

HF 2—HIGHLIGHTS (& LOWLIGHTS)

ARTICLE 1—GENERAL EDUCATION

- ❖ **FLAT FUNDING OF ON-GOING GENERAL EDUCATION FORMULAS**—\$500 million expended from federal stimulus package to replace corresponding cuts in general education revenue.
- ❖ One-time money (\$106/PU) from last two sessions is not included. \$30/PU of revenue from the permanent school fund is included. In other words, we're down about \$76/PU.
- ❖ Sets basic alternative teacher compensation aid at 65% of total basic alternative teacher compensation revenue beginning in FY 2010 (2009-2010 school year).
- ❖ Removes authority of voters to file a petition to require the school board to hold an election to either approve or revoke a referendum levy.
- ❖ Clarifies existing levy authority for certain retiree health benefits (OPEB).
 - Creates a new levy for school districts to fund the annual costs associated with OPEB expenses. School district is required to:
 - ◆ Create an actuarial liability to pay for benefits,
 - ◆ Eliminate post-employment benefits from the current contract, and,
 - ◆ Apply for levy authority from the Commissioner of Education.
 - ◆ Levy amount set at \$9.2 million for Pay 2010, \$29.9 million for Pay 2011, and previous year's levy plus \$14.0 million for Pay 2012 and beyond.
 - Requires school districts to seek voter approval to use bond proceeds to fund OPEB benefits.
- ❖ Modifies the maintenance of effort language for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed chemical dependency counselors. Districts may calculate maintenance of effort on FTE instead of total dollar basis.

ARTICLE 2—EDUCATION EXCELLENCE

- ❖ Growth model to measure student progress is established. Concepts of value-added, value-added growth, adequate yearly progress, state growth target, levels of growth, and proficiency are defined and enacted.

- ❖ Suspends 2% staff development set-aside for the next two school years.
- ❖ Comprehensive, scientifically-based reading instruction is clarified.
- ❖ Allows students in grade 8 between 2005-2006 and 2009-2010 who do not pass the GRAD mathematics test to receive a diploma if they satisfactorily complete all coursework, participate in academic remediation, and take up to two re-test attempts.
- ❖ Charter school reform and accountability provisions mostly dealing with reporting and monitoring relationships between authorizers, sponsors, and charter schools.
 - Lists organizations that are eligible to authorize charter schools and sets in place process for other entities to become authorizers. Prohibits charitable organizations that are nonpublic sectarian or religious institutions or their affiliates and any charitable organizations that describe activities indicating a religious purpose.
 - Makes charters schools subject to the state whistle-blowing statute.
 - Criteria for a charter school to establish an affiliated nonprofit building corporation to renovate, purchase, or construct a new facility are outlined.
- ❖ Site-based schools as outlined in the Education Evolving proposal are established.
- ❖ Greater focus on achievement to close the gap between white and protected students is made part of the integration revenue statute.
- ❖ Board of Teaching is directed to administer an assessment of reading instruction or prekindergarten and elementary teacher licensure candidates that is part of the exam of licensure-specific teaching skills.

ARTICLE 3—SPECIAL PROGRAMS

- ❖ A number of rule revisions to bring Minnesota’s special education rules and statutes into greater conformity with federal law are part of this article, including:
 - Prohibition on department issuing opinions with the force of rule through memoranda or the complaint process. Department can only make rules with the expressed authority of the Legislature.
 - Defines child with a disability. There is a change in the interpretation of what constitutes the end of service for a child turning 21. A student who turns 21 during the school year can receive services to the end of the school year in which they turn 21.
 - Excludes a mediation settlement from being used in subsequent litigation.

- Conciliation requirements on behalf of the district are met if the parent refuses a school district effort to conciliate a dispute.
 - Burden of proof lies with the party seeking relief. Previously, the burden of proof always sat with the school district.
 - School district is not liable for technical violations under state and federal law.
- ❖ New statutory requirements for implementing restrictive procedures for students (seclusion) with emotional behavior disorder. This effort is known as the NAMI (National Alliance on Mental Illness) which was initiated after the behavior intervention rule developed in 2007 and 2008 was invalidated by the Administrative Hearings Officer.
- Districts must have a publicly accessible plan for using restrictive procedures.
 - Districts must make reasonable efforts to inform parents when restrictive procedures have been used.
 - Seclusion or physical holding can only be used in an emergency and ends when the threat of harm has ended. Procedure must be documented and room used for seclusion must meet local building, fire, and safety codes and is registered with the Minnesota Department of Education.
 - Requires staff training.
 - Effective date is August 1, 2011.
- ❖ Requires a nonresident district to inform a resident district if a child has been placed in a care and treatment facility. Notification must be done within 15 days on an emergency placement. Resident district is given five business days to request an opportunity to participate in the emergency placement decision. Another section allows resident district to establish reasonable restrictions for transporting a child placed at a day care and treatment facility.

ARTICLE 4—FACILITIES AND TECHNOLOGY

- ❖ Project cost threshold that requires a district consult with Department raised from \$250,000 to \$500,000.
- ❖ Raises the cap on school construction project that is subject to review and comment from \$500,000 to \$1,400,000.

ARTICLE 5—LIBRARIES, NUTRITION, AND TECHNOLOGY

- ❖ Extends the one-year authority for school districts to transfer up to \$51/PU for the reserved for operating capital account to the general fund for another two years.

- ❖ Maintenance of effort for local library support set along with tax base changes for calculating the levy.

ARTICLE 7—STATE AGENCIES

- ❖ MDE budget cut by \$1.5 million.
- ❖ Perpich Center for Arts Education not converted to a charter school.

UPDATE ON EDUCATION ISSUES IN OTHER BILLS

- ❖ TRA pension fund deficiency correction and enhanced benefits for teachers not included in the omnibus pension bill.
- ❖ Conference committee on mandatory statewide health insurance pool for teachers is completed, but was not taken up during the last day of the session.
- ❖ Type III legislation relaxing the requirements for part-time drivers passed and was signed by the Governor.
- ❖ School bullying bill that uses state human rights law as definition for protected groups has passed both the House and Senate, but has not been signed by the Governor yet.
- ❖ Shared-services bill was not a part of the final omnibus education funding bill.
- ❖ New Minnesota Miracle language was not part of the final omnibus education funding bill.
- ❖ None of the Governor’s signature proposals—Pay for Performance Revenue, mandatory application to QComp, Teacher Transformation Act—were included in the final omnibus education funding bill.