody. Any claim for a loss for which recovery is prohibited by section 169A.48.

Subd. 15. Section 3.736 - like claim. Any claim against a municipality, if the same claim would be excluded under section 3.736, if brought against the state.

Subd. 16. Relates to counties only.

Subd. 17. Relates to logging roads.

Subd. 18. School building security. Any claim based on injury arising out of a decision by a school or school district to obtain a fire code variance for purposes of school building security, if the decision was made in good faith and in accordance with applicable law governing variances.

Subd. 19. Relates to emergency medical dispatch only.

Subd. 20. Use of land held under section 473.167. Any claim based on the condition, use, or maintenance of land acquired and held by the municipality under section 473.167. Nothing in this subdivision limits the liability of a municipality for conduct that would entitle a trespasser to damages against a private person.

Subd. 21. Geographic information systems (GIS) Data. (a) Any claim against a municipality, based on alleged or actual inaccuracies in geographic information systems data, arising from the public's use of GIS data, if the municipality provides a disclaimer of the accuracy of the information at any point of initial contact with a geographic information system to which the public has general access.

(b) Geographic information systems data is government data subject to the presumption of section 13.01, subdivision 3. GIS data is data generated by a computer database or system that is designed to electronically capture, organize, store, update, manipulate, analyze, and display all forms of geographically referenced information that is compiled, from private or public sources, either alone or in cooperation with other public or private entities, for use by a municipality. GIS data is accurate for its intended use by a municipality and may be inaccurate for other uses.

Subd. 22. Highway right-of-way. Any claim for a loss involving or arising out of the use or operation of a recreational motor vehicle, as defined in section 84.90, subdivision 1, within the right-of-way of a road or highway as defined in section 160.02, subdivision 26, except that the municipality is liable for conduct that would entitle a trespasser to damages against a private person.

Subd. 23. Recreational use of school property and facilities.(a) Any claim for a loss or injury arising from the use of school property or a school facility made available for public recreational activity.

(b) Nothing in this subdivision: (1) limits the liability of a school district for conduct that would entitle a trespasser to damages against a private person; or (2) reduces any existing duty owed by the school district.

5. M.S. 466.04 MAXIMUM LIABILITY.

Subdivision 1. Limits; Punitive Damages. (a) Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed:

(1) $300,000 when the claim is one for death by wrongful act or omission and $300,000 to any claimant in any other case, for claims arising before January 1, 2008;

(2) $400,000 when the claim is one for death by wrongful act or omission and $400,000 to any claimant in any other case, for claims arising on or after January 1, 2008, and before July 1, 2009;

(3) $500,000 when the claim is one for death by wrongful act or omission and $500,000 to any claimant in any other case, for claims arising on or after July1, 2009;

(4) $750,000 for any number of claims arising out of a single occurrence for claims arising on or after January 1, 1998, and before January 1, 2000;

(5) $1,000,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2000, and before January 1, 2008;

(6) $1,200,000 for any number of claims arising out of a single occurrence, for claims arising on or after January1 , 2008, and before July 1, 2009;

(7) $1,500,000 for any number of claims arising out of a single occurrence, for claims arising on or after July , 2009; or

(8) twice the limits provided in clauses (1) to (7) when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 115B.01 to 115B.15 or under

any other law.

(b) No award for damages on any such claim shall include punitive damages.

Subd. la. Officers and employees. The liability of an officer or an employee of any municipality for a tort arising out of an alleged act or omission occurring in the performance of duty shall not exceed the limits set forth in subdivision 1, unless the officer or employee provides professional services and also is employed in his profession for compensation by a person or persons other than the municipality.

Subd. lb. Total claim against municipality and officers or employees. The total liability of the municipality on a claim against it and against its officers or employees arising out of a single occurrence shall not exceed the limits set forth in subdivision 1.

Subd. 2. Inclusions. The limitation imposed by this section on individual claimants includes damages claimed for loss of services or loss of support arising out of the same tort.

Subd. 3. Disposition of multiple claims. Where the amount awarded to or settled upon multiple claimants exceeds the applicable limit under subdivision 1, paragraph (a), clauses (2) to (4), any party may apply to any district court to apportion to each claimant a proper share of the total amount limited by subdivision 1 of this section. The share apportioned each claimant shall be in the proportion that the ratio of the award or settlement made to each bears to the aggregate awards and settlements for all claims arising out of the occurrence.

6. M.S. 466.05 NOTICE OF CLAIM.

Subdivision 1. Notice required. Except as provided in subdivision 2, every person whether plaintiff, defendant, or third party plaintiff or defendant, who claims damages from any municipality or municipal employee acting within the scope of employment for or on account of any loss or injury within the scope of section 466.02 shall cause to be presented to the governing body of the municipality within 180 days after the alleged loss or injury is discovered a notice stating the time, place and circumstances thereof, the names of the municipal employees known to be involved, and the amount of compensation or other relief demanded. Actual notice of sufficient facts to reasonably put the governing body of the municipality or its insurer on notice of a possible claim shall be construed to comply with the notice requirements of this section. Failure to state the amount of compensation or other relief demanded does not invalidate the notice; but in such case, the claimant shall furnish full information regarding the nature and extent of the injuries and damages within 15 days after demand by the municipality.

The time for giving such notice does not include the time, during which the person injured is incapacitated by the injury from giving the notice.

Subd. 2. Claims for wrongful death; notice. When the claim is one for death by wrongful act or omission, the notice may be presented by the personal representative, surviving spouse, or next of kin, or the consular officer of the foreign country of which the deceased was a citizen, within one year after the alleged injury or loss resulting in such death; if the person for whose death the claim is made has presented a notice that would have been sufficient had the person lived an action for wrongful death may be brought without any additional notice.

7. M.S. 466.06 LIABILITY INSURANCE.

The governing body of any municipality may procure insurance against liability of the municipality and its

officers, employees, and agents for damages including punitive damages resulting from its torts and those of its officers, employees, and agents, including torts specified in section 466.03 for which the municipality is immune from liability. The insurance may provide protection in excess of the limit of liability imposed by section 466.04. If a municipality other than a school district has the authority to levy taxes, the premium costs for such insurance may be levied in excess of any per capita or local tax rate tax limitation imposed by statute or charter. Any independent board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly procure liability insurance with respect to the field of its operation. The procurement of such insurance constitutes a waiver of the limits of governmental liability under M.S. 466.04 only to the extent that valid and collectible insurance, including where applicable, proceeds from the Minnesota Insurance Guaranty Association, exceeds those limits and covers the claim. The purchase of insurance has no other effect on the liability of the municipality or its employees. Procurement of commercial insurance, participation in a self-insurance pool pursuant to section 471.981 or provision for an individual self-insurance plan with or without a reserve fund or reinsurance shall not constitute a waiver of any governmental immunities or exclusions.

8. M.S. 466.07 INDEMNIFICATION.

Subdivision 1. Indemnification required. Subject to the limitations in section 466.04, a municipality or an instrumentality of a municipality shall defend and indemnify any of its officers and employees, whether elective or appointive, for damages, including punitive damages claimed or levied against the officer or employee provided that the officer or employee: 1) was acting in the performance of the duties of the position; and 2) was not guilty of malfeasance in office, willful neglect of duty, or bad faith. Notwithstanding any provisions to the contrary in section 123B.25, paragraph (b) this section applies to all school districts, however organized.

Subd. 3. Effect on other laws. This section does not repeal or modify Minnesota Statutes 1961, Sections 471.44, 471.45 and 471.86.

9. M.S. 466.08 COMPROMISE OF CLAIMS.

Notwithstanding sections 466.03 and 466.06, the governing body of any municipality, the administrator of a self-insurance pool, or the authorized representative of a private insurance carrier may compromise, adjust and settle tort claims against the municipality for damages under section 466.02 and may, subject to procedural requirements imposed by law or charter, appropriate money for the payment of amounts agreed upon. When the amount of a settlement exceeds $10,000, the settlement shall not be effective until approved by the district court.

10. M.S. 466.09 PAYMENT OF JUDGMENTS.

When a judgment is entered against or a settlement is made by a municipality for a claim within the scope of section 466.02, payment shall be made and the same remedies shall apply in case of nonpayment as in the case of other judgments or settlements against the municipality. If the municipality has the authority to levy taxes and the judgment or settlement is unpaid at the time of the annual tax levy, the governing body shall, if it finds that other funds are not available for payment of the judgment, levy a tax sufficient to pay the judgment or settlement and interest accruing thereon to the expected time of payment. Such tax may be levied in excess of any per capita or local tax rate tax limitation imposed by statute or charter.

11. M.S. 466.11 RELATION TO CHARTERS AND SPECIAL LAWS.

Sections 466.01 to 466.15 are exclusive of and supersede all home rule charter provisions and special laws

on the same subject heretofore and hereafter adopted.

12. M.S. 471.61 GROUP BENEFITS FOR OFFICERS, EMPLOYEES, RETIREES.

Subdivision 1. Officers, employees. A county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, other than the state or any department of the state, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their officers and employees, and their dependents, or any class or classes of officers, employees, or dependents, under a policy or policies or contract or contracts of group insurance or benefits covering life, health, and accident, in the case of employees, and medical and surgical benefits and hospitalization insurance or benefits for both employees and dependents or dependents of an employee whose death was due to causes arising out of and in the course of employment, or any one or more of those forms of insurance or protection. A governmental unit, including county extension committees and those paying their employees, may pay all or any part of the premiums or charges on the insurance or protection. A payment is deemed to be additional compensation paid to the officers or employees, but for purposes of determining contributions or benefits under a public pension or retirement system it is not deemed to be additional compensation. One or more governmental units may determine that a person is an officer or employee if the person receives income from the governmental subdivisions without regard to the manner of election or appointment, including but not limited to employees of county historical societies that receive funding from the county and employees of the Minnesota Inter-county Association. The appropriate officer of the governmental unit, or those disbursing county extension funds, shall deduct from the salary or wages of each officer and employee who elects to become insured or so protected, on the officer's or employee's written order, all or part of the officer's or employee's share of premiums or charges and remit the share or portion to the insurer or company issuing the policy or contract.

A governmental unit, other than a school district, that pays all or part of the premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary money for the payment of the premiums or charges, and the sums levied and appropriated are not, in the event the sum exceeds the maximum sum allowed by the charter of a municipal corporation, considered part of the cost of government of the governmental unit as defined in any levy or expenditure limitation; provided at least 50 percent of the cost of benefits on dependents must be contributed by the employee or be paid by levies within existing charter tax limitations.

The word "dependents" as used in this subdivision means spouse and minor unmarried children under the age of 18 years actually dependent upon the employee.

Notwithstanding any other law to the contrary, a political subdivision described in this subdivision may provide health benefits to its employees, dependents, and other eligible persons through negotiated contributions to self-funded multiemployer health and welfare funds.

Subd. la. Dependents. Notwithstanding the provisions of Minnesota Statutes 1969, Section 471.61, as amended by Laws 1971, Chapter 451, Section 1, the word "dependents" as used therein shall mean spouse and children under the age of 26 years.

Subd. 1b. Repealed.

Subd. 2. Repealed.

Subd. 2a. Retired officers, employees. Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, including the

state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their retired officers and retired employees entitled to benefits under any public employees retirement act and their dependents, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, medical and surgical benefits or hospitalization insurance or benefits, for retired officers and retired employees and their dependents, or any one or more of such forms of insurance or protection. Any such governmental unit, including county extension committees, may pay all or any part of the premiums or charges on such insurance or protection, or may require the retired officer or employee to pay all or part of the premiums or charges. Any one or more of such governmental units may determine that a person is a retired officer or a retired employee if such officer or employee, when employed, received his income from such governmental subdivisions without regard to the manner of election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall collect from each such retired officer and retired employee who elects to become insured or so protected, on such officer's or employee's written order, all or part of the retired officer's or retired employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract. An insurer, health maintenance organization, or company issuing the policy or contract may not require a public employer to contribute any portion of the retired officer's or employee's share as a condition of eligibility for the insurance or protection. An insurer, health maintenance organization, or company issuing the policy or contract may require a retired officer or a retired employee to pay all or any part of the premiums or charges.

Any governmental unit, other than a school district, which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by the charter of a municipal corporation, be considered part of the cost of governmental unit as defined in any tax or expenditure limitation; provided at least 50 percent of the costs of benefits on dependents shall be contributed by the retired officer or retired employee or be paid by levies within existing charter tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the retired officer or retired employee.

Subd. 2b. Insurance continuation. A unit of local government must allow a former employee and the employee's dependents to continue to participate indefinitely in the employer-sponsored hospital, medical, and dental insurance group that the employee participated in immediately before retirement, under the following conditions:

(a) The continuation requirement of this subdivision applies only to a former employee who is receiving a disability benefit or an annuity from a Minnesota public pension plan other than a volunteer firefighter plan, or who has met age and service requirements necessary to receive an annuity from such a plan.

(b) Until the former employee reaches age 65, the former employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. However, a former employee under the age of 65 who is enrolled in Medicare Parts A and B due to the former employee’s disability and for whom Medicare’s obligation to pay claims is primary, and the former employee’s dependents, must be pooled in the same group for purposes of this paragraph as former employees who have reached age 65.

(c) A former employee may receive dependent coverage only if the employee received dependent coverage immediately before leaving employment. This subdivision does not require dependent coverage to continue after the death of the former employee. For purposes of this subdivision, "dependent" has the same meaning

for former employees as it does for active employees in the unit of local government.

(d) Coverage for a former employee and dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left.

(e) The former employee must pay the entire premium for continuation coverage, except as otherwise provided in a collective bargaining agreement or personnel policy. A unit of local government may discontinue coverage if a former employee fails to pay the premium within the deadline provided for payment of premiums under federal law governing insurance continuation.

(f) An employer must notify an employee before termination of employment of the options available under this subdivision, and of the deadline for electing to continue to participate.

(g) A former employee must notify the employer of intent to participate within the deadline provided for notice of insurance continuation under federal law. A former employee who does not elect to continue participation does not have a right to reenter the employer's group insurance program.

(h) A former employee who initially selects dependent coverage may later drop dependent coverage while retaining individual coverage. A former employee may not drop individual coverage and retain dependent coverage.

(i) This subdivision does not limit rights granted to former employees under other state or federal law, or under collective bargaining agreements or personnel plans.

(j) Unless otherwise provided by a collective bargaining agreement, if retired employees were not permitted to remain in the active employee group prior to August 1, 1992, a public employer may assess active employees through payroll deduction for all or part of the additional premium costs from the inclusion of retired employees in the active employee group. This paragraph does not apply to employees covered by section 179A.03, subdivision 7.

(k) Notwithstanding section 179A.20, subdivision 2a, insurance continuation under this subdivision may be provided for in a collective bargaining agreement or personnel policy.

Subd. 3. Payroll deductions. A like payroll deduction and remittance shall be made upon the written order of any such officer or employee who are, or become, subscribers under a contract with a nonprofit hospital service plan corporation as defined by law.

Subd. 4. Repealed.

Subd. 5. Provision of long-term care insurance. Any political subdivision, or any two or more political subdivisions acting jointly, may contract with an insurance company licensed to do business in this state for the voluntary purchase of long-term care insurance by the employees and their dependents of the political subdivision or subdivisions. The coverage may be through a group policy or through individual coverage.

13. M.S. 471.611 RETIREES' HEALTH INSURANCE BENEFITS.

Subdivision 1. Accounting. A unit of local government that agrees to make payments for health insurance benefits for retired employees shall identify the amount required to pay the cost of those benefits during the period in which the contract or personnel policy providing for those benefits is in effect and shall record the

amount as an expenditure, according to generally accepted accounting principles, in the fiscal year or years during which the payments are to be made. A school district is in compliance with this subdivision if it complies with section 123B.77, subdivision 6. Provision of these benefits under a personnel policy must be approved, as a separate action, by the governing body of the employing governmental unit.

Subd. 2. Coordination. A unit of local government that funds all or part of the cost of health care benefits for a retired employee must provide for coverage to be coordinated with applicable benefits provided through the federally sponsored Medicare program.

14. M.S. 471.6161 GROUP INSURANCE; GOVERNMENTAL UNITS. (**2014 Session Change**)

Subdivision 1. Group insurance coverage. **For purposes of this section,** "group insurance coverage" means benefit coverage provided to a group through **an entity** authorized under **section 43A.316 or 123A.21, subdivision 7; or chapter** 61A, 62A, 62C, **or** 62D to do business in the state.

Subd. 2. Request for proposal. Every political subdivision authorized by law to purchase group insurance for its employees and providing or intending to provide group insurance coverage and benefits for 25 or more of its employees shall request proposals from and enter into contracts with **entities referenced in subdivision 1** that in the judgement of the political subdivision are best qualified to provide coverage. The request for proposals shall be in writing and at a minimum shall include: coverage to be provided, criteria for evaluation of proposals **from entities referenced in subdivision 1**, and the aggregate claims records for the appropriate period. A political subdivision may exclude from consideration proposals requiring self-insurance. Public notice of the request for proposals must be provided in a newspaper or trade journal at least 21 days before the final date for submitting proposals.

Subd. 3. Selection of carrier. The political subdivision shall make benefit and cost comparisons and evaluate the proposals using the written criteria. The political subdivision may negotiate with **an entity referenced in subdivision 1** on benefits, premiums, and other contract terms. **Any entity providing group insurance coverage to the political subdivision** must provide the political subdivision with aggregate claims records for the appropriate period. The political subdivision must prepare a written rationale for its decision before entering into a contract with **an entity referenced in subdivision 1**.

Subd. 4. Contract length; negotiation. Group insurance contracts may not exceed five years in length, including all extensions. The political subdivision shall request proposals for coverage at least once every 60 months. Employees may be added to an existing group pursuant to a joint powers agreement under section 471.59.

Subd. 5. Collective bargaining. The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement shall not be reduced, unless the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under section 179A.12, agree to a reduction in benefits.

Subd. 6. Filing of contract. Every political subdivision contracting for and providing group insurance coverage as provided in this section shall file with the clerk or other comparable officer of the subdivision a copy of the group insurance contract, and make the copy available for public inspection.

Subd. 7. Repealed.

Subd. 8. School districts; group health insurance coverage. (a) Any entity providing group health insurance coverage to a school district must provide the school district with school district-specific

nonidentifiable aggregate claims records for the most recent 24 months within 30 days of the request.

(b) School districts shall request proposals for group health insurance coverage as provided in subdivision 2 from a minimum of three potential sources of coverage. One of these requests must go to an administrator governed by chapter 43A. Entities referenced in subdivision 1 must respond to requests for proposals received directly from a school district. School districts that are self-insured must also follow these provisions, except as provided in paragraph (f). School districts must make requests for proposals at least 150 days prior to the expiration of the existing contract but not more frequently than once every 24 months. The request for proposals must include the most recently available 24 months of nonidentifiable aggregate claims data. The request for proposals must be publicly released at or prior to its release to potential sources of coverage.

(c) School district contracts for group health insurance must not be longer than two years unless the exclusive representative of the largest employment group and the school district agree otherwise.

(d) All initial proposals shall be sealed upon receipt until they are all opened no less than 90 days prior to the plan's renewal date in the presence of up to three representatives selected by the exclusive representative of the largest group of employees. Section 13.591, subdivision 3, paragraph (b), applies to data in the proposals. The representatives of the exclusive representative must maintain the data according to this classification and are subject to the remedies and penalties under sections 13.08 and 13.09 for a violation of this requirement.

(e) A school district, in consultation with the same representatives referenced in paragraph (d), may continue to negotiate with any entity that submitted a proposal under paragraph (d) in order to reduce costs or improve services under the proposal. Following the negotiations any entity that submitted an initial proposal may submit a final proposal incorporating the negotiations, which is due no less than 75 days prior to the plan's renewal date. All the final proposals submitted must be opened at the same time in the presence of up to three representatives selected by the exclusive representative of the largest group of employees. Notwithstanding section 13.591, subdivision 3, paragraph (b), following the opening of the final proposals, all the proposals, including any made under paragraph (d), and other data submitted in connection with the proposals are public data. The school district may choose from any of the initial or final proposals without further negotiations and in accordance with subdivision 5, but not sooner than 15 days after the proposals become public data.

(f) School districts that are self-insured shall follow all of the requirements of this section, except that:

(1) their requests for proposals may be for third-party administrator services, where applicable;

(2) these requests for proposals must be from a minimum of three different sources, which may include both entities referenced in subdivision 1 and providers of third-party administrator services;

(3) for purposes of fulfilling the requirement to request a proposal for group insurance coverage from an administrator governed by chapter 43A, self-insured districts are not required to include in the request for proposal the coverage to be provided;

(4) a district that is self-insured on or before the date of enactment, or that is self-insured with more than 1,000 insured lives, or a district in which the school board adopted a motion on or before May 14, 2014, to approve a self-insured health care plan to be effective July 1, 2014, may, but need not, request a proposal from an administrator governed by chapter 43A;

(5) requests for proposals must be sent to providers no less than 90 days prior to the expiration of the existing contract; and

(6) proposals must be submitted at least 60 days prior to the plan's renewal date and all proposals shall be opened at the same time and in the presence of the exclusive representative, where

applicable.

(g) Nothing in this section shall restrict the authority granted to school district boards of education by section 471.59, except that districts will not be considered self-insured for purposes of this subdivision solely through participation in a joint powers arrangement.

(h) An entity providing group health insurance to a school district under a multiyear contract must give notice of any rate or plan design changes applicable under the contract at least 90 days before the effective date of any change. The notice must be given to the school district and to the exclusive representatives of employees.

15. M.S. 62A.146 CONTINUATION OF BENEFITS TO SURVIVORS.

No policy, contract, or plan of accident and health protection issued by an insurer, nonprofit health service plan corporation, or health maintenance organization, providing coverage of hospital or medical expense on either an expense incurred basis or other than an expense incurred basis which in addition to coverage of the insured, subscriber, or enrollee, also provides coverage to dependents, shall except upon the written consent of the survivor or survivors of the deceased insured, subscriber or enrollee, terminate, suspend or otherwise restrict the participation in or the receipt of benefits otherwise payable under the policy, contract, or plan to the survivor or survivors until the earlier of the following dates: (a) The date the surviving spouse becomes covered under another group health plan; or (b) the date coverage would have terminated under the policy, contract, or plan had the insured, subscriber, or enrollee lived.

The survivor or survivors, in order to have the coverage and benefits extended, may be required to pay the entire cost of the protection on a monthly basis. The policy, contract, or plan must require the group policy holder or contract holder to upon request, provide the insured, subscriber, or enrollee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the amount of premium or fee contributions charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children who are not the survivors of a deceased insured, without regard to whether such cost is paid by the employer or employee. Failure of the survivor to make premium or fee payments within 90 days after notice of the requirement to pay the premiums or fees shall be a basis for the termination of the coverage without the written consent. In event of termination by reason of the survivor's failure to make required premium or fee contributions, written notice of cancellation must be mailed to the survivor's last known address at least 30 days before the cancellation. If the coverage is provided under a group policy, contract, or plan, any required premium or fee contributions for the coverage shall be paid by the survivor to the group policy-holder or contract holder for remittance to the insurer, nonprofit health service plan corporation, or health maintenance organization.

16. M.S. 62A.148 GROUP INSURANCE; PROVISION OF BENEFITS FOR DISABLED EMPLOYEES.

No employer or insurer of that employer shall terminate, suspend or otherwise restrict the participation in or the receipt of benefits otherwise payable under any program or policy of group insurance to any covered employee who becomes totally disabled while employed by the employer solely on account of absence caused by such total disability. This includes coverage of dependents of the employee.

If the employee is required to pay all or any part of the premium for the extension of coverage, payment shall be made to the employer, by the employee.

17. M.S. 62A.16 GROUP HOSPITAL AND MEDICAL COVERAGE AND HEALTH CARE PLANS, APPLICABILITY.

The provisions of sections 62A.16 and 62A.17 shall apply to all group insurance policies or group subscriber contracts providing coverage for hospital and medical expenses incurred by a Minnesota resident employed within this state. Sections 62A.16 and 62A.17 shall also apply to health care plans established by employers in this state through health maintenance organizations certified under Chapter 62D.

18. M.S. 62A.17 TERMINATION OF OR LAYOFF FROM EMPLOYMENT.

Subdivision 1. Continuation of coverage. Every group insurance policy, group subscriber contract and health care plan included within the provisions of section 62A.16, except policies, contracts or health care plans covering employees of an agency of the federal government, shall contain a provision which permits every covered employee who is voluntarily or involuntarily terminated or laid off from employment, if the policy, contract, or health care plan remains in force for active employees of the employer, to elect to continue the coverage for the employee and dependents. An employee shall be considered to be laid off from employment if there is a reduction in hours to the point where the employee is no longer eligible under the policy, contract, or health care plan. Termination shall not include discharge for gross misconduct. Upon request by the terminated or laid off employee, a health carrier must provide the instructions necessary to enable the employee to elect continuation of coverage.

Subd. 2. Responsibility of employee. Every covered employee electing to continue coverage shall pay his former employer, on a monthly basis, the cost of the continued coverage. The policy, contract, or plan must require the group policy holder or contract holder to, upon request, provide the employee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. If the policy, contract or health care plan is administered by a trust every covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of the premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. The employee shall be eligible to continue the coverage until the employee becomes covered under another group health plan, or for a period of 18 months after the termination of or layoff from employment, whichever is shorter. For an individual age 19 or older, if the employee becomes covered under another group policy, contract, or health plan and the new group policy, contract, or health plan contains any preexisting condition limitations, the employee may, subject to the 18-month maximum continuation limit, continue coverage with the former employer until the preexisting condition limitations have been satisfied. The new policy, contract, or health plan is primary except as to the preexisting condition. In the case of a newborn child who is a dependent of the employee, the new policy, contract, or health plan is primary upon the date of birth of the child, regardless of which policy, contract, or health plan coverage is deemed primary for the mother of the child.

Subd. 4. Responsibility of employer. After timely receipt of the monthly payment from a covered employee, if the employer, or the trustee of the policy, contract or health care plan is administered by a trust, fails to make the payment to the insurer, nonprofit health service plan corporation or health maintenance organization, with the result that the employee's coverage is terminated, the employer or trust shall become liable for the employee's coverage to the same extent as the insurer, nonprofit health service plan corporation or health maintenance organization would be if the coverage were still in effect.

In the case of a policy, contract or plan administered by a trust, the employer must notify the trustee within 30 days of the termination or layoff of a covered employee of the name and last known address of the

employee.

If the employer or trust fails to notify a covered employee, the employer or trust shall continue to remain liable for the employee's coverage to the same extent as the insurer would be if the coverage were still in effect.

Subd. 5. Notice of options. Upon the termination of or layoff from employment of an eligible employee, the employer shall inform the employee within 14 days after termination or layoff of:

(1) his right to elect to continue the coverage;

(2) the amount he must pay monthly to the employer to retain the coverage;

(3) the manner in which and the office of the employer to which the payment to the employer must be made; and

(4) the time by which the payments to the employer must be made to retain coverage.

If the policy, contract or health care plan is administered by a trust, the employer is relieved of the obligation imposed by clauses (1) to (4). The trust shall inform the employee of the information required by clauses (1) to (4).

The employee shall have 60 days within which to elect coverage. The 60-day period shall begin to run on the date plan coverage would otherwise terminate or on the date upon which notice of the right to coverage is received, whichever is later.

Notice must be in writing and sent by first class mail to the employee's last known address which the employee has provided the employer or trust.

A notice in substantially the following form shall be sufficient. "As a terminated or laid off employee, the law authorizes you to maintain your group medical insurance for a period of up to 18 months. To do so you must notify your former employer within 60 days of your receipt of this notice that you intend to retain the coverage and must make a monthly payment of $_____ to _____ at _____ by the _____ of each month."

Subd. 5a. MS 2008 [Expired, 2009 c 33 s 1].

Subd. 5b. Notices required by the American Recovery and Reinvestment Act of 2009 (ARRA). (a) An employer that maintains a group health plan that is not described in Internal Revenue Code, section 6432(b)(1) or (2), as added by section 3001(a)(12)(A) of the American Recovery and Reinvestment Act of 2009 (ARRA), must notify the health carrier of the termination of, or the layoff from, employment of a covered employee, and the name and last known address of the employee, within the later of ten days after the termination or layoff event, or June 8, 2009.

(b) The health carrier for a group health plan that is not described in Internal Revenue Code, section 6432(b)(1) or (2), as added by section 3001(a)(12)(A) of the ARRA, must provide the notice of extended election rights which is required by subdivision 5a, paragraph (a), as well as any other notice that is required by the ARRA regarding the availability of premium reduction rights, to the individual within 30 days after the employer notifies the health carrier as required by paragraph (a).

(c) The notice responsibilities set forth in this subdivision end when the premium reduction provisions under ARRA expire.

Subd. 6. Conversion to individual policy. An individual policy or contract issued as a conversion policy prior to January 1, 2014, shall be renewable at the option of the individual as long as the individual is not

covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry, and shall apply equally to all similar conversion policies issued by the insurer.

STATE ADMINISTRATION OF EDUCATION

(Bolded Items - 2014 Session Changes)

1. M.S. 127A.05 COMMISSIONER OF EDUCATION.

Subdivision 1. Appointment and duties. The department shall be under the administrative control of the commissioner of education which office is established. The governor shall appoint the commissioner under the provisions of section 15.06.

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and rules may provide and be held responsible for the efficient administration and discipline of the department. The commissioner is charged with the execution of powers and duties to promote public education in the state and to safeguard the finances pertaining thereto.

Subd. 2. Review of state laws and rules. The commissioner shall review all education-related mandates in state law or rule once every four years to determine which mandates fail to adequately promote public education in the state. The commissioner shall report the findings of the review to the education committees of the legislature by February 1 in the year following the completion of the review.

Subd. 3. General supervision over public schools and educational agencies. The commissioner of education shall adopt goals for and exercise general supervision over public schools and public educational agencies in the state, classify and standardize public elementary and secondary schools, and prepare for them outlines and suggested courses of study. The commissioner shall develop a plan to attain the adopted goals. The commissioner may recognize educational accrediting agencies for the sole purposes of sections 120A.22, 120A.24, and 120A.26.

Subd. 4. Administrative rules. The commissioner may adopt new rules or amend any existing rules only under specific authority and consistent with the requirements of chapter 14. The commissioner may repeal any existing rules adopted by the commissioner. The commissioner may grant a variance to rules adopted by the commissioner upon application by a school district for purposes of implementing experimental programs in learning or school management. This subdivision shall not prohibit the commissioner from making technical changes or corrections to rules adopted by the commissioner.

Subd. 5. Evening schools. The commissioner shall exercise general supervision over the public evening schools, adult education programs, and summer programs.

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 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.

2. M.S. 127A.051 SCHOOL SAFETY TECHNICAL ASSISTANCE COUNCIL. (New 2014 Session)

Subdivision 1. Establishment and membership; terms. (a) A 23-member multiagency leadership council is established to improve school climate and school safety so that all Minnesota students in prekindergarten through grade 12 schools and higher education institutions have a safe and supportive learning environment in order to maximize each student's learning potential.

(b) The council shall consist of:

(1) the commissioners or their designees from the Departments of Education, Health, Human Rights, Human Services, Public Safety, and Corrections, and the Office of Higher Education;

(2) one representative each from the Minnesota Association of School Administrators, Minnesota School Boards Association, Elementary School Principals Association, Association of Secondary School Principals, and Education Minnesota as selected by each organization;

(3) two representatives each of student support personnel, parents, and students as selected by the commissioner of education;

(4) two representatives of local law enforcement as selected by the commissioner of public safety;

(5) two representatives of the judicial branch as selected by the chief justice of the Supreme Court; and

(6) one charter school representative selected by the Minnesota Association of Charter Schools.

(c) A member serves at the pleasure of their appointing authority and continues to serve until their successor is appointed.

Subd. 2. Duties. The council must provide leadership for the following activities:

(1) establishment of norms and standards for prevention, intervention, and support around issues of prohibited conduct;

(2) advancement of evidence-based policy and best practices to improve school climate and promote school safety;

(3) development and dissemination of resources and training for schools and communities about issues of prohibited conduct under section 121A.031, and other school safety-related issues; and

(4) develop policies and procedures for the services provided by the school climate center under section 127A.052.

Subd. 3. Meetings; chair. The commissioner of education must convene the first meeting of the council by October 1, 2014, and must serve as chair. The council must meet at least one time per year. The council does not need a quorum to conduct its meetings.

Subd. 4. Compensation. Council members are not eligible for compensation or reimbursement for expenses related to council activities.

Subd. 5. Support. The Department of Education and the Department of Public Safety must provide technical assistance to council members upon request. The council, upon request, must consult with the school safety technical assistance center and the school safety center.

Subd. 6. Reporting. The council must report its activities annually by October 1, to the commissioner of education. The Department of Education must post the council's meeting notices and other relevant information regarding its duties on the agency's Web site.

Subd. 7. Expiration. The council expires on June 30, 2019.

3. M.S. 127A.052 SCHOOL SAFETY TECHNICAL ASSISTANCE CENTER. (New 2014 Session)

(a) The commissioner shall establish a school safety technical assistance center at the department to help districts and schools under section 121A.031 provide a safe and supportive learning environment and foster academic achievement for all students by focusing on prevention, intervention, support, and recovery efforts to develop and maintain safe and supportive schools. The center must work collaboratively with implicated state agencies identified by the center and schools, communities, and interested individuals and organizations to determine how to best use available resources.

(b) The center's services shall include: (1) evidence-based policy review, development, and dissemination; (2) single, point-of-contact services designed for schools, parents, and students seeking information or other help; (3) qualitative and quantitative data gathering, interpretation, and dissemination of summary data for existing reporting systems and student surveys and the identification and pursuit of emerging trends and issues; (4) assistance to districts and schools in using Minnesota student survey results to inform intervention and prevention programs; (5) education and skill building; (6) multisector and multiagency planning and advisory activities incorporating best practices and research; and (7) administrative and financial support for school and district planning, schools recovering from incidents of violence, and school and district violence prevention education.

(c) The center shall: (1) compile and make available to all districts and schools evidence-based elements and resources to develop and maintain safe and supportive schools; (2) establish and maintain a central repository for collecting and analyzing information about prohibited conduct under section 121A.031, including, but not limited to: (i) training materials on strategies and techniques to prevent and appropriately address prohibited conduct under section 121A.031; (ii) model programming; (iii) remedial responses consistent with section 121A.031, subdivision 2, paragraph (i); and (iv) other resources for improving the school climate and preventing prohibited conduct under section 121A.031; (3) assist districts and schools to develop strategies and techniques for effectively communicating with and engaging parents in efforts to protect and deter students from prohibited conduct under section 121A.031; and (4) solicit input from social media experts on implementing this section.

(d) The commissioner shall provide administrative services including personnel, budget, payroll and contract services, and staff support for center activities including developing and disseminating materials, providing seminars, and developing and maintaining a Web site. Center staff shall include a center director, a data analyst coordinator, and trainers who provide training to affected state and local organizations under a fee-for-service agreement. The financial, administrative, and staff support the commissioner provides under this section must be based on an annual budget and work program developed by the center and submitted to the commissioner by the center director.

(e) School safety technical assistance center staff may consult with school safety center staff at the Department of Public Safety in providing services under this section.

(f) The center is voluntary and advisory. The center does not have enforcement, rulemaking, oversight, or regulatory authority.

(g) The center expires on June 30, 2019.

4. M.S. 127A.18 MANAGEMENT ASSISTANCE TO SCHOOL DISTRICTS.

The department shall provide management assistance if requested by a district. The assistance may include:

(1) developing data and assumptions for the district to use in setting priorities and goals and in considering management and organizational alternatives; and

(2) analyzing and assessing alternative methods of organization and management, including opportunities for coordination and cooperation with other districts, and assessing the relative costs and benefits of the alternatives.

5. M.S. 127A.19 FINANCIAL MANAGEMENT ASSISTANCE AND TRAINING TO SCHOOL DISTRICTS AND SCHOOL SITES.

The department of education shall make available to school districts and individual school sites assistance and training in financial management. The assistance and training shall be in at least the following areas:

(1) provision of an updated uniform financial and reporting system manual in both hard copy and computerized form which will be applicable to both the school district and to a school site under site-based management;

(2) regularly scheduled training and assistance in accounting and financial operations, and special assistance as requested;

(3) long-term financial planning, including that involved with district reorganization;

(4) district and school level expenditure and revenue budgeting and other fiscal and organizational requirements, including that under site-based management;

(5) assistance with school, district, and regional capital budget planning; and

(6) the development of a model reporting system for school sites for resource use and outcome achievement. The model shall include characteristics about the student population, staffing levels, and achievement results attributable to the instructional and organizational structure of the school site.

6. M.S. 127A.42 REDUCTION OF AID FOR VIOLATION OF LAW.

Subdivision 1. State aids. The amount of state aids to which a district is entitled shall be the amount computed according to statutes. The annual state aid certificate made by the commissioner to the commissioner of finance shall show the amount of any reductions made.

Subd. 2. Violations of law. The commissioner may reduce or withhold the district's state aid for any school year whenever the board of the district authorizes or permits violations of law within the district by:

(1) employing a teacher who does not hold a valid teaching license or permit in a public school;

(2) noncompliance with a mandatory rule of general application promulgated by the commissioner in accordance with statute, unless special circumstances make enforcement inequitable, impose an extraordinary hardship on the district, or the rule is contrary to the district's best interests;

(3) the district's continued performance of a contract made for the rental of rooms or buildings for school purposes or for the rental of any facility owned or operated by or under the direction of any private organization, if the contract has been disapproved, the time for review of the determination of disapproval has expired, and no proceeding for review is pending;

(4) any practice which is a violation of sections 1 and 2 of article 13 of the Constitution of the state of Minnesota;

(5) failure to reasonably provide for a resident pupil's school attendance under Minnesota Statutes;

(6) noncompliance with state laws prohibiting discrimination because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance or disability, as defined in

section 363.03; or

(7) using funds contrary to the statutory purpose of the funds.

The reduction or withholding must be made in the amount and upon the procedure provided in this section, or, in the case of the violation state in clause (1), upon the procedure provided in section 127A.43.

Subd. 3. Assurance of compliance. (a) After consultation with the commissioner of human rights, the commissioner of education shall adopt rules in conformance with chapter 14. The rules must direct districts to file with the commissioner of education assurances of compliance with state and federal laws prohibiting discrimination. The assurances must be provided in a form and manner prescribed by the commissioner.

(b) If it appears that one or more violations of the Minnesota Human Rights Act are occurring in a district, the commissioner of human rights shall notify the commissioner of the violations, and the commissioner of education may then proceed pursuant to subdivision 4.

Subd. 4. Notice to board. When it appears that a violation is occurring in a district, the commissioner shall notify the board of that district in writing. The notice must specify the violations, set a reasonable time within which the district must correct the specified violations, describe the correction required, and advise that if the correction is not made within the time allowed, special state aids to the district will be reduced or withheld. The time allowed for correction may be extended by the commissioner if there is reasonable ground therefor.

Subd. 5. Dispute violations; hearing. The board to which such notice is given may, by a majority vote of the whole board, decide to dispute that the specified violation exists or that the time allowed is reasonable or the correction specified is correct, or that the commissioner may reduce or withhold aids. The board must give the commissioner written notice of the decision. If the commissioner, after further investigation as the commissioner deems necessary, adheres to the previous notice, the commissioner shall notify the school board of its decision. If the commissioner, after further investigation as the commissioner deems necessary, adheres to the previous notice, the board shall be entitled to a hearing by the commissioner under this subdivision and notwithstanding chapter 14. The commissioner must set a hearing time and place and the board of the district must be given notice by mail. The hearings must be designed to give a full and fair hearing and permit interested parties an opportunity to produce evidence relating to the issues involved. A stenographic record must be made of all testimony given and other proceedings during the hearing. If practicable, rules governing admission of evidence in courts shall apply to the hearing. The final decision of the commissioner must be in writing and the controlling facts upon which the decision is made must be stated in sufficient detail to apprise the parties and the reviewing court of the basis and reason for the decision. The decision must be confined to whether any of the specified violations existed at the date of the commissioner's first notice, whether the violations were corrected within the time permitted, whether the violations require withholding or reduction of the state aids under this section, and in what amount.

Subd. 6. Violation; aid reduction or withholding. The commissioner shall not reduce state aids payable to the district if the violation specified is corrected within the time permitted, or if the commissioner on being notified of the district board's decision to dispute decides the violation does not exist, or if the commissioner decides after hearing no violation specified in the commissioner’s notice existed at the time of the notice, or that the violations were corrected within the time permitted. Otherwise state aids payable to the district for the year in which the violation occurred may be reduced or withheld as follows: The total amount of state aids to which the district may be entitled shall be reduced in the proportion that the period during which a specified violation continued, computed from the last day of the time permitted for correction, bears to the total number of days school is held in the district during the year in which a violation exists, multiplied by up to 60 percent of the basic revenue, as defined in section 126C.10, subdivision 2, of the district for that year.

Subd. 7. Reduction in aids payable. Reductions in aid under this section and sections 127A.41 and 127A.43 must be from general education aid. If there is not sufficient general education aid remaining to be paid for the school year in which the violation occurred, the reduction shall be from other aids that are payable to the district for that year. If there is not a sufficient amount of state aids remaining payable to the district for the school year in which the violation occurred to permit the full amount of reduction required, that part of the required reduction not taken from that school year's aids will be taken from the state aids payable to the district for the next school year, and the reduction will be made from the various aids payable for the next year.

Subd. 8. Repealed.

Subd. 8a. A final decision of the commissioner under this section may be appealed in accordance with section 480A.06, subdivision 3.

Subd. 9. Notice to district. Any notice given to the board of a district will be deemed given when a copy thereof is mailed, registered, to the superintendent of the district, if there is a superintendent, and to the clerk of the board of the district. If it is shown that neither the superintendent nor the clerk in fact received such notice in the ordinary course of mail, then the time for correction will be accordingly extended by the commissioner so that a reasonable time will be allowed from actual receipt of notice for correction. If notice is sent by the commissioner with respect to a violation which is continued by the district in a succeeding year, no separate notice for that violation for the succeeding year will be required. Proceedings initiated by such notice shall include any continuing violation notwithstanding that a part thereof occurs in a year different from the year in which it started. The commissioner may require reasonable proof of the time that a violation ceased for the determination of the amount of aids to be reduced or withheld. Costs and disbursements of the review by the court of appeals, exclusive of those incurred in the administrative proceedings, may be taxed against the losing party and in the event taxed against the state must be paid from the appropriations made to the department for the payment of state aids.

7. M.S. 127A.43 DISTRICT EMPLOYMENT OF UNLICENSED TEACHERS; AID REDUCTION.

When a district employs one or more teachers who do not hold a valid teaching license, state aid shall be reduced in the proportion that the number of such teachers is to the total number of teachers employed by the district, multiplied by 60 percent of the basic revenue, as defined in section 126C.10, subdivision 2, of the district for the year in which the employment occurred.

8. M.S. 127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.

(a) Each year, the state aids payable to any school district for that fiscal year that are recognized as revenue in the school district's general and community service funds shall be adjusted by an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b), minus (2) the amount the district recognized as revenue for the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b). For purposes of making the aid adjustments under this section, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b), shall not include any amount levied pursuant to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subd.'s 1, 2, and 3, paragraphs (b), (c), and (d) 126C.43, subdivision 2; and 126C.48, subdivision 6. Payment from the permanent school fund shall not be adjusted pursuant to this section.

(b) The commissioner shall schedule the timing of the adjustments under paragraph (a) as close to the

end of the fiscal year as possible.

The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

9. M.S. 127A.45 PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS. **(2014 Session Change)**

Subdivision 1. Applicability. This section applies to all aids or credits paid by the commissioner from the general fund to districts.

Subd. 2. Definitions. (a) "Other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) "Cumulative amount guaranteed" means the product of (1) the cumulative disbursement percentage shown in subdivision 3; times (2) the sum of (i) the current year aid payment percentage of the estimated aid and credit entitlements paid according to subdivision 13; plus (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus (iii) the other district receipts.

(c) "Payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

(d) The current year aid payment percentage equals **90**.

Subd. 3. Payment dates and percentages. (a) The commissioner shall pay to a district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (1) the district's other district receipts through the current payment, and (2) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	5.5
Payment 2	July 30:	8.0
Payment 3	August 15:	17.5
Payment 4	August 30:	20.0
Payment 5	September 15:	22.5
Payment 6	September 30:	25.0
Payment 7	October 15:	27.0
Payment 8	October 30:	30.0
Payment 9	November 15:	32.5
Payment 10	November 30:	36.5
Payment 11	December 15:	42.0
Payment 12	December 30:	45.0
Payment 13	January 15:	50.0

Payment 14	January 30:	54.0
Payment 15	February 15:	58.0
Payment 16	February 28:	63.0
Payment 17	March 15:	68.0
Payment 18	March 30:	74.0
Payment 19	April 15:	78.0
Payment 20	April 30:	85.0
Payment 21	May 15:	90.0
Payment 22	May 30:	95.0
Payment 23	June 20:	100.0

(b) In addition to the amounts paid under paragraph (a) the commissioner shall pay to a school district **or charter school** on the dates indicated an amount computed as follows:

Payment 3	August 15:	the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392
Payment 4	August 30:	30 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits
Payment 6	September 30:	40 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits
Payment 8	October 30:	30 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits

(c) **Notwithstanding paragraph (b), if the current year aid payment percentage under subdivision2, paragraph (d), is less than 90,** in addition to the amounts paid under paragraph (a), the commissioner shall pay to a charter school on the dates indicated an amount computed as follows:

Payment 1	July 15:	75 percent of the final adjustment for the prior fiscal year for all aid entitlements
Payment 8	October 30:	25 percent of the final adjustment for the prior fiscal year for all aid entitlements

EFFECTIVE DATE. This section is effective July 1, 2015.

Subd. 4. Appeal. (a) The commissioner, in consultation with the commissioner of finance, may revise the payment dates and percentages in subdivision 3 for a district if it is determined that:

(1) there is an emergency; or

(2) there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness; or

(3) the district is facing a serious cash flow problem because of an abatement that exceeds $100 times the resident pupil units of the district.

(b) The commissioner shall establish a process and criteria for districts to appeal the payment dates and percentages established in subdivision 3.

Subd. 5. Repealed.

Subd. 6. Cash flow waiver. For any district exceeding its expenditure limitations under section 123B.83, and if requested by the district, the commissioner of education, in consultation with the commissioner of finance, and a school district may negotiate a cash flow payment schedule under subdivision 3 corresponding to the district's cash flow needs so as to minimize the district's short-term borrowing needs.

Subd. 6a. Cash flow adjustment. The board of directors of any charter school serving fewer than 200 students where the percent of students eligible for special education services equals at least 90 percent of the charter school's total enrollment may request that the commissioner of education accelerate the school's cash flow under this section. The commissioner must approve a properly submitted request within 30 days of its receipt. The commissioner must accelerate the school's regular special education aid payments according to the schedule in the school's request and modify the payments to the school under subdivision 3 accordingly. A school must not receive current payments of regular special education aid exceeding 90 percent of its estimated aid entitlement for the fiscal year. The commissioner must delay the special education aid payments to all other school districts and charter schools in proportion to each district or charter school's total share of regular special education aid such that the overall aid payment savings from the aid payment shift remains unchanged for any fiscal year.

Subd. 7. Payment limit. Subdivision 3 does not authorize the commissioner to pay to a district's operating funds an amount of state general fund cash that exceeds the sum of:

(a) its estimated aid and credit payments for the current year according to subdivision 13;

(b) its actual aid payments according to subdivisions 11 and 12; and

(c) the final adjustment payment for the prior year.

Subd. 7a. Repealed.

Subd. 7b. Advance final payment. (a) Notwithstanding subdivisions 3 and 7, if the current year aid payment percentage, under subdivision 2, is less than 90, then a school district or charter school exceeding its expenditure limitations under section 123B.83 as of June 30 of the prior fiscal year may receive a portion of its final payment for the current fiscal year on June 20, if requested by the district or charter school. The amount paid under this subdivision must not exceed the lesser of: (1) the difference between 90 percent and the current year payment percentage in subdivision 2, paragraph (d), in the current fiscal year times the sum of the district or charter school's general education aid plus the aid adjustment in section 127A.50 for the current fiscal year; or (2) the amount by which the district's or charter school's net negative unreserved general fund balance as of June 30 of the prior fiscal year exceeds 2.5 percent of the district or charter school's expenditures for that fiscal year.

(b) The state total advance final payment under this subdivision for any year must not exceed $7,500,000. If the amount request exceeds $7,500,000, the advance final payment for each eligible district must be reduced proportionately.

Subd. 8. Commissioner's assumptions. For purposes of determining the amount of state general fund cash to be paid to districts pursuant to subdivision 3, the commissioner shall:

(1) assume that the payments to school districts by the county treasurer of revenues accruing to the fiscal year of receipt pursuant to section 276.11 are made in the following manner:

(i) 50 percent within seven business days of each due date; and

(ii) 100 percent within 14 business days of each due date;

(2) assume that the payments to districts by the county treasurer of revenues accruing to the fiscal

year of receipt pursuant to section 276.111 are made in the following manner:

(i) 50 percent within seven business days of the October 15 due date;

(ii) 100 percent within 14 business days of the October 15 due date; and

(iii) 100 percent within ten business days of the November 15 due date; and

(3) assume that the payments to school districts by county auditors pursuant to section 127A.34, subdivision 2, are made at the end of the months indicated in that subdivision.

Subd. 9. Final adjustment payment. (a) For all aids and credits paid according to subdivision 13, the final adjustment payment must include the amounts necessary to pay the district's full aid entitlement for the prior year based on actual data. This payment must be used to correct all estimates used for the payment schedule in subdivision 3. The payment must be made as specified in subdivision 3. In the event actual data are not available, the final adjustment payment may be computed based on estimated data. A corrected final adjustment payment must be made when actual data are available.

(b) Notwithstanding paragraph (a) and subdivision 3, for a charter school that ceases operation before the end of a school year, a final adjustment payment for aid programs funded with an open appropriation may be made afer audit of the prior fiscal year and current fiscal year pupil counts.

Subd. 10. Payments to school nonoperating funds. Each fiscal year state general fund payments for a district nonoperating fund must be made at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement must be paid prior to October 31 of the following school year. The commissioner may make advance payments of debt service equalization aid and state-paid tax credits for a district's debt service fund earlier than would occur under the preceding schedule if the district submits evidence showing a serious cash flow problem in the fund. The commissioner may make earlier payments during the year and, if necessary, increase the percent of the entitlement paid to reduce the cash flow problem.

Subd. 11. Payment percentage for reimbursement aids. One hundred percent of the aid for the previous fiscal year must be paid in the current year for the following aids: telecommunications/Internet access equity and according to section 125B.26, special education special pupil aid according to section 125A.75, subdivision 3, aid for litigation costs according to section 125A.75, subdivision 8, aid for court-placed special education expenses according to section 125A.79, subdivision 4, and aid for special education out-of-state tuition according to section 125A.79, subdivision 8, and shared time aid according to section 126C.01, subdivision 7.

Subd. 12. Payment percentage for certain aids. (a) One hundred percent of the aid for the current fiscal year must be paid for the following aids: reimbursement for enrollment options transportation, according to sections 124D.03, subdivision 8, 124D.09, subdivision 22 , and 124D.10; school lunch aid, according to section 124D.111; and support services aid, for persons who are deaf, deafblind, and hard-of-hearing according to section 124D.57.

(b) One hundred percent of the aid for the current fiscal year, based on enrollment in the previous year, must be paid for the first grade preparedness program according to section 124D.081.

Subd. 12a. Forward shifted aid payments. One hundred percent of the state aid in fiscal years 2003 and later received under section 124D.87 must be paid by the state to the recipient school district on August 30 of that year. The recipient school district must recognize this aid in the previous fiscal year.

Subd. 13. Aid payment percentage. Except as provided in subdivisions 11, 12, 12a, and 14, each fiscal year, all education aids and credits in this chapter and chapters 120A, 120B, 121A, 122A, 123A, 123B, 124D, 125A, 125B, 126C, 134, and section 273.1392, shall be paid at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. For the purposes of this subdivision, a district's estimated entitlement for special education aid under section 125A.76 for fiscal year 2014 and later equals 97.4 percent of the district's entitlement for the current fiscal year. The final adjustment payment, according to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement.

Subd. 14. Nonpublic aids. The state shall pay aid according to sections 123B.40 to 123B.48 for pupils attending nonpublic schools as follows:

(1) an advance payment by November 30 equal to the current year aid payment percentage of the estimated entitlement for the current fiscal year; and

(2) a final payment by October 31 of the following fiscal year, adjusted for actual data.

If a payment advance to meet cash flow needs is requested by a district and approved by the commissioner, the state shall pay nonpublic pupil transportation aid according to section 123B.92 by October 31.

Subd. 14a. State nutrition programs. Notwithstanding subdivision 3, the state shall pay 100 percent of the aid for the current year according to sections 124D.111, 124D.1158, and 124D.118 based on submitted monthly vouchers showing meals and milk served.

Subd. 15. Education aids cash flow account. (a) An education aids cash flow account is established in the state treasury for the purpose of ensuring the timely payment of state aids or credits to districts as provided in this section. In the event the account balance in any appropriation from the general fund to the department for education aids or credits is insufficient to make the next scheduled payment or payments, the commissioner is authorized to transfer funds from the education aids cash flow account to the accounts that are insufficient.

(b) For purposes of this subdivision, an account may have an insufficient balance only as a result of some districts being overpaid based on revised estimates for the relevant annual aid or credit entitlements. When the overpayment amounts are recovered from the pertinent districts, the commissioner shall transfer those amounts to the education aids cash flow account. The commissioner shall determine when it is not feasible to recover the overpayments in a timely manner from the district's future aid payments and notify the district of the amount that is to be refunded to the state. Districts are encouraged to make such refunds promptly. The commissioner may approve a schedule for making a refund when a district demonstrates that its cash flow is inadequate to promptly make the refund in full.

(c) There is annually appropriated from the general fund to the education aids cash flow account the additional amount necessary to ensure the timely payment of state aids or credits to districts as provided in this section. For any fiscal year, the appropriation authorized in this subdivision must not exceed an amount equal to two-tenths of one percent of the total general fund appropriations in that year for education aids and credits. At the close of each fiscal year, the amount of actual transfers plus anticipated transfers required in paragraph (b) must equal the authorized amounts transferred in paragraph (a) so that the net effect on total general fund spending for education aids and credits is zero.

Subd. 16. Payments to third parties. Notwithstanding subdivision 3, the current year aid payment percentage of the amounts under section 123A.26, subdivision 3 and section 124D.041, shall be paid in equal installments on August 30, December 30, and March 30, with a final adjustment payment on October 30 of

the next fiscal year of the remaining amount.

Subd. 17. Payment to creditors. Except where otherwise specifically authorized, state education aid payments shall be made only to the school district, charter school, or other education organization earning state aid revenues as a result of providing education services.

10. M.S. 127A.47 PAYMENTS TO RESIDENT AND NONRESIDENT DISTRICTS. **(2014 Session Change)**

Subdivision 1. Aid to serving district. (a) Unless otherwise specifically provided by law, general education aid must be paid according to this subdivision.

(b) Except as provided in paragraph (c), general education aid must be paid to the serving district.

(c) If the resident district pays tuition for a pupil under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, general education aid, excluding basic skills revenue under section 126C.10, subdivision 4, must be paid to the resident district. For a student enrolled under section 124D.08, subdivision 2a, that is enrolled in other than an independent or special school district or charter school, the general education revenue shall be paid to the resident district.

Subd. 2. Reporting; revenue for homeless. For all school purposes, unless otherwise specifically provided by law, a homeless pupil is a resident of the school district that enrolls the pupil.

Subd. 3. Revenue for children of divorced or legally separated parents or parents residing separately.

(a) In those instances when the divorced or legally separated parents or parents residing separately share joint physical custody of the child and the divorced or legally separated parents or parents residing separately reside in different school districts, for all school purposes, unless otherwise specifically provided by law, the child must be considered a resident of the school district, as indicated by the child's parents.

(b) When the child of divorced or legally separated parents or parents residing separately under paragraph (a) resides with each parent on alternate weeks, the parents shall be responsible for the transportation of the child to the border of the resident school district during those weeks when the child resides in the nonresident school district.

Subd. 4. District without schools. Except as otherwise provided in law, any district not maintaining classified elementary or secondary schools must pay the tuition required in order to enable resident pupils to attend school in another district when necessary, and must receive general education aid on the same basis as other districts. The aid must be computed as if the pupils were enrolled in the district of residence.

Subd. 5. Notification of resident district. A district educating a pupil who is a resident of another district must notify the district of residence within 60 days of the date the pupil is determined by the district to be a nonresident, but not later than August 1 following the end of the school year in which the pupil is educated.

Subd. 6. State agency and court placements. If a state agency or a court of the state desires to place a child in a district that is not the child's district of residence or to place a pupil who is a parent under section 120A.22, subdivision 3, in a school district which is not the school district in which the pupil's biological or adoptive parent or designated guardian resides, that agency or court must, before placement, allow the district

of residence an opportunity to participate in the placement decision and notify the district of residence, the district of attendance and the commissioner of the placement decision. When a state agency or court determines that an immediate emergency placement is necessary and that time does not permit district participation in the placement decision or notice to the districts and the commissioner of the placement decision before the placement, the agency or court may make the decision and placement without that participation or prior notice. The agency or court must notify the district of residence, the district of attendance and the commissioner of an emergency placement within 15 days of the placement.

Subd. 7. Alternative attendance programs. (a) The general education aid and special education aid for districts must be adjusted for each pupil attending a nonresident district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.08, and 124D.68. The adjustments must be made according to this subdivision.

(b) For purposes of this subdivision, the "unreimbursed cost of providing special education and services" means the difference between: (1) the actual cost of providing special instruction and services, including special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid **as defined in section 125A.11, subdivision 1, paragraph (c),** attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, minus (3) special education aid under section 125A.76 attributable to that pupil, that is received by the district providing special instruction and services. For purposes of this paragraph, general education revenue and referendum aid attributable to a pupil must be calculated using the serving district's average general education revenue and referendum aid per adjusted pupil unit.

(c) For fiscal year 2015 and later, special education aid paid to a resident district must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing special education and services.

(d) Notwithstanding paragraph (c), special education aid paid to a resident district must be reduced by an amount equal to 100 percent of the unreimbursed cost of special education and services provided to students at an intermediate district, cooperative, or charter school where the percent of students eligible for special education services is at least 70 percent of the charter school's total enrollment.

(e) Special education aid paid to the district or cooperative providing special instruction and services for the pupil, or to the fiscal agent district for a cooperative, must be increased by the amount of the reduction in the aid paid to the resident district under paragraphs (c) and (d). If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aids due to the district.

(f) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge the resident district tuition for pupils rather than to have the general education revenue paid to a fiscal agent school district. Except as provided in paragraph (e), the district of residence must pay tuition equal to at least 90 **and no more than 100** percent of the district average general education revenue per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without compensatory revenue**, local optional revenue,** and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center.

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

Subd. 8. Charter schools. (a) The general education aid for districts must be adjusted for each pupil attending a charter school under section 124D.10. The adjustments must be made according to this subdivision.

(b) General education aid paid to a district in which a charter school not providing transportation according to section 124D.10, subdivision 16, is located must be increased by an amount equal to the sum of: (1) the product of: (i) the sum of an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, plus the transportation sparsity allowance for the district; times (ii) the adjusted pupil units attributable to the pupil; plus (2) the product of $223 and the extended time pupil units attributable to the pupil.

MINNESOTA STATE HIGH SCHOOL LEAGUE (MSHSL)

(Bolded Items - 2014 Session Changes)

1. M.S. 128C.01 FORM, MAKEUP, DELEGATED POWER, BOARD MEMBERS.

Subdivision 1. Voluntary association. The Minnesota state high school league is a nonprofit corporation that is a voluntary association of high schools. A high school that is a school under section 120A.22, subdivision 4, may be a member of the league. The league is made up of high schools whose governing boards have delegated their control of extracurricular activities, as described in section 123B.49, subdivision 4, to the league. The delegation is made when the governing board files a certificate of delegation with the commissioner of education.

Subd. 2. Power to delegate to, pay for, league. The governing board of a high school may delegate its control of extracurricular activities to the league. A school board may spend money for, and pay dues to, the league.

Subd. 3. League power to control. The state high school league may control contests by and between pupils of the Minnesota high schools that are delegated to it under this section.

Subd. 4. Board. (a) The league must have a 20-member governing board.

(1) The governor must appoint four members according to section 15.0597. Each of the four appointees must be a parent. At least one of them must be an American Indian, an Asian, a Black, or a Hispanic.

(2) The Minnesota association of secondary school principals must appoint two of its members.

(3) The remaining 14 members must be selected according to league bylaws.

(b) The terms, compensation, removal of members, and the filling of membership vacancies are governed by section 15.0575, except that the four-year terms begin on August 1 and end on July 31. As provided by section 15.0575, members who are full-time state employees or full-time employees of school districts or other political subdivisions of the state may not receive any per diem payment for service on the board.

Subd. 5. Repealed.

2. M.S. 128C.02 DUTIES, POLICIES, CRITERIA, RULES OF BOARD. (**2014 Session Change**)

Subdivision 1. Decisions, policies, advisory committees. The board shall establish and adopt policies, including a policy on corporate sponsorships and similar agreements, make decisions on behalf of the league, and establish advisory committees necessary to carry out board functions.

Subd. 2. Sexual harassment and violence; hazing. The board of the league shall adopt a policy, rules, penalties, and recommendations addressing sexual harassment and sexual violence and hazing toward and by participants in league activities.

Subd. 3. Criteria for conference arrangements. The board must develop criteria for the league to use when it is asked to arrange for membership in an interscholastic conference by a league member under section 128C.07. The league must give notice and an opportunity for league members to be heard before adopting the criteria. The criteria must include, at least, the distance to be traveled by competing schools, the relative enrollments of the schools, and the comparability of extracurricular activities in the schools.

Subd. 3a. Repealed.

Subd. 3b. Concussion awareness, safety, and protection. The league may adopt a concussion awareness, safety, and protection policy that exceeds the requirements of section 121A.38.

Subd. 4. Rules are APA exempt. The rules of the league are exempt from chapter 14, including section 14.386.

Subd. 5. Rules for open enrollees. (a) The league shall adopt league rules and regulations governing the athletic participation of pupils attending school in a nonresident district under section 124D.03.

(b) Notwithstanding other law or league rule or regulation to the contrary, when a student enrolls in or is readmitted to a recovery-focused high school after successfully completing a licensed program for treatment of alcohol or substance abuse, mental illness, or emotional disturbance, the student is immediately eligible to participate on the same basis as other district students in the league-sponsored activities of the student's resident school district. Nothing in this paragraph prohibits the league or school district from enforcing a league or district penalty resulting from the student violating a league or district rule.

(c) The league shall adopt league rules making a student with an individualized education program who transfers from one public school to another public school as a reasonable accommodation to reduce barriers to educational access immediately eligible to participate in league-sponsored varsity competition on the same basis as other students in the school to which the student transfers. The league also must establish guidelines, consistent with this paragraph, for reviewing the 504 plan of a student who transfers between public schools to determine whether the student is immediately eligible to participate in league-sponsored varsity competition on the same basis as other students in the school to which the student transfers.

Subd. 6. Annual report. The board annually shall prepare a written report containing the information about the league that the commissioner is required to obtain and review under section 128C.20. The board shall present copies of the report in a timely manner to the education committees of the legislature.

Subd. 7. Women referees. The league shall adopt league rules and policy requiring, to the extent possible, the equal employment of women as referees for high school activities and sports contests, from game level to tournament level.

Subd. 8. Repealed.

Subd. 9. Purchasing. In purchasing goods and services, the league must follow all laws that apply to school districts under sections 123B.52 and 471.345.

3. M.S. 128C.03 PROCEDURES.

The league shall adopt procedures to ensure public notice of all eligibility rules and policies that will afford the opportunity for public hearings on proposed eligibility rules. If requested by 100 or more parents or guardians of students, the public hearing must be conducted by an administrative law judge from the office of administrative hearings, by a person hired under contract by the office of administrative hearings, or by an independent hearing officer appointed by the commissioner of education from a list maintained for that purpose. At the conclusion of a hearing requested by 100 or more parents or guardians of students, the person conducting the hearing shall write a report evaluating the extent to which the league has shown that the proposed rule is needed and reasonable and the legality of the proposed rule. The league shall pay for

hearings under this section.

4. M.S. 128C.05 TOURNAMENTS, CLASSES OF ATHLETIC COMPETITION.

Subdivision 1. Tournaments. The Minnesota State High School League shall establish, conduct, and regulate championship high school tournament activities.

Subd. 2. Classes. The league shall determine the number of classes in all interscholastic athletic activities under its jurisdiction.

Subd. 3. Exemption. The appropriate regional committee must hear a request for a waiver to allow a nonresident student to participate in another district when that participation affects a school's classification for interscholastic athletic activities. The regional committee must review requests for waivers and make timely recommendations to the Minnesota State High School League Board of Directors.

5. M.S. 128C.07 ARRANGING INTERSCHOLASTIC CONFERENCE MEMBERSHIP.

Subd. 3. Prerequisite: 90-day good faith effort. Before asking the league to arrange membership, the school must make a good faith attempt over at least 90 days to join a conference. The 90 days run from the date of the school's first written request to join or rejoin a conference.

6. M.S. 128C.08 ASSAULTING A SPORTS OFFICIAL PROHIBITED.

Subdivision 1. Definitions. For the purposes of this section, the following terms have the meaning given in this subdivision.

"Assault" is (1) an act done with intent to cause fear in another of immediate bodily harm or death, or (2) the infliction of or attempt to inflict bodily harm upon another.

"Sports official" is a person who serves as an umpire, referee, judge, linesperson, timer, scorekeeper, or in another similar capacity for an interscholastic athletic activity.

"Interscholastic athletic activity" or "activity" means an interscholastic athletic activity whose control, supervision, and regulation have been delegated to the Minnesota state high school league pursuant to section 128C.01.

Subd. 2. Prohibited conduct. Any person who assaults a sports official in connection with an interscholastic athletic activity may be excluded from attending an activity for up to 12 months.

Subd. 3. Sanction. The board of directors of the Minnesota state high school league or a school board may exclude any person except as provided in subdivision 5.

The board of directors of the Minnesota state high school league may exclude a person from:
(1) any activity of the kind in connection with which the assault occurred; or
(2) all interscholastic athletic activities.

A school board may exclude a person from any activity sponsored or participated in by the school district.

Subd. 4. Procedure. The board of directors of the Minnesota state high school league or a school board

may exclude a person from any interscholastic athletic activity if the person assaulted a sports official in connection with an activity. A person alleged to have assaulted a sports official shall be entitled to an informal hearing on the matter by the board of directors of the Minnesota state high school league or school board. Upon finding that the person assaulted a sports official, the board of directors of the Minnesota state high school league or school board shall notify the individual in writing and shall indicate any activity from which, and the period of time for which, the person is excluded.

Subd. 5. Head varsity coach. A head varsity coach may be excluded under this section only by the school board employing the coach.

7. M.S. 128C.22 LEAGUE MUST HAVE OPEN MEETINGS.

For the purposes of section 471.705, the state high school League is considered a state agency required by law to transact business in meetings open to the public.

8. M.S. 128C.24 HIGH SCHOOL LEAGUE; FUNDS TRANSFER.

Beginning July 1, 2007, the Minnesota State High School League shall annually determine the sales tax savings attributable to Minnesota Statutes, section 297A.70, subdivision 11, and annually transfer that amount to a nonprofit charitable foundation created for the purpose of promoting high school extracurricular activities. The funds must be used by the foundation to make grants to fund, assist, recognize, or promote high school students' participation in extracurricular activities. The first priority for funding will be grants for scholarships to individuals to offset athletic fees. The foundation must equitably award grants based on considerations of gender balance, school size, and geographic location, to the extent feasible.