

### **House K-12 Bill HF2431**

The House education finance committee acted on its bill Wednesday. The bill contains no reductions to K-12 funding for schools and meets its target through a reduction in the department. Amendments to delete the “maintenance of effort” under the safe schools levy, repeal the January 15<sup>th</sup> deadline and implement the Governor’s reform plan all failed on party line votes.

- Rep. Mariani offered an amendment to move ahead with the high school algebra end of course exam for students entering 8<sup>th</sup> grade in the 2010-2011 school year that provides information on college and career readiness, defined as “the knowledge and skills that a high school graduate needs to do either credit bearing course work at a two or four year college or university or career track employment that pays a living wage, provides employment benefits, and offers clear pathways for advancement through further education and training.” The amendment was adopted.
- Rep. Mariani also proposed an amendment establishing a uniform system of teacher evaluation negotiated with local bargaining units to enhance our RTTT application. MPS opposed the amendment in testimony on the grounds that teacher evaluation is a management right and need not be negotiated today. The amendment was adopted.

#### **Highlights of the bill include:**

- School boards may renew an existing referendum by board vote.
- Delayed implementation of the new “Minnesota Miracle” school finance reform.
- Special education MA billing simplification.
- After school transportation for government entities.
- Clarification of a district’s obligation for serving out of state students. Administrative simplification for Health and Safety revenue.
- Codification of the school aids unallotment/payment shift.
- An amended Alternative teacher certification provision.

#### **Other provisions in bill include:**

### **Article 1, General Education**

#### **Early Graduation Achievement Scholarship Program**

**House:** Creates the early graduation achievement school program that qualifies a student who graduates early for a scholarship of up to \$7,500.

#### **Post Secondary Options--Textbooks**

**House:** Allows a post secondary institution to charge a PSEO student for any textbooks or classroom materials that are not promptly returned by a student.

#### **Extended Time Revenue**

**House:** Links extended time revenue to any future increase in the formula.

### **All Day K and Prekindergarten**

**House:** allows a district to reallocate any funds not expended under the scholarship program to all day K and pre-K programs.

### **Referendum by School Boards**

**House:** Authorizes a school board to renew an expiring operating referendum by adoption of a written resolution if the renewal is sought for the same dollar amount and term as the expiring referendum.

### **Retired Employee Benefits (OPEB)**

**House:** Clarifies that the maximum amount of the annual levy can't exceed the actual costs for retired employees under OPEB in the previous year. This levy is set at \$29.863 in FY11 and increases by \$14 million per year for each subsequent year.

## **Article 2, Education Excellence**

### **Length of School Year**

**House: Originally Allowed:** a district that had at least 178 instruction days or professional development days in 2008-09 to reduce its calendar to 178 in 2010 as long as the total number of student contact hours remains the same.

### **AMENDED TO PROVIDE:**

- The minimum number of days of instruction was eliminated and replaced with a minimum number of hours as follows:
  - o 425 hours of instruction for a kindergarten student without a disability
  - o 935 hours of instruction for a student in grades 1 through 6
  - o 1,020 hours of instruction for a student in grades 7 through 12

### **Physical Education—Health Awards Program**

**House:** Adds P.E. to the list of state standards effective for all students beginning in 2012-13 school years. Uses standards already adopted by the district. Also encourages MDE to develop voluntary school district recess guidelines, and adds PE to the common course catalog and PE requirements. Establishes a healthy kids award program that requires at least 75% of the kids exercise 60 minutes a day. Integrates physical activity and nutrition education into all school activities.

### **Mental Health Education**

**House:** Encourages districts to provide mental health instruction for students in grades 7-12 that is aligned to local health education standards and integrated into existing programs.

### **Statewide Testing**

#### **House:**

- Requires schools to place the “pass status” of the grade assessment on the student transcript.
- Prohibits MDE from signing an MOU or agreement to participate in a consortia or other agreement with any other state without legislative authorization.

### **State Growth Targets for Improving Graduation Rates for At Risk Kids**

**House:** Directs MDE to identify and report measures that demonstrate the success of schools in improving graduation outcomes for students who are “at-risk” of not graduating and/or off-track to graduate. Requires a report that would summarize:

- 4 and 6 year graduation rate, including students in alternative programs.
- The success that schools and alternative program in identify at risk and off-track students, providing successful prevention and intervention strategies for at-risk and off-track students, and improving graduation outcomes.
- Establishes definitions for “at-risk” and “off-track” students including absences, failing courses, ELL and first enrolled as a high school student, returning drop-out etc.
- The data must be collected in the 2012-2113 year and consistent with qualified and recognized experts.
- Adds the 4 and 6 year graduation rates of students “at-risk” or “off-track” to the school report card.
- Requires MDE to establish a work group of experts to implement this provision.

### **Posted Wellness Policy**

**House:** Requires schools to post their local wellness policy of the web.

### **Board of Teaching**

#### **House:**

- Limits the Board Of Teaching’s (BOT) authority to adopt rules without specific legislative authorization.
- Requires candidates for initial licensure to pass the Praxis I and subject area tests.
- Requires local licensing committee’s recommendations to incorporate a requirement for personal reflection and growth in best teaching practices. Also makes change for licensing renewals.
- Requires alignment of state standards.

### **Alternative Teacher Preparation Licensing Program and Limited-Term Teacher License**

#### **House:**

- Establishes an alternative teacher preparation program and provides a limited term license for candidates of programs. Establishes the requirements and characteristics that are necessary for board approval.
- **AMENDED TO:** Add an additional section on mid-career professionals only, despite mid-career professionals being addressed in the current language.

### **Efficiency Plus Task Forces**

**House:** Creates an efficiency task force to reduce administrative costs. Requires participation for districts under 5000 students. Districts larger than 5000 students are encouraged to participate. Lists all the options and reporting requirements.

### **Charter Schools**

**House:** Makes some technical and other changes for charters and authorizers that were included in the MDE policy bill.

### **Vacant Building Inventory**

**House:** Requires MDA and MDE to annually publish a list of state and district-owned buildings and parts of buildings that are vacant and or unused and may be suitable for charter schools.

### **Temporary Suspension of Staff Development Revenue**

**House:** Allows a district to make a permanent transfer on June 30, 2010 any balance from the reserved account for staff development to the general fund.

### **ELL Standards**

**House:** requires MDE to go through rulemaking to develop ELL guidelines.

### **Integration and Desegregation Task Force Meeting**

**House:** Establishes a task force to study and make recommendations related to the State Auditor's Report. The report is due January 15, 2011.

### **Article 3, Special Programs**

**House:**

- Adopts language clarifying the district's responsibility for providing special education students until the student turns 21 or receives a standard high school diploma which ever comes first.
- Establishes a process for resolving disputes between districts.
- Requires districts to offer at least one conciliation conference within two business days of receiving a parent's objection to a proposed placement.
- Makes changes that make it easier to bill MA for medically related special education services.
- States that district are not required to serve out of state students without an IEP who lack tuition or other agreement for payment.
- Makes changes in placement for the academy of the deaf.

### **Article 4, Facilities and Technology**

#### **Health and Safety**

**House:** Stream lines the process for health and safety revenue. Creates an appeals process if the district is denied authority.

**Fiber Optic**

**House:** Allows schools and libraries access the state's general obligation funds to the extent funding is available.

**Article 5, Accounting****Line of Credit/Repayment of Certificates**

**House:** Allows a school district to enter into an unsecured line of credit for up to 120 days and allows the district to borrow up to 95% of its average quarterly expenditures (380% of its average monthly expenditures).

Extends the duration of certain certificates to extend for up to 12 months after the close of the year if the certificate is a taxable obligation.

**Licensed Teacher/Penalty**

**House:** Allows MDE to make an aid reduction when a district doesn't use a licensed teacher.

**Metro Deaf School, Charter Schools and Schools in Statutory Operating Debt**

Provides finance provisions for certain schools to address cash flow.

**Budget and Management Borrowing Authority**

**House:** Repeals the MMB authority to borrow money from schools.

**Levy Recognition**

**House:** Beginning FY2010, shifts 47.8% of the school levy payments into the previous year.

**Education Aids Payment Shift**

Codifies the education aids payment shifts un-allotted by the Governor.

**Repeals MS 127 A.46** which requires the state to delay payments to school districts to prevent the state from short-term borrowing

**Article 6, State Agencies**

This article makes small changes to the agency.

**Article 7, Pupil Transportation**

- Broadens a school district's pupil transportation authority for students attending area learning centers by allowing the district to transport area learning center pupils between buildings if space exists on an existing bus.
- Changes the Department of Education's responsibility from developing an age-appropriate comprehensive model of school bus safety training program to developing and maintaining a list of school bus safety training instructional materials.
- Allows a school district to include in its special education costs the costs of using a school bus with a power lift for a curricular field trip if the lift is required by a student's

disability. Includes an after school program run by a city or other political subdivision to be designated as a pupil's "home" for purposes of providing to and from school transportation.

- Authorizes a school district to record the expense of a contracted pupil transportation service as the actual cost of the contract under certain circumstances (under current law, pupil transportation expenses must be allocated on a cost-per-mile, cost-per-student, cost-per-hour, or cost-per route basis).
- Requires that a motor coach used for school related activities be equipped with a lap or a lap and shoulder belt when transporting students beginning July 1, 2012.
- Modifies requirements that apply for a person to be able to drive a **type III vehicle** without having a commercial driver's license and certain endorsements, to:
  - add to driver training on loading and unloading students, so that it includes training on properly parking the vehicle when escorting pupils as part of unloading;
  - eliminate pre-employment alcohol testing;
  - allow employers to use a breathalyzer (instead of a blood test) as part of their mandatory random or reasonable suspicion testing of job applicants for a driver position;
  - create an exemption from confirmatory retest requirements under state workplace drug and alcohol testing law.
- **Rules.** Authorizes the commissioner of public safety to use the same physical qualification requirements for type III vehicle drivers that apply (under federal regulations) to commercial motor vehicle drivers. This includes authority to grant a waiver from the qualifications if the driver has been medically examined within the last 24 months and meets the federal requirements. Exempts the department from rulemaking on the provision.

#### **Article 8, Education Finance Reform**

- This article phases in the K-12 finance formulas and appropriations for the "New Minnesota Miracle" K-12 Finance reform proposal over an unspecified number of years. Highlights include:
  - Doubles Debt Service Equalization factors
  - Triples **Career Technical Education** funding from \$80 to \$240 per pupil (grades 10-12) and converts it from levy to a state aid formula.
  - **LEP**-Removes the 5 year cap on Limited English Proficiency revenue and increases the formula from \$700 per pupil to 20% of the General Education Revenue formula (\$1500). **NB:** LEP concentration revenue is repealed.
  - **Special Education** revenue caps are repealed and special education regular and excess cost formulas are fully funded.
  - **Location Equity Index** formula created to compensate for regional wage differentials.

- **Compensatory Revenue Formula is modified:** formula equals 40% of general education formula times free and reduced pupil count times the concentration factor. Minimum compensatory revenue per pupil set at \$2,500 (33% of the General Education formula).
- **General Education Revenue** – increased from \$5,124 to \$7,500.
- **Declining Enrollment Revenue – a new formula** equal to the general education formula allowance times the average pupil loss over the three preceding years.
- **Extended Time Revenue** – linked to the new General Education revenue formula.
- **Referendum Replacement revenue - \$500 per pupil** which replaces \$500 per pupil in referendum revenue.
- **Operating Capital** – Adds \$600 per pupil to the Operating Capital formula for non-alternative facilities schools; \$50 per pupil for technology purposes.
- **Transportation revenue** – amended to reflect Hazardous transportation and bus purchase costs.
- **Innovation Revenue** – A 5% set aside of general education revenue for new innovative learning strategies.

### **Significant Amendments were adopted during committee “Mark-Up”**

- The minimum number of days of instruction was eliminated and replaced with a minimum number of hours as follows:
  - 425 hours of instruction for a kindergarten student without a disability
  - 935 hours of instruction for a student in grades 1 through 6
  - 1,020 hours of instruction for a student in grades 7 through 12
- A high school algebra end-of-course assessment is established for students entering 8<sup>th</sup> grade in the 2010-11 school year. The amendment was consistent with the recommendations from the CCRPI Working Group except that the end of course exam would count toward 20 percent of a student’s final grade.
- Annual evaluations and peer coaching for continuing contract teachers would be required.
  - MPS testified in opposition to this provision on the grounds that teacher evaluations are a management right and the amendment makes them an issue of collective bargaining. You can access the language of the amendment [here](#).
- Requires that statewide computer adaptive math tests be administered beginning in the 2011-12 school year and that computer adaptive reading tests be administered beginning in 2013-14.

### **The Senate Began Work on their Omnibus K-12 Finance**

The Senate met Wednesday morning and adopted their spread sheet that implements a \$14.22 million in cuts to K-12. Minneapolis, Saint Paul and Duluth had their alternative facilities aid cut by \$11.2 million in FY11 and \$4.14 in FY12/13. MPS, SPPS and DULith all testified that this aid was a result of the tax reform in the late 90’s when there was class rate compression of

commercial and industrial property tax relief. Under the amendment the districts would be able to levy for the one year aid cut and recognize the revenue early.

Attached please find the fact sheet we provided delegation members to communicate their concerns.

Minneapolis, St. Paul and Duluth delegation members met on this issue and have communicated their concerns to Caucus leadership.

**The committee bill also reduced the following grants:**

- Magnet school and program grants by \$41,000
- Statewide testing by \$833,000
- AP/IB by \$248,000
- Concurrent Enrollment by \$\$110,00
- Collaborative Urban Educator Program by \$29,000
- Youthworks by \$50,000 however, there is a loss of federal revenue of \$171,000 of revenue with the loss of this state match.
- Mn Foundation for Student Organizations by \$40,000
- Get Ready, Get Credit by \$46, 000
- Telecommunications Access by \$206,000
- Electronic Library by \$8,000
- MDE and Perpich were cut.

**Pensions Update**

The omnibus pension bills that address the under-funding of the state pension funds as well as St. Paul Teachers and MERF are advancing. House and Senate Finance committee heard and passed the Omnibus Pension Bill, and the separate MERF bill on Wednesday.

**Open Meeting Law**

- **HF2958/SF2518** - This bill makes several changes to the open meeting law to reflect case law that has been decided over the years as well as several updates to reflect current technology.
- **House** – passed committee and re-referred to Rules and Administration
- **Senate** – Passed Committee and is sitting on General Orders.