

STATE OF MINNESOTA

NINETY-THIRD SESSION — 2023

 FORTY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 3, 2023

The House of Representatives convened at 3:30 p.m. and was called to order by Dan Wolgamott, Speaker pro tempore.

Prayer was offered by Pastor Dale Christiansen, Crane Community Chapel, Austin, Minnesota.

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

The roll was called and the following members were present:

Acomb	Davids	Hassan	Kotzya-Witthuhn	Newton	Schomacker
Agbaje	Davis	Heintzeman	Kozlowski	Niska	Schultz
Anderson, P. E.	Demuth	Hemmingsen-Jaeger	Kraft	Noor	Sencer-Mura
Anderson, P. H.	Dotseth	Her	Kresha	Norris	Skraba
Backer	Edelson	Hicks	Lee, F.	Novotny	Smith
Bahner	Elkins	Hill	Lee, K.	O'Driscoll	Stephenson
Bakeberg	Engen	Hollins	Liebling	Olson, B.	Swedzinski
Baker	Feist	Hornstein	Lillie	Olson, L.	Tabke
Becker-Finn	Finke	Howard	Lislegard	Pelowski	Torkelson
Bennett	Fischer	Hudella	Long	Pérez-Vega	Urdahl
Berg	Fogelman	Hudson	McDonald	Perryman	Vang
Bierman	Franson	Huot	Mekeland	Petersburg	West
Brand	Frederick	Hussein	Moller	Pfarr	Wiener
Burkel	Freiberg	Igo	Mueller	Pinto	Witte
Carroll	Gillman	Jacob	Murphy	Pryor	Wolgamott
Cha	Gomez	Johnson	Myers	Pursell	Xiong
Clardy	Greenman	Jordan	Nadeau	Quam	Youakim
Coulter	Grossell	Joy	Nash	Rehm	Zeleznikar
Curran	Hansen, R.	Keeler	Nelson, M.	Reyer	
Daniels	Hanson, J.	Klevorn	Nelson, N.	Richardson	
Daudt	Harder	Knudsen	Neu Brindley	Robbins	

A quorum was present.

Altendorf, Bliss, Frazier, Garofalo, Hortman, Kiel, Koznick, O'Neill, Scott and Wiens were excused.

Koegel was excused until 3:50 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 29, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Hortman:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House File:

H. F. No. 45, relating to judiciary; establishing an assessment process to determine if current and former members of the military charged with certain offenses are eligible for deferred prosecution.

Sincerely,

TIM WALZ
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2023 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2023</i>	<i>Date Filed 2023</i>
	45	19	2:31 p.m. March 29	March 29

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Pelowski from the Committee on Higher Education Finance and Policy to which was referred:

H. F. No. 38, A bill for an act relating to higher education; appropriating money to the Board of Trustees of the Minnesota State Colleges and Universities to fund an undergraduate tuition reduction.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 3, H. F. No. 38 was re-referred to the Committee on Rules and Legislative Administration.

Pelowski from the Committee on Higher Education Finance and Policy to which was referred:

H. F. No. 39, A bill for an act relating to higher education; appropriating money to the Board of Trustees of the Minnesota State Colleges and Universities to expand low-cost course material options and fund an undergraduate tuition reduction.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 135A.012, is amended to read:

135A.012 HIGHER EDUCATION ATTAINMENT GOAL.

Subdivision 1. **Purpose.** This section sets a goal for postsecondary education and workforce training credential attainment for Minnesota residents.

Subd. 2. **Postsecondary credentials.** The number of Minnesota residents ages 25 to 44 years who hold postsecondary ~~degrees or certificates~~ or industry-recognized credentials should be increased to at least 70 percent by 2025.

Subd. 3. **Rights not created.** The attainment goal in this section is not to the exclusion of any other goals and does not confer a right or create a claim for any person.

Subd. 4. **Data development and analyses.** The Office of Higher Education shall work with the state demographer's office to measure progress towards the attainment of the goal specified in subdivision 2. The United States Census Bureau data shall be used to calculate the number of individuals in the state who hold a postsecondary degree. The Office of Higher Education, demographer's office, ~~and~~ the Department of Employment and Economic Development, ~~and the Department of Labor and Industry~~ shall develop a methodology to estimate the number of individuals that hold a ~~certificate~~ credential awarded by a postsecondary institution or recognized by an industry authority as their highest ~~educational~~ credential using data available at the time that the analysis is completed.

Subd. 5. **Reporting.** (a) Beginning in 2016 and every year thereafter, the Office of Higher Education, in collaboration with the state demographer's office, shall, by October 15, report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance on the progress towards meeting or exceeding the goal of this section.

(b) Meeting and maintaining the goal of 70 percent of Minnesota residents ages 25 to 44 years holding a postsecondary ~~degree or certificate~~ or industry-recognized credential will likely be difficult without achieving attainment rates that are comparable across all race and ethnicity groups. The Office of Higher Education shall utilize benchmarks of 30 percent or higher and 50 percent or higher to report progress by race and ethnicity groups toward meeting the educational attainment rate goal of 70 percent.

Sec. 2. Minnesota Statutes 2022, section 136A.121, subdivision 2, is amended to read:

Subd. 2. **Eligibility for grants.** (a) An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the office finds that the applicant:

(1) is a resident of the state of Minnesota;

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;

(3) has met the financial need criteria established in Minnesota Rules;

(4) is not in default, as defined by the office, of any federal or state student educational loan; ~~and~~

(5) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages; and

(6) has not been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C.

(b) A student is entitled to an additional semester or the equivalent of grant eligibility if the student withdraws from enrollment:

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

(2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Sec. 3. Minnesota Statutes 2022, section 136A.121, subdivision 18, is amended to read:

Subd. 18. **Data.** (a) An eligible institution whose students are eligible to receive funding under sections 136A.095 to 136A.246 must provide to the office data on student enrollment and federal and state financial aid.

(b) An institution or its agent must provide to the office aggregate and distributional financial or other data as determined by the commissioner that is directly related to the responsibilities of the office under this chapter. The commissioner may only request aggregate and distributional data after establishing and consulting with a data advisory task force to determine the need, content, and detail of the information. Data provided by nonpublic institutions under this paragraph is considered nonpublic data under chapter 13.

Sec. 4. Minnesota Statutes 2022, section 136A.1241, subdivision 5, is amended to read:

Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded a foster grant based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the foster grant must be equal to the applicant's recognized cost of attendance after deducting:

- (1) the student aid index as calculated by the federal need analysis;
- (2) the amount of a federal Pell Grant award for which the applicant is eligible;
- (3) the amount of the state grant;
- (4) the Federal Supplemental Educational Opportunity Grant;
- (5) the sum of all Tribal scholarships;
- (6) the amount of any other state and federal gift aid;
- (7) the Education and Training Voucher Program;
- (8) extended foster care benefits under section 260C.451;
- (9) the amount of any private grants or scholarships, excluding grants and scholarships provided by the private institution of higher education in which the eligible student is enrolled; and
- (10) for public institutions, the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts.

(b) The foster grant shall be paid directly to the eligible institution where the student is enrolled.

(c) An eligible private institution may opt out of participating in the foster grant program established under this section. To opt out, the institution shall provide notice to the office by ~~September~~ March 1 for the next academic year. An institution that opts out of participating, but participated in the program in a previous year, must hold harmless currently enrolled recipients by continuing to provide the benefit under paragraph (d) as long as the student remains eligible.

(d) An eligible private institution that does not opt out under paragraph (c) and accepts the student's application to attend the institution must provide institutional grants, scholarships, tuition waivers, or tuition remission in an amount equal to the difference between:

- (1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b), clause (1); and
- (2) the sum of the foster grant under this subdivision and the sum of the amounts in paragraph (a), clauses (1) to (9).

(e) An undergraduate student who is eligible may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or ~~previously has been enrolled full time as defined in section 136A.101, subdivision 7a, or the equivalent for eight semesters or the equivalent, or received a foster grant for five years, whichever occurs first. A foster grant must not be awarded to a student for more than three years for a two-year degree, certificate, or diploma, or five years received foster grant funds for a period of ten full-time semesters or the equivalent for a four-year undergraduate degree. A foster grant student enrolled in a two-year degree, certificate, or diploma program may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or received foster grant funds for a period of six full-time semesters or the equivalent.~~

(f) Foster grants may be awarded to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

Sec. 5. Minnesota Statutes 2022, section 136A.1701, subdivision 11, is amended to read:

Subd. 11. **Data.** (a) An eligible institution whose students are eligible to receive funding under sections 136A.15 to 136A.1795 and licensed or registered under sections 136A.61 to 136A.834 must provide to the office data on student enrollment and federal and state financial aid.

(b) An institution or its agent must provide to the office aggregate and distributional financial or other data as determined by the commissioner that is directly related to the responsibilities of the office under this chapter. The commissioner may only request aggregate and distributional data after establishing and consulting with a data advisory task force to determine the need, content, and detail of the information. Data provided by nonpublic institutions under this paragraph is considered nonpublic data under chapter 13.

Sec. 6. Minnesota Statutes 2022, section 136A.62, subdivision 3, is amended to read:

Subd. 3. **School.** "School" means:

(1) a Tribal college;

(2) any partnership, company, firm, society, trust, association, corporation, or any combination thereof, which (i) is, owns, or operates a private, nonprofit postsecondary education institution; (ii) is, owns, or operates a private, for-profit postsecondary education institution; or (iii) provides a postsecondary instructional program or course leading to a degree whether or not for profit;

~~(2)~~ (3) any public or private postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion; or

~~(3)~~ (4) any individual, entity, or postsecondary institution located in another state that contracts with any school located within the state of Minnesota for the purpose of providing educational programs, training programs, or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program.

Sec. 7. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision to read:

Subd. 3a. **Tribal college.** "Tribal college" means an institution of higher education located in this state that is formally controlled by or has been formally sanctioned or chartered by the governing body of a federally recognized Indian Tribe, or a combination of federally recognized Indian Tribes. Tribal college does not include any institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

Sec. 8. Minnesota Statutes 2022, section 136A.653, is amended by adding a subdivision to read:

Subd. 1b. **Tribal colleges.** A Tribal college is exempted from the provisions of sections 136A.61 to 136A.71. A Tribal college that is exempt may voluntarily waive its exception by registering under section 136A.63. Upon registration, the Tribal college is subject to all applicable requirements of sections 136A.61 to 136A.71.

Sec. 9. Minnesota Statutes 2022, section 136A.833, is amended to read:

136A.833 EXEMPTIONS.

Subdivision 1. **Application for exemptions.** A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school or program meets the requirements of an exemption. An exemption for the school or program expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section ~~136A.65, subdivision 8, paragraph (e)~~ 136A.829. If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Subd. 2. **Exemption reasons.** Sections 136A.821 to 136A.832 shall not apply to the following:

- (1) public postsecondary institutions;
- (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) postsecondary institutions exempt from registration under sections 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;
- (4) private career schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;
- ~~(4)~~ (5) private schools complying with the requirements of section 120A.22, subdivision 4;
- ~~(5)~~ (6) courses taught to students in a ~~valid~~ an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union;
- ~~(6)~~ (7) private career schools exclusively engaged in training physically or mentally disabled persons for the state of Minnesota;
- ~~(7)~~ (8) private career schools licensed by boards authorized under Minnesota law to issue licenses for training programs except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- ~~(8)~~ (9) private career schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;
- ~~(9)~~ (10) private career schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects, including adult basic education, as determined by the office except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names unless the private career school used "academy" or "institute" in its name prior to August 1, 2008;

~~(40)~~ (11) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

~~(41)~~ (12) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

~~(42)~~ (13) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity, and that are offered exclusively to ~~an individual practicing the profession~~ individuals with the professional licensure or certification;

~~(43)~~ (14) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing ~~and occupational certification, or~~ entrance examinations;

~~(44)~~ (15) classes, courses, or programs providing 16 or fewer clock hours of instruction ~~that are not part of the curriculum for an occupation or entry level employment except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;~~

~~(45)~~ (16) classes, courses, or programs providing instruction in personal development, modeling, or acting;

~~(46) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment;~~

(17) private career schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions if the distance education instruction does not include internships, externships, field placements, or clinical placements for residents of Minnesota; and

(18) private career schools providing exclusively training, instructional programs, or courses where tuition, fees, and any other charges for a student to participate do not exceed \$100.

Sec. 10. Minnesota Statutes 2022, section 136A.91, subdivision 1, is amended to read:

Subdivision 1. **Grants.** (a) The Office of Higher Education must establish a competitive grant program for postsecondary institutions to expand concurrent enrollment opportunities. To the extent that there are qualified applicants, the commissioner of the Office of Higher Education shall distribute grant funds to ensure:

(1) eligible students throughout the state have access to concurrent enrollment programs; and

(2) preference for grants that expand programs is given to programs already at capacity.

(b) The commissioner may award grants under this section to postsecondary institutions for any of the following purposes:

(1) to develop new concurrent enrollment courses under section 124D.09, subdivision 10, that satisfy the elective standard for career and technical education; or

(2) to expand the existing concurrent enrollment programs already offered by the postsecondary institution and support the preparation, recruitment, and success of students who are underrepresented in concurrent enrollment classrooms by:

(i) creating new sections within the same high school; or

(ii) offering the existing course in new high schools; ~~or~~

~~(iii) supporting the preparation, recruitment, and success of students who are underrepresented in concurrent enrollment classrooms.~~

Sec. 11. **REPEALER.**

Minnesota Rules, parts 4830.0400, subpart 1; and 4880.2500, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; providing for certain policy changes to postsecondary attainment goals, student financial aid, institutional licensure provisions, and institutional grant programs; amending Minnesota Statutes 2022, sections 135A.012; 136A.121, subdivisions 2, 18; 136A.1241, subdivision 5; 136A.1701, subdivision 11; 136A.62, subdivision 3, by adding a subdivision; 136A.653, by adding a subdivision; 136A.833; 136A.91, subdivision 1; repealing Minnesota Rules, parts 4830.0400, subpart 1; 4880.2500."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 3, H. F. No. 39 was re-referred to the Committee on Rules and Legislative Administration.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 402, A bill for an act relating to health; establishing requirements for certain health care entity transactions; changing the expiration date on moratorium conversion transactions; requiring a health system to return charitable assets received from the state to the general fund in certain circumstances; requiring a study on the regulation of certain transactions; requiring a report; appropriating money; amending Laws 2017, First Special Session chapter 6, article 5, section 11, as amended; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Health Finance and Policy.

The report was adopted.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 447, A bill for an act relating to judiciary; eliminating the fee for uncertified copies of instruments from civil or criminal proceedings; providing expedited attorney entry to district courthouse buildings; providing attorneys secured access to court records; amending Minnesota Statutes 2022, section 357.021, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 484.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CIVIL LAW, PROPERTY, AND BOARD MEMBERSHIP

Section 1. Minnesota Statutes 2022, section 169A.63, subdivision 8, is amended to read:

Subd. 8. **Administrative forfeiture procedure.** (a) A motor vehicle used to commit a designated offense or used in conduct resulting in a designated license revocation is subject to administrative forfeiture under this subdivision.

(b) Within 60 days from when a motor vehicle is seized under subdivision 2, or within a reasonable time after seizure, the appropriate agency shall serve the driver or operator of the vehicle with a notice of the seizure and intent to forfeit the vehicle. Additionally, when a motor vehicle is seized under subdivision 2, or within a reasonable time after that, all persons known to have an ownership, possessory, or security interest in the vehicle must be notified of the seizure and the intent to forfeit the vehicle. For those vehicles required to be registered under chapter 168, the notification to a person known to have a security interest in the vehicle is required only if the vehicle is registered under chapter 168 and the interest is listed on the vehicle's title. Upon motion by the appropriate agency or prosecuting authority, a court may extend the time period for sending notice for a period not to exceed 90 days for good cause shown. Notice mailed by certified mail to the address shown in Department of Public Safety records is sufficient notice to the registered owner of the vehicle. For motor vehicles not required to be registered under chapter 168, notice mailed by certified mail to the address shown in the applicable filing or registration for the vehicle is sufficient notice to a person known to have an ownership, possessory, or security interest in the vehicle. Otherwise, notice may be given in the manner provided by law for service of a summons in a civil action.

(c) The notice must be in writing and contain:

(1) a description of the vehicle seized;

(2) the date of seizure; and

(3) notice of the right to obtain judicial review of the forfeiture and of the procedure for obtaining that judicial review, printed in English. This requirement does not preclude the appropriate agency from printing the notice in other languages in addition to English.

Substantially the following language must appear conspicuously in the notice:

"WARNING: If you were the person arrested when the property was seized, you will automatically lose the above-described property and the right to be heard in court if you do not file a lawsuit and serve the prosecuting authority within 60 days. You may file your lawsuit in conciliation court if the property is worth \$15,000 or less; otherwise, you must file in district court. You do not have to pay a filing fee for your lawsuit.

WARNING: If you have an ownership interest in the above-described property and were not the person arrested when the property was seized, you will automatically lose the above-described property and the right to be heard in court if you do not notify the prosecuting authority of your interest in writing within 60 days."

(d) If notice is not sent in accordance with paragraph (b), and no time extension is granted or the extension period has expired, the appropriate agency shall return the vehicle to the owner. An agency's return of property due to lack of proper notice does not restrict the agency's authority to commence a forfeiture proceeding at a later time.

(e) Within 60 days following service of a notice of seizure and forfeiture under this subdivision, a claimant may file a demand for a judicial determination of the forfeiture. The demand must be in the form of a civil complaint and must be filed with the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the prosecuting authority having jurisdiction over the forfeiture. The claimant may serve the complaint by certified mail or any means permitted by court rules. If the value of the seized property is \$15,000 or less, the claimant may file an action in conciliation court for recovery of the seized vehicle. A copy of the conciliation court statement of claim ~~must~~ may be served personally or ~~by mail as permitted by the Rules of Conciliation Court Procedure~~ on the prosecuting authority having jurisdiction over the forfeiture within 60 days following service of the notice of seizure and forfeiture under this subdivision. The claimant does not have to pay the court filing fee.

No responsive pleading is required of the prosecuting authority and no court fees may be charged for the prosecuting authority's appearance in the matter. The prosecuting authority may appear for the appropriate agency. Pleadings, filings, and methods of service are governed by the Rules of Civil Procedure and, where applicable, by the Rules of Conciliation Court Procedure.

(f) The complaint must be captioned in the name of the claimant as plaintiff and the seized vehicle as defendant, and must state with specificity the grounds on which the claimant alleges the vehicle was improperly seized, the claimant's interest in the vehicle seized, and any affirmative defenses the claimant may have. Notwithstanding any law to the contrary, an action for the return of a vehicle seized under this section may not be maintained by or on behalf of any person who has been served with a notice of seizure and forfeiture unless the person has complied with this subdivision.

(g) If the claimant makes a timely demand for a judicial determination under this subdivision, the forfeiture proceedings must be conducted as provided under subdivision 9.

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

Sec. 2. Minnesota Statutes 2022, section 259.11, is amended to read:

259.11 ORDER; FILING COPIES.

(a) Upon meeting the requirements of section 259.10, the court shall grant the application unless: (1) it finds that there is an intent to defraud or mislead; (2) section 259.13 prohibits granting the name change; or (3) in the case of the change of a minor child's name, the court finds that such name change is not in the best interests of the child. The court shall set forth in the order the name and age of the applicant's spouse and each child of the applicant, if any, and shall state a description of the lands, if any, in which the applicant and the spouse and children, if any, claim to have an interest. The court administrator shall file such order, and record the same in the judgment book. If lands be described therein, a certified copy of the order shall be filed for record, by the applicant, with the county recorder of each county wherein any of the same are situated. Before doing so the court administrator shall present the same to the county auditor who shall enter the change of name in the auditor's official records and note upon the instrument, over an official signature, the words "change of name recorded." Any such order shall not be filed, nor any certified copy thereof be issued, until the applicant shall have paid to the county recorder and court administrator the fee required by law. No application shall be denied on the basis of the marital status of the applicant.

(b) When a person applies for a name change, the court shall determine whether the person has a criminal history in this or any other state. The court may conduct a search of national records through the Federal Bureau of Investigation by submitting a set of fingerprints and the appropriate fee to the Bureau of Criminal Apprehension. If it is determined that the person has a criminal history in this or any other state, the court shall, within ten days after the name change application is granted, report the name change to the Bureau of Criminal Apprehension. The person whose name is changed shall also report the change to the Bureau of Criminal Apprehension within ten days. The court granting the name change application must explain this reporting duty in its order. Any person required to report the person's name change to the Bureau of Criminal Apprehension who fails to report the name change as required under this paragraph is guilty of a gross misdemeanor.

(c) Paragraph (b) does not apply to ~~either~~:

- (1) a request for a name change as part of an application for a marriage license under section 517.08; ~~or~~
- (2) a request for a name change in conjunction with a marriage dissolution under section 518.27; or
- (3) a request for a name change filed under section 259.14.

Sec. 3. Minnesota Statutes 2022, section 259.13, subdivision 1, is amended to read:

Subdivision 1. **Procedure for seeking name change.** (a) A person with a felony conviction under Minnesota law or the law of another state or federal jurisdiction shall serve a notice of application for a name change on the prosecuting authority that obtained the conviction against the person when seeking a name change through one of the following procedures:

- (1) an application for a name change under section 259.10; or
- ~~(2) a request for a name change as part of an application for a marriage license under section 517.08; or~~
- ~~(3)~~ (2) a request for a name change in conjunction with a marriage dissolution under section 518.27.

If the conviction is from another state or federal jurisdiction, notice of application must also be served on the attorney general.

(b) A person who seeks a name change under section 259.10 or 518.27 shall file proof of service with the court as part of the name change request. ~~A person who seeks a name change under section 517.08 shall file proof of service with the county as part of the application for a marriage license.~~

(c) The name change request may not be granted during the 30-day period provided for in subdivision 2 or, if an objection is filed under subdivision 2, until satisfaction of the requirements in subdivision 3 or 4. Nothing in this section shall delay the granting of a marriage license under section 517.08, which may be granted without the name change.

Sec. 4. Minnesota Statutes 2022, section 259.13, subdivision 5, is amended to read:

Subd. 5. **Costs.** (a) Except as provided in paragraph (b), a person seeking a name change under this section may proceed in forma pauperis only when the failure to allow the name change would infringe upon a constitutional right.

(b) A court shall not require a person with a felony conviction to pay filing fees for a name change application provided that the person files the action within 180 days after the marriage and submits to the court a certified copy of the marriage certificate.

Sec. 5. **[259.14] POSTDISSOLUTION NAME CHANGE.**

(a) A person who has resided in this state for at least six months and obtained the person's most recent final marriage dissolution from a district court in this state may apply to the district court in the county where the person resides to change the person's name to the legal name on the person's birth certificate. A person applying for a name change must submit a certified copy of the certificate of dissolution issued pursuant to section 518.148 and a certified copy of the person's birth certificate.

(b) A court shall not require a person applying for a name change to pay filing fees for an application submitted pursuant to this section. Notwithstanding section 259.10, a court shall not require the person applying for a name change to provide proof of the person's identity by two witnesses unless the proof of identity is necessary to determine whether the person has an intent to defraud or mislead the court.

(c) Upon meeting the requirements of this section, the court shall grant the application for a name change unless the court finds that: (1) the person has an intent to defraud or mislead the court; or (2) section 259.13 prohibits granting the name change. The court shall notify the person applying for a name change that using a different surname without complying with section 259.13, if applicable, is a gross misdemeanor.

Sec. 6. Minnesota Statutes 2022, section 325F.992, subdivision 3, is amended to read:

Subd. 3. **Penalties; remedies.** In addition to any other remedies available under the law, the military beneficiary injured by a violation of this section may bring a cause of action to recover damages, reasonable attorney fees and costs, ~~or~~ and equitable relief related to a violation of subdivision 2. The attorney general may enforce this section pursuant to applicable law.

Sec. 7. Minnesota Statutes 2022, section 336.9-601, is amended to read:

336.9-601 RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT; CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, OR PROMISSORY NOTES.

(a) **Rights of secured party after default.** After default, a secured party has the rights provided in this part and, except as otherwise provided in section 336.9-602, those provided by agreement of the parties. A secured party:

(1) may reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

(2) if the collateral is documents, may proceed either as to the documents or as to the goods they cover.

(b) **Rights and duties of secured party in possession or control.** A secured party in possession of collateral or control of collateral under section 336.7-106, 336.9-104, 336.9-105, 336.9-106, or 336.9-107 has the rights and duties provided in section 336.9-207.

(c) **Rights cumulative; simultaneous exercise.** The rights under subsections (a) and (b) are cumulative and may be exercised simultaneously.

(d) **Rights of debtor and obligor.** Except as otherwise provided in subsection (g) and section 336.9-605, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

(e) **Lien of levy after judgment.** If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:

(1) the date of perfection of the security interest or agricultural lien in the collateral;

(2) the date of filing a financing statement covering the collateral; or

(3) any date specified in a statute under which the agricultural lien was created.

(f) **Execution sale.** A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this article.

(g) **Consignor or buyer of certain rights to payment.** Except as otherwise provided in section 336.9-607 (c), this part imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

(h) **Security interest in collateral that is agricultural property; enforcement.** A person may not begin to enforce a security interest in collateral that is agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than the amount provided in section 583.24, subdivision 5, unless: a mediation notice under subsection (i) is served on the debtor after a condition of default has occurred in the security agreement and a copy served on the director of the ~~agricultural~~ Minnesota extension service; and the debtor and creditor have completed mediation under sections 583.20 to 583.32; or as otherwise allowed under sections 583.20 to 583.32.

(i) **Mediation notice.** A mediation notice under subsection (h) must contain the following notice with the blanks properly filled in.

"TO: ...(Name of Debtor)..."

YOU HAVE DEFAULTED ON THE ...(Debt in Default)... SECURED BY AGRICULTURAL PROPERTY DESCRIBED AS ...(Reasonable Description of Agricultural Property Collateral). THE AMOUNT OF THE OUTSTANDING DEBT IS ...(Amount of Debt)...

AS A SECURED PARTY, ...(Name of Secured Party)... INTENDS TO ENFORCE THE SECURITY AGREEMENT AGAINST THE AGRICULTURAL PROPERTY DESCRIBED ABOVE BY REPOSSESSING, FORECLOSING ON, OR OBTAINING A COURT JUDGMENT AGAINST THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE ~~AGRICULTURAL~~ MINNESOTA EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU TO PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE ~~AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE~~ FROM THE DIRECTOR OF THE MINNESOTA EXTENSION SERVICE.

FROM: ...(Name and Address of Secured Party)..."

Sec. 8. Minnesota Statutes 2022, section 504B.301, is amended to read:

504B.301 EVICTION ACTION FOR UNLAWFUL DETENTION.

A person may be evicted if the person has unlawfully or forcibly occupied or taken possession of real property or unlawfully detains or retains possession of real property.

~~A seizure under section 609.5317, subdivision 1, for which there is not a defense under section 609.5317, subdivision 3, constitutes unlawful detention by the tenant.~~

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

Sec. 9. Minnesota Statutes 2022, section 508.52, is amended to read:

508.52 CONVEYANCE; CANCELLATION OF OLD AND ISSUANCE OF NEW CERTIFICATE.

An owner of registered land who desires to convey the land, or a portion thereof, in fee, shall execute a deed of conveyance, and record the deed with the registrar. The deed of conveyance shall be recorded and endorsed with the number and place of registration of the certificate of title. Before canceling the outstanding certificate of title the registrar shall show by memorial thereon the registration of the deed on the basis of which it is canceled. The encumbrances, claims, or interests adverse to the title of the registered owner shall be stated upon the new certificate, except so far as they may be simultaneously released or discharged. The registrar shall not carry forward as a memorial on the new certificate of title any memorials of a transfer on death deed if the grantors of the transfer on death deed retain no fee interest in the land covered by the new certificate. The certificate of title shall be marked "Canceled" by the registrar, who shall enter in the register a new certificate of title to the grantee and prepare ~~and deliver to the grantee a copy of the~~ new certificate of title. The registrar, upon request, shall deliver to the grantee a copy of the new certificate of title. If a deed in fee is for a portion of the land described in a certificate of title, the memorial of the deed entered by the registrar shall include the legal description contained in the deed and the registrar shall enter a new certificate of title to the grantee for the portion of the land conveyed and, except as otherwise provided in this section, issue a residue certificate of title to the grantor for the portion of the land not conveyed. The registrar shall prepare and, upon request, deliver to each of the parties a copy of their respective certificates of title. In lieu of canceling the grantor's certificate of title and issuing a residue certificate to the grantor for the portion of the land not conveyed, the registrar may if the grantor's deed does not divide a parcel of unplatted land, and in the absence of a request to the contrary by the registered owner, mark by the land description on the certificate of title "Part of land conveyed, see memorials." The fee for a residue certificate of title shall be paid to the registrar only when the grantor's certificate of title is canceled after the conveyance by the grantor of a portion of the land described in the grantor's certificate of title. When two or more successive conveyances of the same property are filed for registration on the same day the registrar may enter a certificate in favor of the grantee or grantees in the last of the successive conveyances, and the memorial of the previous deed or deeds entered on the prior certificate of title shall have the same force and effect as though the prior certificate of title had been entered in favor of the grantee or grantees in the earlier deed or deeds in the successive conveyances. The fees for the registration of the earlier deed or deeds shall be the same as the fees prescribed for the entry of memorials. The registrar of titles, with the consent of the transferee, may mark "See memorials for new owner(s)" by the names of the registered owners on the certificate of title and also add to the memorial of the transferring conveyance a statement that the memorial shall serve in lieu of a new certificate of title in favor of the grantee or grantees therein noted and may refrain from canceling the certificate of title until the time it is canceled by a subsequent transfer, and the memorial showing such transfer of title shall have the same effect as the entry of a new certificate of title for the land described in the certificate of title; the fee for the registration of a conveyance without cancellation of the certificate of title shall be the same as the fee prescribed for the entry of a memorial.

Sec. 10. Minnesota Statutes 2022, section 517.08, subdivision 1a, is amended to read:

Subd. 1a. **Form.** Application for a civil marriage license shall be made by both of the parties upon a form provided for the purpose and shall contain the following information:

- (1) the full names of the parties and the sex of each party;
- (2) their post office addresses and county and state of residence;
- (3) their full ages;
- (4) if either party has previously been married, the party's married name, and the date, place and court in which the civil marriage was dissolved or annulled or the date and place of death of the former spouse;
- (5) whether the parties are related to each other, and, if so, their relationship;
- (6) the address of the parties after the civil marriage is entered into to which the local registrar shall send a certified copy of the civil marriage certificate;
- (7) the full names the parties will have after the civil marriage is entered into and the parties' Social Security numbers. The Social Security numbers must be collected for the application but must not appear on the civil marriage license. If a party listed on a civil marriage application does not have a Social Security number, the party must certify on the application, or a supplement to the application, that the party does not have a Social Security number;
- (8) if one ~~or both of the parties~~ party to the civil marriage license has a felony conviction under Minnesota law or the law of another state or federal jurisdiction, the ~~parties shall provide to the county proof of service upon the prosecuting authority and, if applicable, the attorney general, as required by~~ party may not change the party's name through the marriage application process and must follow the process in section 259.13 to change the party's name; and
- (9) notice that a party who has a felony conviction under Minnesota law or the law of another state or federal jurisdiction may not use a different name after a civil marriage except as authorized by section 259.13, and that doing so is a gross misdemeanor.

Sec. 11. Minnesota Statutes 2022, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar shall examine upon oath the parties applying for a license relative to the legality of the contemplated civil marriage. Both parties must present proof of age to the local registrar. If one party is unable to appear in person, the party appearing may complete the absent applicant's information. The local registrar shall provide a copy of the civil marriage application to the party who is unable to appear, who must verify the accuracy of the appearing party's information in a notarized statement. The verification statement must be accompanied by a copy of proof of age of the party. The civil marriage license must not be released until the verification statement and proof of age has been received by the local registrar. If the local registrar is satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the local registrar shall issue the license, containing the full names of the parties before and after the civil marriage, and county and state of residence, with the county seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. Except as provided in paragraph (b), the local registrar shall collect from the applicant a fee of \$115 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital records the reports of civil marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it

may be surrendered to the local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar who knowingly issues or signs a civil marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

(b) The civil marriage license fee for parties who have completed at least 12 hours of premarital education is \$40. In order to qualify for the reduced license fee, the parties must submit at the time of applying for the civil marriage license a statement that is signed, dated, and notarized or marked with a church seal from the person who provided the premarital education on their letterhead confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize civil marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, (name of educator), confirm that (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize civil marriages under Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the civil marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

~~(d) If section 259.13 applies to the request for a civil marriage license, the local registrar shall grant the civil marriage license without the requested name change. Alternatively, the local registrar may delay the granting of the civil marriage license until the party with the conviction:~~

~~(1) certifies under oath that 30 days have passed since service of the notice for a name change upon the prosecuting authority and, if applicable, the attorney general and no objection has been filed under section 259.13; or~~

~~(2) provides a certified copy of the court order granting it. The parties seeking the civil marriage license shall have the right to choose to have the license granted without the name change or to delay its granting pending further action on the name change request.~~

Sec. 12. Minnesota Statutes 2022, section 518.191, subdivision 1, is amended to read:

Subdivision 1. **Abbreviated judgment and decree.** If real estate is described in a judgment and decree of dissolution, the court ~~may~~ shall direct either of the parties or their legal counsel to prepare and submit to the court a proposed summary real estate disposition judgment. Upon approval by the court and filing of the summary real estate disposition judgment with the court administrator, the court administrator shall provide to any party upon request certified copies of the summary real estate disposition judgment.

Sec. 13. Minnesota Statutes 2022, section 518.191, subdivision 3, is amended to read:

Subd. 3. **Court order.** An order or provision in a judgment and decree that provides that the judgment and decree must be recorded in the office of the county recorder or filed in the office of the registrar of titles means, if a summary real estate disposition judgment has been approved by the court, that the summary real estate disposition

judgment, rather than the judgment and decree, must be recorded in the office of the county recorder or filed in the office of the registrar of titles. The recorder or registrar of titles is not responsible for determining if a summary real estate disposition judgment has been approved by the court.

Sec. 14. Minnesota Statutes 2022, section 550.365, subdivision 2, is amended to read:

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO:(Name of Judgment Debtor)....

A JUDGMENT WAS ORDERED AGAINST YOU BY(Name of Court).... ON(Date of Judgment).

AS A JUDGMENT CREDITOR,(Name of Judgment Creditor).... INTENDS TO TAKE ACTION AGAINST THE AGRICULTURAL PROPERTY DESCRIBED AS(Description of Agricultural Property).... TO SATISFY THE JUDGMENT IN THE AMOUNT OF(Amount of Debt)....

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE ~~AGRICULTURAL~~ MINNESOTA EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE ~~AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE~~ FROM THE DIRECTOR OF THE MINNESOTA EXTENSION SERVICE.

FROM:(Name and Address of Judgment Creditor)...."

Sec. 15. Minnesota Statutes 2022, section 559.209, subdivision 2, is amended to read:

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO:(Name of Contract for Deed Purchaser)....

YOU HAVE DEFAULTED ON THE CONTRACT FOR DEED OF THE AGRICULTURAL PROPERTY DESCRIBED AS(Size and Reasonable Location of Property, Not Legal Description). THE AMOUNT OF THE OUTSTANDING DEBT IS(Amount of Debt)....

AS THE CONTRACT FOR DEED VENDOR,(Contract for Deed Vendor).... INTENDS TO TERMINATE THE CONTRACT AND TAKE BACK THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE CONTRACT FOR DEED VENDOR BEGINS REMEDIES TO ENFORCE THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE ~~AGRICULTURAL~~ MINNESOTA EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THE NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY EXTENSION OFFICE FROM THE DIRECTOR OF THE MINNESOTA EXTENSION SERVICE.

FROM:(Name and Address of Contract for Deed Vendor)...."

Sec. 16. Minnesota Statutes 2022, section 573.01, is amended to read:

573.01 SURVIVAL OF CAUSES.

A cause of action arising out of an injury to the person ~~dies with the person of the party in whose favor it exists, except as provided in~~ survives the death of any party in accordance with section 573.02. All other causes of action by one against another, whether arising on contract or not, survive to the personal representatives of the former and against those of the latter.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to causes of action pending on or commenced on or after that date.

Sec. 17. Minnesota Statutes 2022, section 573.02, subdivision 1, is amended to read:

Subdivision 1. **Death action.** When death is caused by the wrongful act or omission of any person or corporation, the trustee appointed as provided in subdivision 3 may maintain an action therefor if the decedent might have maintained an action, had the decedent lived, for an injury caused by the wrongful act or omission. An action to recover damages for a death caused by the alleged professional negligence of a physician, surgeon, dentist, hospital or sanitarium, or an employee of a physician, surgeon, dentist, hospital or sanitarium shall be commenced within three years of the date of death, but in no event shall be commenced beyond the time set forth in section 541.076. An action to recover damages for a death caused by an intentional act constituting murder may be commenced at any time after the death of the decedent. Any other action under this section may be commenced within three years after the date of death provided that the action must be commenced within six years after the act or omission. The recovery in the action is the amount the jury deems fair and just ~~in reference to~~ for all damages suffered by the decedent resulting from the injury prior to the decedent's death and the pecuniary loss resulting from the death, and shall be for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The court then determines the proportionate pecuniary loss of the persons entitled to the recovery and orders distribution accordingly. Funeral expenses and any demand for the support of the decedent allowed by the court having jurisdiction of the action, are first deducted and paid. Punitive damages may be awarded as provided in section 549.20.

If an action for the injury was commenced by the decedent and not finally determined while living, it may be continued by the trustee for recovery of all damages for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The court on motion shall make an order allowing the continuance and directing pleadings to be made and issues framed as in actions begun under this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to causes of action pending on or commenced on or after that date.

Sec. 18. Minnesota Statutes 2022, section 573.02, subdivision 2, is amended to read:

Subd. 2. **Injury action.** When injury is caused to a person by the wrongful act or omission of any person or corporation and the person thereafter dies from a cause unrelated to those injuries, the trustee appointed in subdivision 3 may maintain an action for ~~special damages~~ all damages arising out of such injury if the decedent might have maintained an action therefor had the decedent lived. An action under this subdivision may be commenced within three years after the date of death provided that the action must be commenced within six years after the act or omission.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to causes of action pending on or commenced on or after that date.

Sec. 19. Minnesota Statutes 2022, section 582.039, subdivision 2, is amended to read:

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO:(Name of Record Owner)....

YOU HAVE DEFAULTED ON THE MORTGAGE OF THE AGRICULTURAL PROPERTY DESCRIBED AS(Size and Reasonable Location, Not Legal Description). THE AMOUNT OF THE OUTSTANDING DEBT ON THIS PROPERTY IS(Amount of Debt)....

AS HOLDER OF THE MORTGAGE,(Name of Holder of Mortgage).... INTENDS TO FORECLOSE ON THE PROPERTY DESCRIBED ABOVE.

YOU HAVE THE RIGHT TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE ~~AGRICULTURAL~~ MINNESOTA EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE ~~AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE~~ FROM THE DIRECTOR OF THE MINNESOTA EXTENSION SERVICE.

FROM:(Name and Address of Holder of Mortgage)...."

Sec. 20. Minnesota Statutes 2022, section 583.25, is amended to read:

583.25 VOLUNTARY MEDIATION PROCEEDINGS.

A debtor that owns agricultural property or a creditor of the debtor may request mediation of the indebtedness by a farm mediator by applying to the director. The director shall ~~make~~ provide voluntary mediation application forms ~~available at the county recorder's and county extension office in each county~~ when requested. The director must evaluate each request and may direct a mediator to meet with the debtor and creditor to assist in mediation.

Sec. 21. Minnesota Statutes 2022, section 583.26, subdivision 2, is amended to read:

Subd. 2. **Mediation request.** (a) A debtor must file a mediation request form with the director by 14 days after receiving a mediation notice. The debtor must state all known creditors with debts secured for agricultural property and must authorize the director to obtain the debtor's credit report from one or more credit reporting agencies. The mediation request form must include an instruction that the debtor must state all known creditors with debts secured by agricultural property and unsecured creditors that are necessary for the farm operation of the debtor. It is the debtor's discretion as to which unsecured creditors are necessary for the farm operation but the mediation request form must notify the debtor that omission of a significant unsecured creditor could result in a bad-faith determination pursuant to section 583.27, subdivisions 1, paragraph (a), clause (2), and 2. The mediation request must state the date that the notice was served on the debtor. The director shall ~~make~~ provide mediation request forms ~~available in the county recorder's and county extension office of each county~~ when requested.

(b) Except as provided in section 583.24, subdivision 4, paragraph (a), clause (3), a debtor who fails to file a timely mediation request waives the right to mediation for that debt under the Farmer-Lender Mediation Act. The director shall notify the creditor who served the mediation notice stating that the creditor may proceed against the agricultural property because the debtor has failed to file a mediation request.

(c) If a debtor has not received a mediation notice and is subject to a proceeding of a creditor enforcing a debt against agricultural property under chapter 580 or 581 or sections 336.9-601 to 336.9-628, terminating a contract for deed to purchase agricultural property under section 559.21, or garnishing, levying on, executing on, seizing, or attaching agricultural property, the debtor may file a mediation request with the director. The mediation request form must indicate that the debtor has not received a mediation notice.

Sec. 22. Minnesota Statutes 2022, section 600.23, is amended to read:

600.23 RECORDERS AND COURT ADMINISTRATORS.

Subdivision 1. **Deposit of papers.** Every county recorder, upon being paid the legal fees therefor, ~~shall~~ may receive and deposit in the office any instruments or papers which ~~shall be~~ are offered for that purpose and, if ~~required~~ requested, shall give to the person depositing the same a receipt therefor.

Subd. 2. **Endorsed and filed.** Any such instruments or papers so received shall be filed by the officer receiving the same, and so endorsed as to indicate their general nature, the names of the parties thereto, and time when received, and shall be deposited and kept by the officer and successors in office in the same manner as the officer's official papers, but in a place separate therefrom.

Subd. 3. **Withdrawal.** Papers and instruments so deposited shall not be made public or withdrawn from the office except upon the written order of the person depositing the same, or the person's executors or administrators, or on the order of some court for the purpose of being read in the court, and then to be returned to the office.

Subd. 3a. **Retention and disposal.** Papers and instruments deposited for safekeeping shall be retained, at a minimum, until the earlier of:

(1) the county recorder learns of the depositor's death, at which time the county recorder may deliver the paper or instrument to the appropriate court, or deliver the paper or instrument to the depositor's executors or administrators; or

(2) 20 years following the deposit of the paper or instrument, at which time the county recorder shall dispose of the paper or instrument pursuant to its county's retention policy.

Subd. 4. **Certificate that instrument cannot be found.** The certificate of any officer to whom the legal custody of any instrument belongs, stating that the officer has made diligent search for such instrument and that it cannot be found, shall be prima facie evidence of the fact so certified to in all cases, matters, and proceedings.

Sec. 23. Minnesota Statutes 2022, section 609.5314, subdivision 3, is amended to read:

Subd. 3. **Judicial determination.** (a) Within 60 days following service of a notice of seizure and forfeiture under this section, a claimant may file a demand for a judicial determination of the forfeiture. The demand must be in the form of a civil complaint and must be filed with the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the prosecuting authority for that county. The claimant may serve the complaint on the prosecuting authority by certified mail or any means permitted by court rules. If the value of the seized property is \$15,000 or less, the claimant may file an action in conciliation court for recovery of the seized property. A copy of the conciliation court statement of claim may be served personally or as permitted by the Rules of Conciliation Court Procedure on the prosecuting authority having jurisdiction over the forfeiture within 60 days following service of the notice of seizure and forfeiture under this subdivision. The claimant does not have to pay the court filing fee. No responsive pleading is required of the prosecuting authority and no court fees may be charged for the prosecuting authority's appearance in the matter. The district court administrator shall schedule the hearing as soon as practicable after, and in any event no later than 90 days following, the conclusion of the criminal prosecution. The proceedings are governed by the Rules of Civil Procedure and, where applicable, by the Rules of Conciliation Court Procedure.

(b) The complaint must be captioned in the name of the claimant as plaintiff and the seized property as defendant, and must state with specificity the grounds on which the claimant alleges the property was improperly seized and the plaintiff's interest in the property seized. Notwithstanding any law to the contrary, an action for the return of property seized under this section may not be maintained by or on behalf of any person who has been served with a notice of seizure and forfeiture unless the person has complied with this subdivision.

(c) If the claimant makes a timely demand for judicial determination under this subdivision, the appropriate agency must conduct the forfeiture under section 609.531, subdivision 6a. The limitations and defenses set forth in section 609.5311, subdivision 3, apply to the judicial determination.

(d) If a demand for judicial determination of an administrative forfeiture is filed under this subdivision and the court orders the return of the seized property, the court may order sanctions under section 549.211. If the court orders payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.

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

Sec. 24. Minnesota Statutes 2022, section 611.215, subdivision 1, is amended to read:

Subdivision 1. **Structure; membership.** (a) The State Board of Public Defense is a part of, but is not subject to the administrative control of, the judicial branch of government. The State Board of Public Defense shall consist of ~~seven~~ nine members including:

(1) four attorneys admitted to the practice of law, well acquainted with the defense of persons accused of crime, but not employed as prosecutors, appointed by the supreme court, of which one must be a retired or former public defender within the past five years; and

(2) ~~three~~ five public members appointed by the governor.

The appointing authorities may not appoint a person who is a judge to be a member of the State Board of Public Defense, other than as a member of the ad hoc Board of Public Defense.

(b) All members shall demonstrate an interest in maintaining a high quality, independent defense system for those who are unable to obtain adequate representation. Appointments to the board shall include qualified women and members of minority groups. At least three members of the board shall be from judicial districts other than the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The chair shall be elected by the members from among the membership for a term of two years.

(c) In addition, the State Board of Public Defense shall consist of a nine-member ad hoc board when considering the appointment of district public defenders under section 611.26, subdivision 2. The terms of chief district public defenders currently serving shall terminate in accordance with the staggered term schedule set forth in section 611.26, subdivision 2.

(d) Meetings of the board are subject to chapter 13D.

Sec. 25. **REPEALER.**

(a) Minnesota Statutes 2022, sections 346.02; and 582.14, are repealed.

(b) Minnesota Statutes 2022, section 504B.305, is repealed.

EFFECTIVE DATE. Paragraph (b) is effective the day following final enactment.

ARTICLE 2
CONSTRUCTION CONTRACTS

Section 1. Minnesota Statutes 2022, section 15.71, is amended by adding a subdivision to read:

Subd. 1a. **Indemnification agreement.** "Indemnification agreement" means an agreement by the promisor to indemnify, defend, or hold harmless the promisee against liability or claims of liability for damages arising out of bodily injury to persons or out of physical damage to tangible or real property.

Sec. 2. Minnesota Statutes 2022, section 15.71, is amended by adding a subdivision to read:

Subd. 1b. **Promisee.** "Promisee" includes that party's independent contractors, agents, employees, or indemnitees.

Sec. 3. Minnesota Statutes 2022, section 15.72, is amended by adding a subdivision to read:

Subd. 3. **Unenforceability of certain agreements.** (a) An indemnification agreement contained in, or executed in connection with, a contract for a public improvement is unenforceable except to the extent that:

(1) the underlying injury or damage is attributable to the negligent or otherwise wrongful act or omission, including breach of a specific contractual duty, of the promisor or the promisor's independent contractors, agents, employees, or delegates; or

(2) an owner, a responsible party, or a governmental entity agrees to indemnify a contractor directly or through another contractor with respect to strict liability under environmental laws.

(b) A provision in a public building or construction contract that requires a party to provide insurance coverage to one or more other parties, including third parties, for the negligence or intentional acts or omissions of any of those other parties, including third parties, is against public policy and is void and unenforceable.

(c) Paragraph (b) does not affect the validity of a provision that requires a party to provide or obtain workers' compensation insurance, construction performance or payment bonds, builder's risk policies, or owner or contractor-controlled insurance programs or policies.

(d) Paragraph (b) does not affect the validity of a provision that requires the promisor to provide or obtain insurance coverage for the promisee's vicarious liability, or liability imposed by warranty, arising out of the acts or omissions of the promisor.

(e) Paragraph (b) does not apply to building and construction contracts for work within 50 feet of public or private railroads or railroads regulated by the Federal Railroad Administration.

Sec. 4. Minnesota Statutes 2022, section 337.01, subdivision 3, is amended to read:

Subd. 3. **Indemnification agreement.** "Indemnification agreement" means an agreement by the promisor to indemnify, defend, or hold harmless the promisee against liability or claims of liability for damages arising out of bodily injury to persons or out of physical damage to tangible or real property.

Sec. 5. Minnesota Statutes 2022, section 337.05, subdivision 1, is amended to read:

Subdivision 1. **Agreements valid.** (a) Except as otherwise provided in paragraph (b), sections 337.01 to 337.05 do not affect the validity of agreements whereby a promisor agrees to provide specific insurance coverage for the benefit of others.

(b) A provision that requires a party to provide insurance coverage to one or more other parties, including third parties, for the negligence or intentional acts or omissions of any of those other parties, including third parties, is against public policy and is void and unenforceable.

(c) Paragraph (b) does not affect the validity of a provision that requires a party to provide or obtain workers' compensation insurance, construction performance or payment bonds, ~~or project-specific insurance, including, without limitation,~~ builder's risk policies, or owner or contractor-controlled insurance programs or policies.

(d) Paragraph (b) does not affect the validity of a provision that requires the promisor to provide or obtain insurance coverage for the promisee's vicarious liability, or liability imposed by warranty, arising out of the acts or omissions of the promisor.

(e) Paragraph (b) does not apply to building and construction contracts for work within 50 feet of public or private railroads, or railroads regulated by the Federal Railroad Administration.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment and apply to agreements entered into on or after that date.

ARTICLE 3 CIVIL RIGHTS LAW

Section 1. Minnesota Statutes 2022, section 82B.195, subdivision 3, is amended to read:

Subd. 3. **Additional requirements.** In addition to the requirements of subdivisions 1 and 2, an appraiser must:

(1) not knowingly make any of the following unacceptable appraisal practices:

(i) include inaccurate or misleading factual data about the subject neighborhood, site, improvements, or comparable sales;

(ii) fail to comment on negative factors with respect to the subject neighborhood, subject property, or proximity of the subject property to adverse influences;

(iii) unless otherwise disclosed in the appraisal report, use comparables in the valuation process that the appraiser has not at least personally inspected from the exterior by driving by them;

(iv) select and use inappropriate comparable sales or fail to use comparables that are physically and by location the most similar to the subject property;

(v) use data, particularly comparable sales data, that was provided by parties who have a financial interest in the sale or financing of the subject property without the appraiser's verification of the information from a disinterested source. For example, it would be inappropriate for an appraiser to use comparable sales provided by the builder of the subject property or a real estate broker who is handling the sale of the subject property, unless the appraiser verifies the accuracy of the data provided through another source. If a signed HUD Settlement Statement is used for this verification, the appraiser must also verify the sale data with the buyer or county records. The appraiser must also make an independent investigation to determine that the comparable sales provided were the best ones available;

(vi) use adjustments to the comparable sales that do not reflect the market's reaction to the differences between the subject property and the comparables, or fail to make adjustments when they are clearly indicated;

(vii) develop a valuation conclusion that is based either partially or completely on factors identified in chapter 363A, including race, color, creed, religion, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, familial status of the owner or occupants of nearby property, or national origin of either the prospective owners or occupants of the properties in the vicinity of the subject property; or

(viii) develop a valuation conclusion that is not supported by available market data;

(2) provide a resume, current within six months of the date it is provided, to anyone who employs the appraiser, indicating all professional degrees and licenses held by the appraiser; and

(3) reject any request by the person who has employed the appraiser that is in conflict with the requirements of Minnesota law or this chapter and withdraw from the appraisal assignment if the employing party persists in the request.

Sec. 2. Minnesota Statutes 2022, section 245I.12, subdivision 1, is amended to read:

Subdivision 1. **Client rights.** A license holder must ensure that all clients have the following rights:

(1) the rights listed in the health care bill of rights in section 144.651;

(2) the right to be free from discrimination based on age, race, color, creed, religion, national origin, sex, gender identity, marital status, disability, sexual orientation, and status with regard to public assistance. The license holder must follow all applicable state and federal laws including the Minnesota Human Rights Act, chapter 363A; and

(3) the right to be informed prior to a photograph or audio or video recording being made of the client. The client has the right to refuse to allow any recording or photograph of the client that is not for the purposes of identification or supervision by the license holder.

Sec. 3. Minnesota Statutes 2022, section 363A.02, subdivision 1, is amended to read:

Subdivision 1. **Freedom from discrimination.** (a) It is the public policy of this state to secure for persons in this state, freedom from discrimination:

(1) in employment because of race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, familial status, and age;

(2) in housing and real property because of race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, and familial status;

(3) in public accommodations because of race, color, creed, religion, national origin, sex, gender identity, sexual orientation, and disability;

(4) in public services because of race, color, creed, religion, national origin, sex, gender identity, marital status, disability, sexual orientation, and status with regard to public assistance; and

(5) in education because of race, color, creed, religion, national origin, sex, gender identity, marital status, disability, status with regard to public assistance, sexual orientation, and age.

(b) Such discrimination threatens the rights and privileges of the inhabitants of this state and menaces the institutions and foundations of democracy. It is also the public policy of this state to protect all persons from wholly unfounded charges of discrimination. Nothing in this chapter shall be interpreted as restricting the implementation of positive action programs to combat discrimination.

Sec. 4. Minnesota Statutes 2022, section 363A.03, subdivision 23, is amended to read:

Subd. 23. **Local commission.** "Local commission" means an agency of a city, county, or group of counties created pursuant to law, resolution of a county board, city charter, or municipal ordinance for the purpose of dealing with discrimination on the basis of race, color, creed, religion, national origin, sex, gender identity, age, disability, marital status, status with regard to public assistance, sexual orientation, or familial status.

Sec. 5. Minnesota Statutes 2022, section 363A.03, subdivision 44, is amended to read:

Subd. 44. **Sexual orientation.** "Sexual orientation" means having or being perceived as having an emotional, physical, or sexual attachment to another person without regard to the sex of that person or having or being perceived as having an orientation for such attachment, ~~or having or being perceived as having a self image or identity not traditionally associated with one's biological maleness or femaleness.~~ "Sexual orientation" ~~does not include a physical or sexual attachment to children by an adult.~~

Sec. 6. Minnesota Statutes 2022, section 363A.03, is amended by adding a subdivision to read:

Subd. 50. **Gender identity.** "Gender identity" means a person's inherent sense of being a man, woman, both, or neither. A person's gender identity may or may not correspond to their assigned sex at birth or to their primary or secondary sex characteristics. A person's gender identity is not necessarily visible to others.

Sec. 7. Minnesota Statutes 2022, section 363A.04, is amended to read:

363A.04 CONSTRUCTION AND EXCLUSIVITY.

The provisions of this chapter shall be construed liberally for the accomplishment of the purposes thereof. Nothing contained in this chapter shall be deemed to repeal any of the provisions of the civil rights law or of any other law of this state relating to discrimination because of race, creed, color, religion, sex, gender identity, age,

disability, marital status, status with regard to public assistance, national origin, sexual orientation, or familial status; but, as to acts declared unfair by sections 363A.08 to 363A.19, and 363A.28, subdivision 10, the procedure herein provided shall, while pending, be exclusive.

Sec. 8. Minnesota Statutes 2022, section 363A.06, subdivision 1, is amended to read:

Subdivision 1. **Formulation of policies.** (a) The commissioner shall formulate policies to effectuate the purposes of this chapter and shall do the following:

(1) exercise leadership under the direction of the governor in the development of human rights policies and programs, and make recommendations to the governor and the legislature for their consideration and implementation;

(2) establish and maintain a principal office in St. Paul, and any other necessary branch offices at any location within the state;

(3) meet and function at any place within the state;

(4) employ attorneys, clerks, and other employees and agents as the commissioner may deem necessary and prescribe their duties;

(5) to the extent permitted by federal law and regulation, utilize the records of the Department of Employment and Economic Development of the state when necessary to effectuate the purposes of this chapter;

(6) obtain upon request and utilize the services of all state governmental departments and agencies;

(7) adopt suitable rules for effectuating the purposes of this chapter;

(8) issue complaints, receive and investigate charges alleging unfair discriminatory practices, and determine whether or not probable cause exists for hearing;

(9) subpoena witnesses, administer oaths, take testimony, and require the production for examination of any books or papers relative to any matter under investigation or in question as the commissioner deems appropriate to carry out the purposes of this chapter;

(10) attempt, by means of education, conference, conciliation, and persuasion to eliminate unfair discriminatory practices as being contrary to the public policy of the state;

(11) develop and conduct programs of formal and informal education designed to eliminate discrimination and intergroup conflict by use of educational techniques and programs the commissioner deems necessary;

(12) make a written report of the activities of the commissioner to the governor each year;

(13) accept gifts, bequests, grants, or other payments public and private to help finance the activities of the department;

(14) create such local and statewide advisory committees as will in the commissioner's judgment aid in effectuating the purposes of the Department of Human Rights;

(15) develop such programs as will aid in determining the compliance throughout the state with the provisions of this chapter, and in the furtherance of such duties, conduct research and study discriminatory practices based upon race, color, creed, religion, national origin, sex, gender identity, age, disability, marital status, status with regard to

public assistance, familial status, sexual orientation, or other factors and develop accurate data on the nature and extent of discrimination and other matters as they may affect housing, employment, public accommodations, schools, and other areas of public life;

(16) develop and disseminate technical assistance to persons subject to the provisions of this chapter, and to agencies and officers of governmental and private agencies;

(17) provide staff services to such advisory committees as may be created in aid of the functions of the Department of Human Rights;

(18) make grants in aid to the extent that appropriations are made available for that purpose in aid of carrying out duties and responsibilities; and

(19) cooperate and consult with the commissioner of labor and industry regarding the investigation of violations of, and resolution of complaints regarding section 363A.08, subdivision 7.

In performing these duties, the commissioner shall give priority to those duties in clauses (8), (9), and (10) and to the duties in section 363A.36.

(b) All gifts, bequests, grants, or other payments, public and private, accepted under paragraph (a), clause (13), must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner of human rights to help finance activities of the department.

Sec. 9. Minnesota Statutes 2022, section 363A.07, subdivision 2, is amended to read:

Subd. 2. **Referral from commissioner.** The commissioner, whether or not a charge has been filed under this chapter, may refer a matter involving discrimination because of race, color, religion, sex, gender identity, creed, disability, marital status, status with regard to public assistance, national origin, age, sexual orientation, or familial status to a local commission for study and report.

Upon referral by the commissioner, the local commission shall make a report and make recommendations to the commissioner and take other appropriate action within the scope of its powers.

Sec. 10. Minnesota Statutes 2022, section 363A.08, subdivision 1, is amended to read:

Subdivision 1. **Labor organization.** Except when based on a bona fide occupational qualification, it is an unfair employment practice for a labor organization, because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age:

(1) to deny full and equal membership rights to a person seeking membership or to a member;

(2) to expel a member from membership;

(3) to discriminate against a person seeking membership or a member with respect to hiring, apprenticeship, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment; or

(4) to fail to classify properly, or refer for employment or otherwise to discriminate against a person or member.

Sec. 11. Minnesota Statutes 2022, section 363A.08, subdivision 2, is amended to read:

Subd. 2. **Employer.** Except when based on a bona fide occupational qualification, it is an unfair employment practice for an employer, because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, membership or activity in a local commission, disability, sexual orientation, or age to:

(1) refuse to hire or to maintain a system of employment which unreasonably excludes a person seeking employment; or

(2) discharge an employee; or

(3) discriminate against a person with respect to hiring, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment.

Sec. 12. Minnesota Statutes 2022, section 363A.08, subdivision 3, is amended to read:

Subd. 3. **Employment agency.** Except when based on a bona fide occupational qualification, it is an unfair employment practice for an employment agency, because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age to:

(1) refuse or fail to accept, register, classify properly, or refer for employment or otherwise to discriminate against a person; or

(2) comply with a request from an employer for referral of applicants for employment if the request indicates directly or indirectly that the employer fails to comply with the provisions of this chapter.

Sec. 13. Minnesota Statutes 2022, section 363A.08, subdivision 4, is amended to read:

Subd. 4. **Employer, employment agency, or labor organization.** (a) Except when based on a bona fide occupational qualification, it is an unfair employment practice for an employer, employment agency, or labor organization, before a person is employed by an employer or admitted to membership in a labor organization, to:

(1) require or request the person to furnish information that pertains to race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age; or, subject to section 363A.20, to require or request a person to undergo physical examination; unless for the sole and exclusive purpose of national security, information pertaining to national origin is required by the United States, this state or a political subdivision or agency of the United States or this state, or for the sole and exclusive purpose of compliance with the Public Contracts Act or any rule, regulation, or laws of the United States or of this state requiring the information or examination. A law enforcement agency may, after notifying an applicant for a peace officer or part-time peace officer position that the law enforcement agency is commencing the background investigation on the applicant, request the applicant's date of birth, gender, and race on a separate form for the sole and exclusive purpose of conducting a criminal history check, a driver's license check, and fingerprint criminal history inquiry. The form shall include a statement indicating why the data is being collected and what its limited use will be. No document which has date of birth, gender, or race information will be included in the information given to or available to any person who is involved in selecting the person or persons employed other than the background investigator. No person may act both as background investigator and be involved in the selection of an employee except that the background investigator's report about background may be used in that selection as long as no direct or indirect references are made to the applicant's race, age, or gender; or

(2) seek and obtain for purposes of making a job decision, information from any source that pertains to the person's race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age, unless for the sole and exclusive purpose of compliance with the Public Contracts Act or any rule, regulation, or laws of the United States or of this state requiring the information; or

(3) cause to be printed or published a notice or advertisement that relates to employment or membership and discloses a preference, limitation, specification, or discrimination based on race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age.

(b) Any individual who is required to provide information that is prohibited by this subdivision is an aggrieved party under sections 363A.06, subdivision 4, and 363A.28, subdivisions 1 to 9.

Sec. 14. Minnesota Statutes 2022, section 363A.08, is amended by adding a subdivision to read:

Subd. 8. Inquiries into pay history prohibited. (a) "Pay history" as used in this subdivision means any prior or current wage, salary, earnings, benefits, or any other compensation about an applicant for employment.

(b) An employer, employment agency, or labor organization shall not inquire into, consider, or require disclosure from any source the pay history of an applicant for employment for the purpose of determining wages, salary, earnings, benefits, or other compensation for that applicant. The general prohibition against inquiring into the pay history of an applicant does not apply if the job applicant's pay history is a matter of public record under federal or state law, unless the employer, employment agency, or labor organization sought access to those public records with the intent of obtaining pay history of the applicant for the purpose of determining wages, salary, earnings, benefits, or other compensation for that applicant.

(c) Nothing in this subdivision shall prevent an applicant for employment from voluntarily and without asking, encouraging, or prompting disclosing pay history for the purposes of negotiating wages, salary, benefits, or other compensation. If an applicant for employment voluntarily and without asking, encouraging, or prompting discloses pay history to a prospective employer, employment agency, or labor organization, nothing in this subdivision shall prohibit that employer, employment agency, or labor organization from considering or acting on that voluntarily disclosed salary history information to support a wage or salary higher than initially offered by the employer, employment agency, or labor organization.

(d) Nothing in this subdivision limits, prohibits, or prevents a person from bringing a charge, grievance, or any other cause of action alleging wage discrimination because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, membership or activity in a local commission, disability, sexual orientation, or age, as otherwise provided in this chapter.

(e) Nothing in this subdivision shall be construed to prevent an employer from:

(1) providing information about the wages, benefits, compensation, or salary offered in relation to a position; or

(2) inquiring about or otherwise engaging in discussions with an applicant about the applicant's expectations or requests with respect to wages, salary, benefits, or other compensation.

EFFECTIVE DATE. This section is effective January 1, 2024. For employment covered by collective bargaining agreements, this section is not effective until the date of implementation of the applicable collective bargaining agreement that is after January 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 363A.09, subdivision 1, is amended to read:

Subdivision 1. **Real property interest; action by owner, lessee, and others.** It is an unfair discriminatory practice for an owner, lessee, sublessee, assignee, or managing agent of, or other person having the right to sell, rent or lease any real property, or any agent of any of these:

(1) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or group of persons any real property because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, or familial status; or

(2) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, or familial status in the terms, conditions or privileges of the sale, rental or lease of any real property or in the furnishing of facilities or services in connection therewith, except that nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended to protect the safety of minors in their use of the real property or any facilities or services furnished in connection therewith; or

(3) in any transaction involving real property, to print, circulate or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental or lease of real property, or make any record or inquiry in connection with the prospective purchase, rental, or lease of real property which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, or familial status, or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this section prohibiting discrimination because of familial status do not apply to the dwelling unit.

Sec. 16. Minnesota Statutes 2022, section 363A.09, subdivision 2, is amended to read:

Subd. 2. **Real property interest; action by brokers, agents, and others.** It is an unfair discriminatory practice for a real estate broker, real estate salesperson, or employee, or agent thereof:

(1) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property to any person or group of persons or to negotiate for the sale, rental, or lease of any real property to any person or group of persons because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, or familial status or represent that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or otherwise deny or withhold any real property or any facilities of real property to or from any person or group of persons because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, or familial status; or

(2) to discriminate against any person because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, or familial status in the terms, conditions or privileges of the sale, rental or lease of real property or in the furnishing of facilities or services in connection therewith; or

(3) to print, circulate, or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental, or lease of any real property or make any record or inquiry in connection with the prospective purchase, rental or lease of any real property, which expresses directly or indirectly, any limitation, specification or discrimination as to race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, or familial status or any intent to

make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this section prohibiting discrimination because of familial status do not apply to the dwelling unit.

Sec. 17. Minnesota Statutes 2022, section 363A.09, subdivision 3, is amended to read:

Subd. 3. **Real property interest; action by financial institution.** It is an unfair discriminatory practice for a person, bank, banking organization, mortgage company, insurance company, or other financial institution or lender to whom application is made for financial assistance for the purchase, lease, acquisition, construction, rehabilitation, repair or maintenance of any real property or any agent or employee thereof:

(1) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, or familial status of the person or group of persons or of the prospective occupants or tenants of the real property in the granting, withholding, extending, modifying or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith; or

(2) to use any form of application for the financial assistance or make any record or inquiry in connection with applications for the financial assistance which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, disability, sexual orientation, or familial status or any intent to make any such limitation, specification, or discrimination; or

(3) to discriminate against any person or group of persons who desire to purchase, lease, acquire, construct, rehabilitate, repair, or maintain real property in a specific urban or rural area or any part thereof solely because of the social, economic, or environmental conditions of the area in the granting, withholding, extending, modifying, or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith.

Sec. 18. Minnesota Statutes 2022, section 363A.09, subdivision 4, is amended to read:

Subd. 4. **Real property transaction.** It is an unfair discriminatory practice for any real estate broker or real estate salesperson, for the purpose of inducing a real property transaction from which the person, the person's firm, or any of its members may benefit financially, to represent that a change has occurred or will or may occur in the composition with respect to race, creed, color, national origin, sex, gender identity, marital status, status with regard to public assistance, sexual orientation, or disability of the owners or occupants in the block, neighborhood, or area in which the real property is located, and to represent, directly or indirectly, that this change will or may result in undesirable consequences in the block, neighborhood, or area in which the real property is located, including but not limited to the lowering of property values, an increase in criminal or antisocial behavior, or a decline in the quality of schools or other public facilities.

Sec. 19. Minnesota Statutes 2022, section 363A.11, subdivision 1, is amended to read:

Subdivision 1. **Full and equal enjoyment of public accommodations.** (a) It is an unfair discriminatory practice:

(1) to deny any person the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of a place of public accommodation because of race, color, creed, religion, disability, national origin, marital status, sexual orientation, ~~or~~ sex, or gender identity, or for a taxicab company to discriminate in the access to, full utilization of, or benefit from service because of a person's disability; or

(2) for a place of public accommodation not to make reasonable accommodation to the known physical, sensory, or mental disability of a disabled person. In determining whether an accommodation is reasonable, the factors to be considered may include:

(i) the frequency and predictability with which members of the public will be served by the accommodation at that location;

(ii) the size of the business or organization at that location with respect to physical size, annual gross revenues, and the number of employees;

(iii) the extent to which disabled persons will be further served from the accommodation;

(iv) the type of operation;

(v) the nature and amount of both direct costs and legitimate indirect costs of making the accommodation and the reasonableness for that location to finance the accommodation; and

(vi) the extent to which any persons may be adversely affected by the accommodation.

(b) State or local building codes control where applicable. Violations of state or local building codes are not violations of this chapter and must be enforced under normal building code procedures.

Sec. 20. Minnesota Statutes 2022, section 363A.11, subdivision 2, is amended to read:

Subd. 2. **General prohibitions.** This subdivision lists general prohibitions against discrimination on the basis of disability. For purposes of this subdivision, "individual" or "class of individuals" refers to the clients or customers of the covered public accommodation that enter into the contractual, licensing, or other arrangement.

(1) It is discriminatory to:

(i) subject an individual or class of individuals on the basis of a disability of that individual or class, directly or through contractual, licensing, or other arrangements, to a denial of the opportunity of the individual or class to participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations of an entity;

(ii) afford an individual or class of individuals on the basis of the disability of that individual or class, directly or through contractual, licensing, or other arrangements, with the opportunity to participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations that are not equal to those afforded to other individuals; ~~and~~

(iii) provide an individual or class of individuals, on the basis of a disability of that individual or class, directly or through contractual, licensing, or other arrangements, with goods, services, facilities, privileges, advantages, or accommodations that are different or separate from those provided to other individuals, unless the action is necessary to provide the individual or class of individuals with goods, services, facilities, privileges, advantages, or accommodations, or other opportunities that are as effective as those provided to others; and

(iv) not provide a deaf or hard-of-hearing individual or class of deaf or hard-of-hearing individuals with closed-captioned television when television services are provided to other individuals.

(2) Goods, services, facilities, privileges, advantages, and accommodations must be afforded to an individual with a disability in the most integrated setting appropriate to the needs of the individual.

(3) Notwithstanding the existence of separate or different programs or activities provided in accordance with sections 363A.08 to 363A.19, and 363A.28, subdivision 10, the individual with a disability may not be denied the opportunity to participate in the programs or activities that are not separate or different.

(4) An individual or entity may not, directly or through contractual or other arrangements, use standards or criteria and methods of administration:

- (i) that have the effect of discriminating on the basis of disability; or
- (ii) that perpetuate the discrimination of others who are subject to common administrative control.

EFFECTIVE DATE. This section is effective August 1, 2024, for all places of public accommodation.

Sec. 21. Minnesota Statutes 2022, section 363A.12, subdivision 1, is amended to read:

Subdivision 1. **Access to public service.** It is an unfair discriminatory practice to discriminate against any person in the access to, admission to, full utilization of or benefit from any public service because of race, color, creed, religion, national origin, disability, sex, gender identity, sexual orientation, or status with regard to public assistance or to fail to ensure physical and program access for disabled persons unless the public service can demonstrate that providing the access would impose an undue hardship on its operation. In determining whether providing physical and program access would impose an undue hardship, factors to be considered include:

- (1) the type and purpose of the public service's operation;
- (2) the nature and cost of the needed accommodation;
- (3) documented good faith efforts to explore less restrictive or less expensive alternatives; and
- (4) the extent of consultation with knowledgeable disabled persons and organizations.

Physical and program access must be accomplished within six months of June 7, 1983, except for needed architectural modifications, which must be made within two years of June 7, 1983.

Sec. 22. Minnesota Statutes 2022, section 363A.13, subdivision 1, is amended to read:

Subdivision 1. **Utilization; benefit or services.** It is an unfair discriminatory practice to discriminate in any manner in the full utilization of or benefit from any educational institution, or the services rendered thereby to any person because of race, color, creed, religion, national origin, sex, gender identity, age, marital status, status with regard to public assistance, sexual orientation, or disability, or to fail to ensure physical and program access for disabled persons. For purposes of this subdivision, program access includes but is not limited to providing taped texts, interpreters or other methods of making orally delivered materials available, readers in libraries, adapted classroom equipment, and similar auxiliary aids or services. Program access does not include providing attendants, individually prescribed devices, readers for personal use or study, or other devices or services of a personal nature.

Sec. 23. Minnesota Statutes 2022, section 363A.13, subdivision 2, is amended to read:

Subd. 2. **Exclude, expel, or selection.** It is an unfair discriminatory practice to exclude, expel, or otherwise discriminate against a person seeking admission as a student, or a person enrolled as a student because of race, color, creed, religion, national origin, sex, gender identity, age, marital status, status with regard to public assistance, sexual orientation, or disability.

Sec. 24. Minnesota Statutes 2022, section 363A.13, subdivision 3, is amended to read:

Subd. 3. **Admission form or inquiry.** It is an unfair discriminatory practice to make or use a written or oral inquiry, or form of application for admission that elicits or attempts to elicit information, or to make or keep a record, concerning the creed, religion, gender identity, sexual orientation, or disability of a person seeking admission, except as permitted by rules of the department.

Sec. 25. Minnesota Statutes 2022, section 363A.13, subdivision 4, is amended to read:

Subd. 4. **Purpose for information and record.** It is an unfair discriminatory practice to make or use a written or oral inquiry or form of application that elicits or attempts to elicit information, or to keep a record concerning the race, color, national origin, sex, gender identity, sexual orientation, age, or marital status of a person seeking admission, unless the information is collected for purposes of evaluating the effectiveness of recruitment, admissions, and other educational policies, and is maintained separately from the application.

Sec. 26. Minnesota Statutes 2022, section 363A.15, is amended to read:

363A.15 REPRISALS.

It is an unfair discriminatory practice for any individual who participated in the alleged discrimination as a perpetrator, employer, labor organization, employment agency, public accommodation, public service, educational institution, or owner, lessor, lessee, sublessee, assignee or managing agent of any real property, or any real estate broker, real estate salesperson, or employee or agent thereof to intentionally engage in any reprisal against any person because that person:

(1) opposed a practice forbidden under this chapter or has filed a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this chapter; or

(2) associated with a person or group of persons who are disabled or who are of different race, color, creed, religion, gender identity, sexual orientation, or national origin.

A reprisal includes, but is not limited to, any form of intimidation, retaliation, or harassment. It is a reprisal for an employer to do any of the following with respect to an individual because that individual has engaged in the activities listed in clause (1) or (2): refuse to hire the individual; depart from any customary employment practice; transfer or assign the individual to a lesser position in terms of wages, hours, job classification, job security, or other employment status; or inform another employer that the individual has engaged in the activities listed in clause (1) or (2).

Sec. 27. Minnesota Statutes 2022, section 363A.16, subdivision 1, is amended to read:

Subdivision 1. **Personal or commercial credit.** It is an unfair discriminatory practice to discriminate in the extension of personal or commercial credit to a person, or in the requirements for obtaining credit, because of race, color, creed, religion, disability, national origin, sex, gender identity, sexual orientation, or marital status, or due to the receipt of federal, state, or local public assistance including medical assistance.

Sec. 28. Minnesota Statutes 2022, section 363A.17, is amended to read:

363A.17 BUSINESS DISCRIMINATION.

It is an unfair discriminatory practice for a person engaged in a trade or business or in the provision of a service:

(1) to refuse to do business with or provide a service to a woman based on her use of her current or former surname; or

(2) to impose, as a condition of doing business with or providing a service to a woman, that a woman use her current surname rather than a former surname; or

(3) to intentionally refuse to do business with, to refuse to contract with, or to discriminate in the basic terms, conditions, or performance of the contract because of a person's race, national origin, color, sex, gender identity, sexual orientation, or disability, unless the alleged refusal or discrimination is because of a legitimate business purpose.

Nothing in this section shall prohibit positive action plans.

Sec. 29. Minnesota Statutes 2022, section 363A.21, subdivision 1, is amended to read:

Subdivision 1. **Housing.** The provisions of section 363A.09 shall not apply to:

(1) rooms in a temporary or permanent residence home run by a nonprofit organization, if the discrimination is by sex; or

(2) the rental by a resident owner or occupier of a one-family accommodation of a room or rooms in the accommodation to another person or persons if the discrimination is by sex, gender identity, marital status, status with regard to public assistance, sexual orientation, or disability. Except as provided elsewhere in this chapter or other state or federal law, no person or group of persons selling, renting, or leasing property is required to modify the property in any way, or exercise a higher degree of care for a person having a disability than for a person who does not have a disability; nor shall this chapter be construed to relieve any person or persons of any obligations generally imposed on all persons regardless of any disability in a written lease, rental agreement, or contract of purchase or sale, or to forbid distinctions based on the inability to fulfill the terms and conditions, including financial obligations of the lease, agreement, or contract; ~~or.~~

~~(3) the rental by a resident owner of a unit in a dwelling containing not more than two units, if the discrimination is on the basis of sexual orientation.~~

Sec. 30. **REPEALER.**

Minnesota Statutes 2022, sections 363A.20, subdivision 3; and 363A.27, are repealed.

ARTICLE 4 DATA

Section 1. Minnesota Statutes 2022, section 13.072, subdivision 1, is amended to read:

Subdivision 1. **Opinion; when required.** (a) Upon request of a government entity, the commissioner may give a written opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a government entity, the commissioner may give a written opinion regarding the person's rights as a subject of government data or right to have access to government data.

(b) Upon request of a body subject to chapter 13D, the commissioner may give a written opinion on any question relating to the body's duties under chapter 13D. Upon request of a person who disagrees with the manner in which members of a governing body perform their duties under chapter 13D, the commissioner may give a written opinion on compliance with chapter 13D. ~~A governing body or person requesting an opinion under this paragraph must pay the commissioner a fee of \$200. Money received by the commissioner under this paragraph is appropriated to the commissioner for the purposes of this section.~~

(c) If the commissioner determines that no opinion will be issued, the commissioner shall give the government entity or body subject to chapter 13D or person requesting the opinion notice of the decision not to issue the opinion within five business days of receipt of the request. Notice must be in writing. For notice by mail, the decision not to issue an opinion is effective when placed with the United States Postal Service or with the central mail system of the state of Minnesota. If this notice is not given, the commissioner shall issue an opinion within ~~20~~ 50 days of receipt of the request.

~~(d) For good cause and upon written notice to the person requesting the opinion, the commissioner may extend this deadline for one additional 30 day period. The notice must state the reason for extending the deadline.~~ The government entity or the members of a body subject to chapter 13D must be provided a reasonable opportunity to explain the reasons for its decision regarding the data or how they perform their duties under chapter 13D. The commissioner or the government entity or body subject to chapter 13D may choose to give notice to the subject of the data concerning the dispute regarding the data or compliance with chapter 13D.

(e) This section does not apply to a determination made by the commissioner of health under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

(f) A written, numbered, and published opinion issued by the attorney general shall take precedence over an opinion issued by the commissioner under this section.

Sec. 2. **[13.204] POLITICAL SUBDIVISIONS LICENSING DATA.**

(a) The following data submitted to a political subdivision by a person seeking to obtain a license are classified as private data on individuals or nonpublic data:

(1) a tax return, as defined by section 270B.01, subdivision 2; and

(2) a bank account statement.

(b) Notwithstanding section 138.17, data collected by a political subdivision as part of a license application and classified under paragraph (a) must be destroyed no later than 90 days after a final decision on the license application.

EFFECTIVE DATE. This section is effective the day following final enactment. Data which a political subdivision collected or created before the effective date of this act, and which would otherwise be subject to the destruction requirement, must be destroyed no later than 90 days following final enactment.

Sec. 3. Minnesota Statutes 2022, section 13.32, subdivision 3, is amended to read:

Subd. 3. **Private data; when disclosure is permitted.** Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

(a) pursuant to section 13.05;

(b) pursuant to a valid court order;

(c) pursuant to a statute specifically authorizing access to the private data;

(d) to disclose information in health, including mental health, and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I), and Code of Federal Regulations, title 34, section 99.36;

(e) pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3), (b)(6), (b)(7), and (i), and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, 99.35, and 99.39;

(f) to appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;

(g) when disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, section 1092;

(h) to the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a postsecondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;

(i) to appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file;

(j) to volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;

(k) to provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216;

(l) to the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals;

(m) with respect to Social Security numbers of students in the adult basic education system, to Minnesota State Colleges and Universities and the Department of Employment and Economic Development for the purpose and in the manner described in section 124D.52, subdivision 7;

(n) to the commissioner of education for purposes of an assessment or investigation of a report of alleged maltreatment of a student as mandated by chapter 260E. Upon request by the commissioner of education, data that are relevant to a report of maltreatment and are from charter school and school district investigations of alleged maltreatment of a student must be disclosed to the commissioner, including, but not limited to, the following:

(1) information regarding the student alleged to have been maltreated;

(2) information regarding student and employee witnesses;

(3) information regarding the alleged perpetrator; and

(4) what corrective or protective action was taken, if any, by the school facility in response to a report of maltreatment by an employee or agent of the school or school district;

(o) when the disclosure is of the final results of a disciplinary proceeding on a charge of a crime of violence or nonforcible sex offense to the extent authorized under United States Code, title 20, section 1232g(b)(6)(A) and (B), and Code of Federal Regulations, title 34, sections 99.31(a)(13) and (14);

(p) when the disclosure is information provided to the institution under United States Code, title 42, section 14071, concerning registered sex offenders to the extent authorized under United States Code, title 20, section 1232g(b)(7); ~~or~~

(q) when the disclosure is to a parent of a student at an institution of postsecondary education regarding the student's violation of any federal, state, or local law or of any rule or policy of the institution, governing the use or possession of alcohol or of a controlled substance, to the extent authorized under United States Code, title 20, section 1232g(i), and Code of Federal Regulations, title 34, section 99.31(a)(15), and provided the institution has an information release form signed by the student authorizing disclosure to a parent. The institution must notify parents and students about the purpose and availability of the information release forms. At a minimum, the institution must distribute the information release forms at parent and student orientation meetings;

(r) a student's name, home address, telephone number, email address, or other personal contact information may be disclosed to a public library for purposes of issuing a library card to the student; or

(s) with Tribal Nations about Tribally enrolled or descendant students to the extent necessary for the Tribal Nation and school district or charter school to support the educational attainment of the student.

Sec. 4. Minnesota Statutes 2022, section 13.32, subdivision 5, is amended to read:

Subd. 5. **Directory information.** ~~Information~~ (a) Educational data designated as directory information is public data on individuals to the extent required under federal law. Directory information must be designated pursuant to the provisions of:

(1) this subdivision; and

(2) United States Code, title 20, section 1232g, and Code of Federal Regulations, title 34, section 99.37, which are ~~were~~ in effect on January 3, 2012, is public data on individuals, to the extent required under federal law.

(b) When conducting the directory information designation and notice process required by federal law, an educational agency or institution shall give parents and students notice of the right to refuse to let the agency or institution designate ~~any or all specified~~ data about the student as directory information. This notice may be given by any means reasonably likely to inform the parents and students of the right.

(c) An educational agency or institution may not designate a student's home address, telephone number, email address, or other personal contact information as directory information under this subdivision. This paragraph does not apply to a postsecondary institution.

(d) When requested, educational agencies or institutions must share personal student contact information and directory information, whether public or private, with the Minnesota Department of Education, as required for federal reporting purposes.

EFFECTIVE DATE. This section is effective the day following final enactment. Beginning upon the effective date of this section, a student's personal contact information subject to this section must be treated by an educational agency or institution as private educational data under Minnesota Statutes, section 13.32, regardless of whether that contact information was previously designated as directory information under Minnesota Statutes, section 13.32, subdivision 5.

Sec. 5. Minnesota Statutes 2022, section 13.643, subdivision 6, is amended to read:

Subd. 6. **Animal premises data.** (a) Except for farmed Cervidae premises location data collected and maintained under section 35.155, the following data collected and maintained by the Board of Animal Health related to registration and identification of premises and animals under chapter 35, are classified as private or nonpublic:

- (1) the names and addresses;
- (2) the location of the premises where animals are kept; and
- (3) the identification number of the premises or the animal.

(b) Except as provided in section 347.58, subdivision 5, data collected and maintained by the Board of Animal Health under sections 347.57 to 347.64 are classified as private or nonpublic.

(c) The Board of Animal Health may disclose data collected under paragraph (a) or (b) to any person, agency, or to the public if the board determines that the access will aid in the law enforcement process or the protection of public or animal health or safety.

ARTICLE 5 NOTARIES PUBLIC

Section 1. Minnesota Statutes 2022, section 357.17, is amended to read:

357.17 NOTARIES PUBLIC.

(a) The maximum fees to be charged and collected by a notary public shall be as follows:

(1) for protest of nonpayment of note or bill of exchange or of nonacceptance of such bill; where protest is legally necessary, and copy thereof, \$5;

(2) for every other protest and copy, \$5;

(3) for making and serving every notice of nonpayment of note or nonacceptance of bill and copy thereof, \$5;

(4) for any affidavit or paper for which provision is not made herein, \$5 per folio, and \$1 per folio for copies;

(5) for each oath administered, \$5;

(6) for acknowledgments of deeds and for other services authorized by law, the legal fees allowed other officers for like services;

(7) for recording each instrument required by law to be recorded by the notary, \$5 per folio.

(b) A notary public may charge a fee for performing a marriage in excess of the fees in paragraph (a) if the notary is a member, director, or partner of an entity organized under the laws of this state.

Sec. 2. Minnesota Statutes 2022, section 359.04, is amended to read:

359.04 POWERS.

Every notary public so appointed, commissioned, and qualified shall have power throughout this state to administer all oaths required or authorized to be administered in this state; to take and certify all depositions to be used in any of the courts of this state; to take and certify all acknowledgments of deeds, mortgages, liens, powers of

attorney, and other instruments in writing or electronic records; to receive, make out, and record notarial protests; to perform civil marriages consistent with this chapter and chapter 517; and to perform online remote notarial acts in compliance with the requirements of sections 358.645 and 358.646.

Sec. 3. **[359.115] CIVIL MARRIAGE OFFICIANT.**

(a) A notary public shall have the power to solemnize civil marriages throughout the state if the notary public has filed a copy of the notary public's notary credentials with the local registrar of a county in this state. When a local registrar records notary credentials for a notary public, the local registrar shall provide a certificate of filing to the notary whose credentials are recorded. A notary public shall endorse and record the county where the notary public's credentials are recorded upon each certificate of civil marriage granted by the notary.

(b) A past or current Minnesota elected official, who was elected to a local government office or to a state or federal government office, shall have the power to solemnize a civil marriage throughout the state if the elected official has filed a copy of the elected official's certificate of election with the local registrar of a county in this state. When a local registrar records an elected official's credentials, the local registrar shall provide a certificate of filing that the elected official's credentials are recorded, and the elected official shall endorse and record the county where the elected official's credentials are recorded upon each certificate of civil marriage granted by the elected official.

Sec. 4. Minnesota Statutes 2022, section 517.04, is amended to read:

517.04 PERSONS AUTHORIZED TO PERFORM CIVIL MARRIAGES.

Civil marriages may be solemnized throughout the state by an individual who has attained the age of 21 years and is a judge of a court of record, a retired judge of a court of record, a court administrator, a retired court administrator with the approval of the chief judge of the judicial district, a former court commissioner who is employed by the court system or is acting pursuant to an order of the chief judge of the commissioner's judicial district, a notary authorized by the Office of the Secretary of State, a past or current Minnesota elected official authorized by section 359.115, the residential school superintendent of the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind, a licensed or ordained minister of any religious denomination, or by any mode recognized in section 517.18. For purposes of this section, a court of record includes the Office of Administrative Hearings under section 14.48.

ARTICLE 6
HEALTH CARE MEDIATION

Section 1. **[145.685] COMMUNICATION AND RESOLUTION AFTER A HEALTH CARE ADVERSE INCIDENT.**

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

(b) "Health care adverse incident" means an objective and definable outcome arising from or related to patient care that results in the death or physical injury of a patient.

(c) "Health care provider" means a person who is licensed, certified, or registered, or otherwise permitted by state law, to administer health care in the ordinary course of business or in the practice of a profession and practices at a health facility.

(d) "Health facility" means a hospital or outpatient surgical center licensed under sections 144.50 to 144.56; a medical, dental, or health care clinic; a diagnostic laboratory; or a birthing center licensed under section 144.615. The definition of health facility includes any corporation, professional corporation, partnership, limited liability company, limited liability partnership, or other entity comprised of health facilities or health care providers.

(e) "Open discussion" means all communications that are made during an open discussion process under this section and includes memoranda, work product, documents, and other materials that are prepared for or submitted in the course of or in connection with communications made under this section. Open discussion does not include any communication, memoranda, work product, or other materials that would otherwise be subject to discovery and were not prepared specifically for use in an open discussion pursuant to this section.

(f) "Patient" means a person who receives health care from a health care provider. If the patient is under 18 years of age and is not an emancipated minor, the definition of patient includes the patient's legal guardian or parent. If the patient is deceased or incapacitated, the definition of patient includes the patient's legal representative.

Subd. 2. Engaging in an open discussion. (a) If a health care adverse incident occurs, a health care provider involved in the health care adverse incident, the health facility involved in the health care adverse incident, or both jointly may provide the patient with written notice of their desire to enter into an open discussion with the patient to discuss potential outcomes following a health care adverse incident in accordance with this section. A health facility may designate a person or class of persons who has the authority to provide the notice on behalf of the health facility. The patient involved in the health care adverse incident may provide oral notice to the health care provider, the health facility involved in the health care adverse incident, or both, of the patient's desire to enter into an open discussion with either the health care provider, or the health care provider and health facility jointly, to discuss potential outcomes following a health care adverse incident in accordance with this section.

(b) If a health care provider or health facility decides to enter into an open discussion as specified in this section, the written notice must be sent to the patient within 365 days from the date the health care provider or the health facility knew, or through the use of diligence should have known, of the health care adverse incident. The notice must include:

(1) the health care provider, health facility, or both jointly desire to pursue an open discussion in accordance with this section;

(2) the patient's right to receive a copy of the medical records related to the health care adverse incident and the patient's right to authorize the release of the patient's medical records related to the health care adverse incident to a third party;

(3) the patient's right to seek legal counsel and to have legal counsel present throughout the open discussion process;

(4) a copy of section 541.076 with notice that the time for a patient to bring a lawsuit is limited under section 541.076 and will not be extended by engaging in an open discussion under this section unless all parties agree in writing to an extension;

(5) that if the patient chooses to engage in an open discussion with the health care provider, health facility, or jointly with both, all communications made during the course of the open discussion process, including communications regarding the initiation of an open discussion are:

(i) privileged and confidential;

(ii) not subject to discovery, subpoena, or other means of legal compulsion for release; and

(iii) not admissible as evidence in a proceeding arising directly out of the health care adverse incident, including a judicial, administrative, or arbitration proceeding; and

(6) that any communications, memoranda, work product, documents, or other material that are otherwise subject to discovery and not prepared specifically for use in an open discussion under this section are not confidential.

(c) If the patient agrees to engage in an open discussion with a health care provider, health facility, or jointly with both, the agreement must be in writing and must state that the patient has received the notice described in paragraph (b).

(d) Upon agreement to engage in an open discussion, the patient, health care provider, or health facility may include other persons in the open discussion process. All other persons included in the open discussion must be advised of the parameters of communications made during the open discussion process specified under paragraph (b), clauses (5) and (6).

(e) If a health care provider or health facility decides to engage in an open discussion, the health care provider or health facility may:

(1) investigate how the health care adverse incident occurred, including gathering information regarding the medical care or treatment and disclose the results of the investigation to the patient;

(2) openly communicate to the patient the steps the health care provider or health facility will take to prevent future occurrences of the health care adverse incident; and

(3) determine that no offer of compensation for the health care adverse incident is warranted or that an offer of compensation for the health care adverse incident is warranted.

(f) If a health care provider or health facility determines that no offer of compensation is warranted, the health care provider or health facility shall orally communicate that decision to the patient.

(g) If a health care provider or a health facility determines that an offer of compensation is warranted, the health care provider or health facility shall provide the patient with a written offer of compensation. If an offer of compensation is made under this paragraph, and the patient is not represented by legal counsel, the health care provider or health facility shall:

(1) advise the patient of the patient's right to seek legal counsel regarding the offer of compensation and encourage the patient to seek legal counsel; and

(2) provide notice to the patient that the patient may be legally required to repay medical and other expenses that were paid by a third party on the patient's behalf, including private health insurance, Medicaid, or Medicare, along with an itemized statement from the health provider showing all charges and third-party payments.

(h) Except for an offer of compensation made under paragraph (g), open discussions between the health care provider or health facility and the patient about compensation shall not be in writing.

Subd. 3. Confidentiality of open discussions and offers of compensation. (a) Open discussion communications made under this section, including offers of compensation made under subdivision 2:

(1) do not constitute an admission of liability;

(2) are privileged and confidential and shall not be disclosed;

(3) are not admissible as evidence in any subsequent judicial, administrative, or arbitration proceeding arising directly out of the health care adverse incident, except as provided in paragraph (b);

(4) are not subject to discovery, subpoena, or other means of legal compulsion for release; and

(5) shall not be disclosed by any party in any subsequent judicial, administrative, or arbitration proceeding arising directly out of the health care adverse incident.

(b) A party may move the court or other decision maker in a subsequent proceeding to adjudicate the matter to admit as evidence a communication made during an open discussion that contradicts a statement made during the proceeding. The court or other decision maker shall allow a communication made during an open discussion that contradicts a statement made at a subsequent proceeding to adjudicate the matter into evidence only if the communication made during an open discussion is material to the claims presented in the subsequent proceeding.

(c) Communications, memoranda, work product, documents, and other materials that are otherwise subject to discovery and that were not prepared specifically for use in an open discussion under this section are not confidential.

(d) The limitation on disclosure imposed by this subdivision includes disclosure during any discovery conducted as part of a subsequent adjudicatory proceeding, and a court or other adjudicatory body shall not compel any person who engages in an open discussion under this section to disclose confidential communications or agreements made under this section.

(e) This subdivision does not affect any other law, rule, or requirement with respect to confidentiality.

Subd. 4. Payment and resolution. (a) If a patient accepts an offer of compensation made pursuant to this section, and payment of compensation is made to a patient as a result, the payment to the patient is not payment resulting from:

(1) a written claim or demand for payment;

(2) a final judgment, settlement, or arbitration award against a health care institution for medical malpractice purposes; or

(3) a malpractice claim settled or in which judgment is rendered against a health care professional for purposes of reporting by malpractice insurance companies under sections 146A.03, 147.111, 147A.14, 148.102, 148.263, 148B.381, 148F.205, 150A.13, and 153.24.

(b) A health care provider or health facility may require, as a condition of an offer of compensation made pursuant to this section, a patient to execute all documents and obtain any necessary court approval to resolve a health care adverse incident. The parties shall negotiate the form of the documents to be executed and obtain court approval as necessary.

Subd. 5. Sunset. This section sunsets on June 30, 2031.

Subd. 6. Applicability. This section applies only to health care adverse incidents that occur on or after August 1, 2023."

Delete the title and insert:

"A bill for an act relating to civil law; amending certain policy provisions related to forfeiture, name change, property, survival of cause of action after death, mediation for debtors owning agricultural property, State Board of Public Defense, construction contracts, civil rights, gender identity, data, notaries public, and health care incident open discussion; amending Minnesota Statutes 2022, sections 13.072, subdivision 1; 13.32, subdivisions 3, 5;

13.643, subdivision 6; 15.71, by adding subdivisions; 15.72, by adding a subdivision; 82B.195, subdivision 3; 169A.63, subdivision 8; 245I.12, subdivision 1; 259.11; 259.13, subdivisions 1, 5; 325F.992, subdivision 3; 336.9-601; 337.01, subdivision 3; 337.05, subdivision 1; 357.17; 359.04; 363A.02, subdivision 1; 363A.03, subdivisions 23, 44, by adding a subdivision; 363A.04; 363A.06, subdivision 1; 363A.07, subdivision 2; 363A.08, subdivisions 1, 2, 3, 4, by adding a subdivision; 363A.09, subdivisions 1, 2, 3, 4; 363A.11, subdivisions 1, 2; 363A.12, subdivision 1; 363A.13, subdivisions 1, 2, 3, 4; 363A.15; 363A.16, subdivision 1; 363A.17; 363A.21, subdivision 1; 504B.301; 508.52; 517.04; 517.08, subdivisions 1a, 1b; 518.191, subdivisions 1, 3; 550.365, subdivision 2; 559.209, subdivision 2; 573.01; 573.02, subdivisions 1, 2; 582.039, subdivision 2; 583.25; 583.26, subdivision 2; 600.23; 609.5314, subdivision 3; 611.215, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 145; 259; 359; repealing Minnesota Statutes 2022, sections 346.02; 363A.20, subdivision 3; 363A.27; 504B.305; 582.14."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 3, H. F. No. 447 was re-referred to the Committee on Rules and Legislative Administration.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 1580, A bill for an act relating to judiciary; providing onetime market adjustment to district court law clerks' starting salary to align with competitive corridor; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
JUDICIARY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
<u>2024</u>		<u>2025</u>

Sec. 2. **SUPREME COURT**

<u>Subdivision 1. Total Appropriation</u>	<u>\$73,666,000</u>	<u>\$91,516,000</u>
--	----------------------------	----------------------------

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Supreme Court Operations44,943,00046,703,000**(a) Contingent Account**

\$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

(b) Justices' Compensation

Justices' compensation is increased by four percent in the first year and four percent in the second year.

Subd. 3. Civil Legal Services28,723,00044,813,000

The general fund base is \$44,960,000 in fiscal year 2026 and \$45,714,000 in fiscal year 2027.

Legal Services to Low-Income Clients in Family Law Matters

\$1,017,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services program described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

Sec. 3. COURT OF APPEALS\$14,205,000\$14,762,000**(a) Judges' Compensation**

Judges' compensation is increased by four percent in the first year and four percent in the second year.

(b) Law Clerk Salaries

\$134,300 each year is to increase the compensation of court of appeals law clerks to a salary of \$69,384 per year. Notwithstanding Minnesota Statutes, section 16A.285, the court of appeals must not transfer this money between programs.

Sec. 4. DISTRICT COURTS\$371,931,000\$370,311,000**(a) Judges' Compensation**

Judges' compensation is increased by four percent in the first year and four percent in the second year.

(b) Law Clerk Salaries

\$4,413,000 each year is to increase the compensation of district court law clerks to a salary of \$69,384 per year. Notwithstanding Minnesota Statutes, section 16A.285, the district court must not transfer this money between programs.

(c) Juror Reimbursement

\$2,625,000 each year is to increase the rate of compensation for jurors to \$50 for each day of required attendance at sessions of court.

Sec. 5. <u>GUARDIAN AD LITEM BOARD</u>	<u>\$24,358,000</u>	<u>\$25,620,000</u>
Sec. 6. <u>TAX COURT</u>	<u>\$2,173,000</u>	<u>\$2,308,000</u>

Law Clerk Salaries

\$40,000 each year is to increase the compensation of Tax Court law clerks to a salary of \$69,384 per year. Notwithstanding Minnesota Statutes, section 16A.285, the Tax Court must not transfer this money between programs.

Sec. 7. <u>UNIFORM LAWS COMMISSION</u>	<u>\$115,000</u>	<u>\$115,000</u>
Sec. 8. <u>BOARD ON JUDICIAL STANDARDS</u>	<u>\$655,000</u>	<u>\$645,000</u>

(a) Availability of Appropriation

If the appropriation for either year is insufficient, the appropriation for the other fiscal year is available.

(b) Major Disciplinary Actions

\$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures until June 30, 2027.

Sec. 9. <u>BOARD OF PUBLIC DEFENSE</u>	<u>\$154,134,000</u>	<u>\$164,360,000</u>
Sec. 10. <u>HUMAN RIGHTS</u>	<u>\$8,431,000</u>	<u>\$8,823,000</u>

The general fund base is \$9,303,000 in fiscal year 2026 and \$9,303,000 in fiscal year 2027.

Mediator Payments

\$20,000 each year is to fund payments to mediators. This appropriation is onetime and is available until June 30, 2027.

Sec. 11. <u>OFFICE OF APPELLATE COUNSEL AND TRAINING</u>	<u>\$659,000</u>	<u>\$1,560,000</u>
---	-------------------------	---------------------------

Establishment and Operations

\$659,000 the first year and \$1,560,000 the second year are for establishment and operation of the Statewide Office of Appellate Counsel and Training as described in Minnesota Statutes, section 260C.419, and to provide support for the State Board of Appellate Counsel and Training.

Sec. 12. <u>DEPARTMENT OF HUMAN SERVICES</u>	<u>\$1,500,000</u>	<u>\$-0-</u>
---	---------------------------	---------------------

Child Advocacy Center

\$1,500,000 the first year is for a grant to First Witness Child Advocacy Center for the acquisition and improvement of properties located at 1402, 1406, and 1412 East 2nd Street in the city of Duluth. This appropriation includes money for demolition of the building located at 1412 East 2nd Street and construction of a parking lot, and for renovation, furnishing, and equipping of the buildings located at 1402 and 1406 East 2nd Street as a training center and a child advocacy center.

ARTICLE 2
JUDICIARY POLICY WITH FISCAL COST

Section 1. **[260C.419] STATEWIDE OFFICE OF APPELLATE COUNSEL AND TRAINING.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Board" means the State Board of Appellate Counsel and Training.

(c) "Juvenile protection matter" means any of the following:

(1) child in need of protection or services matters as defined in section 260C.007, subdivision 6, including habitual truant and runaway matters;

(2) neglected and in foster care matters as defined in section 260C.007, subdivision 24;

(3) review of voluntary foster care matters as defined in section 260C.141, subdivision 2;

(4) review of out-of-home placement matters as defined in section 260C.212;

(5) termination of parental rights matters as defined in sections 260C.301 to 260C.328; and

(6) permanent placement matters as defined in sections 260C.503 to 260C.521, including matters involving termination of parental rights, guardianship to the commissioner of human services, transfer of permanent legal and physical custody to a relative, permanent custody to the agency, temporary legal custody to the agency, and matters involving voluntary placement pursuant to section 260D.07.

(d) "Office" means the Statewide Office of Appellate Counsel and Training.

Subd. 2. **Statewide Office of Appellate Counsel and Training; establishment.** (a) The Statewide Office of Appellate Counsel and Training is established as an independent state office. The office shall be responsible for:

(1) establishing and maintaining a system for providing appellate representation to parents in juvenile protection matters, as provided in section 260C.163, subdivision 3, paragraph (c), and in Tribal court jurisdictions;

(2) providing training to all parent attorneys practicing in the state on topics relevant to their practice and establishing practice standards and training requirements for parent attorneys practicing in the state; and

(3) collaborating with the Minnesota Department of Human Services to coordinate and secure federal Title IV-E support for counties and Tribes interested in accessing federal funding.

(b) The office shall be governed by a board as provided in subdivision 3.

Subd. 3. **State Board of Appellate Counsel and Training; structure; membership.** (a) The State Board of Appellate Counsel and Training is established to direct the Statewide Office of Appellate Counsel and Training. The board shall consist of seven members, including:

(1) four public members appointed by the governor; and

(2) three members appointed by the supreme court, at least one of whom must have experience representing parents in juvenile court and who include two attorneys admitted to practice law in the state and one public member.

(b) The appointing authorities may not appoint any of the following to be a member of the board:

(1) a person who is a judge;

(2) a person who is a registered lobbyist;

(3) a person serving as a guardian ad litem or counsel for a guardian ad litem;

(4) a person who serves as counsel for children in juvenile court;

(5) a person under contract with or employed by the Department of Human Services or a county department of human or social services; or

(6) a current city or county attorney or assistant city or county attorney.

(c) All members shall demonstrate an interest in maintaining a high quality, independent appellate defense system for parents in juvenile protection proceedings who are unable to obtain adequate representation, a robust program for parent attorneys in Minnesota, and an efficient coordination effort, in collaboration with the Department of Human Services, to secure and utilize Title IV-E funding. At least one member of the board appointed by the governor must be a representative from a federally recognized Indian Tribe. No more than five members of the board may belong to the same political party. At least three members of the board shall be from judicial districts other than the First, Second, Fourth, and Tenth Judicial Districts. To the extent practicable, the membership of the board must include persons with disabilities, reflect the ethnic diversity of the state, take into consideration race and gender, and include persons from throughout the state. The members shall be well acquainted with representing parents in district court and appellate proceedings related to child protection matters as well as the law that affect a parent attorney's work, including chapter 260C, the Rules of Juvenile Protection Procedure, the Rules of Civil

Appellate Procedure, the Indian Child Welfare Act, and the Minnesota Indian Family Preservation Act. The terms, compensation, and removal of members shall be as provided in section 15.0575. The members shall elect a chair from among the membership and the chair shall serve a term of two years.

Subd. 4. **Head appellate counsel for parents; assistant and contracted attorneys; other employees.** (a) Beginning January 1, 2024, and for every four years after that date, the board shall appoint a head appellate counsel in charge of executing the responsibilities of the office who shall provide for sufficient appellate counsel for parents and other personnel necessary to discharge the functions of the office. The head appellate counsel shall serve a four-year term and may be removed only for cause upon the order of the board. The head appellate counsel shall be a full-time qualified attorney, licensed to practice law in this state, and serve in the unclassified service of the state. Vacancies of the office shall be filled by the appointing authority for the unexpired term. The head appellate counsel shall devote full time to the performance of duties and shall not engage in the general practice of law. The compensation of the head appellate counsel shall be set by the board and shall be commensurate with county attorneys in the state.

(b) Consistent with the decisions of the board, the head appellate counsel shall employ assistants or hire independent contractors to serve as appellate counsel for parents. Each assistant appellate counsel and independent contractor serves at the pleasure of the head appellate counsel. The compensation of assistant appellate counsel and independent contractors shall be set by the board and shall be commensurate with county attorneys in the state.

(c) A person serving as appellate counsel shall be a qualified attorney licensed to practice law in this state. A person serving as appellate counsel practicing in Tribal court shall be a licensed attorney qualified to practice law in Tribal courts in the state. Assistant appellate counsel and contracted appellate counsel may engage in the general practice of law where not employed or contracted to provide services on a full-time basis.

(d) The head appellate counsel shall, consistent with the responsibilities under subdivision 2, employ or hire the following:

(1) one managing appellate attorney;

(2) two staff attorneys;

(3) one director of training;

(4) one program administrator to support Title IV-E reimbursement in collaboration with the Department of Human Services; and

(5) one office administrator.

(e) Each employee identified in paragraph (d) serves at the pleasure of the head appellate counsel. The compensation of each employee shall be set by the board and shall be commensurate with county attorneys in the state.

(f) Any person serving as managing appellate attorney, staff attorney, and director of training shall be a qualified attorney licensed to practice law in the state.

(g) A person serving as the program administrator and office administrator must be chosen solely on the basis of training, experience, and qualifications.

Subd. 5. **Duties and responsibilities.** (a) The board shall work cooperatively with the head appellate counsel to govern the office and provide fiscal oversight.

(b) The board shall approve and recommend to the legislature a budget for the board, the office, and any programs operated by that office.

(c) The board shall establish procedures for distribution of funding under this section to the office and any programs operated by that office.

(d) The head appellate counsel with the approval of the board shall establish appellate program standards, administrative policies, procedures, and rules consistent with statute, rules of court, and laws that affect appellate counsel's work. The standards must include but are not limited to:

(1) standards needed to maintain and operate an appellate counsel for parents program, including requirements regarding the qualifications, training, and size of the legal and supporting staff for an appellate counsel program;

(2) standards for appellate counsel caseloads;

(3) standards and procedures for the eligibility of appointment, assessment, and collection of the costs for legal representation provided by appellate counsel;

(4) standards for contracts between contracted appellate counsel and the state appellate counsel program for the legal representation of indigent persons;

(5) standards prescribing minimum qualifications of counsel appointed under the board's authority or by the courts; and

(6) standards ensuring the independent, competent, and efficient representation of clients whose cases present conflicts of interest.

(e) The head appellate counsel, with approval of the board, shall establish training program standards and processes and procedures necessary to carry out the office's responsibilities for statewide training of parent attorneys, including but not limited to establishing uniform practice standards and training requirements for all parent attorneys practicing in the state.

(f) The head appellate counsel and the program administrator with approval of the board shall establish processes and procedures for collaborating with the Department of Human Services to secure and utilize Title IV-E funds and communicating with counties and Tribes and any other processes and procedures necessary to carry out the office's responsibilities.

(g) The board may:

(1) propose statutory changes to the legislature and rule changes to the supreme court that are in the best interests of the operation of the appellate counsel for parents program; and

(2) require the reporting of statistical data, budget information, and other cost factors by the appellate counsel for parents program.

Subd. 6. **Limitation.** In no event shall the board or its members interfere with the discretion, judgment, or zealous advocacy of counsel in their handling of individual cases as a part of the judicial branch of government.

Subd. 7. **Budget; county and Tribe use.** The establishment of the office and its employees and support staff and the board shall be funded by the state of Minnesota. Minnesota counties and Tribes may utilize this office to provide appellate representation to indigent parents in their jurisdiction who are seeking an appeal and for assistance in securing Title IV-E funding through collaboration with the Department of Human Services.

Subd. 8. **Collection of costs; appropriation.** If any of the costs provided by appellate counsel are assessed and collected or otherwise reimbursed from any source, the State Board of Appellate Counsel and Training shall deposit payments in a separate account established in the special revenue fund. The amount credited to this account is appropriated to the State Board of Appellate Counsel and Training. The balance of this account does not cancel but is available until expended.

Sec. 2. Minnesota Statutes 2022, section 357.021, subdivision 2, is amended to read:

Subd. 2. **Fee amounts.** The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$285, except in marriage dissolution actions the fee is \$315.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$285, except in marriage dissolution actions the fee is \$315. This subdivision does not apply to the filing of an Application for Discharge of Judgment. Section 548.181 applies to an Application for Discharge of Judgment.

The party requesting a trial by jury shall pay \$100.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

- (2) Certified copy of any instrument from a civil or criminal proceeding, \$14, ~~and \$8 for an uncertified copy.~~
- (3) Issuing a subpoena, \$16 for each name.
- (4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, \$75.
- (5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$55.
- (6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$40.
- (7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.
- (8) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.
- (9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopathic physicians, chiropractors, veterinarians, or optometrists, \$5.
- (10) For the filing of each partial, final, or annual account in all trusteeships, \$55.
- (11) For the deposit of a will, \$27.
- (12) For recording notary commission, \$20.
- (13) Filing a motion or response to a motion for modification of child support, a fee of \$50.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents. No fee may be charged for an uncertified copy of an instrument from a civil or criminal proceeding.

Sec. 3. Minnesota Statutes 2022, section 363A.06, subdivision 1, is amended to read:

Subdivision 1. **Formulation of policies.** (a) The commissioner shall formulate policies to effectuate the purposes of this chapter and shall do the following:

(1) exercise leadership under the direction of the governor in the development of human rights policies and programs, and make recommendations to the governor and the legislature for their consideration and implementation;

(2) establish and maintain a principal office in St. Paul, and any other necessary branch offices at any location within the state;

(3) meet and function at any place within the state;

(4) employ attorneys, clerks, and other employees and agents as the commissioner may deem necessary and prescribe their duties;

(5) to the extent permitted by federal law and regulation, utilize the records of the Department of Employment and Economic Development of the state when necessary to effectuate the purposes of this chapter;

(6) obtain upon request and utilize the services of all state governmental departments and agencies;

(7) adopt suitable rules for effectuating the purposes of this chapter;

(8) issue complaints, receive and investigate charges alleging unfair discriminatory practices, and determine whether or not probable cause exists for hearing;

(9) subpoena witnesses, administer oaths, take testimony, and require the production for examination of any books or papers relative to any matter under investigation or in question as the commissioner deems appropriate to carry out the purposes of this chapter;

(10) attempt, by means of education, conference, conciliation, and persuasion to eliminate unfair discriminatory practices as being contrary to the public policy of the state;

(11) develop and conduct programs of formal and informal education designed to eliminate discrimination and intergroup conflict by use of educational techniques and programs the commissioner deems necessary;

(12) make a written report of the activities of the commissioner to the governor each year;

(13) accept gifts, bequests, grants, or other payments public and private to help finance the activities of the department;

(14) create such local and statewide advisory committees as will in the commissioner's judgment aid in effectuating the purposes of the Department of Human Rights;

(15) develop such programs as will aid in determining the compliance throughout the state with the provisions of this chapter, and in the furtherance of such duties, conduct research and study discriminatory practices based upon race, color, creed, religion, national origin, sex, age, disability, marital status, status with regard to public assistance, familial status, sexual orientation, or other factors and develop accurate data on the nature and extent of discrimination and other matters as they may affect housing, employment, public accommodations, schools, and other areas of public life;

(16) develop and disseminate technical assistance to persons subject to the provisions of this chapter, and to agencies and officers of governmental and private agencies;

(17) provide staff services to such advisory committees as may be created in aid of the functions of the Department of Human Rights;

(18) make grants in aid to the extent that appropriations are made available for that purpose in aid of carrying out duties and responsibilities; ~~and~~

(19) cooperate and consult with the commissioner of labor and industry regarding the investigation of violations of, and resolution of complaints regarding section 363A.08, subdivision 7; and

(20) solicit, receive, and compile information from community organizations, school districts and charter schools, and individuals regarding incidents committed in whole or in substantial part because of the victim's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, and compile data in the aggregate on the nature and extent of the incidents and include summary data as defined by section 13.02, subdivision 19, on this information in the report required under clause (12), disaggregated by the type of incident and the actual or perceived characteristic for which the person was targeted. The commissioner shall provide information on the department's website about when and how a victim can report criminal conduct to a law enforcement agency. Data collected and maintained under this clause are private data on individuals as defined in section 13.02, subdivision 12.

In performing these duties, the commissioner shall give priority to those duties in clauses (8), (9), and (10) and to the duties in section 363A.36.

(b) All gifts, bequests, grants, or other payments, public and private, accepted under paragraph (a), clause (13), must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner of human rights to help finance activities of the department.

Sec. 4. Minnesota Statutes 2022, section 484.85, is amended to read:

484.85 DISPOSITION OF FINES, FEES, AND OTHER MONEY; ACCOUNTS; RAMSEY COUNTY DISTRICT COURT.

(a) In all cases prosecuted in Ramsey County District Court by an attorney for a municipality or subdivision of government within Ramsey County for violation of a statute; an ordinance; or a charter provision, rule, or regulation of a city; all fines, penalties, and forfeitures collected by the court administrator shall be deposited in the state

treasury and distributed according to this paragraph. Except where a different disposition is provided by section 299D.03, subdivision 5, or other law, on or before the last day of each month, the court shall pay over all fines, penalties, and forfeitures collected by the court administrator during the previous month as follows:

~~(1) for offenses committed within the city of St. Paul, two-thirds paid to the treasurer of the city of St. Paul municipality or subdivision of government within Ramsey County and one-third credited to the state general fund; and~~

~~(2) for offenses committed within any other municipality or subdivision of government within Ramsey County, one half paid to the treasurer of the municipality or subdivision of government and one half credited to the state general fund.~~

All other fines, penalties, and forfeitures collected by the district court shall be distributed by the courts as provided by law.

(b) Fines, penalties, and forfeitures shall be distributed as provided in paragraph (a) when:

(1) a city contracts with the county attorney for prosecutorial services under section 484.87, subdivision 3; or

(2) the attorney general provides assistance to the city attorney under section 484.87, subdivision 5.

Sec. 5. **APPELLATE COUNSEL FOR PARENTS; SUPPORT FOR ESTABLISHMENT.**

The Management Analysis and Development Division of Management and Budget shall provide technical support for the establishment of the Statewide Office of Appellate Counsel and Training and the State Board of Appellate Counsel and Training established under Minnesota Statutes, section 260C.419."

Delete the title and insert:

"A bill for an act relating to judiciary; amending law related to a state board and office of appellate counsel and training, court fees, and human rights; appropriating money for the judiciary, Guardian ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, and child advocacy center; amending Minnesota Statutes 2022, sections 357.021, subdivision 2; 363A.06, subdivision 1; 484.85; proposing coding for new law in Minnesota Statutes, chapter 260C."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Pelowski from the Committee on Higher Education Finance and Policy to which was referred:

H. F. No. 2073, A bill for an act relating to higher education; providing funding and policy related changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain scholarships and student aid programs; creating a direct admissions program; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 136A.101,

subdivisions 5a, 7; 136A.121, subdivisions 6, 9, 13; 136A.1241, subdivision 5; 136A.125, subdivision 4; 136A.126, subdivision 4; 136A.1312; 136A.1796; 136A.246, subdivisions 5, 6, 8; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **MINNESOTA OFFICE OF HIGHER EDUCATION**

<u>Subdivision 1. Total Appropriation</u>	<u>\$347,030,000</u>	<u>\$322,383,000</u>
--	-----------------------------	-----------------------------

The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. State Grants</u>	<u>234,744,000</u>	<u>224,167,000</u>
-------------------------------------	---------------------------	---------------------------

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

<u>Subd. 3. Child Care Grants</u>	<u>6,694,000</u>	<u>6,694,000</u>
--	-------------------------	-------------------------

<u>Subd. 4. State Work-Study</u>	<u>14,502,000</u>	<u>14,502,000</u>
---	--------------------------	--------------------------

<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>8,500,000</u>	<u>8,500,000</u>
---	-------------------------	-------------------------

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 6. Safety Officer's Survivors100,000100,000

This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. American Indian Scholarships3,500,0003,500,000

The commissioner must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. This appropriation includes funding to administer the American Indian scholarship program.

Subd. 8. Tribal College Supplemental Assistance Grants3,150,0003,150,000

(a) For Tribal college assistance grants under Minnesota Statutes, section 136A.1796.

(b) In addition to grants made pursuant to Minnesota Statutes, section 136A.1796, the commissioner shall use this appropriation to make grants of \$1,000,000 each to Leech Lake Tribal College, White Earth Tribal College, and Red Lake Nation Tribal College, to be used for the Tribal colleges' general operations and maintenance expenses. By September 30, 2024, each Tribal college receiving a grant under this paragraph must submit a report to the commissioner of the Office of Higher Education and to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy. The report must include an accurate and detailed account of how the funds were spent and a copy of the college's most recent audit report.

(c) The commissioner may use no more than three percent of this appropriation to administer the program grants.

Subd. 9. Intervention for College Attendance Program Grants1,942,0001,142,000

For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

\$300,000 in fiscal year 2024 is for providing onetime catalyst funding on a competitive basis to postsecondary institutions, nonprofit organizations, and local government organizations to create or enhance supports, navigation, and precollege services for students who were formerly incarcerated.

The commissioner may use no more than three percent of this appropriation to administer the intervention for college attendance program grants.

Subd. 10. <u>Student-Parent Information</u>	<u>122,000</u>	<u>122,000</u>
Subd. 11. <u>Get Ready!</u>	<u>180,000</u>	<u>180,000</u>
Subd. 12. <u>Minnesota Education Equity Partnership</u>	<u>45,000</u>	<u>45,000</u>
Subd. 13. <u>Midwest Higher Education Compact</u>	<u>115,000</u>	<u>115,000</u>
Subd. 14. <u>United Family Medicine Residency Program</u>	<u>501,000</u>	<u>501,000</u>

For a grant to United Family Medicine residency program. This appropriation shall be used to support up to 21 resident physicians each year in family practice at United Family Medicine residency programs and shall prepare doctors to practice family care medicine in underserved rural and urban areas of the state. It is intended that this program will improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a cost-effective manner.

Subd. 15. <u>MnLINK Gateway and Minitex</u>	<u>6,555,000</u>	<u>6,605,000</u>
--	------------------	------------------

The base for this appropriation for fiscal year 2026 is \$6,655,000 and for fiscal year 2027 is \$6,708,000.

Subd. 16. <u>Statewide Longitudinal Education Data System</u>	<u>2,550,000</u>	<u>2,550,000</u>
Subd. 17. <u>Hennepin Healthcare</u>	<u>645,000</u>	<u>645,000</u>

For transfer to Hennepin Healthcare for graduate family medical education programs at Hennepin Healthcare.

Subd. 18. <u>College Possible</u>	<u>550,000</u>	<u>550,000</u>
--	----------------	----------------

(a) This appropriation is for immediate transfer to College Possible to support programs of college admission and college graduation for low-income students through an intensive curriculum of coaching and support at both the high school and postsecondary levels.

(b) This appropriation must be used by College Possible only for programs supporting students who are residents of Minnesota and attending colleges or universities within Minnesota.

(c) By February 1 of each year, College Possible must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education and E-12

education on activities funded by this appropriation. The report must include but is not limited to information about the work of College Possible Minnesota throughout the state; the number of College Possible coaches hired; the number of existing partner high schools; the geographic distribution of participants; the number of high school and college students specifically supported by the appropriations funds; the percentages of students who applied to college, were admitted into college, and enrolled in college from the previous program year; the number of college graduates supported by the appropriation funding in the previous program year; and a list of all communities and partner institutions benefiting from coaching and support through College Possible programming.

<u>Subd. 19. Spinal Cord Injury and Traumatic Brain Injury Research Grant Program</u>	<u>3,000,000</u>	<u>3,000,000</u>
--	------------------	------------------

For transfer to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1.

The commissioner may use no more than three percent of the amount transferred under this subdivision to administer the grant program.

<u>Subd. 20. Summer Academic Enrichment Program</u>	<u>250,000</u>	<u>250,000</u>
--	----------------	----------------

For summer academic enrichment grants under Minnesota Statutes, section 136A.091.

The commissioner may use no more than three percent of this appropriation to administer the grant program under this subdivision.

<u>Subd. 21. Dual Training Competency Grants; Office of Higher Education</u>	<u>6,632,000</u>	<u>2,632,000</u>
---	------------------	------------------

For transfer to the Dual Training Competency Grants account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10. \$132,000 each year is for transfer to the Department of Labor and Industry.

<u>Subd. 22. Campus Sexual Assault Reporting</u>	<u>25,000</u>	<u>25,000</u>
---	---------------	---------------

For the sexual assault reporting required under Minnesota Statutes, section 135A.15.

<u>Subd. 23. Campus Sexual Violence Prevention and Response Coordinator</u>	<u>150,000</u>	<u>150,000</u>
--	----------------	----------------

For the Office of Higher Education to staff a campus sexual violence prevention and response coordinator to serve as a statewide resource providing professional development and

guidance on best practices for postsecondary institutions. \$50,000 each year is for administrative funding to conduct trainings and provide materials to postsecondary institutions.

Subd. 24. Emergency Assistance for Postsecondary Students

3,173,000

3,173,000

(a) For the Office of Higher Education to allocate grant funds on a matching basis to eligible institutions as defined under Minnesota Statutes, section 136A.103, located in Minnesota with a demonstrable homeless student population.

(b) This appropriation shall be used to meet immediate student needs that could result in a student not completing the term or their program including, but not limited to, emergency housing, food, and transportation. Institutions shall minimize any negative impact on student financial aid resulting from the receipt of emergency funds.

(c) The commissioner shall determine the application process and the grant amounts. The Office of Higher Education shall partner with interested postsecondary institutions, other state agencies, and student groups to establish the programs.

(d) The base amount for this appropriation for fiscal year 2026 is \$2,926,000.

Subd. 25. Grants to Student Teachers in Shortage Areas

4,000,000

4,000,000

For grants to student teachers in shortage areas under Minnesota Statutes, section 136A.1275.

The commissioner may use no more than three percent of the appropriation for administration of the program.

Subd. 26. Grants to Underrepresented Student Teachers

2,625,000

2,625,000

For grants to underrepresented student teachers under Minnesota Statutes, section 136A.1274.

The commissioner may use no more than three percent of the appropriation for administration of the program.

Subd. 27. Teacher Shortage Loan Repayment

3,200,000

3,200,000

For transfer to the teacher shortage loan repayment account in the special revenue fund under Minnesota Statutes, section 136A.1791, subdivision 8.

The commissioner may use no more than three percent of the amount transferred under this subdivision to administer the program.

<u>Subd. 28. Large Animal Veterinarian Loan Forgiveness Program</u>	<u>375,000</u>	<u>375,000</u>
<u>For transfer to the large animal veterinarian loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2.</u>		
<u>Subd. 29. Agricultural Educators Loan Forgiveness</u>	<u>50,000</u>	<u>50,000</u>
<u>For transfer to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2.</u>		
<u>Subd. 30. Aviation Degree Loan Forgiveness Program</u>	<u>25,000</u>	<u>25,000</u>
<u>For transfer to the aviation degree loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1789, subdivision 2.</u>		
<u>Subd. 31. Grants for Students with Intellectual and Developmental Disabilities</u>	<u>200,000</u>	<u>200,000</u>
<u>For grants for students with intellectual and developmental disabilities under Minnesota Statutes, section 136A.1215.</u>		
<u>Subd. 32. Loan Repayment Assistance Program</u>	<u>25,000</u>	<u>25,000</u>
<u>For a grant to the Loan Repayment Assistance Program of Minnesota to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for this work.</u>		
<u>Subd. 33. Minnesota Independence College and Community</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>For a grant to Minnesota Independence College and Community for need-based scholarships and tuition reduction. Beginning with students first enrolled in the fall of 2019, eligibility is limited to resident students as defined in Minnesota Statutes, section 136A.101, subdivision 8.</u>		
<u>Subd. 34. Student Loan Debt Counseling</u>	<u>200,000</u>	<u>200,000</u>
<u>For student loan debt counseling under Minnesota Statutes, section 136A.1788.</u>		
<u>The Office of Higher Education may use no more than three percent of the appropriation to administer the student loan debt counseling program.</u>		

Subd. 35. Hunger-Free Campus Grants102,000102,000

For the Office of Higher Education to provide initial and sustaining grants to Minnesota public postsecondary institutions and Tribal colleges under Minnesota Statutes, section 135A.137, subdivision 3, to meet and maintain the criteria in that same section to address food insecurity on campus.

Subd. 36. Fostering Independence Higher Education Grants4,311,0004,311,000

For grants to eligible students under Minnesota Statutes, section 136A.1241. The base amount for this appropriation in fiscal year 2026 and later is \$4,411,000.

The Office of Higher Education may use no more than three percent of the appropriation to administer the grants.

Subd. 37. Concurrent Enrollment Grants340,000340,000

For concurrent enrollment grants under Minnesota Statutes, section 136A.91.

Subd. 38. Student Parent Support Initiative4,425,0004,000,000

For grants to support student parents under Minnesota Statutes, section 136A.1251. Of this amount, up to \$314,000 each year is for administrative costs, and up to \$25,000 each year is for program marketing and outreach.

The base amount for this appropriation in fiscal year 2026 and later is \$3,500,000.

Subd. 39. Director of Tribal Relations134,000143,000**Subd. 40. Direct Admissions Program**500,000500,000

For the direct admissions program under Minnesota Statutes, section 136A.84.

Subd. 41. American Indian Scholars8,500,0008,500,000

To support implementation of Minnesota Statutes, section 135A.121.

Of this amount, \$4,032,000 in fiscal year 2024 and \$4,032,000 in fiscal year 2025 are for transfer to the Board of Regents of the University of Minnesota.

Of this amount, \$4,468,000 in fiscal year 2024 and \$4,468,000 in fiscal year 2025 are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 42. Next Generation Nursing Initiative1,500,0001,500,000

For transfer to the Board of Trustees of the Minnesota State Colleges and Universities for HealthForce Minnesota to coordinate and implement the Next Generation Nursing Assistant Training Program for the recruitment and training of students to become certified nursing assistants. The program must use a "free up-front" model for covering the student costs. This appropriation may also be used for marketing and outreach across the state and covering the cost for retraining, retesting, and refresher courses.

Subd. 43. Child Development Associate Pathway475,000-0-

For transfer to the Board of Trustees of the Minnesota State Colleges and Universities to develop a transparent pathway for current child development associate credential holders to be awarded academic credit that aligns with related academic certificate, diploma, and degree programs. Funds must be used to develop curriculum at eight colleges and universities, develop training and advising tools for those institutions, and form a statewide advisory committee to advise the project development.

Subd. 44. Higher Education Public Service Feasibility Study75,000-0-

For the commissioner of the Office of Higher Education to conduct a feasibility study on creating and implementing a Minnesota service initiative. By October 31, 2023, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on the feasibility of creating and implementing a Minnesota service initiative to increase student civic engagement. The report must include but is not limited to information about the program design, implementation challenges and recommendations, outcomes, and the feasibility of scaling the program over time.

Subd. 45. Inclusive Higher Education1,000,0001,000,000

Of this amount, \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are for the Office of Higher Education to enter into a contract establishing the Inclusive Higher Education Technical Assistance Center under Minnesota Statutes, section 135A.161, and \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 are for transfer to the inclusive higher education grant account under Minnesota Statutes, section 135A.162, subdivision 4.

The Office of Higher Education may use no more than three percent of the appropriation to administer the program.

Subd. 46. Paramedic Scholarship Program3,200,000-0-

For the paramedic scholarship program under article 2, section 26.
Of this amount:

- (1) \$3,000,000 is for awarding 600 student scholarships;
- (2) \$100,000 is for promotion of the program and student recruitment efforts; and
- (3) \$100,000 is for administering the program.

This appropriation is available until expended or until June 30, 2026, whichever occurs first.

Subd. 47. Addiction Medicine Graduate Medical Education Fellowship270,000270,000

(a) For a grant to Hennepin County Medical Center to support up to six physicians enrolled in an addiction medicine fellowship program. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(b) Each year, in order to receive funds under this subdivision, Hennepin County Medical Center must certify to the commissioner the number of physicians actually enrolled in an addiction medicine fellowship for that year. The commissioner shall transfer to Hennepin County Medical Center \$90,000 for each physician enrolled in an addiction medicine fellowship subject to the total funds appropriated by this subdivision.

(c) This appropriation shall be used to prepare fellows to practice addiction medicine in rural and underserved areas of the state, and to train fellows in: diagnostic interviewing; motivational interviewing; addiction counseling; recognition and care of common acute withdrawal syndromes and complications; pharmacotherapies of addictive disorders; epidemiology and pathophysiology of addiction; identification and treatment of addictive disorders in special populations; secondary interventions; the use of screening and diagnostic instruments; inpatient care; and working within a multidisciplinary team.

Subd. 48. Allied Health Technician Scholarship Program5,380,000-0-

(a) For the allied health technician scholarship program under article 2, section 27. Of the amount appropriated: (1) \$5,000,000 is for awarding 1,000 student scholarships; (2) \$230,000 is for promotion of the program and student recruitment efforts; and (3) \$150,000 is for administering the program.

(b) This is a onetime appropriation. This appropriation is available until expended or until June 30, 2026, whichever occurs first.

Subd. 49. Unemployment Insurance Aid495,000495,000

For unemployment insurance aid to Tribal colleges under Minnesota Statutes, section 268.193. Of the amount appropriated, \$24,000 each year is for administration of the unemployment insurance aid.

Subd. 50. Foster Care Grant500,000500,000

For a grant to a nonprofit organization for an education support and wraparound service program that provides assistance and support to individuals who were in foster care at the age of 13 or later, and for individuals who are transitioning from foster care to adulthood, up to age 27, to improve the likelihood of completing a degree and securing a stable career. The program shall provide one-on-one mentoring, leadership development, and additional resources to support each student's education journey through high school graduation and institutions of higher education. The commissioner shall develop an application process for the grant. This is a onetime appropriation. The base for this appropriation is \$0 in fiscal year 2026 and later.

Subd. 51. Agency Administration6,498,0006,724,000

The base amount for this appropriation for fiscal years 2026 and later is \$6,096,000.

Subd. 52. Balances Forward

A balance in the first year under this section does not cancel, but is available for the second year.

Subd. 53. Transfers

The commissioner of the Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the get ready appropriation, the intervention for college attendance appropriation, the student-parent information appropriation, the summer academic enrichment program appropriation, the public safety officers' survivors appropriation, and the fostering independence higher education grant program. The commissioner may transfer unencumbered balances from the hunger-free campus appropriations to the emergency assistance for postsecondary students grant. To the extent there is a projected surplus in the appropriation for either the student teachers in shortage areas grant program or the underrepresented student teacher grant program, the commissioner may transfer unencumbered balances between the two programs as needed to meet demand. Transfers from the

child care, state work-study, or the hunger-free campus appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over higher education finance.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation

\$967,781,000

\$942,792,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Central Office and Shared Services Unit

34,401,000

34,401,000

For the Office of the Chancellor and the Shared Services Division.

Subd. 3. Operations and Maintenance

929,265,000

904,276,000

(a) This appropriation includes \$25,000,000 in fiscal year 2024 and \$50,000,000 in fiscal year 2025 for student tuition relief. The Board of Trustees may not set the tuition rates in any undergraduate degree-granting program for the 2023-2024 and 2024-2025 academic years at a rate greater than the 2022-2023 academic year rates. The student tuition relief may not be offset by increases in mandatory fees, charges, or other assessments to the student. Colleges and universities are permitted to increase differential tuition charges in fiscal years 2024 and 2025 where costs for course or program delivery have increased due to extraordinary circumstances beyond the control of the college or university. Rates and rationale must be approved by the Board of Trustees.

(b) This appropriation includes \$50,000,000 in fiscal year 2024 for onetime campus support. The Board of Trustees must allocate this amount to all colleges and universities based upon each institution's estimated tuition revenue loss due to declines in enrollment from fiscal year 2019 to fiscal year 2023, except that no institution shall receive an allocation less than \$200,000. This is a onetime appropriation. The base for this appropriation in fiscal year 2026 and later is \$0.

(c) \$5,700,000 in fiscal year 2024 and \$5,700,000 in fiscal year 2025 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer at least \$158,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.

(d) The Board of Trustees is requested to help Minnesota close the attainment gap by funding activities which improve retention and completion for students of color.

(e) \$10,750,000 in fiscal year 2024 and \$10,750,000 in fiscal year 2025 are for workforce development scholarships under Minnesota Statutes, section 136F.38. \$6,250,000 in fiscal year 2025 must be matched with cash or in-kind contributions from nonstate sources. The base amount for this appropriation for fiscal year 2026 and later is \$4,500,000.

(f) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students.

(g) \$40,000 in fiscal year 2024 and \$40,000 in fiscal year 2025 to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.

(h) \$9,500,000 in fiscal year 2024 and \$9,500,000 in fiscal year 2025 are for enterprise-wide technology, including upgrading the Integrated Statewide Record System and maintaining enterprise-wide technology services. The base for this appropriation in fiscal year 2026 and later is \$9,100,000.

(i) \$1,050,000 in fiscal year 2024 and \$1,050,000 in fiscal year 2025 are to reduce students' out-of-pocket costs by expanding free offerings in course materials and resources, including through open educational resources, open textbooks, and implementation of Z-Degrees under Minnesota Statutes, section 136F.305. The base for this appropriation in fiscal year 2026 and later is \$50,000.

(j) \$13,000,000 in fiscal year 2024 and \$13,000,000 in fiscal year 2025 are to expand student support services. This appropriation provides funding to campuses to address basic needs insecurity, mental health, and other high-need student support services by increasing the amount of available resources to students. In addition, this funding provides systemwide resources and coordination, including electronic connections for peer support and professional clinical support for mental health. These systemwide resources must be available online 24 hours a day, seven days a week. The base amount for this appropriation for fiscal year 2026 and later is \$2,000,000.

(k) \$12,500,000 in fiscal year 2024 and \$12,500,000 in fiscal year 2025 are for upgrades to college and university equipment and learning environments. The amount appropriated in fiscal year

2025 must be matched with cash or in-kind contributions from nonstate sources. Up to 1.5 percent of the appropriation may be used for administration of the program. This is a onetime appropriation. The base for this appropriation in fiscal year 2026 and later is \$0.

(l) \$6,250,000 in fiscal year 2024 and \$6,250,000 in fiscal year 2025 are to develop and expand industry sector programming to build capacity and support new and redesigned curricular options with an emphasis on offering students work-based learning experiences. The amount appropriated in fiscal year 2025 must be matched with cash or in-kind contributions from nonstate sources. Up to 1.5 percent of the appropriation may be used for administration of the program. This is a onetime appropriation. The base for this appropriation in fiscal year 2026 and later is \$0.

(m) \$861,000 in fiscal year 2024 and \$872,000 in fiscal year 2025 are for costs associated with the increased employer contribution rates for the higher education individual retirement account plan under Minnesota Statutes, section 354B.23, subdivision 3. The base for fiscal year 2026 is \$883,000 and for fiscal year 2027 is \$894,000.

(n) \$809,000 in fiscal year 2024 and \$809,000 in fiscal year 2025 are for unemployment insurance aid under Minnesota Statutes, section 268.193, to institutions within the system.

(o) The total operations and maintenance base for fiscal year 2026 is \$852,787,000 and for fiscal year 2027 and later is \$852,798,000.

<u>Subd. 4. Learning Network of Minnesota</u>	<u>4,115,000</u>	<u>4,115,000</u>
--	------------------	------------------

Sec. 4. **BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA**

<u>Subdivision 1. Total Appropriation</u>	<u>\$788,279,000</u>	<u>\$788,279,000</u>
--	-----------------------------	-----------------------------

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>786,122,000</u>	<u>786,122,000</u>
<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Operations and Maintenance</u>	<u>717,684,000</u>	<u>717,684,000</u>
---	--------------------	--------------------

(a) \$15,000,000 in fiscal year 2024 and \$15,000,000 in fiscal year 2025 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of

Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) \$7,800,000 in fiscal year 2024 and \$7,800,000 in fiscal year 2025 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

(c) \$4,000,000 in fiscal year 2024 and \$4,000,000 in fiscal year 2025 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(d) \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(e) \$5,000,000 in fiscal year 2024 and \$5,000,000 in fiscal year 2025 are for systemwide safety and security measures on University of Minnesota campuses. The base amount for this appropriation is \$2,000,000 in fiscal year 2026 and later.

(f) \$366,000 in fiscal year 2024 and \$366,000 in fiscal year 2025 are for unemployment insurance aid under Minnesota Statutes, section 268.193.

(g) The total operations and maintenance base for fiscal year 2026 and later is \$695,684,000.

Subd. 3. Primary Care Education Initiatives

2,157,000

2,157,000

This appropriation is from the health care access fund.

Subd. 4. Special Appropriations

(a) Agriculture and Extension Service

42,922,000

42,922,000

For the Agricultural Experiment Station and the Minnesota Extension Service:

(1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

(3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;

(4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2025, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

(b) Health Sciences

9,204,000

9,204,000

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(c) College of Science and Engineering

1,140,000

1,140,000

For the geological survey and the talented youth mathematics program.

(d) System Special

7,181,000

7,181,000

For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

\$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for the Natural Resources Research Institute to invest in applied research for economic development.

(e) **University of Minnesota and Mayo Foundation Partnership**

7,991,000

7,991,000

This appropriation is for the following activities:

(1) \$7,491,000 in fiscal year 2024 and \$7,491,000 in fiscal year 2025 are for the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the legislative committees responsible for higher education finance by June 30 of each fiscal year.

(2) \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are to award competitive grants to conduct research into the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

Subd. 5. Academic Health Center

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is estimated to be \$22,250,000 each year.

Sec. 5. MAYO CLINIC

Subdivision 1. Total Appropriation

\$1,799,000

\$1,799,000

The amounts that may be spent are specified in the following subdivisions.

Subd. 2. Medical School

665,000

665,000

The state must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between each year of the biennium to accommodate enrollment fluctuations. It is intended that during the biennium the Mayo Clinic use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. Family Practice and Graduate Residency Program

1,134,000

1,134,000

The state must pay stipend support for up to 42 residents each year.

ARTICLE 2
HIGHER EDUCATION PROVISIONS

Section 1. [135A.121] AMERICAN INDIAN SCHOLARS.

Subdivision 1. **Establishment.** The American Indian Scholars program is established to provide a first-dollar tuition and fee free pathway for eligible Minnesota American Indian students to complete an undergraduate education.

Subd. 2. **Eligibility.** To be eligible each year for the program a student must:

(1) be enrolled in an undergraduate certificate, diploma, or degree program at the University of Minnesota or a Minnesota state college or university;

(2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled member or citizen of a federally recognized American Indian Tribe or Canadian First Nation, or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident tuition status; and

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for 180 credits or the equivalent, excluding courses taken that qualify as developmental education or below college-level.

Subd. 3. **Administration.** Minnesota State Colleges and Universities must and the University of Minnesota is requested to provide a full tuition and fee waiver to a student eligible under subdivision 2. Funds appropriated with reference to this section may be used to offset the institutional costs of the waivers; fund existing waivers, scholarships, or grant programs for students eligible under subdivision 2; provide student supports for eligible students; and administer these programs.

Subd. 4. **Reports.** (a) Each institution receiving funds under this section must annually report to the commissioner of the Office of Higher Education the following:

(1) how the systems or institutions have administered, distributed, and awarded the funds;

(2) enrollment and graduation data for all eligible students, including applicants and recipients of funds; and

(3) the aggregate awarded financial aid information for all recipients of funds under this program.

(b) Using the data submitted to the office by institutions pursuant to paragraph (a), as well as other data available to the office, the office shall provide the following on its website by placing a prominent link on its website home page:

(1) information made available in a searchable database, including but not limited to persistence and completion, debt of graduates, employment and wage information, and other relevant data for each institution subject to paragraph (a); and

(2) other information and links that are useful to students and parents who are in the process of selecting a college or university.

Sec. 2. [135A.161] INCLUSIVE HIGHER EDUCATION TECHNICAL ASSISTANCE CENTER.

Subdivision 1. **Definitions.** (a) For purposes of this section and section 135A.162, the following terms have the meanings given.

(b) "Center" means the Inclusive Higher Education Technical Assistance Center.

(c) "Commissioner" means the commissioner of the Office of Higher Education.

(d) "Comprehensive transition and postsecondary program for students with intellectual disabilities" means a degree, certificate, or nondegree program that is offered by an institution of higher education for students with intellectual disabilities and approved by the United States Department of Education.

(e) "Director" means the director of the Inclusive Higher Education Technical Assistance Center.

(f) "Inclusive higher education" means institution-approved access to higher education for students with an intellectual disability that allows for the same rights, privileges, experiences, benefits, and outcomes that result from a college experience the same as a matriculating student, resulting in a meaningful credential conferred by the institution of higher education. Inclusive higher education includes:

(1) academic access and inclusive instruction;

(2) person-centered planning;

(3) career development;

(4) campus engagement;

(5) self-determination;

(6) paid internships and employment;

(7) on- or off-campus living, when available to other students;

(8) campus community clubs, events, and activity participation;

(9) peer mentors and support; and

(10) a degree, certificate, or nondegree credential.

(g) "National Coordinating Center" means the federally funded National Coordinating Center, as identified in United States Code, title 20, section 1140q, that provides training and technical assistance supporting evidence-based and student-centered research and practice for inclusive higher education initiatives for students with intellectual disabilities.

(h) "Office" means the Office of Higher Education.

(i) "Student with an intellectual disability" means a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231.

Subd. 2. Establishment. The commissioner must contract with the Institute on Community Integration at the University of Minnesota to establish the Inclusive Higher Education Technical Assistance Center. The purpose of the center is to increase access to self-sustaining postsecondary education options across Minnesota for students with an intellectual disability to earn meaningful credentials through degree, certificate, and nondegree initiatives leading to competitive integrated employment, genuine community membership, and more independent living. The center must:

(1) coordinate and facilitate the statewide initiative to expand and enhance inclusive higher education opportunities;

(2) provide expertise in inclusive higher education for students with an intellectual disability;

(3) provide technical assistance:

(i) to Minnesota institutions of higher education;

(ii) to local education agencies; and

(iii) as requested by the commissioner; and

(4) provide information to students with intellectual disabilities and their families.

Subd. 3. Director; advisory committee. (a) The center must name a director.

(b) The center must make hiring decisions based on the Institute on Community Integration's values of diversity and inclusion of staff with disabilities.

(c) The director must appoint an advisory committee and seek the committee's review and recommendations on broad programmatic direction. The advisory committee must be composed of 50 percent students with an intellectual disability. The remaining positions must be filled by family members, key stakeholders, and allies. The director must convene the advisory committee at least quarterly. The advisory committee shall:

(1) review and recommend inclusive higher education offerings;

(2) review and recommend updates to state policy and practice;

(3) document existing and potential funding sources; and

(4) identify obstacles and barriers to students with an intellectual disability to access inclusive higher education opportunities.

Subd. 4. Responsibilities. (a) The center must advise and offer technical assistance to all Minnesota institutions of higher education planning or offering an inclusive higher education initiative to operate in accordance with federal requirements, the model Program Accreditation Standards for Postsecondary Education Programs for Students with Intellectual Disabilities, and guiding principles for inclusive higher education as developed by the National Coordinating Center.

(b) The center must monitor federal and state law related to inclusive higher education and notify the governor, the legislature, and the Office of Higher Education of any change in law which may impact inclusive higher education.

(c) The center must provide technical assistance to institutions of higher education, administrators, faculty, and staff by:

(1) offering institution faculty and staff training and professional development to start, operate, or enhance their inclusive higher education initiative;

(2) providing faculty and staff with information, training, and consultation on the comprehensive transition and postsecondary program requirements, model Program Accreditation Standards for Postsecondary Education Programs for Students with Intellectual Disabilities, and guiding principles;

(3) organizing and offering learning community events, an annual inclusive higher education conference and community of practice events to share best practices, provide access to national experts, and address challenges and concerns;

(4) assisting institutions of higher education with identifying existing or potential funding sources for the institution of higher education, student financial aid, and funding for students with an intellectual disability; and

(5) advising faculty and staff with an inclusive higher education option of specific grant applications and funding opportunities.

(d) The center must disseminate information to students with an intellectual disability, their parents, and local education agencies, including but not limited to information about:

(1) postsecondary education options, services, and resources that are available at inclusive institutions of higher education;

(2) technical assistance and training provided by the center, the National Coordinating Center, and key stakeholder organizations and agencies; and

(3) mentoring, networking, and employment opportunities.

Sec. 3. **[135A.162] INCLUSIVE HIGHER EDUCATION GRANTS.**

Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education in collaboration with the director of the Inclusive Higher Education Technical Assistance Center must establish a competitive grant program for Minnesota institutions of higher education to develop new or enhance existing inclusive higher education initiatives to enroll or increase enrollment of students with an intellectual disability. The commissioner and director must collaborate to establish the grant program framework, including:

(1) minimum grant requirements;

(2) application format;

(3) criteria for evaluating applications;

(4) grant selection process;

(5) milestones and accountability; and

(6) reporting.

(b) The commissioner must send a description of the competitive grants, including materials describing the grant purpose and goals, an application, compliance requirements, and available funding to each institution of higher education that meets the requirements of subdivision 2, clauses (1) and (2).

Subd. 2. **Eligible grantees.** A public postsecondary two-year or four-year institution is eligible to apply for a grant under this section if the institution:

(1) is accredited by the Higher Learning Commission; and

(2) meets the eligibility requirements under section 136A.103.

Subd. 3. **Application.** (a) Applications must be made to the commissioner on a form developed and provided by the commissioner. The commissioner must, to the greatest extent possible, make the application form as short and simple to complete as is reasonably possible. The commissioner must establish a schedule for applications and grants. The application must include without limitation a written plan to develop or enhance a sustainable inclusive higher education initiative that:

(1) offers the necessary supports to students with an intellectual disability to access the same rights, privileges, experiences, benefits, and outcomes of a typically matriculating student;

(2) includes the development of a meaningful credential for students with an intellectual disability to attain upon successful completion of the student's postsecondary education;

(3) adopts admission standards that do not require a student with an intellectual disability to complete a curriculum-based, achievement college entrance exam that is administered nationwide;

(4) ensures that students with an intellectual disability:

(i) have access and choice in a wide array of academic courses to enroll in for credit or audit that align with the student's interest areas and are attended by students without disabilities;

(ii) have the option to live on or off campus in housing that is available to typically matriculating students;

(iii) have access and support for genuine membership in campus life, including events, social activities and organizations, institution facilities, and technology; and

(iv) are able to access and utilize campus resources available to typical matriculating students;

(5) provides students with an intellectual disability with the supports and experiences necessary to seek and sustain competitive integrated employment;

(6) develops and promotes the self-determination skills of students with an intellectual disability;

(7) utilizes peer mentors who support enrolled students with an intellectual disability in academic, campus engagement, residence life, employment, and campus clubs and organizations;

(8) provides professional development and resources for university professors and instructors to utilize universal design for learning and differentiated instruction that supports and benefits all students; and

(9) presents a ten-year plan including student enrollment projections for sustainability of an initiative that is financially accessible and equitable for all interested students with an intellectual disability.

(b) Eligible institutions of higher education may apply for funding in subsequent years for up to a total of ten years of funding.

(c) Receipt of grant funds does not preclude nor replace the provision of accommodation for enrolled students with disabilities.

Subd. 4. **Grant account.** An inclusive higher education grant account is created in the special revenue fund for depositing money appropriated to or received by the commissioner for the program. Money deposited in the account is appropriated to the commissioner, does not cancel, and is continuously available for grants under this section. The commissioner may use up to five percent of the amount deposited into the account for the administration of this section.

Subd. 5. **Grant awards.** (a) The commissioner must award grants to eligible institutions of higher education on a competitive basis using criteria established in collaboration with the center. The commissioner must consider and prioritize applicants that have submitted for or received a comprehensive transition and postsecondary program designation, or applicants with documented progress or intent toward submitting for federal approval. An eligible institution of higher education may apply annually for and receive up to \$200,000 per year for four years and \$100,000 in subsequent years pending performance and the funding limitation in subdivision 3, paragraph (b).

(b) A grant recipient must:

(1) adopt the model Program Accreditation Standards for Postsecondary Education Programs for Students with Intellectual Disabilities and the inclusive higher education guiding principles as developed by the National Coordinating Center;

(2) provide a 25 percent match for the grant funds, either monetary or in-kind; and

(3) collaborate with the Office of Higher Education, the center, and key stakeholders in the development of the inclusive higher education initiative.

Subd. 6. **Grantee reporting.** By August 1 and January 1 following a fiscal year in which a grant was received and for five years thereafter, the grantee must submit a report to the director that includes the status and outcomes of the initiative funded. The report must include performance indicators and information deemed relevant by the director and commissioner. The report must include the following performance indicators:

(1) student recruitment and number of students enrolled;

(2) student retainment effort and retention rate;

(3) initiative goals and outcomes;

(4) student attainment rate;

(5) graduated student employment rates and salary levels at year one and year five after completion; and

(6) additional performance indicators or information established under subdivision 1, paragraph (a), clauses (5) and (6).

Subd. 7. **Reporting.** The director must evaluate the development and implementation of the Minnesota inclusive higher education initiatives receiving a grant under this section. The director must submit an annual report by October 1 on the progress to expand Minnesota inclusive higher education options for students with intellectual disabilities to the commissioner and chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance. The report must include statutory and budget recommendations.

EFFECTIVE DATE. This section is effective July 1, 2023, except that the reporting requirements under subdivision 7 are effective July 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 136A.101, subdivision 5a, is amended to read:

Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 79 percent of the parental contribution. If the parental contribution is less than \$0,

the assigned family responsibility is 100 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 71 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 35 percent of the student contribution. If the student contribution is less than \$0, the assigned family responsibility is 100 percent of the student contribution. For a student registering for less than full time, the office shall prorate the assigned family responsibility using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.

Sec. 5. Minnesota Statutes 2022, section 136A.101, subdivision 7, is amended to read:

Subd. 7. **Student.** "Student" means a person who is enrolled for at least ~~three credits~~ one credit per term, in a program or course of study that applies to a degree, diploma, or certificate. Credit equivalencies assigned by an institution that are applicable to federal Pell grant calculations shall be counted as part of a student's credit load.

Sec. 6. Minnesota Statutes 2022, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of: (1) an allowance specified in law for living and miscellaneous expenses, and (2) an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or a tuition and fee maximum if one is established in law. If no living and miscellaneous expense allowance is established in law, the allowance is equal to ~~40%~~ 115 percent of the federal poverty guidelines for a one person household in Minnesota for nine months. If no tuition and fee maximum is established in law, the allowance for tuition and fees is equal to the lesser of: (1) the average tuition and fees charged by the institution, and (2) for two-year programs, an amount equal to the highest tuition and fees charged at a public two-year institution, or for four-year programs, an amount equal to the highest tuition and fees charged at a public university.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance ~~to the actual number of credits for which the student is enrolled~~ using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Sec. 7. Minnesota Statutes 2022, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or ~~previously has been enrolled full time or the equivalent for eight semesters or the equivalent~~ previously has received a state grant award for 180 credits or the equivalent, excluding (1) courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit, and (2) courses taken that qualify as developmental education or below college-level. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 8. Minnesota Statutes 2022, section 136A.121, subdivision 13, is amended to read:

Subd. 13. **Deadline.** The deadline for the office to accept applications for state grants for a term is ~~30 days after the start of that term~~ June 30 of the fiscal year for which the student applies for a grant.

Sec. 9. Minnesota Statutes 2022, section 136A.1241, subdivision 5, is amended to read:

Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded a foster grant based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the foster grant must be equal to the applicant's recognized cost of attendance after ~~deducting~~ accounting for:

- (1) the ~~student aid index as calculated by~~ results of the federal need analysis;
- (2) the amount of a federal Pell Grant award for which the applicant is eligible;
- (3) the amount of the state grant;
- (4) the Federal Supplemental Educational Opportunity Grant;
- (5) the sum of all Tribal scholarships;
- (6) the amount of any other state and federal gift aid;
- (7) the Education and Training Voucher Program;
- (8) extended foster care benefits under section 260C.451;
- (9) the amount of any private grants or scholarships, excluding grants and scholarships provided by the private institution of higher education in which the eligible student is enrolled; and
- (10) for public institutions, the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts.

(b) The foster grant shall be paid directly to the eligible institution where the student is enrolled.

(c) An eligible private institution may opt out of participating in the foster grant program established under this section. To opt out, the institution shall provide notice to the office by September 1 for the next academic year.

(d) An eligible private institution that does not opt out under paragraph (c) and accepts the student's application to attend the institution must provide institutional grants, scholarships, tuition waivers, or tuition remission in an amount equal to the difference between:

- (1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b), clause (1); and
- (2) the sum of the foster grant under this subdivision and the sum of the amounts in paragraph (a), clauses (1) to (9).

(e) An undergraduate student who is eligible may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time as defined in section 136A.101, subdivision 7a, or the equivalent for eight semesters or the equivalent, or received a foster grant for five years, whichever occurs first. A foster grant must not be awarded to a student for more than three years for a two-year degree, certificate, or diploma, or five years for a four-year undergraduate degree.

(f) Foster grants may be awarded to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

Sec. 10. Minnesota Statutes 2022, section 136A.125, subdivision 4, is amended to read:

Subd. 4. **Amount and length of grants.** (a) The maximum award to the applicant shall be \$6,500 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community.

(b) Applicants with ~~expected family~~ contributions at or below the qualifying ~~expected family~~ contribution as determined by the federal need analysis for the federal Pell Grant, as determined by the commissioner, qualify for the maximum award. Applicants with ~~expected family~~ contributions as determined by the federal need analysis exceeding that threshold but less than 200 percent of the qualifying ~~expected family~~ contribution receive an amount proportional to their ~~expected family~~ contribution as determined by the commissioner.

(c) The academic year award amount must be disbursed by academic term using the following formula:

(1) the academic year amount described in paragraph (a);

(2) divided by the number of terms in the academic year; and

(3) multiplied by the applicable enrollment factor:

(i) 1.00 for undergraduate students enrolled in 12 or more semester credits or the equivalent or for graduate students enrolled in six or more semester credits or the equivalent;

(ii) 0.75 for undergraduate students enrolled in nine, ten, or 11 semester credits or the equivalent or for graduate students enrolled in five semester credits or the equivalent;

(iii) 0.50 for undergraduate students enrolled in six, seven, or eight semester credits or the equivalent or for graduate students enrolled in three or four semester credits or the equivalent; and

(iv) 0.25 for undergraduate students enrolled in at least one but less than six semester credits or the equivalent or for graduate students enrolled in one or two semester credits or the equivalent.

(d) Payments shall be made each academic term to the student or to the child care provider, as determined by the institution. Institutions may make payments more than once within the academic term.

Sec. 11. **[136A.1251] STUDENT-PARENT SUPPORT INITIATIVE.**

Subdivision 1. **Grants.** (a) To address the needs and support the educational goals of expectant and parenting college students across Minnesota, the commissioner shall award grants and provide support services to institutions and partnering entities that assist expectant parents and parents of young children. Grants shall be awarded to postsecondary institutions, professional organizations, community-based organizations, or other applicants deemed appropriate by the commissioner. Grants must be used to offer services to support the academic goals, health, and well-being of student parents. Services and costs eligible for grant funding include but are not limited to:

(1) program development costs;

(2) costs related to the start-up of on-campus child care;

(3) evaluation and data collection; and

(4) direct assistance to student parents including:

(i) scholarships;

(ii) basic needs support; and

(iii) expenses related to child care.

(b) Postsecondary institutions may act as the fiscal agents in partnership with a local nongovernmental agency, child care center, or other organization that serves student parents.

Subd. 2. **Application process.** The commissioner shall develop a grant application process. The commissioner shall support projects in a manner that attempts to ensure eligible students throughout the state have access to program services.

Subd. 3. **Health-related supports.** The commissioner, in partnership with the Department of Health, shall provide health-related supports. Activities for health-related supports include:

(1) ensuring programs, services, and materials are medically accurate, age appropriate, culturally and linguistically appropriate, and inclusive of all populations;

(2) working with community health care providers and other service support organizations that serve the target population for this program; and

(3) providing technical assistance and training for institutional parent support center staff on how to conduct screenings and referrals for the health concerns of student parents, including alcohol misuse, substance use disorders, depression, anxiety, intimate partner violence, tobacco and nicotine, and other health concerns.

Subd. 4. **Report and evaluation.** By August 1 of each odd-numbered year, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance regarding the grant recipients and their activities. The report shall include information about the students served, the organizations providing services, program activities, program goals, and outcomes.

Sec. 12. Minnesota Statutes 2022, section 136A.126, subdivision 4, is amended to read:

Subd. 4. **Award amount.** (a) Each student shall be awarded a scholarship based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the award must not exceed the applicant's cost of attendance, as defined in subdivision 3, after ~~deducting~~ accounting for:

(1) the ~~expected family contribution as calculated by~~ results of the federal need analysis;

(2) the amount of a federal Pell Grant award for which the applicant is eligible;

(3) the amount of the state grant;

(4) the federal Supplemental Educational Opportunity Grant;

(5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts;

- (6) the sum of all Tribal scholarships;
 - (7) the amount of any other state and federal gift aid; and
 - (8) the amount of any private grants or scholarships.
- (b) The award shall be paid directly to the postsecondary institution where the student receives federal financial aid.
- (c) Awards are limited as follows:
- (1) the maximum award for an undergraduate is \$4,000 per academic year;
 - (2) the maximum award for a graduate student is \$6,000 per academic year; and
 - (3) the minimum award for all students is \$100 per academic year.
- (d) Scholarships may not be given to any Indian student for more than three years of study for a two-year degree, certificate, or diploma program or five years of study for a four-year degree program at the undergraduate level and for more than five years at the graduate level. Students may acquire only one degree per level and one terminal graduate degree. Scholarships may not be given to any student for more than ten years including five years of undergraduate study and five years of graduate study.
- (e) Scholarships may be given to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

Sec. 13. Minnesota Statutes 2022, section 136A.1312, is amended to read:

136A.1312 FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.

Nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of student financial aid administrators, on the basis of adequate documentation, to ~~make necessary adjustments to the cost of attendance and expected family contribution computations~~ adjust a student's dependency status or elements of a student's cost of attendance for federal needs analysis calculation to allow for treatment of individual students with special circumstances, with the exception of the cost of attendance defined under section 136A.121, subdivision 6. In addition, nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of the student financial aid administrator to use supplementary information about the financial status of eligible applicants with special circumstances in selecting recipients of state financial aid and determining the amount of awards. Nothing in this section precludes a financial aid administrator from establishing an appeals process for other extenuating circumstances.

Sec. 14. Minnesota Statutes 2022, section 136A.1791, subdivision 3a, is amended to read:

Subd. 3a. **Eligibility.** To be eligible for a disbursement under this section, a teacher must belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce, ~~teach.~~ To the extent that funds are available, a teacher who teaches in a rural school district, or teach teaches in a license shortage area may also be eligible for a disbursement under this section.

Sec. 15. Minnesota Statutes 2022, section 136A.246, subdivision 4, is amended to read:

Subd. 4. **Application.** Applications must be made to the commissioner on a form provided by the commissioner. The commissioner must, to the extent possible, make the application form as short and simple to complete as is reasonably possible. The commissioner shall establish a schedule for applications and grants. The application must include, without limitation:

- (1) the projected number of employee trainees;
- (2) the competency standard for which training will be provided;
- (3) the credential the employee will receive upon completion of training;
- (4) the name and address of the eligible training provider;
- (5) the period of the training; and
- (6) the cost of the training charged by the eligible training provider. The cost of training includes tuition, fees, and required and recommended books and materials.

An application may be made for training of employees of multiple employers either by the employers or by an organization on their behalf.

Sec. 16. Minnesota Statutes 2022, section 136A.246, subdivision 5, is amended to read:

Subd. 5. **Grant criteria.** (a) The commissioner shall make at least an approximately equal dollar amount of grants for training for employees whose work site is projected to be outside the metropolitan area as defined in section 473.121, subdivision 2, as for employees whose work site is projected to be within the metropolitan area.

- (b) In determining the award of grants, the commissioner must consider, among other factors:
- (1) the aggregate state and regional need for employees with the competency to be trained;
 - (2) the competency standards developed by the commissioner of labor and industry as part of the Minnesota ~~PIPELINE Project~~ dual-training pipeline program;
 - (3) the per employee cost of training;
 - (4) the additional employment opportunities for employees because of the training;
 - (5) the on-the-job training the employee receives;
 - (6) the employer's demonstrated ability to recruit, train, and retain employees who are recent high school graduates or who recently passed high school equivalency tests;
 - (7) projected increases in compensation for employees receiving the training; ~~and~~
 - (8) the amount of employer training cost match, if required, on both a per employee and aggregate basis; and
 - (9) the employer's demonstrated ability to recruit, train, and retain employees who are employees of color, American Indian employees, and employees with disabilities.

Sec. 17. Minnesota Statutes 2022, section 136A.246, subdivision 6, is amended to read:

Subd. 6. **Employer match.** A large employer must pay for at least 25 percent of the ~~eligible training provider's charge for the eligible training to the provider~~ cost of training. For the purpose of this subdivision, a "large employer" means a business with more than \$25,000,000 in annual gross revenue in the previous calendar year.

Sec. 18. Minnesota Statutes 2022, section 136A.246, subdivision 8, is amended to read:

Subd. 8. **Grant amounts.** (a) The maximum grant for an application for the cost of training is \$150,000. ~~The maximum grant for an application for trainee support is ten percent of the grant amount for the cost of training. The maximum total grant per application is \$165,000.~~ A grant may not exceed \$6,000 per year for a maximum of ~~four~~ years \$24,000 per employee.

(b) An employee who is attending an eligible training provider that is an institution under section 136A.103 must apply for Pell and state grants as a condition of payment for training that employee under this section.

Sec. 19. **[136A.84] DIRECT ADMISSIONS PROGRAM.**

Subdivision 1. **Authorization.** The commissioner shall administer the direct admissions program in consultation with stakeholders, including Minnesota State Colleges and Universities, the University of Minnesota, the Student Advisory Council under section 136A.031, the Minnesota Department of Education, the Minnesota Association of Secondary School Principals, and the Minnesota School Board Association, to automatically offer conditional admission into Minnesota public colleges and universities to Minnesota high school seniors based on a student's high school grade point average, high school and college transcript information, standardized tests, statewide assessments, and other measures as determined by stakeholders.

Subd. 2. **Implementation.** The program shall establish and, to the extent feasible, implement a process for leveraging existing kindergarten through grade 12 and higher education student information systems to automate the admissions process for students. The program must specifically evaluate the impact this process has on outcomes for students with lower levels of college knowledge, low-income students, and students from populations underserved in higher education. The office shall attempt to achieve statewide representation and may prioritize program participants to include high schools with a significant number of students of color, low-income students, or both.

Subd. 3. **Report.** Annually, by February 1, the Office of Higher Education shall report to the legislative committees with jurisdiction over kindergarten through grade 12 education finance and policy and higher education on activities occurring under this section. The report must include but is not limited to information about implementation, recommendations, and outcomes.

Sec. 20. Minnesota Statutes 2022, section 136F.04, subdivision 1, is amended to read:

Subdivision 1. **Responsibility.** ~~Notwithstanding section 136F.03,~~ The State University Student Association and the State College Student Association shall each have the responsibility for recruiting, screening, and recommending qualified candidates for their student members of the board.

Sec. 21. Minnesota Statutes 2022, section 136F.38, subdivision 3, is amended to read:

Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; (4) information technology; (5) early childhood; (6) transportation; ~~or~~ (7) construction; (8) education; (9) public safety; or (10) a program of study under paragraph (b).

(b) Each institution may add one additional area of study or certification, based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the institution's specific region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region in which the institution is located. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in a region is higher than the state average vacancy rate for that same occupation. The institution may change the area of study or certification based on new data once every two years.

(c) ~~The~~ A student must be in an eligible field enrolled for at least nine credits in a two-year college in the Minnesota State Colleges and Universities system ~~to be~~ is eligible for first- and second-year scholarships of \$2,500.

~~(d) The student is eligible for a one-year transfer scholarship if the student transfers from a two-year college after two or more terms, and the student is enrolled for at least nine credits in a four-year university in the Minnesota State Colleges and Universities system.~~

(d) A student in an eligible field enrolled for at least nine credits in a four-year university in the Minnesota State Colleges and Universities system is eligible for first-year and second-year scholarships of \$3,500.

(e) A student in an eligible field enrolled in a select short-term credit and noncredit certificate program may receive scholarships of up to \$1,500 or the full cost of instruction and credit for prior learning fees, whichever is less.

Sec. 22. Minnesota Statutes 2022, section 136F.38, subdivision 4, is amended to read:

Subd. 4. **Renewal; cap.** A student who has received a scholarship may apply again but total lifetime awards are not to exceed ~~\$7,500~~ \$12,000 per student. Students may only be awarded a second scholarship upon completion of two academic terms. Students may be awarded a third scholarship if the student transfers to a corresponding program at a Minnesota state university.

Sec. 23. Minnesota Statutes 2022, section 136F.38, subdivision 5, is amended to read:

Subd. 5. **Administration.** (a) The board shall establish an application process and other guidelines for implementing this program.

(b) The board shall give preference to students in financial need.

(c) Up to 1.5 percent of funds appropriated for this program may be used for the administration of this program, including outreach to students and promotion of programs where graduates and certificate holders are currently most needed.

Sec. 24. Minnesota Statutes 2022, section 175.45, subdivision 1, is amended to read:

Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene industry representatives, identify occupational competency standards, and provide technical assistance to develop dual-training programs. The competency standards shall be identified for employment in occupations in advanced manufacturing, health care services, information technology, ~~and~~ agriculture, transportation, and child care. Competency standards are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

Sec. 25. Minnesota Statutes 2022, section 354B.23, subdivision 3, is amended to read:

Subd. 3. **Employer contribution rate.** The employer contribution rate on behalf of participants in the individual retirement account plan is ~~six~~ 8.75 percent of salary.

EFFECTIVE DATE. This section is effective the day following final enactment and applies at the beginning of the next full pay period.

Sec. 26. **PARAMEDIC SCHOLARSHIP PROGRAM.**

Subdivision 1. Establishment. The commissioner of the Office of Higher Education shall establish a program to provide up to 600 scholarships to students entering paramedic programs by 2026.

Subd. 2. Eligible students. (a) To be eligible for a scholarship under this section, a student must:

- (1) apply in the form and manner specified by the commissioner;
- (2) be a resident student, as defined by Minnesota Statutes, section 136A.101, subdivision 8;
- (3) attend an eligible institution, as defined by Minnesota Statutes, section 136A.101, subdivision 4;
- (4) be enrolled in a nationally accredited, degree- or diploma-awarding paramedic program at that institution; and
- (5) submit to the commissioner a completed affidavit, prescribed by the commissioner, affirming the student's intent to work as a paramedic in Minnesota after graduation.

(b) An eligible student may receive a scholarship under this section no more than two times.

Subd. 3. Administration; award amount. (a) The commissioner must establish an application process and other guidelines for implementing the paramedic scholarship program. The first set of scholarships must be awarded for the 2024-2025 academic year.

(b) The amount of a scholarship awarded under this section is \$5,000. The scholarship must be paid in a lump sum directly to the institution where the recipient is enrolled.

Subd. 4. Reporting. By February 1, 2025, and again by February 1, 2026, the commissioner must submit a report on the program to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy. The report must include the following information and any other information the commissioner considers relevant:

(1) information about all postsecondary programs giving rise to eligibility for a scholarship under this section, including the programs' locations, costs, enrollment capacities, acceptance rates, and other relevant information;

(2) available data on the current and forecasted demand for paramedics in Minnesota; and

(3) the total number of scholarships issued, disaggregated by:

(i) year of award;

(ii) postsecondary institution attended; and

(iii) relevant and available demographic data about award recipients.

Subd. 5. **Expiration.** This section expires June 30, 2026.

Sec. 27. **ALLIED HEALTH TECHNICIAN SCHOLARSHIP PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education shall establish a program to provide up to 1,000 scholarships to students entering specified health technician programs by 2026.

Subd. 2. **Eligible students.** (a) To be eligible for a scholarship under this section, a student must:

(1) apply in the form and manner specified by the commissioner;

(2) be a resident student, as defined by Minnesota Statutes, section 136A.101, subdivision 8;

(3) attend an eligible institution, as defined by Minnesota Statutes, section 136A.101, subdivision 4;

(4) be enrolled in the student's first term in a nationally accredited degree, diploma, or certificate program in one of the following health technician fields:

(i) medical laboratory technologist;

(ii) medical laboratory technician;

(iii) respiratory therapist;

(iv) radiology technologist; or

(v) surgical technologist; and

(5) submit to the commissioner a completed affidavit, prescribed by the commissioner, affirming the student's intent to work in Minnesota in the specified health technician field following graduation.

(b) A student may receive a scholarship under this section only once.

Subd. 3. **Administration; award amount.** (a) The commissioner must establish an application process and other guidelines for implementing this program. The first set of scholarships must be awarded for the 2024-2025 academic year.

(b) The amount of a scholarship awarded under this section is \$5,000. The scholarship shall be paid in a lump sum directly to the institution where the recipient is enrolled.

Subd. 4. **Reporting.** By February 1, 2025, and again by February 1, 2026, the commissioner must submit a report on the program to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy. The report must include the following information as well as any other information the commissioner considers relevant:

(1) information about all postsecondary health technician programs giving rise to eligibility for a scholarship under this section, including the programs' locations, costs, enrollment capacities, acceptance rates, and other relevant information;

(2) available data on the current and forecasted demand for health technicians in Minnesota; and

(3) the total number of scholarships issued broken out by:

(i) year of award;

(ii) postsecondary institution attended;

(iii) health technician field; and

(iv) relevant and available demographic data about award recipients.

Subd. 5. **Expiration.** This section expires June 30, 2026.

Sec. 28. **UNEMPLOYMENT INSURANCE AID REPORTS.**

By January 15 of each year, the Board of Regents of the University of Minnesota, the Board of Trustees of the Minnesota State Colleges and Universities, and the Office of Higher Education, in consultation with the Department of Employment and Economic Development, must each report to the higher education committees of the legislature the balances in unemployment insurance aid accounts and information about the annual changes in reimbursable costs for higher education workers receiving unemployment insurance benefits. To the extent possible, the report must break out the costs by campus and major job classes. The report must be filed according to Minnesota Statutes, section 3.195.

Sec. 29. **HIGHER EDUCATION BONDING POLICY.**

It is the policy of the legislature that:

(1) an appropriation from the bond proceeds fund to either the Board of Regents of the University of Minnesota or the Board of Trustees of the Minnesota State Colleges and Universities shall fund the full cost of projects benefiting institutions within those public postsecondary systems; and

(2) neither the Board of Regents of the University of Minnesota nor the Board of Trustees of the Minnesota State Colleges and Universities shall be obligated to pay debt service on the principal amount of state general obligation bonds sold to finance projects benefiting institutions within those public postsecondary systems.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to appropriations of bond proceeds on or after that date.

Sec. 30. **REPEALER.**

Minnesota Statutes 2022, sections 136F.03; and 136F.38, subdivision 2, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; providing funding and policy related changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain scholarships and student aid programs; creating and modifying grant programs to higher education institutions; establishing the Inclusive Higher Education Technical Assistance Center; creating a direct admissions program; establishing higher education bonding policy; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 136A.101, subdivisions 5a, 7; 136A.121, subdivisions 6, 9, 13; 136A.1241, subdivision 5; 136A.125, subdivision 4; 136A.126, subdivision 4; 136A.1312; 136A.1791, subdivision

3a; 136A.246, subdivisions 4, 5, 6, 8; 136F.04, subdivision 1; 136F.38, subdivisions 3, 4, 5; 175.45, subdivision 1; 354B.23, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2022, sections 136F.03; 136F.38, subdivision 2."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Howard from the Committee on Housing Finance and Policy to which was referred:

H. F. No. 2335, A bill for an act relating to state government; establishing a budget for the Minnesota Housing Finance Agency; providing for childhood housing stability; establishing a community stabilization program; establishing a supportive housing program; establishing a first-generation homebuyers down payment assistance fund; appropriating money; amending Minnesota Statutes 2022, sections 462A.201, subdivision 2; 462A.204, subdivision 8; 462A.21, subdivision 3b; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
HOUSING APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agency for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
<u>2024</u>		<u>2025</u>

Sec. 2. **HOUSING FINANCE AGENCY**

Subdivision 1. **Total Appropriation**

\$607,998,000

\$457,298,000

(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

<u>Subd. 2. Challenge Program</u>	<u>37,925,000</u>	<u>37,925,000</u>
<u>(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.</u>		
<u>(b) The base for this program in fiscal year 2026 and beyond is \$12,925,000.</u>		
<u>Subd. 3. Workforce Housing Development</u>	<u>22,000,000</u>	<u>22,000,000</u>
<u>(a) This appropriation is for the Greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39.</u>		
<u>(b) The base for this program in fiscal year 2026 and beyond is \$2,000,000.</u>		
<u>Subd. 4. Manufactured Home Park Infrastructure Grants</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.</u>		
<u>Subd. 5. Workforce Homeownership Program</u>	<u>250,000</u>	<u>250,000</u>
<u>This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.</u>		
<u>Subd. 6. Housing Trust Fund</u>	<u>11,646,000</u>	<u>11,646,000</u>
<u>This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.</u>		
<u>Subd. 7. Childhood Housing Stability</u>	<u>1,750,000</u>	<u>1,750,000</u>
<u>This appropriation is for the childhood housing stability program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless or highly mobile families with minor children or with children eligible for enrollment in a prekindergarten through grade 12 academic program.</u>		
<u>Subd. 8. Bridges</u>	<u>5,338,000</u>	<u>5,338,000</u>
<u>This appropriation is for the bridges housing assistance program under Minnesota Statutes, section 462A.2097.</u>		
<u>Subd. 9. Family Homeless Prevention</u>	<u>10,269,000</u>	<u>85,269,000</u>
<u>(a) This appropriation is for the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.</u>		

(b) The base for this program in fiscal year 2026 and beyond is \$10,269,000.

Subd. 10. Home Ownership Assistance Fund 885,000 885,000

This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8.

Subd. 11. Affordable Rental Investment Fund 4,218,000 4,218,000

This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

Subd. 12. Owner-Occupied Housing Rehabilitation 2,772,000 2,772,000

This appropriation is for the rehabilitation of owner-occupied housing under Minnesota Statutes, section 462A.05, subdivisions 14 and 14a.

Subd. 13. Rental Housing Rehabilitation 3,743,000 3,743,000

This appropriation is for the rehabilitation of eligible rental housing under Minnesota Statutes, section 462A.05, subdivision 14.

Subd. 14. Homeownership Education, Counseling, and Training 1,857,000 1,857,000

(a) This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

(b) The base for this program in fiscal year 2026 and beyond is \$857,000.

Subd. 15. Capacity-Building Grants 4,645,000 4,645,000

(a) This appropriation is for capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

(b) The base for this program in fiscal year 2026 and beyond is \$645,000.

Subd. 16. Supportive Housing 2,500,000 2,500,000

This appropriation is for the supportive housing program under Minnesota Statutes, section 462A.42. This is a onetime appropriation.

<u>Subd. 17. Greater Minnesota Housing Infrastructure Grants</u>	<u>5,000,000</u>	<u>-0-</u>
---	------------------	------------

This appropriation is for the Greater Minnesota housing infrastructure grant program under Minnesota Statutes, section 462A.43. This is a onetime appropriation.

<u>Subd. 18. Housing Infrastructure Bonds</u>	<u>100,000,000</u>	<u>100,000,000</u>
--	--------------------	--------------------

This appropriation is for the housing infrastructure program for the eligible purposes under Minnesota Statutes, section 462A.37, subdivision 2. This is a onetime appropriation.

<u>Subd. 19. Homeownership Investment Grants</u>	<u>40,000,000</u>	<u>40,000,000</u>
---	-------------------	-------------------

This appropriation is for the homeownership investment grants program. This is a onetime appropriation.

<u>Subd. 20. Manufactured Home Lending Grants</u>	<u>25,000,000</u>	<u>-0-</u>
--	-------------------	------------

This appropriation is for the manufactured home lending grants program. This is a onetime appropriation.

<u>Subd. 21. Manufactured Home Park Cooperative Purchase</u>	<u>10,000,000</u>	<u>-0-</u>
---	-------------------	------------

This appropriation is for the manufactured home park cooperative purchase program. This is a onetime appropriation.

<u>Subd. 22. Local Housing Trust Fund</u>	<u>7,700,000</u>	<u>-0-</u>
--	------------------	------------

This appropriation is for local housing trust fund grants. This is a onetime appropriation.

<u>Subd. 23. Rent Assistance</u>	<u>50,000,000</u>	<u>50,000,000</u>
---	-------------------	-------------------

This appropriation is for deposit in the state rent assistance account in the housing development fund for expenditure on the rent assistance program under Minnesota Statutes, section 462A.2095. Of this amount, \$12,000,000 is added to the agency's permanent budget base.

<u>Subd. 24. First-Generation Homebuyers Down Payment Assistance Fund</u>	<u>150,000,000</u>	<u>-0-</u>
--	--------------------	------------

This appropriation is for the first-generation homebuyers down payment assistance fund. This appropriation is onetime. Services rendered under grant contracts with the grantee may occur any time up until June 30, 2026.

Subd. 25. Build Wealth Minnesota1,500,0001,500,000

(a) This appropriation is for a grant to Build Wealth Minnesota to provide a family stabilization plan program, including program outreach, financial literacy education, and budget and debt counseling. This is a onetime appropriation.

(b) The base for this program in fiscal year 2026 and beyond is \$500,000.

Subd. 26. First-Time Homebuyer, Fee-Based Home Purchase Financing5,000,0005,000,000

This appropriation is for the first-time homebuyer, fee-based home purchase financing program. This appropriation is onetime. Services rendered under grant contracts with the grantee may occur any time up until June 30, 2026.

Subd. 27. Community Stabilization75,000,00075,000,000

This appropriation is for the community stabilization program under Minnesota Statutes, section 462A.41. This a onetime appropriation. Of this amount, \$10,000,000 is for a grant to AEON for Huntington Place.

Subd. 28. High-Rise Sprinkler System Grant10,000,000-0-

This appropriation is for the high-rise sprinkler system grant program. This appropriation is onetime. Of this amount, up to \$4,000,000 must be for a grant to CommonBond Communities for installation of sprinkler systems at two buildings known as Seward Tower West located at 2515 South 9th Street in Minneapolis and Seward Tower East located at 2910 East Franklin Avenue in Minneapolis.

Subd. 29. Lead Safe Homes4,000,000-0-

This appropriation is for the lead safe homes grant program under Minnesota Statutes, section 462A.2906. This appropriation is onetime.

Subd. 30. Landlord Risk Mitigation Fund500,000-0-

(a) This appropriation is for grants to eligible applicants to create or expand risk mitigation programs to reduce landlord financial risks for renting to persons eligible for services under Minnesota Statutes, sections 245.4661, subdivision 9, paragraph (a), clause (2); 462A.204; and 462A.2097. This appropriation is onetime.

(b) Eligible programs may reimburse landlords for costs, including but not limited to nonpayment of rent or damage costs above those costs covered by security deposits. The agency may give higher

priority to applicants that demonstrate a matching amount of money by a local unit of government, business, or nonprofit organization. Grantees must establish a procedure to review and validate claims and reimbursements under this grant program.

(c) Eligible grantees include but are not limited to nonprofit organizations under Minnesota Statutes, section 462A.03, subdivision 22, and supportive housing providers under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (a), clause (2).

<u>Subd. 31. Housing Meditation</u>	<u>1,500,000</u>	<u>-0-</u>
--	------------------	------------

This appropriation is for the Minnesota Housing mediation grant program. This appropriation is onetime.

<u>Subd. 32. Northland Foundation</u>	<u>2,000,000</u>	<u>-0-</u>
--	------------------	------------

This appropriation is for a grant to Northland Foundation for use on expenditures authorized under Minnesota Statutes, section 462C.16, subdivision 3 and on assisting local governments to establish local or regional housing trust funds. Northland Foundation may award grants and loans to other entities to expend on authorized expenditures under this section. This appropriation is onetime and available until June 30, 2025.

<u>Subd. 33. Stable Housing Organization Relief</u>	<u>10,000,000</u>	<u>-0-</u>
--	-------------------	------------

This appropriation is for the stable housing organization relief program. This appropriation is onetime.

<u>Sec. 3. MANAGEMENT AND BUDGET</u>	<u>\$300,000</u>	<u>\$-0-</u>
---	------------------	--------------

\$300,000 in fiscal year 2024 is to the commissioner of management and budget to fund a study by Management Analysis and Development on expediting rental assistance payment. This is a onetime appropriation.

Sec. 4. **FISCAL YEAR 2023 APPROPRIATION TO THE MINNESOTA HOUSING FINANCE AGENCY.**

(a) \$50,000,000 in fiscal year 2023 is appropriated from the general fund to the Housing Finance Agency for transfer to the housing development fund for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204. This appropriation is onetime. Notwithstanding procurement provisions outlined in Minnesota Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees. The agency shall make best efforts to spend the appropriation by June 30, 2024. If the appropriation in this paragraph is enacted more than once during the 2023 regular session, the appropriation must be given effect only once. If the appropriation in this paragraph is enacted more than once during the 2023 regular session, this section applies to the appropriation.

(b) Notwithstanding Minnesota Statutes, section 462A.204, subdivision 5, qualified families may receive more than 24 months of rental assistance.

(c) Notwithstanding Minnesota Statutes, section 462A.204, subdivision 3, a community-based nonprofit organization without a sponsoring resolution may apply for and receive grants outside the metropolitan area.

(d) If the agency determines that the metropolitan area is in need of additional support to serve households that are homeless or at risk of homelessness, the agency may grant funds to entities other than counties in the metropolitan area, including but not limited to nonprofit organizations.

(e) In circumstances where more than one grantee operates in a given geographic area, grantees may work with either an advisory committee as required under Minnesota Statutes, section 462A.204, subdivision 6, or the local Continuum of Care and are not required to meet the requirements of Minnesota Statutes, section 462A.204, subdivision 4.

ARTICLE 2 HOUSING GRANT PROGRAMS

Section 1. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 42. **Rent assistance program.** The agency may administer the rent assistance program established in section 462A.2095.

Sec. 2. **[462A.2095] RENT ASSISTANCE PROGRAM.**

Subdivision 1. **Program established.** (a) The state rent assistance account is established as a separate account in the housing development fund. Money in the account is appropriated to the agency for grants to program administrators for the purposes specified in this section.

(b) Money deposited in the account under section 297A.9925 is for grants to program administrators in the metropolitan area.

(c) Money deposited in the account through a general fund appropriation is for grants to program administrators outside the metropolitan counties, as defined by section 473.121, subdivision 4.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible household" means a household with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying more than 30 percent of the household's annual income on rent. Eligibility is determined at the time a household first receives rent assistance under this section. Eligibility shall be recertified every year thereafter. Eligible household does not include a household receiving federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended.

(c) "Program administrator" means:

(1) a housing and redevelopment authority or other local government agency or authority that administers federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended;

(2) a Tribal government or Tribal housing authority; or

(3) if the local housing authority, Tribal government, or Tribal housing authority declines to administer the program established in this section, a nongovernmental organization determined by the agency to have the capacity to administer the program.

Subd. 3. **Grants to program administrators.** (a) The agency may make grants to program administrators to provide rental assistance for eligible households. For both tenant-based and project-based assistance, program administrators shall pay assistance directly to housing providers. Rental assistance may be provided in the form of tenant-based assistance or project-based assistance. Notwithstanding the amounts awarded under subdivision 1, paragraph (b), and to the extent practicable, the agency must make grants statewide in proportion to the number of households eligible for assistance in each county according to the most recent American Community Survey of the United States Census Bureau.

(b) The program administrator may use its existing procedures to administer the rent assistance program or may develop alternative procedures with the goals of reaching households most in need and incentivizing landlord participation. The agency must approve a program administrator's alternative procedures.

Subd. 4. **Amount of rent assistance.** A program administrator may provide tenant-based or project-based vouchers in amounts equal to the difference between 30 percent of household income and the rent charged, plus an allowance for utilities if not included in rent. A program administrator may not provide assistance that is more than the difference between 30 percent of the tenant's gross income and 120 percent of the payment standard, plus utilities, as established by the local public housing authority, unless otherwise authorized by the agency.

Subd. 5. **Administrative fees.** The agency shall consult with public housing authorities to determine the amount of administrative fees to pay to program administrators.

Subd. 6. **Rent assistance not income.** (a) Rent assistance grant money under this section is excluded from income as defined in sections 290.0674, subdivision 2a, and 290A.03, subdivision 2.

(b) Notwithstanding any law to the contrary, payments under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for state public assistance, including but not limited to:

- (1) child care assistance programs under chapter 119B;
- (2) general assistance, Minnesota supplemental aid, and food support under chapter 256D;
- (3) housing support under chapter 256I;
- (4) Minnesota family investment program and diversionary work program under chapter 256J; and
- (5) economic assistance programs under chapter 256P.

(c) The commissioner of human services must not consider rent assistance grant money under this section as income or assets under section 256B.056, subdivision 1a, paragraph (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section 256B.057, subdivision 3, 3a, or 3b.

Subd. 7. **Oversight.** The agency may direct program administrators to comply with applicable sections of Code of Federal Regulations, title 24, parts 982 and 983.

Sec. 3. [462A.2096] LEAD SAFE HOMES GRANT PROGRAM.

Subdivision 1. **Establishment.** The Minnesota Housing Finance Agency shall establish a lead safe homes grant program to provide grants to increase lead testing and make residential rental units lead safe. The pilot program shall provide one grant to a project serving an area in a metropolitan county, as defined in section 473.121, subdivision 4, and one grant to a project serving an area outside a metropolitan county with a priority for targeting grant resources to landlords and tenants where there are high concentrations of lead poisoning in children based on information provided by the commissioner of health.

Subd. 2. **Eligibility.** (a) Eligible grantees must be a nonprofit or political subdivision capable of providing funding and services to a defined geographic area. The grant programs established by the grantees receiving funding under this section must provide lead risk assessments completed by a lead inspector or a lead risk assessor licensed by the commissioner of health pursuant to section 144.9505 for properties built before 1978 to determine the presence of lead hazards and to provide interim controls to reduce lead health hazards. The grant programs must provide funding for testing and lead hazard reduction to:

(1) landlords of residential buildings with 11 units or less where the tenant's income does not exceed 60 percent of area median income;

(2) landlords of residential buildings with 12 units or more where at least 50 percent of the tenants are below 60 percent of the median income; and

(3) tenants with an income that does not exceed 60 percent of area median income.

(b) A landlord or tenant must first access other available state and federal funding related to lead testing and lead hazard reduction for which they are eligible.

(c) Up to ten percent of a grant award to a nonprofit or political subdivision may be used to administer the grant and provide education and outreach about lead health hazards.

Subd. 3. **Short title.** This section shall be known as the "Dustin Luke Shields Act."

Sec. 4. **[462A.2098] MINNESOTA HOUSING MEDIATION GRANT PROGRAM.**

Subdivision 1. **Establishment; purpose.** The agency shall establish a housing mediation program to reduce negative consequences to renters, rental property owners, families, schools, employers, neighborhoods, and communities by providing support to renters and residential rental property owners.

Subd. 2. **Selection criteria.** The agency shall award grants to community dispute resolution programs certified under section 494.015. The agency shall develop forms and procedures for soliciting and reviewing applications for grants under this section.

Subd. 3. **Administration.** The agency shall award a grant to Community Mediation Minnesota to administrate the housing mediation program to ensure effective statewide management, program design, and outreach among the grantees.

Subd. 4. **Authorized uses of grant.** The grant funding must be used to:

(1) provide housing dispute resolution services;

(2) increase awareness of and access to housing dispute resolution services statewide;

(3) provide alternative dispute resolution services, including but not limited to eviction prevention, mediation, and navigation services;

(4) partner with culturally specific dispute resolution programs to provide training and assistance with virtual and in-person mediation services;

(5) increase mediation services for seniors and renters with disabilities and illnesses that face housing instability;

(6) increase the diversity and cultural competency of the housing mediator roster;

(7) integrate housing mediation services with navigation and resource connection services, legal assistance, and court services programs; and

(8) develop and administer evaluation tools to design, modify, and replicate effective program outcomes.

Sec. 5. **[462A.41] COMMUNITY STABILIZATION PROGRAM.**

Subdivision 1. **Establishment.** The agency shall establish a community stabilization program for the purpose of providing grants or loans for the preservation of naturally occurring affordable housing through acquisition or rehabilitation.

Subd. 2. **Definitions.** For the purposes of this section, "naturally occurring affordable housing" means:

(1) multiunit rental housing that:

(i) is at least 20 years old; and

(ii) has rents in a majority of units that are affordable to households at or below 60 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development; or

(2) owner-occupied housing located in communities where market pressures or significant deferred rehabilitation needs, as defined by the agency, create opportunities for displacement or the loss of owner-occupied housing affordable to households at or below 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Subd. 3. **Eligible recipients.** (a) Grants or loans may be made to:

(1) a local unit of government;

(2) a federally recognized American Indian Tribe located in Minnesota or its Tribally Designated Housing Entity;

(3) a private developer;

(4) limited equity cooperatives;

(5) cooperatives created under chapter 308A or 308B;

(6) community land trusts created for the purposes outlined in section 462A.31, subdivision 1; or

(7) a nonprofit organization.

(b) The agency shall make a grant to a statewide intermediary to facilitate the acquisition and associated rehabilitation of existing multiunit rental housing and may use an intermediary or intermediaries for the acquisition and associated rehabilitation of owner-occupied housing.

Subd. 4. **Eligible uses.** The program shall provide grants or loans for the purpose of acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support the preservation of naturally occurring affordable housing. Priority in funding shall be given to proposals that serve lower incomes and maintain longer periods of affordability.

Subd. 5. **Owner-occupied housing income limits.** Households served through grants or loans related to owner-occupied housing must have, at initial occupancy, income that is at or below 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Subd. 6. **Multifamily housing rent limits.** Multifamily housing financed through grants or loans under this section must remain affordable to low-income or moderate-income households as defined by the agency.

Subd. 7. **Application.** (a) The agency shall develop forms and procedures for soliciting and reviewing applications for grants or loans under this section. The agency shall consult with interested stakeholders when developing the guidelines and procedures for the program.

(b) Notwithstanding any other applicable law, the agency may accept applications on a noncompetitive, rolling basis in order to provide funds for eligible properties as they become available.

Subd. 8. **Voucher requirement for multifamily properties.** Rental properties that receive funds must accept rental subsidies, including but not limited to vouchers under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 6. **[462A.42] SUPPORTIVE HOUSING PROGRAM.**

Subdivision 1. **Establishment.** The agency shall establish a supportive housing program to provide funding to increase alignment with housing development financing and strengthen supportive housing for individuals and families who have experienced homelessness.

Subd. 2. **Definition.** For the purposes of this section, "supportive housing" means housing that is not time-limited and provides or coordinates with services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Subd. 3. **Eligible recipients.** Funding may be made to a local unit of government, a federally recognized American Indian Tribe or its Tribally Designated Housing Entity located in Minnesota, a private developer, or a nonprofit organization.

Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive housing to operate effectively. Costs may include but are not limited to building operating expenses such as front desk, tenant service coordination, revenue shortfall, and security costs.

(b) Funds may be used to create partnerships with the health care sector and other sectors to demonstrate sustainable ways to provide services for supportive housing residents, improve access to health care, and reduce the use of expensive emergency and institutional care. This may be done in partnership with other state agencies, including the Department of Health and the Department of Human Services.

Subd. 5. **Application.** The commissioner shall develop forms and procedures for soliciting and reviewing applications for funding under this section. The commissioner shall consult with interested stakeholders when developing the guidelines and procedures for the program.

Sec. 7. **[462A.43] GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner may make grants to cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project. The commissioner may make a grant award only after determining that nonstate resources are committed to complete the project. The nonstate contribution may be cash, other committed grant funds, or in kind. In-kind contributions may include the value of the site, whether the site is prepared before or after the law appropriating money for the grant is enacted.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "City" means a statutory or home rule charter city that includes undeveloped parcels that is located outside the metropolitan area, as defined in section 473.121, subdivision 2.

(c) "Housing infrastructure" means publicly owned physical infrastructure necessary to support housing development projects, including but not limited to sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

Subd. 3. **Eligible projects.** Housing infrastructure projects eligible for a grant under this section may be for the development of single-family housing, manufactured home parks, or multifamily housing, either owner-occupied or rental.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a city must include in its application a resolution of the city council certifying that the required nonstate match is available. The commissioner must evaluate complete applications for funding for eligible projects to determine that:

(1) the project is necessary to increase sites available for housing development that will provide adequate housing stock for the current or future workforce; and

(2) the increase in workforce housing will result in substantial public and private capital investment in the city in which the project would be located.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the criteria are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Maximum grant amount.** A city may receive no more than \$30,000 per lot for single-family, duplex, triplex, or fourplex housing developed and no more than \$60,000 per lot for manufactured home parks or multifamily housing with more than four units per building. A city may receive no more than \$500,000 in two years for one or more housing developments.

Subd. 6. **Cancellation of grant; return of grant money.** If, after five years, the commissioner determines that a project has not proceeded in a timely manner and is unlikely to be completed, the commissioner must cancel the grant and require the grantee to return all grant money awarded for that project.

Subd. 7. **Appropriation.** Grant money returned to the commissioner is appropriated to the commissioner to make additional grants under this section.

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

Sec. 8. **STABLE HOUSING ORGANIZATION RELIEF PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a grant program in accordance with this section to support nonprofits that are experiencing significant detrimental financial impacts due to recent economic and social conditions.

Subd. 2. **Eligible organizations.** To be eligible for a grant under this section an organization must:

(1) be a nonprofit organization that is tax exempt under section 501(c)(3) of the Internal Revenue Code that has been doing business in the state for at least ten years as demonstrated by registration or filing of organizational documents with the secretary of state;

(2) have its primary operations located in the state;

(3) be experiencing significant detrimental financial impact due to recent economic and social conditions, including but not limited to decreased operating revenue due to loss of rental income or increased operating expenses due to inflation in utility expenses, insurance, or other expenses;

(4) have supportive services options available for the individuals and families residing in the rental housing it provides to low-income populations; and

(5) provide, as of December 31, 2022, housing units in the state that it owns or controls consisting of any of the following:

(i) at least 1,000 units of naturally occurring affordable housing. For purposes of this item, "naturally occurring affordable housing" means multiunit rental housing developments that have not received financing from the federal low-income housing tax credit program for which the majority of the units have agreements in place to be affordable to individuals or families with incomes at or below 60 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, and that do not receive project- or other place-based rental subsidies from the federal government;

(ii) rental housing units, not including naturally occurring affordable housing, of which 50 percent of the total number of units are rented to individuals or families whose annual incomes, according to the most recent income certification as of December 31, 2022, are at or below 30 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size; or

(iii) at least 250 units of permanent supportive housing, as defined in Minnesota Statutes, section 462A.36, subdivision 1, paragraph (e).

Subd. 3. **Grant program.** (a) The commissioner must provide grants to eligible organizations as provided in this subdivision.

(b) An organization that seeks to obtain a grant must apply to the commissioner by July 28, 2023, and certify:

(1) that it is eligible for a grant under subdivision 2;

(2) the total number of rental housing units it owns or controls in the state, including but not limited to the rental housing units it provides under subdivision 2, clause (5); and

(3) information on significant detrimental financial impacts due to recent economic and social conditions.

(c) The commissioner must disburse grants to eligible organizations no later than September 30, 2023. Eligible organizations that receive grants must use grant funds to mitigate significant detrimental financial impacts due to recent economic and social conditions.

(d) The amount of a grant to an eligible organization equals:

(1) the number of units an eligible organization certifies that it owns or controls in the state divided by the total number of units certified by all eligible organizations; multiplied by

(2) the total amount of the appropriation for this grant program.

(e) No grant to an eligible organization may exceed \$4,000 per certified unit. The per-unit amount of the grant for each eligible organization must be calculated based on the total number of units each eligible organization owns or controls in the state and is not limited to the number of units that qualify it as an eligible organization under subdivision 2, clause (5).

Subd. 4. **Reporting and financial audit.** Each grantee must submit a report to the commissioner by September 30, 2024, on the use of those funds in a form determined by the commissioner. By January 15, 2024, each grantee must report to the chair and ranking minority members of the legislative committees having jurisdiction over housing on the use of funds awarded under this section.

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

Sec. 9. **FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE FUND.**

Subdivision 1. **Establishment.** A first-generation homebuyers down payment assistance fund is established as a pilot project under the administration of the Midwest Minnesota Community Development Corporation (MMCDC), a community development financial institution (CDFI) as defined under the Riegle Community Development and Regulatory Improvement Act of 1994, to provide targeted assistance to eligible households. The Housing Finance Agency must release grant funds to MMCDC as needed, and may do so in tranches for administrative efficiency.

Subd. 2. **Eligible household.** For purposes of this section, "eligible household" means a household:

(1) whose income is at or below 100 percent of the area median income at the time of purchase; and

(2) that includes at least one adult member:

(i) who is preapproved for a first mortgage loan;

(ii) who either never owned a home or who owned a home but lost it due to foreclosure; and

(iii) whose parent or prior legal guardian either never owned a home or owned a home but lost it due to foreclosure.

At least one adult household member meeting the criteria under clause (2) must complete an approved homebuyer education course prior to signing a purchase agreement and, following the purchase of the home, must occupy it as their primary residence.

Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the purchase price of a one or two unit home, not to exceed \$32,000. Funds shall be reserved for eligible households. Fund reservation is not contingent on having an executed purchase agreement. The assistance must be provided in the form of a loan that is forgivable at a rate of 20 percent per year on the day after the anniversary date of the note. The prorated balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of financial or personal hardship. Funds may be used for closing costs, down payment, or principal reduction. The eligible household may select any first mortgage lender or broker of their choice, provided that the funds are used in conjunction with a conforming first mortgage loan that is fully

amortizing and meets the standards of a qualified mortgage or meets the minimum standards for exemption under Code of Federal Regulations, title 12, section 1026.43. Funds may be used in conjunction with other programs the eligible household may qualify for and the loan placed in any priority position.

Subd. 4. **Administration.** The first-generation homebuyers down payment assistance fund is available statewide and shall be administered by MMCDC, the designated central CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance to reserve, originate, fund, and service funds for eligible households. Administrative costs must not exceed \$3,200 per loan. Any funds recaptured prior to June 30, 2026, are returned to MMCDC for redistribution to eligible households. Any unused funds, or funds recaptured on or after June 30, 2026, shall be remitted to the agency to be returned to the general fund.

Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator, MMCDC, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy the following information:

- (1) the number and amount of loans closed;
- (2) the median loan amount;
- (3) the number and amount of loans issued by race or ethnic categories;
- (4) the median home purchase price;
- (5) the type of mortgage;
- (6) the total amount returned to the fund; and
- (7) the number and amount of loans issued by county.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 10. **HIGH-RISE SPRINKLER SYSTEM GRANT PROGRAM.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible building" means an existing residential building in which:

(1) at least one story used for human occupancy is 75 feet or more above the lowest level of fire department vehicle access; and

(2) at least two-thirds of its units are rented to an individual or family with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying no more than 30 percent of annual income on rent.

(c) "Sprinkler system" means the same as the term "fire protection system" as defined in Minnesota Statutes, section 299M.01.

Subd. 2. **Grant program.** The commissioner of the Housing Finance Agency must make grants to owners of eligible buildings for installation of sprinkler systems and for relocation of residents during the installation of sprinkler systems. Priority shall be given to nonprofit applicants. The maximum grant per eligible building shall be \$2,000,000. Each grant to a nonprofit organization shall require a 25 percent match. Each grant to a for-profit organization shall require a 50 percent match.

Subd. 3. **Expiration.** This section expires June 30, 2026.

Sec. 11. **LOCAL HOUSING TRUST FUND GRANTS.**

(a) The commissioner of the Minnesota Housing Finance Agency shall award grants for existing local housing trust funds established under Minnesota Statutes, section 462C.16 and for local governments seeking to establish local housing trust funds.

(b) A local government with an existing local housing trust fund may receive a grant amount equal to 100 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government, up to \$150,000, and in addition, an amount equal to 50 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government that is more than \$150,000 but not more than \$300,000.

(c) The agency may award grants of up to \$5,000 to a local government, or two or more local governments operating under a joint powers agreement, which does not have a local housing trust fund or a regional housing trust fund. Grants must be used to establish a local or regional housing trust fund. The agency shall make grants on a first-come, first-served basis.

(d) Except as provided in paragraph (c), a grantee must use grant funds within eight years of receipt for purposes: (1) authorized under Minnesota Statutes, section 462C.16, subdivision 3; and (2) benefiting households with incomes at or below 115 percent of the state median income. A grantee must return any grant funds not used for these purposes within eight years of receipt to the commissioner of the Minnesota Housing Finance Agency for deposit into the housing development fund.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 12. **HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.**

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

(1) "commissioner" means the commissioner of the Minnesota Housing Finance Agency; and

(2) "eligible organization" means a nonprofit organization the commissioner determines to be eligible under subdivision 2.

Subd. 2. **Eligible organization.** To be eligible for a grant under this subdivision, a nonprofit organization must:

(1) be an organization defined under section 501(c)(3) of the Internal Revenue Code or an equivalent organization;

(2) have primary operations located in Minnesota; and

(3) be certified as a community development financial institution by the United States Department of the Treasury and must provide affordable housing lending or financing programs.

Subd. 3. **Eligible services.** Eligible organizations may apply for housing investment grants for affordable owner-occupied housing projects for:

(1) housing development to increase the supply of affordable owner-occupied homes;

(2) financing programs for affordable owner-occupied new home construction;

(3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes to be converted to owner-occupied homes;

(4) financing programs for affordable owner-occupied manufactured housing; and

(5) services to increase access to stable, affordable, owner-occupied housing in low-income communities, Indigenous American Indian communities, and communities of color.

Subd. 4. Commissioner duties. (a) The commissioner shall consult with eligible organizations and develop forms, applications, and reporting requirements for use by eligible organizations. All organizations applying for a grant must include as part of their application a plan to create new affordable home ownership and home preservation opportunities for targeted areas. The commissioner shall develop a grant award scoring system that ensures a distribution of awards throughout the state based on population and eligible households and communities.

(b) The commissioner shall complete the requirements under paragraph (a) within 90 days of enactment of this section.

(c) By January 15, 2024, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy detailing the use of funds under this section.

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

Sec. 13. **FIRST-TIME HOMEBUYER, FEE-BASED HOME PURCHASE FINANCING PROGRAM.**

Subdivision 1. Administration. A first-time homebuyer, fee-based home purchasing financing program is established as a pilot project under the administration of NeighborWorks Home Partners.

Subd. 2. Eligible homebuyer. For the purposes of this section, an "eligible homebuyer" means an individual:

(1) whose income is at or below 130 percent of area median income;

(2) who resides in a census tract where at least 60 percent of occupied housing units are renter-occupied, based on the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau;

(3) who is financing the purchase of an eligible property with an interest-free, fee-based mortgage; and

(4) who is a first-time homebuyer as defined by Code of Federal Regulations, title 24, section 92.2.

Subd. 3. Eligible property. (a) For the purposes of this section, an "eligible property" means residential real property that is a condominium, a townhouse, a single-family home, a manufactured home titled as real property, or another building containing up to four dwelling units.

(b) An eligible property may include property subject to a ground lease with a community land trust, property on Indian Trust Land, or property participating in a shared equity homeownership program.

Subd. 4. Use of funds. NeighborWorks Home Partners shall use the money appropriated under subdivision 1 to provide forgivable grants of down payment assistance not to exceed 30 percent of the price of the eligible property that an eligible homebuyer seeks to purchase. NeighborWorks Home Partners shall provide grants to eligible

homebuyers using no-interest, fee-based loans to finance the purchase of eligible properties. In making grants, NeighborWorks Home Partners shall determine the circumstances, terms, and conditions under which all or any portion of the grant will be repaid and shall determine the appropriate security required for a repayment. The administrative fees for operating the program shall not exceed five percent of the appropriation. An eligible homebuyer may use the funds in conjunction with any other funding programs.

Subd. 5. Conditions of receiving a grant. (a) To qualify for assistance under this section, an eligible homebuyer must:

(1) complete an approved homebuyer education course prior to signing a purchase agreement;

(2) complete an approved landlord education course prior to signing a purchase agreement if the property being purchased contains more than one dwelling unit;

(3) contribute a minimum of \$1,000 to down payment or closing costs; and

(4) occupy the purchased property as the homebuyer's primary residence.

(b) NeighborWorks Home Partners may establish additional requirements to ensure that program participants comply with this subdivision.

Subd. 6. Reports. By January 15 and July 15 each year, NeighborWorks Home Partners must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy the following information:

(1) the number and amount of grants issued;

(2) the median grant amount;

(3) the number and amount of grants issued by race or ethnic categories;

(4) the median home purchase price;

(5) the total amount returned to the fund; and

(6) the number and amount of grants issued by county.

Sec. 14. MANUFACTURED HOME LENDING GRANTS.

Subdivision 1. Definitions. For the purposes of this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of the Minnesota Housing Finance Agency; and

(2) "eligible organization" means a nonprofit organization the commissioner determines to be eligible under subdivision 2.

Subd. 2. Eligible organizations. To be eligible for a grant under this section, a nonprofit must:

(1) be an organization defined under section 501(c)(3) of the Internal Revenue Code, or an equivalent organization;

(2) have primary operations located in the state of Minnesota;

(3) be a qualified nonprofit lender or a community development financial institution certified by the United States Department of the Treasury; and

(4) serve low-income populations in manufactured home communities owned by residents, cooperatives, nonprofits, or municipalities.

Subd. 3. **Eligible services.** Eligible organizations may apply for manufactured home lending funds for the following services:

(1) new manufactured home financing programs;

(2) manufactured home down payment assistance; and

(3) manufactured home repair, renovation, removal, and site preparation financing programs.

Subd. 4. **Commissioner duties.** Within 90 days of final enactment, the commissioner shall develop the forms, applications, and reporting requirements for use by eligible organizations. In developing these materials, the commissioner shall consult with manufactured housing cooperatives, resident-owned manufactured home communities, and nonprofit organizations working with manufactured housing cooperatives and resident-owned communities.

Sec. 15. MANUFACTURED HOME PARK COOPERATIVE PURCHASE PROGRAM.

(a) The funding under this section shall be used for a revolving loan fund under Minnesota Statutes, section 462A.05, subdivision 35, to provide interest-free loans for residents of manufactured home parks to purchase the manufactured home park in which they reside for the purpose of conversion of the manufactured home park to cooperative ownership. Repayments of principal from loans issued under this section must be used for the purposes of this section.

(b) The agency shall develop criteria for loan requests under this section. Within 90 days of final enactment, the commissioner shall develop the forms, applications, and reporting requirements for use by eligible organizations. In developing these materials, the commissioner shall consult with manufactured housing cooperatives, resident-owned manufactured home communities, and nonprofit organizations working with manufactured housing cooperatives and resident-owned communities.

(c) Borrowers must use funds to assist in the creation and preservation of housing that is affordable to households with incomes at or below 80 percent of the greater of state or area median income.

(d) A deed purchased with a loan under this section must contain a covenant running with the land requiring that the land be used as a manufactured home park for 30 years from the date of purchase.

(e) For the purposes of this section, the terms "manufactured home," "manufactured home park," and "resident" have the meanings given in Minnesota Statutes, section 327C.015.

ARTICLE 3
BONDING AUTHORITY AND AUTHORIZATION

Section 1. Minnesota Statutes 2022, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of \$5,000,000,000.

Sec. 2. Minnesota Statutes 2022, section 462A.36, is amended by adding a subdivision to read:

Subd. 2a. **Refunding bonds.** (a) The agency may issue nonprofit housing bonds in one or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit housing bonds that may be issued from time to time will not be subject to the dollar limitation contained in subdivision 2 nor will those bonds be included in computing the amount of bonds that may be issued within that dollar limitation.

(b) In the refunding of nonprofit housing bonds, each bond must be called for redemption prior to its maturity in accordance with its terms no later than the earliest date on which it may be redeemed. No refunding bonds may be issued unless as of the date of the refunding bonds the present value of the dollar amount of the debt service on the refunding bonds, computed to their stated maturity dates, is lower than the present value of the dollar amount of debt service on all nonprofit housing bonds refunded computed to their stated maturity dates. For purposes of this subdivision, "present value of the dollar amount of debt service" means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

(c) If as a result of the issuance of refunding bonds the amount of debt service for an annual period is less than the amount transferred by the commissioner of management and budget to pay debt service for that annual period, the agency must deduct the excess amount from the actual amount of debt service on those bonds certified for the next subsequent annual period.

Sec. 3. Minnesota Statutes 2022, section 462A.36, subdivision 4, is amended to read:

Subd. 4. Appropriation; payment to agency or trustee. (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2009 and through 2031, if any nonprofit housing bonds issued under subdivision 2, or nonprofit housing bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the nonprofit housing bond account established under section 462A.21, subdivision 32, the amount certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the nonprofit housing bonds the payments to be made by the state under this section.

Sec. 4. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2i. **Additional authorization.** In addition to the amounts authorized in subdivisions 2 to 2h, the agency may issue up to \$100,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 5. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2j. **Additional authorization.** In addition to the amounts authorized in subdivisions 2 to 2i, the agency may issue up to \$100,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2k. **Refunding bonds.** (a) The agency may issue housing infrastructure bonds in one or more series to refund bonds authorized in this section. The amount of refunding housing infrastructure bonds that may be issued from time to time will not be subject to the dollar limitation contained in any of the authorizations in this section nor will those bonds be included in computing the amount of bonds that may be issued within those dollar limitations.

(b) In the refunding of housing infrastructure bonds, each bond must be called for redemption prior to its maturity in accordance with its terms no later than the earliest date on which it may be redeemed. No refunding bonds may be issued unless as of the date of the refunding bonds the present value of the dollar amount of the debt service on the refunding bonds, computed to their stated maturity dates, is lower than the present value of the dollar amount of debt service on all housing infrastructure bonds refunded computed to their stated maturity dates. For purposes of this subdivision, "present value of the dollar amount of debt service" means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

(c) If as a result of the issuance of refunding bonds the amount of debt service for an annual period is less than the amount transferred by the commissioner of management and budget to pay debt service for that annual period, the agency must deduct the excess amount from the actual amount of debt service on those bonds certified for the next subsequent annual period.

Sec. 7. Minnesota Statutes 2022, section 462A.37, subdivision 4, is amended to read:

Subd. 4. Appropriation; payment to agency or trustee. (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure bonds issued under subdivision 2, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the ~~affordable~~ housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,200,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 8. Minnesota Statutes 2022, section 462A.37, subdivision 5, is amended to read:

Subd. 5. Additional appropriation. (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, or housing infrastructure bonds issued to refund those bonds, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b remain outstanding, or housing infrastructure bonds issued to refund those bonds, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section

462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2c remain outstanding, or housing infrastructure bonds issued to refund those bonds, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d remain outstanding, or housing infrastructure bonds issued to refund those bonds, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e remain outstanding, or housing infrastructure bonds issued to refund those bonds, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2f remain outstanding, or housing infrastructure bonds issued to refund those bonds, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g remain outstanding, or housing infrastructure bonds issued to refund those bonds, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h remain outstanding, or housing infrastructure bonds issued to refund those bonds, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(j) Each July 15, beginning in 2024 and through 2045, if any housing infrastructure bonds issued under subdivision 2i, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(k) Each July 15, beginning in 2025 and through 2046, if any housing infrastructure bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section

462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(l) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

ARTICLE 4 ELIGIBILITY AND USES

Section 1. Minnesota Statutes 2022, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

- (1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;
- (2) home care is appropriate; and
- (3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or less dwelling units, one of which is occupied by the owner.

Sec. 2. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 43. **Housing disparities.** The agency must prioritize its use of appropriations for any program under this chapter to serve households most affected by housing disparities.

Sec. 3. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 44. **Special purpose credit program.** The agency may establish special purpose credit programs to assist one or more economically disadvantaged classes of persons in order to address the effects of historic and current discrimination which resulted in limiting access to housing credit by persons on the basis of race, color, ethnicity, or national origin. A special purpose credit program may include a wide variety of remedies, including but not limited to loans or other financial assistance, based on current, documented need as determined by the agency.

Sec. 4. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

Sec. 5. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 46. **Translation services.** The agency shall provide to all applicants for funding authorized under this chapter interpreter or translation services to ensure that any communications to the applicant are made in the applicant's primary language. The agency shall require grantees, borrowers, or any other recipients of funding under this chapter to provide interpreter or translation services to any member of the public seeking access to services funded under this chapter.

Sec. 6. Minnesota Statutes 2022, section 462A.201, subdivision 2, is amended to read:

Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust fund account to provide loans or grants for:

(1) projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units, including temporary and transitional housing;

(2) the costs of operating rental housing, as determined by the agency, that are unique to the operation of low-income rental housing or supportive housing;

(3) rental assistance, either project-based or tenant-based; and

(4) programs to secure stable housing for families with minor children or with children eligible for enrollment in a prekindergarten through grade 12 academic program.

For purposes of this section, "transitional housing" has the meaning given by the United States Department of Housing and Urban Development. Loans or grants for residential housing for migrant farmworkers may be made under this section.

(b) The housing trust fund account must be used for the benefit of persons and families whose income, at the time of initial occupancy, does not exceed 60 percent of median income as determined by the United States Department of Housing and Urban Development for the metropolitan area. At least 75 percent of the funds in the housing trust fund account must be used for the benefit of persons and families whose income, at the time of initial occupancy, does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. For purposes of this section, a household with a housing assistance voucher under Section 8 of the United States Housing Act of 1937, as amended, is deemed to meet the income requirements of this section.

The median family income may be adjusted for families of five or more.

(c) Rental assistance under this section must be provided by governmental units which administer housing assistance supplements or by for-profit or nonprofit organizations experienced in housing management. Rental assistance shall be limited to households whose income at the time of initial receipt of rental assistance does not exceed 60 percent of median income, as determined by the United States Department of Housing and Urban Development for the metropolitan area. Priority among comparable applications for tenant-based rental assistance will be given to proposals that will serve households whose income at the time of initial application for rental assistance does not exceed 30 percent of median income, as determined by the United States Department of Housing and Urban Development for the metropolitan area. Rental assistance must be terminated when it is determined that 30 percent of a household's monthly income for four consecutive months equals or exceeds the market rent for the unit in which the household resides plus utilities for which the tenant is responsible. Rental assistance may only be used for rental housing units that meet the housing maintenance code of the local unit of government in which the unit is located, if such a code has been adopted, or the housing quality standards adopted by the United States Department of Housing and Urban Development, if no local housing maintenance code has been adopted.

(d) In making the loans or grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt rules for awarding grants and loans under this subdivision.

Sec. 7. Minnesota Statutes 2022, section 462A.2035, subdivision 1b, is amended to read:

Subd. 1b. **Manufactured home park infrastructure grants and loans.** Eligible recipients may use manufactured home park infrastructure grants and loans under this program for:

- (1) acquisition of and improvements in manufactured home parks; and
- (2) infrastructure, including storm shelters and community facilities.

Sec. 8. Minnesota Statutes 2022, section 462A.204, subdivision 3, is amended to read:

Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of the metropolitan area. A county, a group of contiguous counties jointly acting together, a Tribe, a group of Tribes, or a community-based nonprofit organization ~~with a sponsoring resolution from each of the county boards of the counties located within its operating jurisdiction~~ may apply for and receive grants ~~for areas located outside the metropolitan area~~.

Sec. 9. Minnesota Statutes 2022, section 462A.204, subdivision 8, is amended to read:

Subd. 8. **School Childhood housing stability.** (a) The agency in consultation with the Interagency Council on Homelessness may establish a ~~school~~ childhood housing stability project under the family homeless prevention and assistance program. The purpose of the project is to secure stable housing for families with ~~school-age~~ minor children or with children eligible for enrollment in a prekindergarten through grade 12 academic program who have moved frequently and for unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors who are leaving foster care or juvenile correctional facilities, or minors who meet the definition of a child in need of services or protection under section 260C.007, subdivision 6, but for whom no court finding has been made pursuant to that statute.

(b) The agency shall make grants to family homeless prevention and assistance projects in communities with: (1) a school or schools that have a significant degree of student mobility; (2) a significant degree of homelessness among families with minor children; or (3) children eligible for enrollment in a prekindergarten through grade 12 academic program.

(c) Each project must be designed to reduce school absenteeism; stabilize children in one home setting or, at a minimum, in one school setting; and reduce shelter usage. Each project must include plans for the following:

(1) targeting of families with minor children or with children ~~who are~~ eligible for enrollment in a prekindergarten through grade 12 academic program ~~and who~~ are living in overcrowded conditions in their current housing; are paying more than 50 percent of their income for rent; or ~~who~~ lack a fixed, regular, and adequate nighttime residence;

(2) targeting of unaccompanied youth in need of an alternative residential setting;

(3) connecting families with the social services necessary to maintain the families' stability in their home, including but not limited to housing navigation, legal representation, and family outreach; and

(4) one or more of the following:

(i) provision of rental assistance for a specified period of time, which may exceed 24 months; or

(ii) provision of support and case management services to improve housing stability, including but not limited to housing navigation and family outreach.

(d) In selecting projects for funding under this subdivision, preference shall be given to organizations granted funding under section 462A.201, subdivision 2, paragraph (a), clause (4).

(e) No grantee under this subdivision is required to have an advisory committee as described in subdivision 6.

Sec. 10. Minnesota Statutes 2022, section 462A.21, subdivision 3b, is amended to read:

Subd. 3b. **Capacity building grants.** It may make capacity building grants to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to expand their capacity to provide affordable housing and housing-related services. The grants may be used to assess housing needs and to develop and implement strategies to meet those needs, including but not limited to the creation or preservation of affordable housing, prepurchase and postpurchase counseling and associated administrative costs, and the linking of supportive services to the housing. The agency shall adopt rules, policies, and procedures specifying the eligible uses of grant money. Funding priority ~~must~~ may be given to those applicants that include low-income persons in their membership, have provided housing-related services to low-income people, and demonstrate a local commitment of local resources, which may include in-kind contributions. ~~Grants under this subdivision may be made only with specific appropriations by the legislature.~~

Sec. 11. Minnesota Statutes 2022, section 462A.33, subdivision 2, is amended to read:

Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city, a federally recognized American Indian Tribe or subdivision located in Minnesota, a Tribal housing corporation, a private developer, a nonprofit organization, a school district, a cooperative unit, as defined in section 123A.24, subdivision 2, or the owner of the housing, including individuals. For the purpose of this section, "city" has the meaning given it in section 462A.03, subdivision 21. To the extent practicable, grants and loans shall be made so that an approximately equal number of housing units are financed in the metropolitan area and in the nonmetropolitan area.

Sec. 12. Minnesota Statutes 2022, section 462A.33, is amended by adding a subdivision to read:

Subd. 9. **Grant funding to schools.** A school district; a cooperative unit, as defined in section 123A.24, subdivision 2; or a charter school may receive funding under this section in the form of a grant less than \$100,000. A school district, intermediate district, or charter school that uses a grant under this section to construct a home for owner occupancy must require the future occupant to participate in the homeownership education counseling and training program under section 462A.209.

Sec. 13. Minnesota Statutes 2022, section 462A.37, subdivision 1, is amended to read:

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

(b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

(c) "Community land trust" means an entity that meets the requirements of section 462A.31, subdivisions 1 and 2.

(d) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on housing infrastructure bonds and the fees, charges, and expenses related to the bonds.

(e) "Foreclosed property" means residential property where foreclosure proceedings have been initiated or have been completed and title transferred or where title is transferred in lieu of foreclosure.

(f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter that:

(1) are qualified 501(c)(3) bonds, within the meaning of section 145(a) of the Internal Revenue Code;

(2) finance qualified residential rental projects within the meaning of section 142(d) of the Internal Revenue Code; or

~~(3) finance the construction or rehabilitation of single family houses that qualify for mortgage financing within the meaning of section 143 of the Internal Revenue Code; or~~

~~(4) (3)~~ are tax-exempt bonds that are not private activity bonds, within the meaning of section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

(g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(h) "Senior" means a person 55 years of age or older ~~with an annual income not greater than 50 percent of:~~

~~(1) the metropolitan area median income for persons in the metropolitan area; or~~

~~(2) the statewide median income for persons outside the metropolitan area.~~

(i) "Senior household" means a household with one or more senior members and with an annual combined income not greater than 50 percent of:

(1) the metropolitan area median income for persons in the metropolitan area; or

(2) the statewide median income for persons outside the metropolitan area.

~~(j)~~ (j) "Senior housing" means housing intended and operated for occupancy by ~~at least one senior per unit senior households~~ with at least 80 percent of the units occupied by ~~at least one senior per unit senior households~~, and for which there is publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for seniors. Senior housing may be developed in conjunction with and as a distinct portion of mixed-income senior housing developments that use a variety of public or private financing sources.

~~(k)~~ (k) "Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Sec. 14. Minnesota Statutes 2022, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, or grants for the purposes of ~~clause clauses~~ (4) and (7), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income home buyers;

(4) to finance the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing;

(6) to finance the costs of acquisition and rehabilitation of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, ~~and~~ rehabilitation, and replacement of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs; ~~and~~

(7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing; and

(8) to finance the costs of construction, acquisition, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to ~~seniors~~ senior households;

(2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and

~~(4) provide a service plan containing the elements of clause (3) reviewed by the housing authority, economic development authority, public housing authority, or community development agency that has an area of operation for the jurisdiction in which the project is located; and~~

~~(5) (4) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.~~

(d) To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

(e) Among comparable proposals for permanent housing, the agency must give preference to projects that will provide housing that is affordable to households at or below 30 percent of the area median income.

(f) If a loan recipient uses the loan for any of the purposes in paragraph (a) on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas. Nothing in this paragraph will relieve a project funded by the agency from meeting other applicable accessibility requirements.

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

Sec. 15. Minnesota Statutes 2022, section 462A.38, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A workforce and affordable homeownership development program is established to award homeownership development grants to cities, counties, Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or 308B, and community land trusts created for the purposes outlined in section 462A.31, subdivision 1, for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

Sec. 16. Minnesota Statutes 2022, section 462A.39, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible project area" means a home rule charter or statutory city located outside of ~~the a~~ a metropolitan area county as defined in section 473.121, subdivision ~~2~~ 4, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside ~~the a~~ a metropolitan area county as defined in section 473.121, subdivision ~~2~~ 4; federally recognized Tribal reservations; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and may include rental developments that have a portion of income-restricted units.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Sec. 17. Minnesota Statutes 2022, section 462A.39, subdivision 5, is amended to read:

Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed ~~25~~ 50 percent of the rental housing development project cost. The commissioner shall not award a grant or deferred loans to ~~a city an eligible project area~~ city eligible project area without certification by the city eligible project area that the amount of the grant or deferred loans shall be matched by a local unit of government, business, ~~or~~ nonprofit organization, or federally recognized Tribe, with \$1 for every \$2 provided in grant or deferred loans funds.

Sec. 18. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11, is amended to read:

Subd. 11. **Affordable Rental Investment Fund** 4,218,000 4,218,000

(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, replacement, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

ARTICLE 5
METROPOLITAN SALES TAX AND HOUSING AID

Section 1. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

(b) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

(c) "Metropolitan Council" or "council" means the Metropolitan Council established by section 473.123.

(d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed under this section.

Subd. 2. **Sales tax imposition; rate.** The Metropolitan Council must impose a metropolitan region sales and use tax at a rate of 0.25 percent on retail sales and uses taxable under this chapter occurring within the metropolitan area.

Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the administration, collection, and enforcement of the metropolitan sales tax.

Subd. 4. **Distribution.** Proceeds of the metropolitan sales tax are distributed:

(1) 25 percent to the state rent assistance account under section 462A.2095;

(2) 15 percent to the metropolitan city aid account in the housing assistance fund under section 477A.37; and

(3) 60 percent to the metropolitan county aid account in the housing assistance fund under section 477A.37.

Sec. 2. **[477A.35] LOCAL AFFORDABLE HOUSING AID.**

Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local governments to develop and preserve affordable housing within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.

Subd. 2. **Definitions.** For the purposes of this section, the following terms have the meanings given:

(1) "city distribution factor" means the number of households in a tier I city that are cost-burdened divided by the total number of households that are cost-burdened in tier I cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year;

(2) "cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income;

(3) "county distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in metropolitan counties that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year;

(4) "metropolitan area" has the meaning given in section 473.121, subdivision 2;

(5) "metropolitan county" has the meaning given in section 473.121, subdivision 4;

(6) "population" has the meaning given in section 477A.011, subdivision 3;

(7) "tier I city" means a statutory or home rule charter city that is a city of the first, second, or third class and is located in the metropolitan area; and

(8) "tier II city" means a statutory or home rule charter city that is a city of the fourth class and is located in the metropolitan area.

Subd. 3. Distribution. (a) The commissioner of revenue shall calculate the amount of aid to distribute to each county under this section as the sum of:

(1) three percent of the total amount available to counties under this section; plus

(2) 79 percent of the total amount available to counties under this section, multiplied by the county distribution factor.

(b) The commissioner of revenue shall calculate the amount of aid to distribute to each tier I city under this section as:

(1) the tier I city's city distribution factor; multiplied by

(2) the total amount available to cities under this section.

Subd. 4. Grants to tier II cities. (a) The commissioner of the Minnesota Housing Finance Agency shall establish a program to award grants of at least \$25,000 to tier II cities. The agency shall develop program guidelines and criteria in consultation with the League of Minnesota Cities.

(b) Among comparable proposals, the agency shall prioritize grants to local governments that have a higher proportion of cost-burdened households.

(c) A grantee must use its grant on a qualifying project.

(d) In making grants, the agency shall determine the circumstances, terms, and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should repayment be required. Any repaid funds shall be returned to the account or accounts established pursuant to paragraph (e).

(e) The agency shall establish a bookkeeping account or accounts in the housing development fund for money distributed to the agency for grants under this subdivision. By May 1 of each year, the Minnesota Housing Finance Agency shall report to the Department of Revenue on the amount in the account or accounts.

Subd. 5. Qualifying projects. (a) Qualifying projects shall include emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development and projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work

force. Projects shall be prioritized that provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force.

(b) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

(c) If a grant under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

(d) If an aid recipient uses the aid on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph will relieve a project funded by the agency from meeting other applicable accessibility requirements.

Subd. 6. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

Funds transferred to a local housing trust fund under this paragraph must be spent on a project or household that meets the affordability requirements of subdivision 5, paragraph (a).

(b) Any unspent funds must be remitted to the Housing Finance Agency by December 31 in the third year following the year after the aid was received. The commissioner of the Housing Finance Agency shall deposit any remitted funds under this paragraph into the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

Subd. 7. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. Before computing the amount of aid for counties and after receiving the report required by subdivision 4, paragraph (e), the commissioner shall transfer from the funds available to counties to the Minnesota Housing Finance Agency a sum such that the amount in the account or accounts established under that paragraph equals ten percent of the total aid paid to tier I cities and counties under this section in the previous year. By August 1 of each year, the commissioner must certify the amount to be paid to each tier I city and county in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds within the timeline imposed under subdivision 6, paragraph (b), or if a tier I city or county uses funds for a project that does not qualify under this section, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must repay to the commissioner of revenue funds the city or county received under this section if the city or county:

- (1) fails to spend the funds within the time allowed under subdivision 6, paragraph (b);
- (2) spends the funds on anything other than a qualifying project; or
- (3) fails to submit a report documenting use of the funds.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that the Minnesota Housing Finance Agency reports to have, in three consecutive years, failed to use funds, misused funds, or failed to report on its use of funds.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments once the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By May 1, any funds repaid to the commissioner of revenue by cities under paragraph (c) must be added to the overall distribution of aids certified under this section for tier I cities in the following year. By May 1, any funds repaid to the commissioner of revenue by counties under paragraph (c) must be added to the overall distribution of aids certified under this section for counties in the following year.

Subd. 8. **County consultation with local governments.** A county that receives funding under this section shall regularly consult with the local governments in the jurisdictions of which its qualifying projects are planned or located.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 3. **[477A.37] HOUSING ASSISTANCE FUND.**

Subdivision 1. Fund established. A housing assistance fund is established in the state treasury. The fund consists of money as provided under section 297A.9925, and any other money donated, allotted, transferred, or otherwise provided to the fund.

Subd. 2. Metropolitan county aid account; appropriation. (a) A metropolitan county aid account is established in the housing assistance fund. The account consists of money as provided under section 297A.9925, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the metropolitan county aid account is annually appropriated to the commissioner of revenue for payments to counties as provided under Minnesota Statutes, section 477A.35.

Subd. 3. Metropolitan city aid account; appropriation. (a) A metropolitan city aid account is established in the housing assistance fund. The account consists of money as provided under section 297A.9925, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the metropolitan city aid account is annually appropriated to the commissioner of revenue for payments to cities as provided under Minnesota Statutes, section 477A.35.

EFFECTIVE DATE. This section is effective July 1, 2023.

ARTICLE 6
MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 82.75, subdivision 8, is amended to read:

Subd. 8. Accrued interest. (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency for deposit in the housing trust fund account created under section 462A.201 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

(b) For an account created under paragraph (a), each broker shall direct the financial institution to:

(1) pay the interest, less reasonable transaction costs, computed in accordance with the financial institution's standard accounting practice, at least quarterly, to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency; and

(2) send a statement to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

The ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall credit the amount collected under this subdivision to the housing trust fund account established in section 462A.201.

(c) The financial institution must promptly notify the ~~commissioner~~ agency if a draft drawn on the account is dishonored. A draft is not dishonored if a stop payment order is requested by an issuer who has a good faith defense to payment on the draft.

(d) By January 15 of each year, the Minnesota Housing Finance Agency must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy. The report must specify the amount of funds deposited under this subdivision in the housing trust fund account established under section 462A.201 during the most recently concluded fiscal year. The report must also include a history of deposits made under this section, in nominal dollar amounts and in the present value of those amounts, calculated using the Consumer Price Index-All Items (United States city average).

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 327C.095, subdivision 12, is amended to read:

Subd. 12. Payment to the Minnesota manufactured home relocation trust fund. (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.015, subdivision 14; the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1; or the owner of the manufactured home has not paid the \$15 assessment when due under paragraph (c).

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than \$2,000,000 as of June 30 of each year, the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall assess each manufactured home park owner by mail the total amount of \$15 for each licensed lot in their park,

payable on or before December 15 of that year. Failure to notify and timely assess the manufactured home park owner by July 31 of any year shall waive the assessment and payment obligations of the manufactured home park owner for that year. Together with said assessment notice, each year the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, a notice for distribution to the residents, and a sample form for the park owners to collect information on which park residents and lots have been accounted for. In a font no smaller than 14-point, the notice provided by ~~management and budget~~ the Minnesota Housing Finance Agency for distribution to residents by the park owner will include the payment deadline of October 31 and the following language: "THIS IS NOT AN OPTIONAL FEE. IF YOU OWN A MANUFACTURED HOME ON A LOT YOU RENT IN A MANUFACTURED HOME PARK, AND YOU RESIDE IN THAT HOME, YOU MUST PAY WHEN PROVIDED NOTICE." If assessed under this paragraph, the park owner may recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. If, by September 15, a park owner provides the notice to residents for the \$15 lump sum, a park owner may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and for park residents who have not paid the \$15 assessment when due to the park owner by October 31, and deduct from the assessment accordingly. The ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall deposit any payments in the Minnesota manufactured home relocation trust fund and ~~provide to the Minnesota Housing Finance Agency by December 31,~~ maintain an annual record for each manufactured home park of the amount received for that park and the number of deductions made for each of the following reasons: vacant lots, ineligible lots, and uncollected fees.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 327C.095, subdivision 13, is amended to read:

Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a manufactured home owner is required to relocate due to the conversion of all or a portion of a manufactured home park to another use, the closure of a manufactured home park, or cessation of use of the land as a manufactured home park under subdivision 1, and the manufactured home owner complies with the requirements of this section, the manufactured home owner is entitled to payment from the Minnesota manufactured home relocation trust fund equal to the manufactured home owner's actual relocation costs for relocating the manufactured home to a new location within a 50-mile radius of the park that is being closed, up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection manufactured home. The actual relocation costs must include the reasonable cost of taking down, moving, and setting up the manufactured home, including equipment rental, utility connection and disconnection charges, minor repairs, modifications necessary for transportation of the home, necessary moving permits and insurance, moving costs for any appurtenances, which meet applicable local, state, and federal building and construction codes.

(b) A manufactured home owner is not entitled to compensation under paragraph (a) if the manufactured home park owner is not required to make a payment to the Minnesota manufactured home relocation trust fund under subdivision 12, paragraph (b).

(c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota manufactured home relocation trust fund, the manufactured home owner shall submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy to the park owner, an application for payment, which includes:

(1) a copy of the closure statement under subdivision 1;

(2) a copy of the contract with a moving or towing contractor, which includes the relocation costs for relocating the manufactured home;

(3) a statement with supporting materials of any additional relocation costs as outlined in subdivision 1;

(4) a statement certifying that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), apply to the manufactured home owner;

(5) a statement from the manufactured park owner that the lot rental is current and that the annual \$15 payment to the Minnesota manufactured home relocation trust fund has been paid when due; and

(6) a statement from the county where the manufactured home is located certifying that personal property taxes for the manufactured home are paid through the end of that year.

(d) The neutral third party shall promptly process all payments for completed applications within 14 days. If the neutral third party has acted reasonably and does not approve or deny payment within 45 days after receipt of the information set forth in paragraph (c), the payment is deemed approved. Upon approval and request by the neutral third party, the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent of the contract price payable to the mover and towing contractor for relocating the manufactured home in the amount of the actual relocation cost, plus a check to the home owner for additional certified costs associated with third-party vendors, that were necessary in relocating the manufactured home. The moving or towing contractor shall receive 50 percent upon execution of the contract and 50 percent upon completion of the relocation and approval by the manufactured home owner. The moving or towing contractor may not apply the funds to any other purpose other than relocation of the manufactured home as provided in the contract. A copy of the approval must be forwarded by the neutral third party to the park owner with an invoice for payment of the amount specified in subdivision 12, paragraph (a).

(e) In lieu of collecting a relocation payment from the Minnesota manufactured home relocation trust fund under paragraph (a), the manufactured home owner may collect an amount from the fund after reasonable efforts to relocate the manufactured home have failed due to the age or condition of the manufactured home, or because there are no manufactured home parks willing or able to accept the manufactured home within a 25-mile radius. A manufactured home owner may tender title of the manufactured home in the manufactured home park to the manufactured home park owner, and collect an amount to be determined by an independent appraisal. The appraiser must be agreed to by both the manufactured home park owner and the manufactured home owner. If the appraised market value cannot be determined, the tax market value, averaged over a period of five years, can be used as a substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a single-section and \$14,500 for a multisection manufactured home. The minimum amount that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a multisection manufactured home. The manufactured home owner shall deliver to the manufactured home park owner the current certificate of title to the manufactured home duly endorsed by the owner of record, and valid releases of all liens shown on the certificate of title, and a statement from the county where the manufactured home is located evidencing that the personal property taxes have been paid. The manufactured home owner's application for funds under this paragraph must include a document certifying that the manufactured home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the Minnesota manufactured home relocation trust fund have been paid when due, that the manufactured home owner has chosen to tender title under this section, and that the park owner agrees to make a payment to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency in the amount established in subdivision 12, paragraph (a), less any documented costs submitted to the neutral third party, required for demolition and removal of the home, and any debris or refuse left on the lot, not to exceed \$1,500. The manufactured home owner must also provide a copy of the certificate of title endorsed by the owner of record, and certify to the neutral third party, with a copy to the park owner, that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner, and that the home owner will vacate the home within 60 days after receipt of payment or the date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

(f) Notwithstanding paragraph (a), the manufactured home owner's compensation for relocation costs from the fund under section 462A.35, is the greater of the amount provided under this subdivision, or the amount under the local ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this paragraph is intended to increase the liability of the park owner.

(g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be liable to any person for recovery if the funds in the Minnesota manufactured home relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance Agency shall keep a record of the time and date of its approval of payment to a claimant.

(h)(1) By October 15, 2019, the Minnesota Housing Finance Agency shall post on its website and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee on the Minnesota manufactured home relocation trust fund, including the account balance, payments to claimants, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous calendar year, and any itemized administrative charges or expenses deducted from the trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

(2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its website and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee by October 15 of each year on the Minnesota manufactured home relocation trust fund, including the aggregate account balance, the aggregate assessment payments received, summary information regarding each closed park including the total payments to claimants and payments received from each closed park, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and any itemized administrative charges or expenses deducted from the trust fund balance, all of which should be reconciled to the previous year's trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 327C.095, subdivision 16, is amended to read:

Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health or, if applicable, local units of government that have entered into a delegation of authority agreement with the Department of Health as provided in section 145A.07 shall provide, by March 31 of each year, a list of names and addresses of the manufactured home parks licensed in the previous year, and for each manufactured home park, the current licensed owner, the owner's address, the number of licensed manufactured home lots, and other data as they may request for the ~~Department of Management and Budget~~ Minnesota Housing Finance Agency to invoice each licensed manufactured home park in Minnesota.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 462.357, subdivision 1, is amended to read:

Subdivision 1. **Authority for zoning.** For the purpose of promoting the public health, safety, morals, and general welfare, a municipality may by ordinance regulate on the earth's surface, in the air space above the surface, and in subsurface areas, the location, height, width, bulk, type of foundation, number of stories, size of buildings and other structures, the percentage of lot which may be occupied, the size of yards and other open spaces, the density and distribution of population, the uses of buildings and structures for trade, industry, residence, recreation, public activities, or other purposes, and the uses of land for trade, industry, residence, recreation, agriculture, forestry, soil

conservation, water supply conservation, conservation of shorelands, as defined in sections 103F.201 to 103F.221, access to direct sunlight for solar energy systems as defined in section 216C.06, flood control or other purposes, and may establish standards and procedures regulating such uses. To accomplish these purposes, official controls may include provision for purchase of development rights by the governing body in the form of conservation easements under chapter 84C in areas where the governing body considers preservation desirable and the transfer of development rights from those areas to areas the governing body considers more appropriate for development. No regulation may prohibit earth sheltered construction as defined in section 216C.06, subdivision 14, relocated residential buildings, ~~or~~ manufactured homes built in conformance with sections 327.31 to 327.35, or industrialized or modular buildings for residential use built in conformance with Minnesota Rules, chapter 1361, that comply with all other zoning ordinances promulgated pursuant to this section. The regulations may divide the surface, above surface, and subsurface areas of the municipality into districts or zones of suitable numbers, shape, and area. The regulations shall be uniform for each class or kind of buildings, structures, or land and for each class or kind of use throughout such district, but the regulations in one district may differ from those in other districts. The ordinance embodying these regulations shall be known as the zoning ordinance and shall consist of text and maps. A city may by ordinance extend the application of its zoning regulations to unincorporated territory located within two miles of its limits in any direction, but not in a county or town which has adopted zoning regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the zoning of land on its side of a line equidistant between the two noncontiguous municipalities unless a town or county in the affected area has adopted zoning regulations. Any city may thereafter enforce such regulations in the area to the same extent as if such property were situated within its corporate limits, until the county or town board adopts a comprehensive zoning regulation which includes the area.

Sec. 6. Minnesota Statutes 2022, section 473.145, is amended to read:

473.145 DEVELOPMENT GUIDE.

(a) The Metropolitan Council shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development guide for the metropolitan area. It shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area. The comprehensive development guide shall recognize and encompass physical, social, or economic needs of the metropolitan area and those future developments which will have an impact on the entire area including but not limited to such matters as land use, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other public buildings.

(b) The council's adoption and amendment of the comprehensive development guide and its adoption and amendment of metropolitan system plans as defined in section 473.852, subdivision 8, other policy plans, and metropolitan system statements under this chapter shall not constitute conduct that causes or is likely to cause pollution, impairment, or destruction as defined under section 116B.02, subdivision 5, or governmental action as defined under section 116D.04, subdivision 1a, paragraph (d).

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

Sec. 7. Minnesota Statutes 2022, section 500.20, subdivision 2a, is amended to read:

Subd. 2a. **Restriction of duration of condition.** Except for any right to reenter or to repossess as provided in subdivision 3, all private covenants, conditions, or restrictions created by which the title or use of real property is affected, cease to be valid and operative 30 years after the date of the deed, or other instrument, or the date of the probate of the will, creating them, and may be disregarded.

This subdivision does not apply to covenants, conditions, or restrictions:

(1) that were created before August 1, 1959, under which a person who owns or has an interest in real property against which the covenants, conditions, or restrictions have been filed claims a benefit of the covenant, condition, or restriction if the person records in the office of the county recorder or files in the office of the registrar of titles in the county in which the real estate affected is located, on or before March 30, 1989, a notice sworn to by the claimant or the claimant's agent or attorney: setting forth the name of the claimant; describing the real estate affected; describing the deed, instrument, or will creating the covenant, condition, or restriction; and stating that the covenant, condition, or restriction is not nominal and may not be disregarded under subdivision 1;

(2) that are created by the declaration, bylaws, floor plans, or condominium plat of a condominium created before August 1, 1980, under chapter 515, or created on or after August 1, 1980, under chapter 515A or 515B, or by any amendments of the declaration, bylaws, floor plans, or condominium plat;

(3) that are created by the articles of incorporation, bylaws, or proprietary leases of a cooperative association formed under chapter 308A;

(4) that are created by a declaration or other instrument that authorizes and empowers a corporation of which the qualification for being a stockholder or member is ownership of certain parcels of real estate, to hold title to common real estate for the benefit of the parcels;

(5) that are created by a deed, declaration, reservation, or other instrument by which one or more portions of a building, set of connecting or adjacent buildings, or complex or project of related buildings and structures share support, structural components, ingress and egress, or utility access with another portion or portions;

(6) that were created after July 31, 1959, under which a person who owns or has an interest in real estate against which covenants, conditions, or restrictions have been filed claims a benefit of the covenants, conditions, or restrictions if the person records in the office of the county recorder or files in the office of the registrar of titles in the county in which the real estate affected is located during the period commencing on the 28th anniversary of the date of the deed or instrument, or the date of the probate of the will, creating them and ending on the 30th anniversary, a notice as described in clause (1); ~~or~~

(7) that are created by a declaration or bylaws of a common interest community created under or governed by chapter 515B, or by any amendments thereto; or

(8) that are created by a declaration or other instrument required by a government entity related to affordable housing.

A notice filed in accordance with clause (1) or (6) delays application of this subdivision to the covenants, conditions, or restrictions for a period ending on the later of seven years after the date of filing of the notice, or until final judgment is entered in an action to determine the validity of the covenants, conditions, or restrictions, provided in the case of an action the summons and complaint must be served and a notice of lis pendens must be recorded in the office of the county recorder or filed in the office of the registrar of titles in each county in which the real estate affected is located within seven years after the date of recording or filing of the notice under clause (1) or (6).

County recorders and registrars of titles shall accept for recording or filing a notice conforming with this subdivision and charge a fee corresponding with the fee charged for filing a notice of lis pendens of similar length. The notice may be discharged in the same manner as a notice of lis pendens and when discharged, together with the information included with it, ceases to constitute either actual or constructive notice.

Sec. 8. **TRANSITION OF RESPONSIBILITIES TO THE MINNESOTA HOUSING FINANCE AGENCY.**

A payment submitted to the commissioner of management and budget on or before July 1, 2025, for deposit into the housing trust fund account created under Minnesota Statutes, section 462A.201, or into the Minnesota manufactured home relocation trust fund established under Minnesota Statutes, section 462A.35, must be deposited by the commissioner of management and budget in the housing trust fund account created under Minnesota Statutes, section 462A.201, or in the Minnesota manufactured home relocation trust fund. The commissioner of management and budget must notify the person who submitted the payment to the commissioner of management and budget that the payment was received, documented, and has been or will be deposited into the trust fund; that future payments must be submitted to the Minnesota Housing Finance Agency rather than the commissioner of management and budget; and that payments submitted to the commissioner of management and budget after July 1, 2025, will not be accepted.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 9. **REQUIRING CITIES TO REPORT BUILDINGS THAT DO NOT HAVE SPRINKLER SYSTEMS.**

(a) A city of the first or second class shall provide to the state fire marshal a list by June 20, 2024, and an updated list by June 30, 2027, and June 30, 2032, of each residential building in the city that:

(1) has at least one story used for human occupancy that is 75 feet or more above the lowest level of fire department vehicle access;

(2) was not subject to a requirement to include a sprinkler system at the time the building was constructed; and

(3) has not been retrofitted with a sprinkler system.

(b) The state fire marshal shall submit the lists within 60 days of the due dates under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over the State Building Code and the State Fire Code.

Sec. 10. **LEGISLATIVE TASK FORCE; EXPEDITING RENTAL ASSISTANCE.**

Subdivision 1. Creation; duties. (a) A legislative task force is created to study how to expedite both the processing of applications for rental assistance and for emergency rental assistance and the distribution of rental assistance funds to landlords, in order to identify what processes, procedures, and technological or personnel resources would be necessary to enable the state or county agency responsible for administering rental assistance funds to meet the following goals:

(1) within two weeks of receiving a completed application for rental assistance, make and issue a determination of the application; and

(2) within 30 days of receiving a completed application for rental assistance, issue payment on an approved rental application to the landlord.

(b) The task force shall identify and consult with renters facing eviction who have experienced or been harmed by the delays in processing applications and delivering rent payments to landlords.

Subd. 2. **Membership.** (a) The task force shall consist of 12 members, appointed as follows:

(1) the commissioner of the Housing Finance Agency or a designee;

(2) one member appointed by the Minnesota Multi Housing Association;

(3) one member appointed by Mid-Minnesota Legal Aid;

(4) one member appointed by HOME Line;

(5) one member appointed by United Way;

(6) one member appointed by The Salvation Army;

(7) four county administrators of emergency rental assistance, including two working for metropolitan counties, as defined by Minnesota Statutes, section 473.121, subdivision 4, and two working for nonmetropolitan counties, with one member from each category appointed by the speaker of the house of representatives, and one from each category appointed by the senate majority leader;

(8) one member from the house of representatives appointed by the speaker of the house; and

(9) one member from the senate, appointed by the senate majority leader.

(b) Appointments to the task force must be made by August 15, 2023.

Subd. 3. **Compensation.** Public members of the task force may be compensated as provided by Minnesota Statutes, section 15.059, subdivision 3.

Subd. 4. **Officers; meetings.** (a) The first meetings of the task force shall be cochaired by the task force member from the house of representatives and the task force member from the senate. The task force shall elect a chair and vice-chair at the first meeting who shall preside at the remainder of the task force meetings. The task force may elect other officers as necessary.

(b) The task force shall meet at least monthly. The Legislative Coordinating Commission shall convene the first meeting by September 1, 2023.

(c) Meetings of the task force are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 5. **Report required.** The task force shall submit a final report by February 15, 2024, to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy.

Subd. 6. **Expiration.** The task force expires upon submission of the final report in subdivision 5 or February 28, 2024, whichever is later.

EFFECTIVE DATE. This section is effective the day following final enactment and expires March 1, 2024.

Sec. 11. **STUDY ON EXPEDITING RENTAL ASSISTANCE PAYMENTS.**

(a) Management Analysis and Development (MAD) in Minnesota Management and Budget shall conduct an analytical study to determine how to expedite both the processing of applications for rental assistance and for emergency rental assistance and the distribution of rental assistance funds to landlords, in order to identify what processes, procedures, and technological or personnel resources would be necessary to enable the state or county agency responsible for administering rental assistance funds to meet the following goals:

(1) within two weeks of receiving a completed application for rental assistance, make and issue a determination of the application; and

(2) within 30 days of receiving a completed application for rental assistance, issue payment on an approved rental application to the landlord.

(b) By December 1, 2023, MAD shall conduct the study and prepare an informal report to be delivered to the legislative task force on expediting rental assistance payments. By February 15, 2024, MAD shall submit a formal report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy."

Delete the title and insert:

"A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; modifying various housing policy and finance provisions; expanding and establishing certain homeownership, manufactured home, and rent assistance programs; expanding requirements, uses, and amount of housing infrastructure bonds; establishing metropolitan region sales tax; establishing local affordable housing aid; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 82.75, subdivision 8; 327C.095, subdivisions 12, 13, 16; 462.357, subdivision 1; 462A.05, subdivision 14, by adding subdivisions; 462A.201, subdivision 2; 462A.2035, subdivision 1b; 462A.204, subdivisions 3, 8; 462A.21, subdivision 3b; 462A.22, subdivision 1; 462A.33, subdivision 2, by adding a subdivision; 462A.36, subdivision 4, by adding a subdivision; 462A.37, subdivisions 1, 2, 4, 5, by adding subdivisions; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; 473.145; 500.20, subdivision 2a; Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 297A; 462A; 477A."

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes.

The report was adopted.

Youakim from the Committee on Education Finance to which was referred:

H. F. No. 2497, A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, teachers, special education, facilities, nutrition, libraries, early childhood, community education, and state agencies; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 119A.52; 120A.20, subdivision 1; 120A.41; 120B.018, by adding a subdivision; 120B.02, by adding a subdivision; 120B.12; 121A.04, subdivisions 1, 2; 121A.19; 121A.41, subdivision 7; 121A.582, subdivision 1; 122A.06, subdivision 4; 122A.187, by adding a subdivision; 122A.415, subdivision 4; 122A.63, by adding a subdivision; 122A.73, subdivisions 2, 3, 5; 123B.595, subdivision 1; 123B.92, subdivision 1; 124D.095, subdivisions 2, 7, 8; 124D.111; 124D.1158; 124D.128, subdivision 2; 124D.151, subdivisions 1, 2, 3, 4, 6, 7, by adding a subdivision; 124D.165, subdivisions 2, 6; 124D.2211; 124D.231; 124D.531, subdivisions 1, 4; 124D.55; 124D.59, subdivision 2; 124D.65, subdivision 5; 124D.68, subdivision 2; 124D.74, subdivision 3; 124D.81; 124D.98, by adding a subdivision; 125A.03; 125A.71, subdivision 1; 125A.76, subdivision 2e; 126C.05, subdivisions 1, 3, 17, 19; 126C.10, subdivisions 2, 2d, 4; 126C.15, subdivision 2; 126C.17, by adding a subdivision; 126C.40, subdivision 6; 134.355, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 13, article 1, section 9; article 11, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 121A; 122A; 124D; 125A; 127A; repealing Minnesota Statutes 2022, section 124D.151, subdivisions 5, 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
GENERAL EDUCATION

Section 1. [121A.212] ACCESS TO MENSTRUAL PRODUCTS.

A school district or charter school must provide students with access to menstrual products at no charge. The products must be available to all menstruating students in restrooms regularly used by students in grades 4 to 12 according to a plan developed by the school district. For purposes of this section, "menstrual products" means pads, tampons, or other similar products used in connection with the menstrual cycle.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 2. [121A.224] OPIATE ANTAGONISTS.

(a) A school district or charter school must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each school site to be administered in compliance with section 151.37, subdivision 12.

(b) Each school building must have two doses of nasal naloxone available on-site.

(c) The commissioner of health shall identify resources, including at least one training video to help schools implement an opiate antagonist emergency response and make the resources available for schools.

(d) A school board may adopt a model plan for use, storage, and administration of opiate antagonists.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 3. Minnesota Statutes 2022, section 123B.71, subdivision 12, is amended to read:

Subd. 12. **Publication.** (a) At least ~~20~~ 48 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. The school board must hold a public meeting to discuss the commissioner's review and comment before the referendum for bonds. 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.595.

EFFECTIVE DATE. This section is effective for elections conducted on or after August 9, 2023.

Sec. 4. Minnesota Statutes 2022, section 123B.86, subdivision 3, is amended to read:

Subd. 3. **Board control.** (a) 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.

(b) A school board and a nonpublic school may mutually agree to a written plan for the board to provide nonpublic pupil transportation to nonpublic school students.

(c) A school board that provides pupil transportation through the school's employees may transport nonpublic school students according to the plan and retain the nonpublic pupil transportation aid attributable to that plan. A nonpublic school may make a payment to the school district to cover additional transportation services agreed to in the written plan for nonpublic pupil transportation services not required under sections 123B.84 to 123B.87.

(d) A school board that contracts for pupil transportation services may enter into a contractual arrangement with a school bus contractor according to the written plan adopted by the school board and the nonpublic school to transport nonpublic school students and retain the nonpublic pupil transportation aid attributable to that plan for the purposes of paying the school bus contractor. A nonpublic school may make a payment to the school district to cover additional transportation services agreed to in the written plan for nonpublic pupil transportation services included in the contract that are not required under sections 123B.84 to 123B.87.

(e) The school district must report the number of nonpublic school students transported and the nonpublic pupil transportation expenditures incurred under paragraph (b) in the form and manner specified by the commissioner.

EFFECTIVE DATE. This section is effective for fiscal year 2024 and later.

Sec. 5. Minnesota Statutes 2022, section 123B.92, is amended by adding a subdivision to read:

Subd. 11. **Area learning center transportation aid.** (a) A district that provides transportation of pupils to and from an area learning center program established under section 123A.05 is eligible for state aid to reimburse the additional costs of transportation during the preceding fiscal year.

(b) A district may apply to the commissioner of education for state aid to reimburse the costs of transporting pupils who are enrolled in an area learning center program established under section 123A.05 during the preceding fiscal year. The commissioner shall develop the form and manner of applications for state aid, the criteria to determine when transportation is necessary, and the accounting procedure to determine excess costs. In determining aid amounts, the commissioner shall consider other revenue received by the district for transportation for area learning center purposes.

(c) The total aid entitlement for this section is \$1,000,000 each year. The commissioner must prorate aid if this amount is insufficient to reimburse district costs.

Sec. 6. **[124D.4536] CAREER AND TECHNICAL EDUCATION CONSORTIUM GRANTS.**

Subdivision 1. **Definition.** "Career and technical education (CTE) consortium" means a voluntary collaboration of the Minnesota Service Cooperatives and other regional public and private partners, including school districts, intermediate school districts, vocational cooperatives, and higher education institutions, that work together to provide career and technical education opportunities for students.

Subd. 2. **Establishment.** (a) A CTE consortium must:

(1) develop career pathways for students;

(2) develop new career and technical programs that focus on the industry sectors that fuel the regional economy;

(3) facilitate the development of highly trained and knowledgeable students who are equipped with technical and workplace skills needed by regional employers;

(4) improve access to career and technical education programs for students by developing public and private partnerships with labor, business, and industry leaders and by increasing coordination of high school and postsecondary program options;

(5) increase family and student awareness of the availability and benefit of career and technical education courses and training opportunities; and

(6) provide industry-level equipment and technologies supporting skill development as identified by CTE consortia partners.

(b) In addition to the requirements in paragraph (a), a CTE consortium may:

(1) address the teacher shortage crisis in career and technical education through incentive funding and training programs;

(2) provide professional development for training teachers in curriculum and skill development in focus areas identified by CTE consortia partners; and

(3) provide transportation reimbursement grants to provide equitable opportunities throughout the region for students to participate in career and technical education.

Subd. 3. **Career and technical education advisory committee.** The Minnesota Service Cooperatives must establish a career and technical education advisory committee to provide advice on the administration of a CTE consortium.

Subd. 4. **Private funding.** A CTE consortium may receive other sources of funds to supplement state funding. All funds received must be administered by the Minnesota Service Cooperatives.

Subd. 5. **Reporting requirements.** By January 15 of each year, a CTE consortium receiving funding under this section must submit an annual report on the progress of its activities to the commissioner of education and the chairs and ranking minority members of the legislative committees with jurisdiction over secondary and postsecondary education. The annual report must contain a financial report for the preceding fiscal year.

Subd. 6. **Grant awards.** The Minnesota Service Cooperatives serves as the fiscal host for grants awarded under this section. The Minnesota Service Cooperatives may consult with the commissioner to award grants to any CTE consortium that qualifies under this section.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 7. Minnesota Statutes 2022, section 124D.59, subdivision 2, is amended to read:

Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten through grade 12; an early childhood special education student under Part B, section 619 of the Individuals with Disabilities Education Act, United States Code, title 20, section 1419; or a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 124D.151 or a school readiness plus program 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 enrolled in a Minnesota public school in any grade 4 through 12 who in the previous school year took a commissioner-provided assessment measuring the pupil's emerging academic English, shall be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall generate state English learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on the assessment measuring the pupil's emerging academic English, or, in the judgment of the pupil's classroom teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate academic language proficiency in English, including oral academic language, sufficient to successfully and fully participate in the general core curriculum in the regular classroom.

(c) Notwithstanding paragraphs (a) and (b), a pupil in early childhood special education or prekindergarten under section 124D.151, 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 seven or more years of average daily membership in Minnesota public schools since July 1, 1996.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 8. Minnesota Statutes 2022, section 124D.65, subdivision 5, is amended to read:

Subd. 5. **School district EL revenue.** (a) A district's English learner programs revenue equals the sum of:

(1) the product of ~~(1) \$704 times~~ (2) (i) \$1,000 and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year;

(2) \$250 times the English learner pupil units under section 126C.05, subdivision 17; and

(3) the district's English learner cross subsidy aid. A district's English learner cross subsidy aid under paragraph (b) equals:

(i) 33 percent of the district's English learner cross subsidy for fiscal year 2025;

(ii) 66 percent of the district's English learner cross subsidy for fiscal year 2026; and

(iii) 100 percent of the district's English learner cross subsidy for fiscal years 2027 and later.

(b) A district's English learner cross subsidy aid equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue for the second previous year.

~~(b)~~ (c) A pupil ceases to generate state English learner aid in the school year following the school year in which the pupil attains the state cutoff score on a commissioner-provided assessment that measures the pupil's emerging academic English.

Sec. 9. Minnesota Statutes 2022, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** (a) The basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. The formula allowance for fiscal year 2021 is \$6,567. The formula allowance for fiscal year 2022 is \$6,728. The formula allowance for fiscal year 2023 and later is \$6,863. The formula allowance for fiscal year 2024 is \$7,138. The formula allowance for fiscal year 2025 is \$7,281. The formula allowance for fiscal year 2026 and later must be determined as follows:

(1) in January of the calendar year in which the formula allowance begins, the commissioner of education must calculate the change in the Consumer Price Index for all urban consumers as published by the Bureau of Labor Statistics of the Department of Labor for the average of the fourth calendar quarter of the second prior fiscal year compared to the average of the fourth calendar quarter of the immediately prior fiscal year; and

(2) the formula allowance in effect for the prior fiscal year must be increased by the lesser of 3.0 percent or the percentage change calculated in clause (1), with the resulting amount rounded to the nearest whole dollar, except in cases of negative Consumer Price Index growth then the formula allowance will remain the same as the prior year.

(b) The commissioner must publish the formula allowance by the end of February of each year.

Sec. 10. Minnesota Statutes 2022, section 126C.10, subdivision 2a, is amended to read:

Subd. 2a. **Extended time revenue.** (a) A school district's extended time allowance equals \$5,117 for fiscal year 2023 and later.

(b) A school district's extended time revenue is equal to the product of \$5,117 the extended time allowance in paragraph (a) and the sum of the adjusted pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

~~(b)~~ (c) Extended time revenue for pupils placed in an on-site education program at the Prairie Lakes Education Center or the Lake Park School, located within the borders of Independent School District No. 347, Willmar, for instruction provided after the end of the preceding regular school year and before the beginning of the following regular school year equals membership hours divided by the minimum annual instructional hours in section 126C.05, subdivision 15, not to exceed 0.20, times the pupil unit weighting in section 126C.05, subdivision 1, times \$5,117 the extended time allowance in paragraph (a).

(d) A school district qualifies for extended time revenue for instruction provided after the end of the preceding regular school year and before the beginning of the following regular school year for (1) every pupil attending a day treatment program, and (2) every pupil placed in a children's residential facility, whether the education services are provided on-site or off-site. Extended time revenue under this paragraph equals total membership hours in summer instruction divided by the minimum annual instructional hours in section 126C.05, subdivision 15, not to exceed 0.20, times the pupil unit weighting in section 126C.05, subdivision 1, times the extended time allowance.

(e) For purposes of this subdivision, "children's residential facility" means a residential facility for children, including a psychiatric residential treatment facility, licensed by the Department of Human Services or the Department of Corrections and subject to Minnesota Rules, chapter 2960, or an inpatient hospitalization that includes mental health services.

(f) For purposes of this subdivision, "day treatment program" means:

(1) a site-based structured mental health program consisting of psychotherapy for three or more individuals and individual or group skills training provided by a team, under the treatment supervision of a mental health professional; or

(2) any other day treatment program designated by the commissioner of education consistent with the Minnesota Automated Reporting Student System manual, procedure 27.

(e) (g) A school district's extended time revenue may be used for extended day programs, extended week programs, summer school, vacation break academies such as spring break academies and summer term academies, and other programming authorized under the learning year program.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 11. Minnesota Statutes 2022, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) For fiscal year 2021 and later, local optional revenue for a school district equals the sum of the district's first tier local optional revenue and second tier local optional revenue. A district's first tier local optional revenue equals \$300 times the adjusted pupil units of the district for that school year. A district's second tier local optional revenue equals \$424 times the adjusted pupil units of the district for that school year.

(b) For fiscal year 2021 and later, a district's local optional levy equals the sum of the first tier local optional levy and the second tier local optional levy.

(c) A district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.

(d) ~~For fiscal year 2022, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000.~~ For fiscal year 2023, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$548,842. For fiscal year 2024 and later, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000 the local optional revenue equalizing factor.

(e) The local optional revenue equalizing factor equals \$510,000 for fiscal year 2024, \$647,000 for fiscal year 2025, \$696,000 for fiscal year 2026, and \$732,000 for fiscal year 2027 and later.

(e) (f) The local optional levy must be spread on referendum market value. A district may levy less than the permitted amount.

(e) (g) A district's local optional aid equals its local optional revenue minus its local optional levy. If a district's actual levy for first or second tier local optional revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced.

Sec. 12. Minnesota Statutes 2022, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) For fiscal year 2024, the compensatory education revenue for each building in the district equals the formula allowance minus \$839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. A district's compensatory revenue equals the sum of its

compensatory revenue for each building in the district and the amounts designated under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

(b) For fiscal year 2025, compensatory revenue must be calculated under Laws 2023, chapter 18, section 3.

(c) For fiscal year 2026 and later, the compensatory education revenue for each building in the district equals its compensatory pupils multiplied by the building compensatory allowance. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

~~(b)~~ (d) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

~~(e)~~ (e) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year.

(f) Notwithstanding paragraph (c), for voluntary prekindergarten programs under section 124D.151, charter schools, and contracted alternative programs in the first year of operation, compensatory education revenue must be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory education revenue must be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensatory education revenue must be prorated based on the ratio of the number of days of student instruction to 170 days.

(g) Notwithstanding paragraph (c), for fiscal year 2026, if the calculation under paragraph (d) results in statewide revenue of less than \$838,947,000, additional revenue must be provided to each building in a manner prescribed by the commissioner of education until total statewide revenue equals \$838,947,000.

(h) Notwithstanding paragraph (c), for fiscal year 2027, if the calculation under paragraph (d) results in statewide revenue of less than \$857,152,000, additional revenue must be provided to each building in a manner prescribed by the commissioner of education until total statewide revenue equals \$857,152,000.

Sec. 13. Minnesota Statutes 2022, section 126C.10, is amended by adding a subdivision to read:

Subd. 3a. **Definitions.** The definitions in this subdivision apply only to subdivisions 3, 3b, and 3c.

(a) "Building compensatory allowance" means a building concentration factor multiplied by the statewide compensatory allowance.

(b) "Building concentration factor" means the ratio of a building's compensatory pupils to the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(c) "Compensatory pupils" means the sum of the number of pupils enrolled in a building eligible to receive free meals pursuant to subdivision 3b plus one-half of the pupils eligible to receive reduced priced meals pursuant to subdivision 3b on October 1 of the previous fiscal year.

(d) "Statewide compensatory allowance" means the amount calculated pursuant to subdivision 3c.

Sec. 14. Minnesota Statutes 2022, section 126C.10, is amended by adding a subdivision to read:

Subd. 3b. **Free and reduced-price meals.** The commissioner shall determine the number of children eligible by means of direct certification to receive either a free or reduced-price meal on October 1 each year. Children enrolled in a building on October 1 and determined to be eligible by means of direct certification to receive free or reduced-price meals by December 15 of that school year shall be counted as eligible on October 1 for purposes of subdivision 3. The commissioner must use federal definitions for these purposes. The commissioner may adopt reporting guidelines to assure accuracy of data counts and eligibility. Districts must use any guidelines adopted by the commissioner.

Sec. 15. Minnesota Statutes 2022, section 126C.10, is amended by adding a subdivision to read:

Subd. 3c. **Statewide compensatory allowance.** (a) For fiscal year 2026, the statewide compensatory allowance is \$6,734. For fiscal year 2027 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.

(b) For fiscal year 2026 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.

Sec. 16. Minnesota Statutes 2022, section 126C.10, subdivision 4, is amended to read:

Subd. 4. **Basic skills revenue.** A school district's basic skills revenue equals the sum of:

- (1) compensatory revenue under subdivision 3; ~~plus and~~
- (2) English learner revenue under section 124D.65, subdivision 5; ~~plus~~
- ~~(3) \$250 times the English learner pupil units under section 126C.05, subdivision 17.~~

Sec. 17. Minnesota Statutes 2022, section 126C.10, subdivision 13, is amended to read:

Subd. 13. **Total operating capital revenue.** (a) Total operating capital revenue for a district equals the ~~amount determined under paragraph (b) or (c), plus~~ sum of:

- (1) \$79 times the adjusted pupil units for the school year;
- (2) the product of \$109, the district's maintenance cost index, and its adjusted pupil units for the school year plus the amount computed under paragraph (c); and
- (3) \$2 times the adjusted pupil units of the school district for the school year for the purposes of supplying menstrual products under subdivision 14, clause (26), and opiate antagonists under subdivision 14, clause (27).

(b) The revenue under this subdivision must be placed in a reserved account in the general fund and may only be used according to subdivision 14.

~~(b) Capital revenue for a district equals \$109 times the district's maintenance cost index times its adjusted pupil units for the school year.~~

(c) The revenue under paragraph (a), clause (2), for a district that operates a program under section 124D.128, is increased by an amount equal to \$31 times the number of adjusted pupil units served at the site where the program is implemented.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 18. Minnesota Statutes 2022, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. **Operating capital levy.** (a) To obtain operating capital revenue, a district may levy an amount not more than the product of its operating capital revenue computed under subdivision 13, paragraph (a), clauses (1) and (2), for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the operating capital equalizing factor.

(b) The operating capital equalizing factor equals \$23,902 for fiscal year 2020, \$23,885 for fiscal year 2021, and \$22,912 for fiscal year years 2022 and later, through 2024, \$23,630 for fiscal year 2025, \$23,490 for fiscal year 2026, and \$23,490 for fiscal year 2027 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 19. Minnesota Statutes 2022, section 126C.10, subdivision 14, is amended to read:

Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the State Fire Code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123B.51, subdivision 4;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act according to sections 298.292 to ~~298.298~~ 298.297;

(15) to purchase or lease interactive telecommunications equipment;

(16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;

(17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;

(18) to purchase or lease computers and related hardware, software, and annual licensing fees, copying machines, telecommunications equipment, and other noninstructional equipment;

(19) to purchase or lease assistive technology or equipment for instructional programs;

(20) to purchase textbooks as defined in section 123B.41, subdivision 2;

(21) to purchase new and replacement library media resources or technology;

(22) to lease or purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(ii) managing student assessment, services, and achievement information required for students with individualized education programs; and

(iii) other classroom information management needs;

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software; ~~and~~

(25) to pay the costs directly associated with closing a school facility, including moving and storage costs;

(26) to pay the costs of supplies and equipment necessary to provide access to menstrual products at no charge to students in restrooms and as otherwise needed in school facilities; and

(27) to pay the costs of the opiate antagonists required under section 121A.224.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 20. Minnesota Statutes 2022, section 126C.10, subdivision 18a, is amended to read:

Subd. 18a. **Pupil transportation adjustment.** (a) An independent, common, or special school district's transportation sparsity revenue under subdivision 18 is increased by the greater of zero or ~~18.2~~ 40 percent of the difference between:

(1) the lesser of the district's total cost for regular and excess pupil transportation under section 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous fiscal year or 105 percent of the district's total cost for the second previous fiscal year; and

(2) the sum of:

(i) 4.66 percent of the district's basic revenue for the previous fiscal year;

(ii) transportation sparsity revenue under subdivision 18 for the previous fiscal year;

(iii) the district's charter school transportation adjustment for the previous fiscal year; and

(iv) the district's reimbursement for transportation provided under section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi).

(b) A charter school's pupil transportation adjustment equals the school district per pupil adjustment under paragraph (a).

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 21. Minnesota Statutes 2022, section 126C.15, subdivision 1, is amended to read:

Subdivision 1. **Use of revenue.** (a) The basic skills revenue under section 126C.10, subdivision 4, must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Basic skills revenue may also be used for programs designed to prepare children and their families for entry into school whether the student first enrolls in kindergarten or first grade.

(b) For fiscal years prior to fiscal year 2024, any of the following may be provided to meet these learners' needs:

(1) direct instructional services under the assurance of mastery program according to section 124D.66;

(2) remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;

(3) additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;

(4) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;

(5) comprehensive and ongoing staff development consistent with district and site plans according to section 122A.60 and to implement plans under section 120B.12, subdivision 4a, for teachers, teacher aides, principals, and other personnel to improve their ability to identify the needs of these learners and provide appropriate remediation, intervention, accommodations, or modifications;

(6) instructional materials, digital learning, and technology appropriate for meeting the individual needs of these learners;

(7) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services;

(8) bilingual programs, bicultural programs, and programs for English learners;

(9) all-day kindergarten;

(10) early education programs, parent-training programs, school readiness programs, kindergarten programs for four-year-olds, voluntary home visits under section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten;

(11) extended school day and extended school year programs; and

(12) substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian.

(c) For fiscal year 2024 and later, a district's basic skills revenue must be used for:

(1) remedial instruction and necessary materials in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;

(2) additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;

(3) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;

(4) programs to reduce truancy; provide counseling services, guidance services, and social work services; and provide coordination for pupils receiving services from other governmental agencies;

(5) bilingual programs, bicultural programs, and programs for English learners;

(6) early education programs, parent-training programs, early childhood special education, school readiness programs, kindergarten programs for four-year-olds, voluntary home visits under section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten;

(7) transition programs operated by school districts for special education students until the age of 22; and

(8) substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian.

Sec. 22. Minnesota Statutes 2022, section 126C.15, subdivision 2, is amended to read:

Subd. 2. **Building allocation.** (a) A district or cooperative must allocate at least 60 percent of its compensatory revenue to each school building in the district or cooperative where the children who have generated the revenue are served unless the school district or cooperative has received permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue according to student performance measures developed by the school board.

(b) ~~Notwithstanding paragraph (a),~~ A district or cooperative may allocate ~~up to 50~~ no more than 40 percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board. The money reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but may be spent on students in any grade, including students attending school readiness or other prekindergarten programs.

(c) For the purposes of this section and section 126C.05, subdivision 3, "building" means education site as defined in section 123B.04, subdivision 1.

(d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue generated by students served at a cooperative unit shall be paid to the cooperative unit.

(e) A district or cooperative with school building openings, school building closings, changes in attendance area boundaries, or other changes in programs or student demographics between the prior year and the current year may reallocate compensatory revenue among sites to reflect these changes. A district or cooperative must report to the department any adjustments it makes according to this paragraph and the department must use the adjusted compensatory revenue allocations in preparing the report required under section 123B.76, subdivision 3, paragraph (c).

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 23. Minnesota Statutes 2022, section 126C.15, subdivision 5, is amended to read:

Subd. 5. **Annual expenditure report.** ~~Each year a district (a) By February 1 annually, the commissioner of education must report to the legislature the expenditures of each district that receives received basic skills revenue must submit a report identifying the expenditures it incurred to meet the needs of eligible learners in the previous fiscal year under subdivision 1. The report must conform to uniform financial and reporting standards established for this purpose and provide a breakdown by functional area. Using valid and reliable data and measurement criteria, the report also must determine whether increased expenditures raised student achievement levels.~~

(b) A district must also report whether programs funded with compensatory revenue are consistent with best practices demonstrated to improve student achievement.

(c) The Department of Education and regional centers of excellence must identify and provide to schools best practices for implementing programs for each use of revenue specified in subdivision 1.

Sec. 24. Minnesota Statutes 2022, section 126C.17, is amended by adding a subdivision to read:

Subd. 9b. **Renewal by school board.** (a) Notwithstanding the election requirements of subdivision 9, a school board may renew an expiring referendum not already renewed by board action authorized by this subdivision if:

(1) the per-pupil amount of the referendum is the same as the amount expiring, or for an expiring referendum that was adjusted annually by the rate of inflation, the same as the per-pupil amount of the expiring referendum, adjusted annually for inflation in the same manner as if the expiring referendum had continued;

(2) the term of the renewed referendum is no longer than the initial term approved by the voters; and

(3) the school board has adopted a written resolution authorizing the renewal after holding a meeting and allowing public testimony on the proposed renewal.

(b) The resolution must be adopted by the school board by June 15 of any calendar year and becomes effective 60 days after its adoption.

(c) A referendum expires in the last fiscal year in which the referendum generates revenue for the school district.

(d) A district renewing an expiring referendum under this subdivision must submit a copy of the adopted resolution to the commissioner and to the county auditor no later than September 1 of the calendar year in which the levy is certified.

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

Sec. 25. Minnesota Statutes 2022, section 126C.43, subdivision 2, is amended to read:

Subd. 2. **Payment to unemployment insurance program trust fund by state and political subdivisions.** (a) A district may levy the amount necessary (1) to pay the district's obligations under section 268.052, subdivision 1, and (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified.

(b) Districts with a balance remaining in their reserve for reemployment as of June 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each year a levy reduction must be made to return these funds to taxpayers. The amount of the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment, or (2) the amount of the district's current levy under paragraph (a).

(c) The amount in paragraph (a) must not include the amounts for hourly school employees during the period of the summer term.

Sec. 26. Minnesota Statutes 2022, section 127A.353, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** The governor shall select the school trust lands director on the basis of outstanding professional qualifications and knowledge of finance, business practices, minerals, forest and real estate management, and the fiduciary responsibilities of a trustee to the beneficiaries of a trust. The school trust lands director serves in the unclassified service for a term of four years. ~~The first term shall end on December 31, 2020.~~ The governor may remove the school trust lands director for cause. If a director resigns or is removed for cause, the governor shall appoint a director for the remainder of the term.

Sec. 27. Minnesota Statutes 2022, section 127A.353, subdivision 4, is amended to read:

Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

(1) take an oath of office before assuming any duties as the director act in a fiduciary capacity for trust beneficiaries in accordance with the principles under section 127A.351;

(2) evaluate the school trust land asset position;

(3) determine the estimated current and potential market value of school trust lands;

~~(4) advise and provide recommendations to the governor, Executive Council, commissioner of natural resources, and the Legislative Permanent School Fund Commission on the management of school trust lands, including: on school trust land management policies and other policies that may affect the goal of the permanent school fund under section 127A.31;~~

(5) advise and provide recommendations to the Executive Council and Land Exchange Board on all matters regarding school trust lands presented to either body;

(6) advise and provide recommendations to the commissioner of natural resources on managing school trust lands, including but not limited to advice and recommendations on:

- (i) Department of Natural Resources school trust land management plans;
- (ii) leases of school trust lands;
- (iii) royalty agreements on school trust lands;
- (iv) land sales and exchanges;
- (v) cost certification; and
- (vi) revenue generating options;

(7) serve as temporary trustee of school trust lands for school trust lands subject to proposed or active eminent domain proceedings;

(8) serve as temporary trustee of school trust lands pursuant to section 94.342, subdivision 5;

~~(5) propose~~ (9) submit to the Legislative Permanent School Fund Commission for review an annual budget and management plan for the director that includes proposed legislative changes that will improve the asset allocation of the school trust lands;

~~(6)~~ (10) develop and implement a ten-year strategic plan and a 25-year framework for management of school trust lands, in conjunction with the commissioner of natural resources, that is updated every five years ~~and implemented by the commissioner~~, with goals to:

- (i) retain core real estate assets;
- (ii) increase the value of the real estate assets and the cash flow from those assets;
- (iii) rebalance the portfolio in assets with high performance potential and the strategic disposal of selected assets;
- (iv) establish priorities for management actions;
- (v) balance revenue enhancement and resource stewardship; and
- (vi) advance strategies on school trust lands to capitalize on ecosystem services markets; and

~~(7) submit to the Legislative Permanent School Fund Commission for review an annual budget and management plan for the director; and~~

~~(8)~~ (11) keep the beneficiaries, governor, legislature, and the public informed about the work of the director by reporting to the Legislative Permanent School Fund Commission in a public meeting at least once during each calendar quarter.

(b) In carrying out the duties under paragraph (a), the school trust lands director ~~shall have the authority to~~ may:

(1) direct and control money appropriated to the director;

(2) establish job descriptions and employ ~~up to five employees in the unclassified service,~~ staff within the limitations of money appropriated to the director;

(3) enter into interdepartmental agreements with any other state agency;

(4) enter into joint powers agreements under chapter 471;

(5) evaluate and initiate real estate development projects on school trust lands in conjunction with the commissioner of natural resources and with the advice of the Legislative Permanent School Fund Commission ~~in order~~ to generate long-term economic return to the permanent school fund; and

~~(6) serve as temporary trustee of school trust land for school trust lands subject to proposed or active eminent domain proceedings; and~~

~~(7)~~ (6) submit recommendations on strategies for school trust land leases, sales, or exchanges to the commissioner of natural resources and the Legislative Permanent School Fund Commission.

Sec. 28. Minnesota Statutes 2022, section 268.085, subdivision 7, is amended to read:

Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

~~This paragraph applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess. This paragraph also applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.~~

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(b) Paragraph (a) does not apply to ~~an applicant who, at the end of the prior academic year or term, had an agreement for a definite period of employment between academic years or terms in other than an instructional, research, or principal administrative capacity and the educational institution or institutions failed to provide that employment.~~ any week during the period between two successive academic years or terms if an applicant worked in a capacity other than instructional, research, or principal administrative capacity.

(c) ~~If unemployment benefits are denied to any applicant under paragraph (a) who was employed in the prior academic year or term in other than an instructional, research, or principal administrative capacity and who was not offered an opportunity to perform the employment in the following academic year or term, the applicant is entitled to retroactive unemployment benefits for each week during the period between academic years or terms that the applicant filed a timely continued request for unemployment benefits, but unemployment benefits were denied solely because of paragraph (a).~~ Paragraph (a) applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess, including applicants who worked in a capacity other than instructional, research, or principal administrative capacity.

(d) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(e) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(g) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(h) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

(i) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(j) An "educational institution" is a school, college, university, or other educational entity operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(k) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

EFFECTIVE DATE. This section is effective May 28, 2023.

Sec. 29. Minnesota Statutes 2022, section 290.0679, subdivision 2, is amended to read:

Subd. 2. **Conditions for assignment.** A qualifying taxpayer may assign all or part of an anticipated refund for the current and future taxable years to a financial institution or a qualifying organization. A financial institution or qualifying organization accepting assignment must pay the amount secured by the assignment to a third-party vendor. The commissioner of education shall, upon request from a third-party vendor, certify that the vendor's products and services qualify for the education credit. ~~A denial of a certification is subject to the contested case procedure under~~ may be appealed to the commissioner pursuant to this subdivision and notwithstanding chapter 14. A financial institution or qualifying organization that accepts assignments under this section must verify as part of the assignment documentation that the product or service to be provided by the third-party vendor has been certified by the commissioner of education as qualifying for the education credit. The amount assigned for the current and future taxable years may not exceed the maximum allowable education credit for the current taxable year. Both the taxpayer and spouse must consent to the assignment of a refund from a joint return.

Sec. 30. **UNEMPLOYMENT INSURANCE REPORT.**

By January 15 of each year, the Department of Education, in consultation with the Department of Employment and Economic Development, must report to the legislative committees with jurisdiction over education the balances in unemployment insurance aid accounts and information about the annual changes in reimbursable costs for school workers receiving unemployment insurance benefits. To the extent possible, the report must break out the costs by district and major job classes. The report must be filed according to Minnesota Statutes, section 3.195.

Sec. 31. **FUND TRANSFER; BURNSVILLE-EAGAN-SAVAGE SCHOOL DISTRICT.**

(a) Notwithstanding Minnesota Statutes, section 123B.51, subdivision 4, paragraph (b), or any law to the contrary, any remaining net proceeds received by the district in connection with a lease of real property that is not needed for school purposes, or part of the property that is not needed for school purposes as permitted under Minnesota Statutes, section 123B.51, subdivision 4, paragraph (a), and which the school board of Independent School District No. 191, Burnsville-Eagan-Savage, specifically identified in the district's open facilities action plan, may be deposited in the district's general unrestricted fund following the deposit of such proceeds, as required under Minnesota Statutes, section 123B.51, subdivision 4, paragraph (b).

(b) Notwithstanding Minnesota Statutes, section 123B.51, subdivision 6, paragraphs (c) to (f), or any law to the contrary, any remaining proceeds of the sale or exchange of school buildings or real property of Independent School District No. 191, Burnsville-Eagan-Savage, specifically identified in the district's open facilities action plan may be deposited in the district's general unrestricted fund following application of such proceeds, as required under Minnesota Statutes, section 123B.51, subdivision 6, paragraph (b).

EFFECTIVE DATE. This section is effective upon compliance by Independent School District No. 191, Burnsville-Eagan-Savage, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 32. **REPLACING PAPER FORMS.**

By January 15, 2024, the Department of Education must report to the legislative committees with jurisdiction over education whether free and reduced-price meals information obtained through parents submitting paper eligibility forms may be eliminated for all school nutritional programs, Title 1 funding, e-rate funding, and any other federal or state programs that require the determination of family income for eligibility.

Sec. 33. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this act is enacted more than once during the 2023 regular session, the appropriation or transfer must be given effect once.

Sec. 34. **GRANT REVIEW.**

Subdivision 1. **Evidence-based grants.** (a) Any grants awarded under this act must be consistent with the procedures for evidence-based education grants under Minnesota Statutes, section 127A.20. The commissioner may request additional financial and organizational information from any grant applicant.

(b) A recipient of a grant under this act must consent to necessary review of financial information by the Department of Education's inspector general under Minnesota Statutes, section 127A.21.

Subd. 2. **Grant review flexibility.** The commissioner of education may transfer funding for grant administration and monitoring within the Department of Education as the commissioner determines necessary with the advance approval of the commissioner of management and budget. All transfers under this section must be intrafund.

Sec. 35. **APPROPRIATIONS.**

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. General education aid. (a) For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

<u>\$8,028,259,000</u>	.....	<u>2024</u>
<u>\$8,317,317,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$707,254,000 for 2023 and \$7,321,005,000 for 2024.

(c) The 2025 appropriation includes \$813,445,000 for 2024 and \$7,503,872,000 for 2025.

Subd. 3. Enrollment options transportation. For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

<u>\$18,000</u>	.....	<u>2024</u>
<u>\$19,000</u>	.....	<u>2025</u>

Subd. 4. Abatement aid. (a) For abatement aid under Minnesota Statutes, section 127A.49:

<u>\$2,339,000</u>	.....	<u>2024</u>
<u>\$2,665,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$126,000 for 2023 and \$2,213,000 for 2024.

(c) The 2025 appropriation includes \$245,000 for 2024 and \$2,420,000 for 2025.

Subd. 5. Consolidation transition aid. (a) For districts consolidating under Minnesota Statutes, section 123A.485:

<u>\$187,000</u>	.....	<u>2024</u>
<u>\$290,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$7,000 for 2023 and \$180,000 for 2024.

(c) The 2025 appropriation includes \$20,000 for 2024 and \$270,000 for 2025.

Subd. 6. Nonpublic pupil education aid. (a) For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

<u>\$22,354,000</u>	.....	<u>2024</u>
<u>\$23,902,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$1,925,000 for 2023 and \$20,429,000 for 2024.

(c) The 2025 appropriation includes \$2,269,000 for 2024 and \$21,633,000 for 2025.

Subd. 7. Nonpublic pupil transportation. (a) For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

<u>\$22,248,000</u>	.....	<u>2024</u>
<u>\$23,624,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$2,115,000 for 2023 and \$20,133,000 for 2024.

(c) The 2025 appropriation includes \$2,236,000 for 2024 and \$21,388,000 for 2025.

Subd. 8. One-room schoolhouse. For a grant to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

<u>\$65,000</u>	.....	<u>2024</u>
<u>\$65,000</u>	.....	<u>2025</u>

Subd. 9. Career and technical aid. (a) For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

<u>\$1,512,000</u>	.....	<u>2024</u>
<u>\$761,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$183,000 for 2023 and \$1,329,000 for 2024.

(c) The 2025 appropriation includes \$147,000 for 2024 and \$614,000 for 2025.

Subd. 10. Pregnant and parenting pupil transportation reimbursement. (a) To reimburse districts for transporting pregnant or parenting pupils under Minnesota Statutes, section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi):

<u>\$55,000</u>	.....	<u>2024</u>
<u>\$55,000</u>	.....	<u>2025</u>

(b) To receive reimbursement, districts must apply using the form and manner of application prescribed by the commissioner. If the appropriation is insufficient, the commissioner must prorate the amount paid to districts seeking reimbursement.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 11. Career and technical education consortium. (a) To the Minnesota Service Cooperatives for career and technical education consortium grants under Minnesota Statutes, section 124D.4536:

<u>\$5,000,000</u>	.....	<u>2024</u>
<u>\$5,000,000</u>	.....	<u>2025</u>

(b) If the appropriation in the first year is insufficient, the 2025 appropriation is available. Any balance in the first year does not cancel but is available in the second year.

Subd. 12. Career and technical program expansion; aeronautics pilot program. (a) For Independent School District No. 482, Little Falls, for an aeronautics and commercial over-the-road technical program:

<u>\$450,000</u>	<u>2024</u>
------------------	-------	-------------

(b) The funds must be used to help support the district's aeronautics and commercial over-the-road technical pilot program. The funds may be used for equipment, staffing costs, travel costs, and contracted services.

(c) By February 1, 2027, the district must report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education on the activities funded by this appropriation. The report must include but is not limited to information about program participation and demographic information about the students served in the program, a description of the type of activities offered by each program during the year, partnerships with higher education and private providers of aeronautic and commercial over-the-road services, and recommendations for state actions that could improve aeronautics and commercial over-the-road programming for all school districts.

(d) This appropriation is available until June 30, 2026. This is a onetime appropriation.

Subd. 13. **Emergency medical training.** (a) For grants to offer high school students courses in emergency medical services:

<u>\$500,000</u>	<u>.....</u>	<u>2024</u>
<u>\$500,000</u>	<u>.....</u>	<u>2025</u>

(b) A school district, charter school, or cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant under this section to offer enrolled students emergency medical services courses approved by the Minnesota Emergency Medical Services Regulatory Board to prepare students to take the emergency medical technician certification test, including an emergency medical services course that is a prerequisite to an emergency medical technician course.

(c) A grant recipient may use grant funds to partner with a district, charter school, cooperative unit, postsecondary institution, political subdivision, or entity with expertise in emergency medical services, including health systems, hospitals, ambulance services, and health care providers to offer an emergency medical services course.

(d) Eligible uses of grant funds include teacher salaries, transportation, equipment costs, emergency medical technician certification test fees, and student background checks.

(e) To the extent practicable, the commissioner must award half of the grant funds to applicants outside of the seven-county metropolitan area, and 30 percent of the grant funds to applicants with high concentrations of students of color.

(f) Any balance in the first year does not cancel but is available in the second year.

(g) The base for fiscal year 2026 and later is \$500,000 per year.

Subd. 14. **Area learning center transportation aid.** (a) For area learning center transportation aid under Minnesota Statutes, section 123B.92, subdivision 11:

<u>\$1,000,000</u>	<u>.....</u>	<u>2024</u>
<u>\$1,000,000</u>	<u>.....</u>	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) This aid is 100 percent payable in the current year.

Subd. 15. English learner cross subsidy aid; four-year program. (a) For English learner cross subsidy under Laws 2021, First Special Session chapter 13, article 1, section 9:

<u>\$2,000,000</u>	<u>.....</u>	<u>2024</u>
<u>\$2,000,000</u>	<u>.....</u>	<u>2025</u>

(b) The base for this program in fiscal year 2026 and later is \$0.

Sec. 36. **REPEALER.**

(a) Minnesota Statutes 2022, section 126C.05, subdivisions 3 and 16, are repealed.

(b) Minnesota Statutes 2022, section 268.085, subdivision 8, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective for revenue for fiscal year 2026. Paragraph (b) is effective May 28, 2023.

ARTICLE 2 EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2022, section 120A.22, subdivision 10, is amended to read:

Subd. 10. **Requirements for instructors.** A person who is providing instruction to a child must meet at least one of the following requirements:

(1) hold a valid Minnesota teaching license in the field and for the grade level taught;

(2) be directly supervised by a person holding a valid Minnesota teaching license;

~~(3) successfully complete a teacher competency examination;~~

~~(4)~~ (3) provide instruction in a school that is accredited by an accrediting agency, recognized according to section 123B.445, or recognized by the commissioner;

~~(5)~~ (4) hold a baccalaureate degree; or

~~(6)~~ (5) be the parent of a child who is assessed according to the procedures in subdivision 11.

Any person providing instruction in a public school must meet the requirements of clause (1).

Sec. 2. Minnesota Statutes 2022, section 120A.414, is amended by adding a subdivision to read:

Subd. 6. **Other school personnel.** A school district or charter school that declares an e-learning day must continue to pay the full wages for scheduled work hours and benefits of all school employees for the duration of the e-learning period. During the e-learning period, school employees must be allowed to work from home to the extent practicable, be assigned to work in an alternative location, or be retained on an on-call basis for any potential need.

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

Sec. 3. Minnesota Statutes 2022, section 120B.018, subdivision 6, is amended to read:

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 and~~ (2) a locally adopted expectation for student learning in health ~~or the arts~~.

Sec. 4. Minnesota Statutes 2022, section 120B.021, subdivision 1, is amended to read:

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

(1) language arts;

(2) mathematics, encompassing algebra II, integrated mathematics III, or an equivalent in high school, and to be prepared for the three credits of mathematics in grades 9 through 12, the grade 8 standards include completion of algebra;

(3) science, including earth and space science, life science, and the physical sciences, including chemistry and physics;

(4) social studies, including history, geography, economics, ethnic studies, and government and citizenship that includes civics consistent with section 120B.02, subdivision 3;

(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~~ five arts areas: dance; media arts; 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 program team has determined that the required academic standards are inappropriate. An individualized education program team that makes this determination must establish alternative standards.

~~(c) The department must adopt the most recent SHAPE America (Society of Health and Physical Educators) kindergarten through grade 12 standards and benchmarks for physical education as the required physical education academic standards.~~ The department may modify SHAPE America (Society of Health and Physical Educators) standards and adapt the national standards to accommodate state interest. The modification and adaptations must maintain the purpose and integrity of the national standards. The department must make available sample assessments, which school districts may use as an alternative to local assessments, to assess students' mastery of the physical education standards beginning in the 2018-2019 school year.

(d) A school district may include child sexual abuse prevention instruction in a health curriculum, consistent with paragraph (a), clause (6). Child sexual abuse prevention instruction may include age-appropriate instruction on recognizing sexual abuse and assault, boundary violations, and ways offenders groom or desensitize victims, as well as strategies to promote disclosure, reduce self-blame, and mobilize bystanders. A school district may provide instruction under this paragraph in a variety of ways, including at an annual assembly or classroom presentation. A school district may also provide parents information on the warning signs of child sexual abuse and available resources.

(e) 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.

Sec. 5. Minnesota Statutes 2022, section 120B.021, subdivision 3, is amended to read:

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, science, social studies, physical education, and the arts. ~~After the rules authorized under this subdivision are initially adopted, the commissioner may not amend or repeal these rules nor adopt new rules on the same topic without specific legislative authorization.~~

Sec. 6. Minnesota Statutes 2022, section 120B.022, subdivision 1, is amended to read:

Subdivision 1. **Elective standards.** A district must establish and regularly review its own standards ~~in~~ for career and technical education (CTE) programs. Standards must align with CTE frameworks developed by the Department of Education, standards developed by national CTE organizations, or recognized industry standards. A district must use the current world languages standards developed by the American Council on the Teaching of Foreign Languages. A school district must offer courses in all elective subject areas.

Sec. 7. Minnesota Statutes 2022, section 120B.024, subdivision 1, is amended to read:

Subdivision 1. **Graduation requirements.** (a) 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) ~~(3)~~ 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; one credit to satisfy all the earth and space science standards for grades 9 to 12, one credit to satisfy all the life science standards for grades 9 to 12, and one credit to satisfy all the chemistry or physics standards for grades 9 to 12;~~
- (5) ~~(4)~~ three and one-half credits of social studies, including credit for a course in government and citizenship for students beginning grade 9 in the 2024-2025 school year and later or an advanced placement, international baccalaureate, or other rigorous course on government and citizenship under section 120B.021, subdivision 1a, and a combination of other credits 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) ~~(5)~~ one credit of the arts sufficient to satisfy all of the ~~state or local~~ academic standards in the arts; ~~and~~
- (7) ~~(6)~~ credits sufficient to satisfy the state standards in physical education; ~~and~~
- (7) a minimum of seven elective credits.

(b) A school district is encouraged to offer a course for credit in government and citizenship to ~~11th or 12th grade~~ students in grade 11 or 12 who begin ~~9th~~ grade 9 in the 2020-2021 school year and later, that satisfies the government and citizenship requirement in paragraph (a), clause (5).

(c) Students who begin grade 9 in the 2024-2025 school year and later must successfully complete a half-credit in personal finance. A student may choose to have the half-credit replace an elective half-credit or the last half-credit of the three math credits if the course satisfies the state math standards. A teacher of a personal finance course that satisfies the graduation requirement must have a field license or out-of-field permission in agricultural education, business, family and consumer science, social studies, or math.

EFFECTIVE DATE. This section is effective for the 2024-2025 school year and later.

Sec. 8. Minnesota Statutes 2022, section 120B.024, subdivision 2, is amended to read:

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

(b) An agriculture science or career and technical education credit may fulfill the elective science credit required under subdivision 1, clause (4), if the credit meets the state physical science, life science, earth and space science, chemistry, or physics academic standards or a combination of these academic standards as approved by the district. An agriculture or career and technical education credit may fulfill the credit in chemistry or physics required under subdivision 1, clause (4), if the credit meets the state chemistry or physics academic standards as approved by the district. A student must satisfy either all of the chemistry academic standards or all of the physics academic standards prior to graduation. An agriculture science or career and technical education credit may not fulfill the required biology credit under subdivision 1, clause (4).

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

(d) An ~~agriculture~~ agricultural, food, and natural resources education teacher is not required to meet the requirements of Minnesota Rules, part 3505.1150, subpart 4 2, item B, to meet the credit equivalency requirements of paragraph (b) above.

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

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

(g) An ethnic studies credit may fulfill a social studies, language arts, arts, or science credit if the credit meets the applicable state academic standards. An ethnic studies credit may fulfill an elective credit if the credit meets applicable local standards or other requirements.

Sec. 9. Minnesota Statutes 2022, section 120B.11, subdivision 1, is amended to read:

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 including applied and experiential learning.

(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.

(d) "Experiential learning" means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

(e) "Ethnic studies" has the meaning provided in section 120B.25. Ethnic studies curriculum may be integrated in existing curricular opportunities or provided through additional curricular offerings.

(f) "Antiracist" means actively working to identify and eliminate racism in all forms so that power and resources are redistributed and shared equitably among racial groups.

(g) "Culturally sustaining" means integrating content and practices that infuse the culture and language of Black, Indigenous, and People of Color communities who have been and continue to be harmed and erased through schooling.

(h) "Institutional racism" means structures, policies, and practices within and across institutions that produce outcomes that chronically favor white people and disadvantage those who are Black, Indigenous, and People of Color.

Sec. 10. Minnesota Statutes 2022, section 120B.11, subdivision 2, is amended to read:

Subd. 2. **Adopting plans and budgets.** A school board, at a public meeting, ~~shall~~ must 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 to: ~~assess and evaluate each student's progress toward meeting state and local academic standards; assess and identify students to participate in gifted and talented programs and accelerate their instruction; and; adopt early-admission procedures consistent with section 120B.15; assess ethnic studies curriculum needs to determine priorities for integrating ethnic studies into existing courses or developing new courses; and identifying identify~~ 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, including ethnic studies curriculum, taking into account strategies and best practices, student outcomes, school principal evaluations under section 123B.147, subdivision 3, students' access to effective teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of enrolled students under section 120B.35, subdivision 3, paragraph (b), clause (2), and teacher evaluations under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

(4) strategies for improving instruction, curriculum, and student achievement, including:

(i) the English and, where practicable, the native language development and the academic achievement of English learners; and

(ii) access to ethnic studies curriculum using culturally responsive methodologies for all learners;

(5) a process to examine the equitable distribution of teachers and strategies to ensure children in low-income and minority children families, children in families of People of Color, and children in American Indian families are not taught at higher rates than other children by inexperienced, ineffective, or out-of-field teachers;

(6) education effectiveness practices that:

(i) integrate high-quality instruction, ~~rigorous curriculum~~, technology, and curriculum that is rigorous, accurate, antiracist, and culturally sustaining;

(ii) ensure learning and work environments validate, affirm, embrace, and integrate cultural and community strengths for all students, families, and employees; and

(iii) provide a collaborative professional culture that ~~develops and supports~~ seeks to retain qualified, racially and ethnically diverse staff effective at working with diverse students while developing and supporting teacher quality, performance, and effectiveness; and

(7) an annual budget for continuing to implement the district plan; and

(8) identifying a list of suggested and required materials, resources, sample curricula, and pedagogical skills for use in kindergarten through grade 12 that accurately reflect the diversity of the state of Minnesota.

EFFECTIVE DATE. This section is effective for all strategic plans reviewed and updated after June 30, 2024.

Sec. 11. Minnesota Statutes 2022, section 120B.11, subdivision 3, is amended to read:

Subd. 3. **District advisory committee.** Each school board ~~shall~~ must 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~~ must 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~~ must 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~~ must 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; means to improve students' equitable access to effective and more diverse teachers; strategies to ensure the curriculum is rigorous, accurate, antiracist, and culturally sustaining; strategies to ensure that curriculum and learning and work environments validate, affirm, embrace, and integrate the cultural and community strengths of all racial and ethnic groups; and program evaluations. School sites may expand upon district evaluations of instruction, curriculum, assessments, or programs. Whenever possible, parents and other community residents ~~shall~~ must comprise at least two-thirds of advisory committee members.

Sec. 12. Minnesota Statutes 2022, section 120B.15, is amended to read:

120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS AND SERVICES.

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

(b) School districts must adopt guidelines for assessing and identifying students for participation in gifted and talented programs and services consistent with section 120B.11, subdivision 2, clause (2). 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 consistent with section 120B.11, subdivision 2, clause (2). 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 for 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 consistent with section 120B.11, subdivision 2, clause (2). The procedures must be sensitive to underrepresented groups.

Sec. 13. **[120B.25] ETHNIC STUDIES.**

"Ethnic studies" means the interdisciplinary study of race, ethnicity, and indigeneity with a focus on the experiences and perspectives of people of color within and beyond the United States. Ethnic studies analyzes the ways in which race and racism have been and continue to be powerful social, cultural, and political forces, and the connection of race to the stratification of other groups, including stratification based on gender, class, disability, sexuality, religion, and legal status.

Sec. 14. **[120B.251] ETHNIC STUDIES REQUIREMENTS.**

Subdivision 1. **Definition.** "Ethnic studies" has the meaning provided in section 120B.25.

Subd. 2. **Requirements.** (a) Starting in the 2026-2027 school year, a district or charter school must offer an ethnic studies course that fulfills the requirements of this paragraph without increasing the number of credits required for graduation under section 120B.024. An ethnic studies credit may fulfill a social studies, language arts, arts, or science credit if the credit meets the applicable state academic standards. An ethnic studies credit may fulfill an elective credit if the credit meets applicable local academic standards or other requirements.

(b) School districts and charter schools must provide ethnic studies instruction in elementary schools and middle schools by the 2027-2028 school year in accordance with state academic standards.

(c) Ethnic studies instruction must meet statewide academic standards for ethnic studies.

(d) An ethnic studies course may focus specifically on a particular group of national or ethnic origin, including Hmong, Karen, or Somali people.

Subd. 3. **Rulemaking.** The commissioner of education must adopt rules for statewide academic standards for ethnic studies.

Subd. 4. **School needs assessment.** (a) A school district or charter school must conduct an ethnic studies school needs assessment with students, parents or guardians, and community members to determine the priorities for course selection, implementation, and timeline. The ethnic studies school needs assessment must include qualitative and quantitative components. Qualitative priorities must include written and in-person feedback opportunities for students, parents or guardians, and community members. Quantitative priorities must include a school survey.

(b) A school district or charter school must annually evaluate the implementation of ethnic studies instruction by seeking feedback from students, parents or guardians, and community members. A school district or charter school must report to the commissioner of education in the form and manner determined by the commissioner on plans to modify implementation based on the annual evaluation.

Subd. 5. **Department of Education.** (a) The Department of Education must hire dedicated ethnic studies staff sufficient to fulfill the following department duties:

(1) support school district and charter school implementation of ethnic studies courses that fulfill ethnic studies standards through activities such as assistance with increased completion of the Minnesota Common Course Catalog, hosting an annual implementation support symposium, and regular updates and lessons learned;

(2) support school districts and charter schools in providing training for teachers and school district staff to successfully implement ethnic studies standards;

(3) support and provide tools for each school district or charter school to annually evaluate the implementation of the ethnic studies requirements by seeking feedback from students, parents or guardians, and community members;

(4) provide resources and examples of how a dedicated coordinator for ethnic studies can facilitate higher quality implementation of ethnic studies; and

(5) make available to school districts and charter schools the following:

(i) an ethnic studies school survey for each school district and charter school to use as part of a school needs assessment;

(ii) a list of recommended examples of implementation supports for use in kindergarten through grade 12 that accurately reflect the diversity of the state of Minnesota;

(iii) training materials for teachers and district and school staff, including an ethnic studies coordinator, to implement ethnic studies requirements, including a school needs assessment; and

(iv) other resources to assist districts and charter schools in successfully implementing ethnic studies standards.

(b) The commissioner must review and revise the ethnic studies standards, once adopted, every ten years. Review and revision of the state standards must include robust community engagement and consultation with stakeholders.

EFFECTIVE DATE. This section is effective July 1, 2023, except subdivision 3, which is effective the day following final enactment.

Sec. 15. **[120B.252] HOLOCAUST, GENOCIDE OF INDIGENOUS PEOPLES, AND OTHER GENOCIDE EDUCATION.**

Subdivision 1. **Definitions.** (a) "Holocaust and genocide studies" means interdisciplinary teaching and learning about the causes, impacts, and legacies of the Holocaust, other genocides, and incidents of mass violence.

(b) "Holocaust" means the systematic, state-sponsored persecution and murder of 6,000,000 Jews by the Nazi regime and its allies and collaborators.

(c) "Genocide" means an internationally recognized crime where acts are committed with the intent to destroy, in whole or in part, a national, ethnic, racial, or religious group. Acts of genocide, as defined by the United Nations and the Rome Statute, include the following categories:

(1) killing members of the group;

(2) causing serious bodily or mental harm to members of the group;

(3) deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;

(4) imposing measures intended to prevent births within the group; or

(5) forcibly transferring children of the group to another group.

Genocide also means a series of purposeful actions by a perpetrator or perpetrators to destroy a collectivity through mass or selective murders of group members and suppressing the biological and social reproduction of the collectivity. The perpetrator or perpetrators may represent the state of the victim, another state, or another collectivity.

(d) "Incidents of mass violence" means extreme violence deliberately inflicted on a large scale on civilians or noncombatants by state or nonstate actors. Incidents of mass violence encompass the international crimes of genocide, crimes against humanity, war crimes, and terrorism.

(e) "Center for Holocaust and Genocide Studies" means the Center for Holocaust and Genocide Studies at the University of Minnesota.

Subd. 2. **Requirements.** (a) A school district must, at a minimum, offer as part of its social studies curriculum for middle and high school education on the Holocaust, genocide of Indigenous Peoples, and other genocides. Curriculum must:

(1) examine the history of the genocide of Indigenous Peoples and Indigenous removal from Minnesota, including the genocide, dispossession, and forced removal of the Dakota, Ojibwe, and Ho-Chunk;

(2) analyze the connections between World War II, nationalism, fascism, antisemitism, and the Holocaust;

(3) analyze how individuals, groups, and societies around the world have been affected by genocide, such as the genocide of Indigenous Peoples in the Americas and throughout the world; Black genocide in the United States and the Americas; the genocide in German Southwest Africa; Armenian genocide; the genocide of the Ukrainian people from 1932 to 1933, also known as the Holodomor; the Holocaust, including non-Jewish victims of Nazi persecution and genocide; Cambodian genocide; Guatemalan genocide; Rwandan genocide; genocide in the former Yugoslavia; genocide in Darfur; Rohingya genocide; and other historical and contemporary cases of genocide and mass violence, especially those experienced by communities expelled from, resettled in, migrated to, or living in Minnesota, including the Karen, Hmong, and Somali communities; and

(4) describe and evaluate different responses to genocides and other human rights violations, such as the genocide of Indigenous Peoples in the Americas and throughout the world; Black genocide in the United States and the Americas; the genocide in German Southwest Africa; Armenian genocide; the genocide of the Ukrainian people

from 1932 to 1933, also known as the Holodomor; the Holocaust, including non-Jewish victims of Nazi persecution and genocide; Cambodian genocide; Guatemalan genocide; Rwandan genocide; genocide in the former Yugoslavia; genocide in Darfur; Rohingya genocide; and other historical and contemporary cases of genocide.

(b) Public schools are strongly encouraged to include in middle and high school social studies curriculum context about the history, culture, and traditions of the communities devastated by the Holocaust, genocide of Indigenous Peoples, other genocides, and incidents of mass violence.

(c) School districts are strongly encouraged to include the Holocaust, genocide of Indigenous Peoples, other genocides, and incidents of mass violence in middle and high school English language arts curriculum.

(d) A school district must provide Holocaust and genocide education as part of its curriculum in middle and high school by the 2026-2027 school year in accordance with Department of Education rulemaking on social studies standards and benchmarks.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 16. Minnesota Statutes 2022, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, must 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 8. 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 must establish a testing period as late as possible each school year during which schools must administer the Minnesota Comprehensive Assessments to students. The commissioner must publish the testing schedule at least two years before the beginning of the testing period.

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

(1) mathematics;

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

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

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

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

(c) 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) achievement and career and college readiness in mathematics, reading, and writing, consistent with paragraph (k) 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

(2) consistent with this paragraph and section 120B.125, age-appropriate exploration and planning activities and career assessments to encourage students to identify personally relevant career interests and aptitudes and help students and their families develop a regularly reexamined transition plan for postsecondary education or employment without need for postsecondary remediation.

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.

(d) 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 paragraph (c), clause (1), 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.

(e) Though not a high school graduation requirement, students are encouraged to participate in a nationally recognized college entrance exam. To the extent state funding for college entrance exam fees is available, a district must pay the cost, one time, for an interested student in grade 11 or 12 who is eligible for a free or reduced-price meal, to take a nationally recognized college entrance exam before graduating. A student must be able to take the exam under this paragraph at the student's high school during the school day and at any one of the multiple exam administrations available to students in the district. A district may administer the ACT or SAT or both the ACT and SAT to comply with this paragraph. If the district administers only one of these two tests and a free or reduced-price meal eligible student opts not to take that test and chooses instead to take the other of the two tests, the student may take the other test at a different time or location and remains eligible for the examination fee reimbursement. Notwithstanding sections 123B.34 to 123B.39, a school district may require a student that is not eligible for a free or reduced-price meal to pay the cost of taking a nationally recognized college entrance exam. The district must waive the cost for a student unable to pay.

(f) The commissioner and the chancellor of the Minnesota State Colleges and Universities must collaborate in aligning instruction and assessments for adult basic education students and English learners to provide the students with diagnostic information about any targeted interventions, accommodations, modifications, and supports they need so that assessments and other performance measures are accessible to them and they may seek postsecondary education or employment without need for postsecondary remediation. When administering formative or summative assessments used to measure the academic progress, including the oral academic development, of English learners and inform their instruction, schools must ensure that the assessments are accessible to the students and students have the modifications and supports they need to sufficiently understand the assessments.

(g) Districts and schools, on an annual basis, must use career exploration elements to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations. Districts and schools must use timely regional labor market information and partnerships, among other resources, to help students and their families successfully develop, pursue, review, and revise an individualized plan for postsecondary education or a career. This process must help increase students' engagement in and connection to school, improve students' knowledge and skills, and deepen students' understanding of career pathways as a sequence of academic and career courses that lead to an industry-recognized credential, an associate's degree, or a bachelor's degree and are available to all students, whatever their interests and career goals.

(h) A student who demonstrates attainment of required state academic standards, which include career and college readiness benchmarks, on high school assessments under subdivision 1a 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.

(i) 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.

(j) 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.

(k) 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.

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

(m) The 3rd through 8th grade computer-adaptive assessment results and high school test results must be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner, in consultation with the chancellor of the Minnesota State Colleges and Universities, must establish empirically derived benchmarks on the high school tests that reveal a trajectory toward career and college readiness consistent with section 136F.302, subdivision 1a. The commissioner must disseminate to the public the computer-adaptive assessments and high school test results upon receiving those results.

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

(o) The commissioner must include the following components in the statewide public reporting system:

(1) uniform statewide computer-adaptive assessments of all students in grades 3 through 8 and testing at the 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~~ consistent attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the ~~American College Test~~ ACT 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.

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

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

Sec. 17. Minnesota Statutes 2022, section 120B.30, subdivision 1a, is amended to read:

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

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

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

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

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

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

~~(b) The commissioner must use fully adaptive mathematics and reading assessments for grades 3 through 8.~~

~~(e)~~ (a) For purposes of conforming with existing federal educational accountability requirements, the commissioner must develop and implement computer-adaptive reading and mathematics assessments for grades 3 through 8, state-developed high school reading and mathematics tests aligned with state academic standards, a high school writing test aligned with state standards when it becomes available, 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 8, and high school reading, writing, 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)~~ (b) 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)~~ (c) 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)~~ (d) 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)~~ (e) 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)~~ (f) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress toward career and college readiness in the context of the state's academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

Sec. 18. Minnesota Statutes 2022, section 120B.301, is amended to read:

120B.301 LIMITS ON LOCAL TESTING.

(a) For students in grades 1 through 6, the cumulative total amount of time spent taking locally adopted districtwide or schoolwide assessments must not exceed ten hours per school year. For students in grades 7 through 12, the cumulative total amount of time spent taking locally adopted districtwide or schoolwide assessments must not exceed 11 hours per school year. For purposes of this paragraph, international baccalaureate and advanced placement exams are not considered locally adopted assessments.

(b) A district or charter school is exempt from the requirements of paragraph (a), if the district or charter school, in consultation with the exclusive representative of the teachers or other teachers if there is no exclusive representative of the teachers, decides to exceed a time limit in paragraph (a) and includes the information in the report required under section 120B.11, subdivision 5.

(c) A district or charter school, ~~before the first day of each school year,~~ must publish on its website a comprehensive calendar of standardized tests to be administered in the district or charter school during that school year. The calendar must provide the rationale for administering each assessment and indicate whether the assessment is a local option or required by state or federal law. The calendar must be published at least one week prior to any eligible assessments being administered but no later than October 1.

Sec. 19. Minnesota Statutes 2022, section 120B.35, subdivision 3, is amended to read:

Subd. 3. **State growth ~~target~~ measures; other state measures.** (a)(1) The state's educational assessment system measuring individual students' educational growth is based on indicators of current achievement ~~growth~~ that show growth relative to an individual student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments.

(2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and, in addition to "other" for each race and ethnicity, and the Karen community, seven of the most populous Asian and Pacific Islander groups, three of the most populous Native groups, seven of the most populous Hispanic/Latino groups, and five of the most populous Black and African Heritage groups as determined by the total Minnesota population based on the most recent American Community Survey; English learners under section 124D.59; home language; free or reduced-price lunch; and all students enrolled in a Minnesota public school who are currently or were previously in foster care, except that such disaggregation and cross tabulation is not required if the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student.

(b) The commissioner, in consultation with a stakeholder group that includes assessment and evaluation directors, district staff, experts in culturally responsive teaching, and researchers, must implement ~~a~~ an appropriate growth model that compares the difference in students' achievement scores over time, and includes criteria for identifying schools and school districts that demonstrate academic progress or progress toward English language proficiency. 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 student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

The commissioner must report measures of student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with this paragraph, including the English language development, academic progress, and oral academic development of English learners and their native language development if the native language is used as a language of instruction, and include data on all pupils enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59.

(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 student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

(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, consistent with the student categories identified under paragraph (a), clause (2). 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.

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59, must identify and report appropriate and effective measures to improve current categories of language difficulty and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

(g) When reporting four- and six-year graduation rates, the commissioner or school district must disaggregate the data by student categories according to paragraph (a), clause (2).

(h) A school district must inform parents and guardians that volunteering information on student categories not required by the most recent reauthorization of the Elementary and Secondary Education Act is optional and will not violate the privacy of students or their families, parents, or guardians. The notice must state the purpose for collecting the student data.

Sec. 20. Minnesota Statutes 2022, section 120B.36, subdivision 2, is amended to read:

Subd. 2. **Student progress and other data.** (a) All data the department receives, collects, or creates under section 120B.11, governing the world's best workforce, or uses to determine federal expectations under the most recently reauthorized Elementary and Secondary Education Act, ~~set state growth targets,~~ and determine student growth, learning, and outcomes under section 120B.35 are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data.

(b) Districts must provide parents sufficiently detailed summary data to permit parents to appeal under the most recently reauthorized federal Elementary and Secondary Education Act. The commissioner shall annually post federal expectations and state student growth, learning, and outcome data to the department's public website no later than September 1, except that in years when data or federal expectations reflect new performance standards, the commissioner shall post data on federal expectations and state student growth data no later than October 1.

Sec. 21. Minnesota Statutes 2022, section 121A.031, subdivision 6, is amended to read:

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 website 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.

(d) The commissioner must develop and maintain resources to assist a district or school in implementing strategies for creating a positive school climate and use evidence-based, social-emotional learning to prevent and reduce discrimination and other improper conduct.

Sec. 22. **[121A.0312] MALICIOUS AND SADISTIC CONDUCT.**

(a) For purposes of this section, "malicious and sadistic conduct" means creating a hostile learning environment by acting with the intent to cause harm by intentionally injuring another without just cause or reason or engaging in extreme or excessive cruelty or delighting in cruelty.

(b) A school board must adopt a written policy to address malicious and sadistic conduct involving race, color, creed, national origin, sex, age, marital status, status with regard to public assistance, disability, religion, sexual harassment, and sexual orientation, as defined in chapter 363A, and sexual exploitation by a district or school staff member, independent contractor, or student enrolled in a public school against a staff member, independent contractor, or student that occurs as described in section 121A.031, subdivision 1, paragraph (a).

(c) The policy must apply to students, independent contractors, teachers, administrators, and other school personnel; must include at a minimum the components under section 121A.031, subdivision 4, paragraph (a); and must include disciplinary actions for each violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 121A.41 to 121A.56.

(d) The policy must be conspicuously posted throughout each school building, distributed to each district employee and independent contractor at the time of hiring or contracting, and included in each school's student handbook on school policies. Each school must develop a process for discussing with students, parents of students, independent contractors, and school employees the school's policy addressing malicious and sadistic conduct involving race, color, creed, national origin, sex, age, marital status, status with regard to public assistance, disability, religion, sexual harassment, and sexual exploitation, as defined in chapter 363A, and sexual exploitation.

Sec. 23. **[121A.201] MTSS AND COLLABORATIVE MINNESOTA PARTNERSHIPS TO ADVANCE STUDENT SUCCESS (COMPASS).**

Beginning July 1, 2023, all Minnesota school districts and charter schools must be offered training and support in implementing MTSS through the Department of Education COMPASS team and the Department of Education's regional partners, the Minnesota Service Cooperatives. COMPASS is the state school improvement model providing a statewide system through which all districts and schools may receive support in the areas of literacy, math, social-emotional learning, and mental health within the MTSS framework. The MTSS framework is the state's systemic, continuous school improvement framework for ensuring positive social, emotional, behavioral, developmental, and academic outcomes for every student. MTSS provides access to layered tiers of culturally and linguistically responsive, evidence-based practices. The MTSS framework relies on the understanding and belief that every student can learn and thrive, and it engages an anti-bias and socially just approach to examining policies and practices and ensuring equitable distribution of resources and opportunity. The MTSS systemic framework requires:

(1) a district-wide infrastructure consisting of effective leaders, collective efficacy among staff, positive school climate, linked teams, and professional learning that supports continuous improvement;

(2) authentic engagement with families and communities to develop reciprocal relationships and build new opportunities for students together;

(3) multilayered tiers of culturally and linguistically responsive instruction and support that allows every student the support they need to reach meaningful and rigorous learning standards. Tiers of support include core (Tier 1), supplemental (Tier 2), and intensive (Tier 3) instruction levels;

(4) valid and reliable assessment tools and processes to assess student and system performance and inform necessary changes; and

(5) a data-based decision-making approach in which problems are precisely defined and analyzed, solutions address root causes, and implementation is monitored to ensure success. The data-based problem-solving component of the MTSS framework consists of three major subcomponents: accessible and integrated data, decision-making process, and system performance.

Sec. 24. Minnesota Statutes 2022, section 121A.41, is amended by adding a subdivision to read:

Subd. 12. Nonexclusionary disciplinary policies and practices; alternatives to pupil removal and dismissal. "Nonexclusionary disciplinary policies and practices" means policies and practices that are alternatives to removing a pupil from class or dismissing a pupil from school, including evidence-based positive behavior interventions and supports, social and emotional services, school-linked mental health services, counseling services, social work services, referrals for special education or 504 evaluations, academic screening for Title 1 services or reading interventions, and alternative education services. Nonexclusionary disciplinary policies and practices require actions by school officials to intervene in, redirect, and support a pupil's behavior before beginning dismissal proceedings. Nonexclusionary disciplinary policies and practices include but are not limited to the policies and practices under sections 120B.12; 121A.575, clauses (1) and (2); 121A.031, subdivision 4, paragraph (a), clause (1); 121A.61, subdivision 3, paragraph (r); and 122A.627, clause (3).

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 25. Minnesota Statutes 2022, section 121A.41, is amended by adding a subdivision to read:

Subd. 13. Pupil withdrawal agreement. "Pupil withdrawal agreement" means a verbal or written agreement between a school administrator or district administrator and a pupil's parent to withdraw a student from the school district to avoid expulsion or exclusion dismissal proceedings. The duration of the withdrawal agreement cannot be for more than a 12-month period.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 26. Minnesota Statutes 2022, section 121A.425, is amended to read:

121A.425 FULL AND EQUITABLE PARTICIPATION IN ~~PRESCHOOL AND PREKINDERGARTEN~~ EARLY LEARNING.

Subdivision 1. **Disciplinary dismissals prohibited.** (a) A pupil enrolled in the following is not subject to dismissals under this chapter:

(1) a preschool or prekindergarten program, including a child participating in an early childhood family education, school readiness, school readiness plus, voluntary prekindergarten, Head Start, or other school-based preschool or prekindergarten program, may not be subject to dismissals under this chapter; or

(2) kindergarten through grade 3.

(b) Notwithstanding this subdivision, expulsions and exclusions may be used only after resources outlined in subdivision 2 have been exhausted, and only in circumstances where there is an ongoing serious safety threat to the child or others.

Subd. 2. **Nonexclusionary discipline.** For purposes of this section, nonexclusionary discipline must include at least one of the following:

(1) collaborating with the pupil's family or guardian, child mental health consultant or provider, education specialist, or other community-based support;

(2) creating a plan, written with the parent or guardian, that details the action and support needed for the pupil to fully participate in the current educational program, including a preschool or prekindergarten program; or

(3) providing a referral for needed support services, including parenting education, home visits, other supportive education interventions, or, where appropriate, an evaluation to determine if the pupil is eligible for special education services or section 504 services.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 27. Minnesota Statutes 2022, section 121A.45, subdivision 1, is amended to read:

Subdivision 1. **Provision of alternative programs.** No school shall dismiss any pupil without attempting to ~~provide alternative educational services~~ use nonexclusionary disciplinary policies and practices before dismissal proceedings or pupil withdrawal agreements, except where it appears that the pupil will create an immediate and substantial danger to self or to surrounding persons or property.

EFFECTIVE DATE. This section is effective for the 2024-2025 school year and later.

Sec. 28. Minnesota Statutes 2022, section 121A.46, subdivision 4, is amended to read:

Subd. 4. **Provision of alternative education services; suspension pending expulsion or exclusion hearing.**

(a) Alternative education services must be provided to a pupil who is suspended for more than five consecutive school days.

(b) 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 consecutive school days.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 29. Minnesota Statutes 2022, section 121A.46, is amended by adding a subdivision to read:

Subd. 5. **Minimum education services.** School administration must allow a suspended pupil the opportunity to complete all school work assigned during the period of the pupil's suspension and to receive full credit for satisfactorily completing the assignments. The school principal or other person having administrative control of the school building or program is encouraged to designate a district or school employee as a liaison to work with the pupil's teachers to allow the suspended pupil to (1) receive timely course materials and other information, and (2) complete daily and weekly assignments and receive teachers' feedback.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 30. Minnesota Statutes 2022, section 121A.47, subdivision 2, is amended to read:

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~~ the nonexclusionary disciplinary practices 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~~ must 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 and is posted on their website;
 - (2) examine the pupil's records before the hearing;
 - (3) present evidence; and
 - (4) confront and cross-examine witnesses.

EFFECTIVE DATE. This section is effective for the 2024-2025 school year and later.

Sec. 31. Minnesota Statutes 2022, section 121A.47, subdivision 14, is amended to read:

Subd. 14. **Admission or readmission plan.** (a) A school administrator ~~shall~~ must prepare and enforce an admission or readmission plan for any pupil who is excluded or expelled from school. The plan ~~may~~ must include measures to improve the pupil's behavior, ~~including which may include~~ completing a character education program, consistent with section 120B.232, subdivision 1, and require social and emotional learning, counseling, social work services, mental health services, referrals for special education or 504 evaluation, and evidence-based academic interventions. The plan must include reasonable attempts to obtain 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~~ than one school day, 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.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 32. Minnesota Statutes 2022, section 121A.53, subdivision 1, is amended to read:

Subdivision 1. **Exclusions and expulsions; student withdrawals; physical assaults.** Consistent with subdivision 2, the school board must report through the department electronic reporting system each exclusion or expulsion ~~and~~ each physical assault of a district employee by a ~~student~~ pupil, and each pupil withdrawal agreement within 30 days of the effective date of the dismissal action, pupil withdrawal, or assault, to the commissioner of education. This report must include a statement of ~~alternative educational services~~ nonexclusionary disciplinary practices, or other sanction, intervention, or resolution in response to the assault given the pupil and the reason for, the effective date, and the duration of the exclusion or expulsion or other sanction, intervention, or resolution. The report must also include the ~~student's~~ pupil's age, grade, gender, race, and special education status.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 33. Minnesota Statutes 2022, section 121A.55, is amended to read:

121A.55 POLICIES TO BE ESTABLISHED.

(a) The commissioner of education ~~shall~~ must promulgate guidelines to assist each school board. Each school board ~~shall~~ must 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~~ must include nonexclusionary disciplinary policies and practices consistent with section 121A.41, subdivision 12, and must emphasize preventing dismissals through early detection of problems and shall. The policies must be designed to address students' inappropriate behavior from recurring.

(b) The policies ~~shall~~ must recognize the continuing responsibility of the school for the education of the pupil during the dismissal period.

(c) The school is responsible for ensuring that alternative educational services, if the pupil wishes to take advantage of them, must be adequate to allow the pupil to make progress ~~towards~~ toward meeting the graduation standards adopted under section 120B.02 and help prepare the pupil for readmission in accordance with section 121A.46, subdivision 5.

(d) For expulsion and exclusion dismissals and pupil withdrawal agreements as defined in section 121A.41, subdivision 13:

(1) for a pupil who remains enrolled in the district or is awaiting enrollment in a new district, a school district's continuing responsibility includes reviewing the pupil's school work and grades on a quarterly basis to ensure the pupil is on track for readmission with the pupil's peers. School districts must communicate on a regular basis with the pupil's parent or guardian to ensure the pupil is completing the work assigned through the alternative educational services as defined in section 121A.41, subdivision 11. These services are required until a pupil enrolls in another school or returns to the same school.

(2) a pupil receiving school-based or school-linked mental health services in the district under section 245.4889 continues to be eligible for those services until the pupil is enrolled in a new district; and

(3) a school district must provide to the pupil's parent or guardian information on accessing mental health services, including any free or sliding fee providers in the community. The information must also be posted on the district or charter school website.

~~(b)~~ (e) 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.

~~(e)~~ (f) 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 program from school grounds.

EFFECTIVE DATE. This section is effective for the 2024-2025 school year and later.

Sec. 34. Minnesota Statutes 2022, section 121A.58, is amended to read:

121A.58 CORPORAL PUNISHMENT; PRONE RESTRAINT; AND CERTAIN PHYSICAL HOLDS.

Subdivision 1. **Definition Definitions.** (a) 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.

(b) For the purpose of this section, "prone restraint" means placing a child in a face-down position.

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. 2a. **Prone restraint and certain physical holds not allowed.** (a) An employee or agent of a district, including a school resource officer or police officer contracted with a district, shall not use prone restraint.

(b) An employee or agent of a district, including a school resource officer or police officer contracted with a district, shall not inflict any form of physical holding that restricts or impairs a pupil's ability to breathe; restricts or impairs a pupil's ability to communicate distress; places pressure or weight on a pupil's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen; or results in straddling a pupil's torso.

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.

Sec. 35. Minnesota Statutes 2022, section 121A.61, subdivision 1, is amended to read:

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 contain the discipline complaint procedure that any member of the school community may use to file a complaint regarding the application of discipline policies and seek corrective action. 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.

Sec. 36. Minnesota Statutes 2022, section 121A.61, subdivision 3, is amended to read:

Subd. 3. **Policy components.** The policy must include at least the following components:

- (a) rules governing student conduct and procedures for informing students of the rules;
- (b) the grounds for removal of a student from a class;
- (c) the authority of the classroom teacher to remove students from the classroom pursuant to procedures and rules established in the district's policy;
- (d) the procedures for removal of a student from a class by a teacher, school administrator, or other school district employee;
- (e) the period of time for which a student may be removed from a class, which may not exceed five class periods for a violation of a rule of conduct;
- (f) provisions relating to the responsibility for and custody of a student removed from a class;
- (g) the procedures for return of a student to the specified class from which the student has been removed;
- (h) the procedures for notifying a student and the student's parents or guardian of violations of the rules of conduct and of resulting disciplinary actions;
- (i) any procedures determined appropriate for encouraging early involvement of parents or guardians in attempts to improve a student's behavior;
- (j) any procedures determined appropriate for encouraging early detection of behavioral problems;
- (k) any procedures determined appropriate for referring a student in need of special education services to those services;
- (l) any procedures determined appropriate for ensuring victims of bullying who respond with behavior not allowed under the school's behavior policies have access to a remedial response, consistent with section 121A.031;
- ~~(m)~~ (m) the procedures for consideration of whether there is a need for a further assessment or of whether there is a need for a review of the adequacy of a current individualized education program of a student with a disability who is removed from class;
- ~~(n)~~ (n) procedures for detecting and addressing chemical abuse problems of a student while on the school premises;
- ~~(o)~~ (o) the minimum consequences for violations of the code of conduct;
- ~~(p)~~ (p) procedures for immediate and appropriate interventions tied to violations of the code;
- ~~(q)~~ (q) 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;
- ~~(r)~~ (r) 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 245.4889 for students with a serious emotional disturbance or other students who have an individualized education program whose behavior may be addressed by crisis intervention; ~~and~~

~~(s)~~ (s) a provision that states a student must be removed from class immediately if the student engages in assault or violent behavior. For purposes of this paragraph, "assault" has the meaning given it in section 609.02, subdivision 10. The removal shall be for a period of time deemed appropriate by the principal, in consultation with the teacher;

(t) a prohibition on the use of exclusionary practices for early learners as defined in section 121A.425; and

(u) a prohibition on the use of exclusionary practices to address attendance and truancy issues.

Sec. 37. Minnesota Statutes 2022, section 121A.61, is amended by adding a subdivision to read:

Subd. 4. **School supports.** (a) A school board is strongly encouraged to adopt a policy that promotes the understanding in school staff that when a student is unable to meet adult expectations it is often because the student lacks the skills to respond to a situation appropriately. A school district must support school staff in using tiered interventions that teach students skills and prioritize relationships between students and teachers.

(b) A school board is strongly encouraged to adopt a policy that discourages teachers and staff from reacting to unwanted student behavior with approaches that take away the student's opportunity to build skills for responding more appropriately.

Sec. 38. Minnesota Statutes 2022, section 121A.61, is amended by adding a subdivision to read:

Subd. 5. **Discipline complaint procedure.** The discipline policy must contain procedures for students, parents and other guardians, and school staff to file a complaint and seek corrective action when the requirements of sections 121A.40 to 121A.61, including the implementation of the local behavior and discipline policies, are not being implemented appropriately or are being discriminately applied. Each district and school policy implemented under this section must, at a minimum:

(1) provide procedures for communicating this policy including the ability for a parent to appeal a decision under section 121A.49 that contains explicit instructions for filing the complaint;

(2) provide an opportunity for involved parties to submit additional information related to the complaint;

(3) provide a procedure to begin to investigate complaints within three school days of receipt, and identify personnel who will manage the investigation and any resulting record and are responsible for keeping and regulating access to any record;

(4) provide procedures for issuing a written determination to the complainant that addresses each allegation and contains findings and conclusions;

(5) if the investigation finds the requirements of sections 121A.40 to 121A.61, including any local policies that were not implemented appropriately, contain procedures that require a corrective action plan to correct a student's record and provide relevant staff with training, coaching, or other accountability practices to ensure appropriate compliance with policies in the future; and

(6) prohibit reprisals or retaliation against any person who asserts, alleges, or reports a complaint, and provide procedures for applying appropriate consequences for a person who engages in reprisal or retaliation.

Sec. 39. **[121A.611] RECESS AND OTHER BREAKS.**

(a) "Recess detention" as used in this chapter means excluding or excessively delaying a student from participating in a scheduled recess period as a consequence for student behavior. Recess detention does not include, among other things, providing alternative recess at the student's choice.

(b) A school district or charter school is encouraged to ensure student access to structured breaks from the demands of school and to support teachers, principals, and other school staff in their efforts to use evidence-based approaches to reduce exclusionary forms of discipline.

(c) A school district or charter school must not use recess detention unless:

(1) a student causes or is likely to cause serious physical harm to other students or staff;

(2) the student's parent or guardian specifically consents to the use of recess detention; or

(3) for students receiving special education services, the student's individualized education program team has determined that withholding recess is appropriate based on the individualized needs of the student.

(d) A school district or charter school must not withhold recess from a student based on incomplete homework.

(e) A school district or charter school must require school staff to make a reasonable attempt to notify a parent or guardian within 24 hours of using recess detention.

(f) A school district or charter school must compile information on each recess detention at the end of each school year, including the student's age, grade, gender, race or ethnicity, and special education status. This information must be available to the public upon request. A school district or charter school is encouraged to use the data in professional development promoting the use of nonexclusionary discipline.

(g) A school district or charter school must not withhold or excessively delay a student's participation in scheduled mealtimes. This section does not alter a district's or school's existing responsibilities under section 124D.111 or other state or federal law.

Sec. 40. **[121A.642] PARAPROFESSIONAL TRAINING.**

A school district or charter school must provide a minimum of eight hours of paid orientation or professional development annually to all paraprofessionals, Title I aides, and other instructional support staff. Six of the eight hours must be completed before the first instructional day of the school year or within 30 days of hire. The orientation or professional development must be relevant to the employee's occupation and may include collaboration time with classroom teachers and planning for the school year. For paraprofessionals who provide direct support to students, at least 50 percent of the professional development or orientation must be dedicated to meeting the requirements of this section. Professional development for paraprofessionals may also address the requirements of section 120B.363, subdivision 3. A school administrator must provide an annual certification of compliance with this requirement to the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 41. Minnesota Statutes 2022, section 124D.03, subdivision 3, is amended to read:

Subd. 3. **Pupil application procedures.** (a) 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.

(b) A school district may require a nonresident student enrolled in a program under section 125A.13, or in a preschool program, except for a program under section 124D.151 or Laws 2017, First Special Session chapter 5, article 8, section 9, to follow the application procedures under this subdivision to enroll in kindergarten. A district must allow a nonresident student enrolled in a program under section 124D.151 or Laws 2017, First Special Session chapter 5, article 8, section 9, to remain enrolled in the district when the student enters kindergarten without submitting annual or periodic applications, unless the district terminates the student's enrollment under subdivision 12.

Sec. 42. Minnesota Statutes 2022, section 124D.03, subdivision 5, is amended to read:

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 ten business 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.

Sec. 43. Minnesota Statutes 2022, section 124D.09, subdivision 3, is amended to read:

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 an accreditor recognized by the United States Department of Education, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. An eligible institution must not require a faith statement from a secondary student seeking to enroll in a postsecondary course under this section during the application process or base any part of the admission decision on a student's race, creed, ethnicity, disability, gender, or sexual orientation or religious beliefs or affiliations.

(b) "Course" means a course or program.

(c) "Concurrent enrollment" means nonsectarian courses in which an eligible pupil under subdivision 5 or 5b enrolls to earn both secondary and postsecondary credits, are taught by a secondary teacher or a postsecondary faculty member, and are offered at a high school for which the district is eligible to receive concurrent enrollment program aid under section 124D.091.

Sec. 44. Minnesota Statutes 2022, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled Tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. 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. 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:

(1) the pupil about payment in the customary manner used by the institution-; and

(2) the pupil's school as soon as practicable if the pupil withdraws from the course or stops attending the course.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 45. Minnesota Statutes 2022, section 124D.09, subdivision 12, is amended to read:

Subd. 12. **Credits; grade point average weighting policy.** (a) A pupil must not audit a course under this section.

(b) A district ~~shall~~ must 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~~ must determine the number of credits that ~~shall~~ must be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board ~~shall~~ must 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~~ is final.

(c) A school board must adopt a policy regarding weighted grade point averages for any high school or dual enrollment course. The policy must state whether the district offers weighted grades. A school board must annually publish on its website a list of courses for which a student may earn a weighted grade.

(d) 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~~ must provide the school with a copy of the pupil's ~~grade~~ grades in each course taken for secondary credit under this section, including interim or nonfinal grades earned during the academic term. 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.

(e) 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.

(f) 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. Consistent with section 135A.101, subdivision 3, all MnSCU institutions must give full credit to a secondary pupil who completes for postsecondary credit a postsecondary course or program that is part or all of a goal area or a transfer curriculum at a MnSCU institution when the pupil enrolls in a MnSCU institution after leaving secondary school. Once one MnSCU institution certifies as completed a secondary student's postsecondary course or program that is part or all of a goal area or a transfer curriculum, every MnSCU institution must consider the student's course or program for that goal area or the transfer curriculum as completed.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 46. Minnesota Statutes 2022, section 124D.09, subdivision 13, is amended to read:

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~~ ten business days of the postsecondary institution's quarter or semester or who has been absent from the postsecondary institution for the first ~~15 consecutive school~~ ten business days of the postsecondary institution's 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 45 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.

Sec. 47. **[124D.094] ONLINE INSTRUCTION ACT.**

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

(b) "Blended instruction" means a form of digital instruction that occurs when a student learns part time in a supervised physical setting and part time through online instruction under paragraph (f).

(c) "Digital instruction" means instruction facilitated by technology that offers students an element of control over the time, place, path, or pace of learning and includes blended and online instruction.

(d) "Enrolling district" means the school district or charter school in which a student is enrolled under section 120A.22, subdivision 4.

(e) "Online course syllabus" means a written document that identifies the state academic standards taught and assessed in a supplemental online course under paragraph (j); course content outline; required course assessments; instructional methods; communication procedures with students, guardians, and the enrolling district under paragraph (d); and supports available to the student.

(f) "Online instruction" means a form of digital instruction that occurs when a student learns primarily through digital technology away from a supervised physical setting.

(g) "Online instructional site" means a site that offers courses using online instruction under paragraph (f) and may enroll students receiving online instruction under paragraph (f).

(h) "Online teacher" means an employee of the enrolling district under paragraph (d) or the supplemental online course provider under paragraph (k) who holds the appropriate licensure under Minnesota Rules, chapter 8710, and is trained to provide online instruction under paragraph (f).

(i) "Student" means a Minnesota resident enrolled in a school defined under section 120A.22, subdivision 4, in kindergarten through grade 12 up to the age of 21.

(j) "Supplemental online course" means an online learning course taken in place of a course provided by the student's enrolling district under paragraph (d).

(k) "Supplemental online course provider" means 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 is authorized by the Department of Education to provide supplemental online courses under paragraph (j).

Subd. 2. Digital instruction. (a) An enrolling district may provide digital instruction, including blended instruction and online instruction, to the district's own enrolled students. Enrolling districts may establish agreements to provide digital instruction, including blended instruction and online instruction, to students enrolled in the cooperating schools.

(b) When online instruction is provided, an online teacher as defined under subdivision 1, paragraph (h), shall perform all duties of teacher of record under Minnesota Rules, part 8710.0310. Unless the commissioner grants a waiver, a teacher providing online instruction shall not instruct more than 40 students in any one online learning course or section.

(c) Students receiving online instruction full time shall be reported as enrolled in an online instructional site under subdivision 1, paragraph (g).

(d) Curriculum used for digital instruction shall be aligned with Minnesota's current academic standards and benchmarks.

(e) Digital instruction shall be accessible to students under section 504 of the federal Rehabilitation Act and Title II of the federal Americans with Disabilities Act.

(f) An enrolling district providing digital instruction and a supplemental online course provider shall assist an enrolled student whose family qualifies for the education tax credit under section 290.0674 to acquire computer hardware and educational software so they may participate in digital instruction. Funds provided to a family to support digital instruction or supplemental online courses may only be used for qualifying expenses as determined by the provider. Nonconsumable materials purchased with public education funds remain the property of the provider. Records for any funds provided must be available for review by the public or the department.

(g) An enrolling district providing digital instruction shall establish and document procedures for determining attendance for membership and keep accurate records of daily attendance under section 120A.21.

Subd. 3. **Supplemental online courses.** (a) Notwithstanding sections 124D.03 and 124D.08 and chapter 124E, procedures for applying to take supplemental online courses other than those offered by the student's enrolling district are as provided in this subdivision.

(b) Any kindergarten through grade 12 student may apply to take a supplemental online course under subdivision 1, paragraph (j). The student, or the student's parent or guardian for a student under age 17, must submit an application for the proposed supplemental online course or courses. A student may:

(1) apply to take an online course from a supplemental online course provider that meets or exceeds the academic standards of the course in the enrolling district they are replacing;

(2) apply to take supplemental online courses for up to 50 percent of the student's scheduled course load; and

(3) apply to take supplemental online courses no later than 15 school days after the student's enrolling district's term has begun. An enrolling district may waive the 50 percent course enrollment limit or the 15-day time limit.

(c) A student taking a supplemental online course must have the same access to the computer hardware and education software available in a school as all other students in the enrolling district.

(d) A supplemental online course provider must have a current, approved application to be listed by the Department of Education as an approved provider. The supplemental online course provider must:

(1) use an application form specified by the Department of Education;

(2) notify the student, the student's guardian if they are age 17 or younger, and enrolling district of the accepted application to take a supplemental online course within ten days of receiving a completed application;

(3) notify the enrolling district of the course title, credits to be awarded, and the start date of the online course. A supplemental online course provider must make the online course syllabus available to the enrolling district;

(4) request applicable academic support information for the student, including a copy of the IEP, EL support plan, or 504 plan; and

(5) track student attendance and monitor academic progress and communicate with the student, the student's guardian if they are age 17 or younger, and the enrolling district's designated online learning liaison.

(e) A supplemental online course 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. The provisions may not discriminate against any protected class or students with disabilities.

(f) A supplemental online course provider may request that the Department of Education review an enrolling district's written decision to not accept a student's supplemental online course application. The student may participate in the supplemental online course while the application is under review. Decisions shall be final and binding for both the enrolling district and the supplemental online course provider.

(g) A supplemental online course provider must participate in continuous improvement cycles with the Department of Education.

Subd. 4. Enrolling district. (a) An enrolling district may not restrict or prevent a student from applying to take supplemental online courses.

(b) An enrolling district may request an online course syllabus as defined under subdivision 1, paragraph (e), to review whether the academic standards in the online course meet or exceed the academic standards in the course it would replace at the enrolling district.

(c) Within 15 days after receiving notice of a student applying to take a supplemental online course, the enrolling district must notify the supplemental online course provider whether the student, the student's guardian, and the enrolling district agree that academic standards in the online course meet or exceed the academic standards in the course it would replace at the enrolling district. If the enrolling district does not agree that the academic standards in the online course meet or exceed the academic standards in the course it would replace at the enrolling district, then:

(1) the enrolling district must provide a written explanation of the district's decision to the student, the student's guardian, and the supplemental online course provider; and

(2) the online provider must provide a response to the enrolling district explaining how the course or program meets the graduation requirements of the enrolling district.

(d) An enrolling district may reduce the course schedule of a student taking supplemental online courses in proportion to the number of supplemental online learning courses the student takes.

(e) An enrolling district must appoint an online learning liaison who:

(1) provides information to students and families about supplemental online courses;

(2) provides academic support information including IEPs, EL support plans, and 504 plans to supplemental online providers; and

(3) monitors attendance and academic progress, and communicates with supplemental online learning providers, students, families, and enrolling district staff.

(f) An enrolling district must continue to provide support services to students taking supplemental online courses as they would for any other enrolled student including support for English learners, case management of an individualized education program, and meal and nutrition services for eligible students.

(g) An online learning student must receive academic credit for completing the requirements of a supplemental online learning course. If a student completes an online learning course that meets or exceeds a graduation standard or the grade progression requirement at the enrolling district, that standard or requirement is met.

(h) Secondary credits granted to a supplemental 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 students taking supplemental online courses.

(i) An enrolling district must provide access to extracurricular activities for students taking supplemental online courses on the same basis as any other enrolled student.

Subd. 5. Reporting. Courses that include blended instruction and online instruction must be reported in the manner determined by the commissioner of education.

Subd. 6. **Department of Education.** (a) The commissioner must establish quality standards to be used for applications and continuous improvement of supplemental online course providers, and by enrolling districts using digital instruction.

(b) The commissioner must support the enrolling district's development of high-quality digital instruction and monitor implementation. The department must establish and participate in continuous improvement cycles with supplemental online course providers.

(c) Applications from prospective supplemental online course providers must be reviewed using quality standards and approved or denied within 90 calendar days of receiving a complete application.

(d) The department may collect a fee not to exceed \$250 for reviewing applications by supplemental online course providers or \$50 per supplemental course application review request. Funds generated from application review fees shall be used to support high quality digital instruction.

(e) The department must develop, publish, and maintain a list of supplemental online course providers that the department has reviewed and approved.

(f) The department may review a complaint about an enrolling district providing digital instruction, or a complaint about a supplemental online course provider based on the provider's response to notice of a violation. If the department determines that an enrolling district providing digital instruction or a supplemental online course 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 this section and sections 124E.25 and 127A.42. The department must notify an online learning provider in writing about withholding funds and provide detailed calculations.

(g) An online learning program fee administration account is created in the special revenue fund. Funds retained under paragraph (d) must be deposited in the account. Money in the account is annually appropriated to the commissioner for costs associated with administering and monitoring online and digital learning programs.

Subd. 7. **Financial arrangements.** (a) For a student enrolled in an online supplemental course, the department must calculate average daily membership and make payments according to this subdivision.

(b) The initial online supplemental 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 supplemental average daily membership times .88.

(c) No online supplemental average daily membership shall be generated if the student:

(1) does not complete the online learning course; or

(2) is enrolled in an online course provided by the enrolling district.

(d) Online course 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 (2), and for computing online course aid according to section 124D.096.

Sec. 48. Minnesota Statutes 2022, section 124D.128, subdivision 1, is amended to read:

Subdivision 1. **Program established.** A learning year program provides instruction throughout the year on an extended year calendar, extended school day calendar, or both. ~~A pupil may participate in the program and accelerate attainment of grade level requirements or graduation requirements.~~ A learning year program may begin after the close of the regular school year in June. The program may be for students in one or more grade levels from kindergarten through grade 12.

Sec. 49. Minnesota Statutes 2022, section 124D.231, is amended to read:

124D.231 FULL-SERVICE COMMUNITY SCHOOLS.

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

(a) "Community organization" means a nonprofit organization that has been in existence for three years or more and serves persons within the community surrounding the covered school site on education and other issues.

(b) "Community school consortium" means a group of schools and community organizations that propose to work together to plan and implement community school programming.

(c) "Community school programming" means services, activities, and opportunities described under subdivision 2, paragraph ~~(g)~~ (f).

(d) "Community-wide full-service community school leadership team" means a district-level team that is responsible for guiding the vision, policy, resource alignment, implementation, oversight, and goal setting for community school programs within the district. This team shall include representatives from the district, including teachers, school leaders, students, and family members from the eligible schools; community members; system-level partners that include representatives from government agencies, relevant unions, and nonprofit and other community-based partners; and, if applicable, the full-service community school initiative director.

(e) "Full-service community school initiative director" means a director responsible for coordinating districtwide administrative and leadership assistance to community school sites and site coordinators, including serving as chairperson for the district's community-wide full-service community school leadership team; site coordinator support; data gathering and evaluation; administration of partnership and data agreements, contracts, and procurement; and grant administration.

~~(d)~~ (f) "High-quality child care or early childhood education programming" means educational programming for preschool-aged children that is grounded in research, consistent with best practices in the field, and provided by licensed teachers.

~~(e)~~ (g) "School site" means a school site at which an applicant has proposed or has been funded to provide community school programming.

~~(f)~~ (h) "Site coordinator" ~~is an individual~~ means a full-time staff member serving one eligible school who is responsible for ~~aligning the identification, implementation, and coordination of programming with~~ to address the needs of the school community identified in the baseline analysis.

Subd. 2. **Full-service community school program.** (a) The commissioner shall provide funding to districts and charter schools with eligible school sites to plan, implement, and improve full-service community schools. Eligible school sites must meet one of the following criteria:

(1) the school is on a development plan for continuous improvement under section 120B.35, subdivision 2; or

(2) the school is in a district that has an achievement and integration plan approved by the commissioner of education under sections 124D.861 and 124D.862.

(b) ~~An eligible school site may receive up to \$150,000 annually.~~ Districts and charter schools may receive up to:

(1) \$100,000 for each eligible school available for up to one year to fund planning activities, including convening a full-service community school leadership team, facilitating family and community stakeholder engagement, conducting a baseline analysis, and creating a full-service community school plan. At the end of this period, the school must submit a full-service community school plan pursuant to paragraphs (d) and (e); and

(2) \$200,000 annually for each eligible school for up to three years of implementation of a full-service community school plan, pursuant to paragraphs (f) and (g). School sites receiving funding under this section shall hire or contract with a partner agency to hire a site coordinator to coordinate services at each covered school site. Districts or charter schools receiving funding under this section for three or more schools shall provide or contract with a partner agency to provide a full-service community school initiative director.

~~(e) Of grants awarded, implementation funding of up to \$20,000 must be available for up to one year for planning for school sites. At the end of this period, the school must submit a full-service community school plan, pursuant to paragraph (g). If the site decides not to use planning funds, the plan must be submitted with the application.~~

~~(d) (c)~~ (c) The commissioner shall consider additional school factors when dispensing funds including: schools with significant populations of students receiving free or reduced-price lunches; significant homeless and highly mobile rates; ~~and~~ equity among urban, suburban, and greater Minnesota schools; and demonstrated success implementing full-service community school programming.

~~(e) (d)~~ (d) A school site must establish a full-service community school leadership team responsible for developing school-specific programming goals, assessing program needs, and overseeing the process of implementing expanded programming ~~at each covered site~~. The school leadership team shall have ~~between~~ at least 12 ~~to 15~~ members and shall meet the following requirements:

(1) at least 30 percent of the members are parents, guardians, or students and 30 percent of the members are teachers at the school site and must include the school principal and representatives from partner agencies; and

(2) the full-service community school leadership team must be responsible for overseeing the baseline analyses under paragraph ~~(f) (e)~~ (e) ~~and the creation of a full-service community school plan under paragraphs (f) and (g).~~ A full-service community school leadership team must meet at least quarterly and have ongoing responsibility for monitoring the development and implementation of full-service community school operations and programming at the school site and shall issue recommendations to schools on a regular basis and summarized in an annual report. These reports shall also be made available to the public at the school site and on school and district websites.

~~(f) (e)~~ (e) School sites must complete a baseline analysis prior to ~~beginning programming as~~ the creation of a full-service community school plan. The analysis shall include:

(1) a baseline analysis of needs at the school site, led by the school leadership team, ~~which shall include~~ including the following elements:

(i) identification of challenges facing the school;

(ii) analysis of the student body, including:

(A) number and percentage of students with disabilities and needs of these students;

(B) number and percentage of students who are English learners and the needs of these students;

(C) number of students who are homeless or highly mobile; ~~and~~

(D) number and percentage of students receiving free or reduced-price lunch and the needs of these students; and

(E) number and percentage of students by race and ethnicity;

(iii) analysis of enrollment and retention rates for students with disabilities, English learners, homeless and highly mobile students, and students receiving free or reduced-price lunch;

(iv) analysis of suspension and expulsion data, including the justification for such disciplinary actions and the degree to which particular populations, including, but not limited to, American Indian students and students of color, students with disabilities, students who are English learners, and students receiving free or reduced-price lunch are represented among students subject to such actions;

(v) analysis of school achievement data disaggregated by major demographic categories, including, but not limited to, race, ethnicity, English learner status, disability status, and free or reduced-price lunch status;

(vi) analysis of current parent engagement strategies and their success; and

(vii) evaluation of the need for and availability of ~~wraparound services~~ full-service community school activities, including, but not limited to:

~~(A) mechanisms for meeting students' social, emotional, and physical health needs, which may include coordination of existing services as well as the development of new services based on student needs; and~~

~~(B) strategies to create a safe and secure school environment and improve school climate and discipline, such as implementing a system of positive behavioral supports, and taking additional steps to eliminate bullying;~~

(A) integrated student supports that address out-of-school barriers to learning through partnerships with social and health service agencies and providers, and may include medical, dental, vision care, and mental health services or counselors to assist with housing, transportation, nutrition, immigration, or criminal justice issues;

(B) expanded and enriched learning time and opportunities, including before-school, after-school, weekend, and summer programs that provide additional academic instruction, individualized academic support, enrichment activities, and learning opportunities that emphasize real-world learning and community problem solving and may include art, music, drama, creative writing, hands-on experience with engineering or science, tutoring and homework help, or recreational programs that enhance and are consistent with the school's curriculum;

(C) active family and community engagement that brings students' families and the community into the school as partners in education and makes the school a neighborhood hub, providing adults with educational opportunities that may include adult English as a second language classes, computer skills, art, or other programs that bring community members into the school for meetings or events; and

(D) collaborative leadership and practices that build a culture of professional learning, collective trust, and shared responsibility and include a school-based full-service community school leadership team, a full-service community school site coordinator, a full-service community school initiative director, a community-wide leadership team, other leadership or governance teams, teacher learning communities, or other staff to manage the joint work of school and community organizations;

(2) a baseline analysis of community assets ~~and a strategic plan for utilizing and aligning identified assets. This analysis should include, but is not limited to, a~~ including documentation of individuals in the community, faith-based organizations, community and neighborhood associations, colleges, hospitals, libraries, businesses, and social service agencies ~~who~~ that may be able to provide support and resources; and

(3) a baseline analysis of needs in the community surrounding the school, led by the school leadership team, ~~including, but not limited to:~~

- (i) the need for high-quality, full-day child care and early childhood education programs;
- (ii) the need for physical and mental health care services for children and adults; and
- (iii) the need for job training and other adult education programming.

~~(g)~~ (f) Each school site receiving funding under this section must establish develop a full-service community school plan that utilizes and aligns district and community assets and establishes services in at least two of the following types of programming:

(1) early childhood:

- (i) early childhood education; and
- (ii) child care services;

(2) academic:

- (i) academic support and enrichment activities, including expanded learning time;
- (ii) summer or after-school enrichment and learning experiences;
- (iii) job training, internship opportunities, and career counseling services;

(iv) programs that provide assistance to students who have been chronically absent, truant, suspended, or expelled; and

(v) specialized instructional support services;

(3) parental involvement:

(i) programs that promote parental involvement and family literacy;

(ii) parent leadership development activities that empower and strengthen families and communities, provide volunteer opportunities, or promote inclusion in school-based leadership teams; and

(iii) parenting education activities;

(4) mental and physical health:

- (i) mentoring and other youth development programs, including peer mentoring and conflict mediation;
- (ii) juvenile crime prevention and rehabilitation programs;

(iii) home visitation services by teachers and other professionals;

(iv) developmentally appropriate physical education;

(v) nutrition services;

(vi) primary health and dental care; and

(vii) mental health counseling services;

(5) community involvement:

(i) service and service-learning opportunities;

(ii) adult education, including instruction in English as a second language; and

(iii) homeless prevention services;

(6) positive discipline practices; and

(7) other programming designed to meet school and community needs identified in the baseline analysis and reflected in the full-service community school plan.

~~(h)~~ (g) The full-service community school leadership team at each school site must develop a full-service community school plan detailing the steps the school leadership team will take, including:

(1) timely establishment and consistent operation of the school leadership team;

(2) maintenance of attendance records in all programming components;

(3) maintenance of measurable data showing annual participation and the impact of programming on the participating children and adults;

(4) documentation of meaningful and sustained collaboration between the school and community stakeholders, including local governmental units, civic engagement organizations, businesses, and social service providers;

(5) establishment and maintenance of partnerships with institutions, such as universities, hospitals, museums, or not-for-profit community organizations to further the development and implementation of community school programming;

(6) ensuring compliance with the district nondiscrimination policy; and

(7) plan for school leadership team development.

Subd. 3. **Full-service community school review.** (a) ~~Every three years,~~ A full-service community school site must submit to the commissioner, and make available at the school site and online, a report describing efforts to integrate community school programming at each covered school site and the effect of the transition to a full-service community school on participating children and adults. This report shall include, but is not limited to, the following:

(1) an assessment of the effectiveness of the school site in development or implementing the community school plan;

(2) problems encountered in the design and execution of the community school plan, including identification of any federal, state, or local statute or regulation impeding program implementation;

(3) the operation of the school leadership team and its contribution to successful execution of the community school plan;

(4) recommendations for improving delivery of community school programming to students and families;

(5) the number and percentage of students receiving community school programming who had not previously been served;

(6) the number and percentage of nonstudent community members receiving community school programming who had not previously been served;

(7) improvement in retention among students who receive community school programming;

(8) improvement in academic achievement among students who receive community school programming;

(9) changes in student's readiness to enter school, active involvement in learning and in their community, physical, social and emotional health, and student's relationship with the school and community environment;

(10) an accounting of anticipated local budget savings, if any, resulting from the implementation of the program;

(11) improvements to the frequency or depth of families' involvement with their children's education;

(12) assessment of community stakeholder satisfaction;

(13) assessment of institutional partner satisfaction;

(14) the ability, or anticipated ability, of the school site and partners to continue to provide services in the absence of future funding under this section;

(15) increases in access to services for students and their families; and

(16) the degree of increased collaboration among participating agencies and private partners.

(b) Reports submitted under this section shall be evaluated by the commissioner with respect to the following criteria:

(1) the effectiveness of the school or the community school consortium in implementing the full-service community school plan, including the degree to which the school site navigated difficulties encountered in the design and operation of the full-service community school plan, including identification of any federal, state, or local statute or regulation impeding program implementation;

(2) the extent to which the project has produced lessons about ways to improve delivery of community school programming to students;

(3) the degree to which there has been an increase in the number or percentage of students and nonstudents receiving community school programming;

(4) the degree to which there has been an improvement in retention of students and improvement in academic achievement among students receiving community school programming;

(5) local budget savings, if any, resulting from the implementation of the program;

(6) the degree of community stakeholder and institutional partner engagement;

(7) the ability, or anticipated ability, of the school site and partners to continue to provide services in the absence of future funding under this section;

(8) increases in access to services for students and their families; and

(9) the degree of increased collaboration among participating agencies and private partners.

Sec. 50. Minnesota Statutes 2022, section 124D.59, subdivision 2a, is amended to read:

Subd. 2a. **English learner; limited or interrupted formal education.** Consistent with subdivision 2, an English learner ~~includes an English learner with an limited or interrupted formal education is an English learner under subdivision 2~~ who ~~meets three of the following five requirements:~~

~~(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.~~ has at least two fewer years of schooling than the English learner's peers when entering school in the United States.

Sec. 51. Minnesota Statutes 2022, section 124D.68, subdivision 2, is amended to read:

Subd. 2. **Eligible pupils.** (a) 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 having substance use disorder;

(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 is an English learner;

(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.

~~(b) A pupil otherwise qualifying under paragraph (a) who is at least 21 years of age and not yet 22 years of age, and is an English learner with an interrupted formal education according to section 124D.59, subdivision 2a, is eligible to participate in the graduation incentives program under section 124D.68 and in concurrent enrollment courses offered under section 124D.09, subdivision 10, and is funded in the same manner as other pupils under this section: if the pupil otherwise qualifies under paragraph (a), is at least 21 years of age and not yet 22 years of age, and:~~

(1) is an English learner with a limited or interrupted formal education according to section 124D.59, subdivision 2a; or

(2) meets three of the following four requirements:

(i) comes from a home where the language usually spoken is other than English, or usually speaks a language other than English;

(ii) enters school in the United States after grade 6;

(iii) functions at least two years below expected grade level in reading and mathematics; and

(iv) may be preliterate in the English learner's native language.

Sec. 52. Minnesota Statutes 2022, section 124D.68, subdivision 3, is amended to read:

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~~ 17 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.

Sec. 53. Minnesota Statutes 2022, section 124D.861, subdivision 2, is amended to read:

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, including teachers and administrators who are members of populations underrepresented among the licensed teachers or administrators in the district or school and who reflect the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school; increased programmatic opportunities and effective and more diverse instructors 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.~~

(b) The plan must contain goals for:

(1) reducing the disparities in academic achievement and in equitable access to effective and more diverse teachers 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 diversity and integration in schools and districts.

(c) The plan must include strategies to validate, affirm, embrace, and integrate cultural and community strengths of all students, families, and employees in the district's curriculum as well as learning and work environments. The plan must address issues of institutional racism as defined in section 120B.11, subdivision 1, in schools that create opportunity and achievement gaps for students, families, and staff who are of color or who are American Indian. Examples of institutional racism experienced by students who are of color or who are American Indian include policies and practices that intentionally or unintentionally result in disparate discipline referrals and suspension, inequitable access to advanced coursework, overrepresentation in lower-level coursework, inequitable participation in cocurricular activities, inequitable parent involvement, and lack of equitable access to racially and ethnically diverse teachers who reflect the racial or ethnic diversity of students because it has not been a priority to hire or retain such teachers.

(d) School districts must use local data, to the extent practicable, to develop plan components and strategies. Plans may include:

(1) innovative and integrated prekindergarten through grade 12 learning environments that offer students school enrollment choices;

(2) family engagement initiatives that involve families in their students' academic life and success and improve relations between home and school;

(3) opportunities for students, families, staff, and community members who are of color or American Indian to share their experiences in the school setting with school staff and administration and to inform the development of specific proposals for making school environments more validating, affirming, embracing, and integrating of their cultural and community strengths;

(4) professional development opportunities for teachers and administrators focused on improving the academic achievement of all students, including knowledge, skills, and dispositions needed to be antiracist and culturally sustaining as defined in section 120B.11, subdivision 1, for serving students who are from racially and ethnically diverse backgrounds;

(5) recruitment and retention of teachers, administrators, cultural and family liaisons, paraprofessionals, and other staff from racial, ethnic, and linguistic backgrounds represented in the student population to strengthen relationships with all students, families, and other members of the community;

(6) collection, examination, and evaluation of academic and discipline data for institutional racism as defined in section 120B.11, subdivision 1, in structures, policies, and practices that result in the education disparities, in order to propose antiracist changes as defined in section 120B.11, subdivision 1, that increase access, meaningful participation, representation, and positive outcomes for students of color and American Indian students;

(7) increased programmatic opportunities and effective and more diverse instructors focused on rigor and college and career readiness for students who are impacted by racial, gender, linguistic, and economic disparities, including students enrolled in area learning centers or alternative learning programs under section 123A.05, state-approved alternative programs under section 126C.05, subdivision 15, and contract alternative programs under section 124D.69, among other underserved students;

(8) ethnic studies curriculum as defined in section 120B.11, subdivision 1, to provide all students with opportunities to learn about their own and others' cultures and historical experiences; or

(9) examination and revision of district curricula in all subjects to be inclusive of diverse racial and ethnic groups while meeting state academic standards and being culturally sustaining as defined in section 120B.11, subdivision 1, ensuring content being studied about any group is accurate and based in knowledge from that group.

~~(b)~~ (e) Among other requirements, an eligible district must implement effective, research-based interventions that include formative multiple measures of assessment practices and engagement in order to reduce the eliminate academic 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 for students impacted by racial, gender, linguistic, and economic inequities as aligned with section 120B.11.

~~(c)~~ (f) 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.

EFFECTIVE DATE. This section is effective for all plans reviewed and updated after the day following final enactment.

Sec. 54. Minnesota Statutes 2022, section 124D.862, subdivision 8, is amended to read:

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 guide the district in the development of an~~ 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.

Sec. 55. Minnesota Statutes 2022, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

(a) At the beginning of each school year, each school district shall have in effect, for each child with a disability, an individualized education program.

(b) As defined in this section, every district must ensure the following:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individualized education program team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individualized education program. The individualized education program team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26. Before a school district evaluation team makes a determination of other health disability under Minnesota Rules, part 3525.1335, subparts 1 and 2, item A, subitem (1), the evaluation team must seek written documentation of the student's medically diagnosed chronic or acute health condition signed by a licensed physician or a licensed health care provider acting within the scope of the provider's practice. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individualized education program. The program must address the student's need to develop skills to live and work as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children. During grade 9, the program must address the student's needs for transition from secondary services to postsecondary education and training, employment, community participation, recreation, and leisure and home living. In developing the program, districts must inform parents of the full range of transitional goals and related services that should be considered. The program must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded. If the individualized education program meets the plan components in section 120B.125, the individualized education program satisfies the requirement and no additional transition plan is needed;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial evaluation or reevaluation, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation materials, and procedures used for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

(c) For all paraprofessionals employed to work in programs whose role in part is to provide direct support to students with disabilities, the school board in each district shall ensure that:

(1) before or beginning at the time of employment, each paraprofessional must develop sufficient knowledge and skills in emergency procedures, building orientation, roles and responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin meeting the needs, especially disability-specific and behavioral needs, of the students with whom the paraprofessional works;

(2) within five days of beginning to work alone with an individual student with a disability, the assigned paraprofessional must be either given paid time, or time during the school day, to review a student's individualized education program or be briefed on the student's specific needs by appropriate staff;

~~(2)~~ (3) annual training opportunities are required to enable the paraprofessional to continue to further develop the knowledge and skills that are specific to the students with whom the paraprofessional works, including understanding disabilities, the unique and individual needs of each student according to the student's disability and how the disability affects the student's education and behavior, following lesson plans, and implementing follow-up instructional procedures and activities; and

~~(3)~~ (4) 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.

(d) A school district may conduct a functional behavior assessment as defined in Minnesota Rules, part 3525.0210, subpart 22, as a stand-alone evaluation without conducting a comprehensive evaluation of the student in accordance with prior written notice provisions in section 125A.091, subdivision 3a. A parent or guardian may request that a school district conduct a comprehensive evaluation of the parent's or guardian's student.

Sec. 56. Minnesota Statutes 2022, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means any person appointed or employed by a public employer except:

(1) elected public officials;

(2) election officers;

(3) commissioned or enlisted personnel of the Minnesota National Guard;

(4) emergency employees who are employed for emergency work caused by natural disaster;

(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 working for a school district or charter school; or (iii) 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 public 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;

(7) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;

(8) employees of charitable hospitals as defined by section 179.35, subdivision 3, except that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public employees for purposes of sections 179A.051, 179A.052, and 179A.13;

(9) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;

(10) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;

(11) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities to teach one course for three or fewer credits for one semester in a year;

(12) with respect to court employees:

(i) personal secretaries to judges;

(ii) law clerks;

(iii) managerial employees;

(iv) confidential employees; and

(v) supervisory employees;

(13) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

(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 or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; 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.

Sec. 57. **ETHNIC STUDIES WORKING GROUP.**

Subdivision 1. Working group established. (a) The Ethnic Studies Working Group is established to advise the commissioner of education on ethnic studies standards and resources necessary to implement ethnic studies requirements under Minnesota Statutes, section 120B.251. The commissioner must appoint members of the working group by April 1, 2024, with input from the Minnesota Ethnic Studies Coalition.

(b) The Ethnic Studies Working Group must have 25 members with a demonstrated commitment to ethnic studies, as follows:

(1) five community members with a demonstrated commitment to ethnic studies or education about Minnesota's racial, ethnic, religious, national origin, gender, sexual orientation, or cultural diversity;

(2) four public school students in grades 9 to 12;

(3) three parents or guardians of public kindergarten through grade 12 students;

(4) three Minnesota-based, college-level faculty experts in ethnic studies;

(5) three ethnic studies high school teachers;

(6) four teachers with experience teaching ethnic studies to students in kindergarten to grade 8; and

(7) three school board members or school administrators.

(c) Demographics of the working group must be inclusive and represent the diversity of the state, including racial, ethnic, and geographic diversity, and diversity related to gender and sexual orientation, immigrant status, disability status, and religious and linguistic background.

Subd. 2. Duties. (a) The working group must review available ethnic studies instructional resources in order to:

(1) develop ethnic studies standards to propose to the commissioner for adoption;

(2) recommend professional learning requirements for educators and staff to facilitate the successful implementation of ethnic studies courses;

(3) recommend resources and materials school districts and charter schools may use to implement ethnic studies standards; and

(4) identify or develop instructional resources that school districts and charter schools may use in accordance with Minnesota Statutes, section 120B.251.

(b) By October 31, 2024, the working group must provide the ethnic studies standards and recommendations to the commissioner of education.

Subd. 3. **Meetings.** The working group must convene on at least a bimonthly basis and must hold the first meeting no later than October 15, 2023.

Subd. 4. **Administration.** The commissioner must provide meeting space and technical assistance for the working group.

Subd. 5. **Statewide academic standards.** The commissioner must use the expedited rulemaking process in Minnesota Statutes, section 14.389, to adopt academic standards for ethnic studies developed in accordance with this section, subject to the notice and public hearing provisions of Minnesota Statutes, section 14.389, subdivision 5.

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

Sec. 58. **COMPUTER SCIENCE EDUCATION ADVANCEMENT PROGRAM.**

Subdivision 1. **Definitions.** (a) "Computer science" means the study of computers and algorithmic processes, including their principles, their hardware and software designs, their implementation, and their impact on society.

(b) "Computer science courses and content" means courses at:

(1) elementary and middle schools that teach computer science as standalone implementations or embedded in other subjects; and

(2) high schools that teach computer science as standalone courses and focus on teaching students how to create new technologies.

(c) "High-quality computer science educator training" means activities that:

(1) clarify the conceptual foundations of computer science;

(2) teach research-based practices, including hands-on and inquiry-based learning;

(3) are primarily intended for existing teachers with or without prior exposure to computer science with options for advanced training for teachers; and

(4) align to existing integrated computer science standards in Minnesota or nationally recognized standards, including the Computer Science Teachers' Association's kindergarten through grade 12 computer science education standards.

(d) "High-quality computer science professional learning providers" means institutions of higher education, nonprofits, other state-funded entities, or private entities that have successfully designed, implemented, and scaled high-quality computer science professional learning for teachers as defined in paragraph (c).

(e) "STEAM" means science, technology, engineering, arts, and mathematics.

Subd. 2. **Computer science education supervisor.** The Department of Education must employ a computer science supervisor dedicated to:

(1) the implementation of this section and the implementation of the computer science education strategic plan developed by the working group under subdivision 3;

(2) outreach to districts that need additional supports to create or advance their computer science programs; and

(3) supporting districts in using existing and available resources for districts to create and advance their computer science programs.

Subd. 3. Computer science working group. (a) The Department of Education shall establish a computer science education working group to develop a state strategic plan for long-term and sustained growth of computer science education in all kindergarten through grade 12 school districts and charter schools. The commissioner of education must appoint members of the working group by July 1, 2023.

(b) Demographics of the working group must be inclusive and represent the diversity of the state, including but not limited to racial, ethnic, and geographic diversity, and diversity related to gender and sexual orientation.

(c) Meetings of the advisory committee are subject to the Open Meeting Law under Minnesota Statutes, chapter 13D.

(d) The computer science education advisory committee shall consist of the following members:

(1) the commissioner of education or the commissioner's designee;

(2) the commissioner of higher education or the commissioner's designee;

(3) one representative of the Professional Educator Licensing and Standards Board;

(4) one representative of the Computer Science Teachers Association of Minnesota;

(5) one representative from the business community employing computer scientists or technologists;

(6) one representative from the Minnesota Technology Association;

(7) one representative from a nonprofit organization working with students and teachers in computer science;

(8) one representative from the Minnesota Association of School Administrators;

(9) one representative from Education Minnesota;

(10) one representative from the Minnesota Association of Colleges for Teacher Education;

(11) one representative from CSforAll Minnesota;

(12) one licensed library media specialist;

(13) one representative from the Minnesota School Boards Association;

(14) one representative from SciMathMN;

(15) one representative from the Tribal Nations Education Committee;

(16) one high school student enrolled in a school with fewer than 1,000 students and one high school student enrolled in a school with more than 1,000 students; and

(17) four computer science teachers that teach at schools of different sizes, including at least one teacher of students in kindergarten to grade 5, one teacher of students in grades 6 to 8, and one teacher of students in grades 9 to 12, and one career and technical education teacher.

(e) The computer science education working group shall develop a state strategic plan for a statewide computer science education program that includes but is not limited to:

(1) a statement of purpose that describes the objectives or goals the Department of Education will accomplish by implementing a computer science education program, the strategies by which those goals will be achieved, and a timeline for achieving those goals;

(2) a summary of the current state landscape for kindergarten through grade 12 computer science education, including diversity of students taking these courses;

(3) the creation or expansion of flexible options to license computer science teachers, which may include approval codes, technical permits, ancillary licenses, and standard licenses;

(4) a description of how the state will support the expansion of computer science education opportunities in every public school and public charter school in the state within five years, with a focus on ensuring equitable access;

(5) identifying high-quality computer science professional learning providers for teachers;

(6) an ongoing evaluation process that is overseen by the Department of Education;

(7) proposed rules that incorporate the principles of the state strategic plan into the state's public education system as a whole;

(8) recommendations for long-term expansion and sustainability of computer science education, including:

(i) implementation of a requirement that every kindergarten through grade 12 public school and public charter school employs at least one certified or endorsed computer science teacher, which may be met through multiple approved processes for certification and endorsement, including but not limited to endorsing a certified teacher as determined by the Professional Educator Licensing and Standards Board endorsed in another subject area;

(ii) expansion of a high school credit equivalency for computer science;

(iii) the development of standalone kindergarten through grade 12 standards for computer science; and

(iv) training preservice teachers in computer science education; and

(9) a description of existing gaps in computer science education access, participation, and success by geography and subgroup of students and a description of how to equitably address these gaps.

(f) By December 31, 2023, the Department of Education shall publish the proposed state strategic plan for public feedback.

(g) By February 28, 2024, the Department of Education shall present the adopted state strategic plan described in paragraph (c) to the chairs of the legislative committees with jurisdiction over education.

(h) The commissioner of education, or the commissioner of education's designee, may approve updates and changes to the state strategic plan described in paragraph (c) as necessary for the successful implementation of kindergarten through grade 12 computer science education.

(i) The Department of Education shall update the legislative committees with jurisdiction over education on all changes to the strategic plan described in paragraph (c) approved by the commissioner of education's designee since the last presentation to each respective entity.

Subd. 4. Computer science educator training and capacity building. (a) The Department of Education shall develop and implement, or award grants or subcontract with eligible entities, for the development and implementation of high-quality, coordinated teacher recruitment and educator training programs for computer science courses and content as defined in subdivision 1 and aligned to the state strategic plan as developed under subdivision 3.

(b) For the purposes of this subdivision, eligible entities include:

(1) a consortium of local educational agencies in the state; and

(2) high-quality computer science professional learning providers, including institutions of higher education in the state that are reasonably accessible geographically to all Minnesota educators, nonprofits, other state-funded entities, or private entities working in partnership with a consortium of local educational agencies.

(c) For purposes of this subdivision, eligible uses of funding include:

(1) high-quality professional learning opportunities for kindergarten through grade 12 computer science content that:

(i) are created and delivered in a consistent manner across the state;

(ii) are made available with no out-of-pocket expenses to educators, including teachers, counselors, administrators, and other district employees as approved by the Department of Education, schools, and school districts;

(iii) are made available asynchronously online, in person, and online or hybrid as determined appropriate by the Department of Education; and

(iv) include introductory, intermediate, and advanced trainings aligned to the kindergarten through grade 12 academic standards or, as necessary, other standards approved by the Department of Education, specified for each of the grade bands kindergarten through grade 2, grades 3 to 5, grades 6 to 8, and grades 9 to 12;

(2) professional learning opportunities for educators of students in grades 9 to 12 that may include trainings for advanced placement, international baccalaureate, and concurrent enrollment credit computer science courses;

(3) travel expenses for kindergarten through grade 12 computer science teachers:

(i) for attending training opportunities under clauses (1) and (2); and

(ii) deemed appropriate and approved by the commissioner of education, or the commissioner of education's designee;

(4) any future credentialing for kindergarten through grade 12 computer science teachers, including Career and Technical Education and academic endorsements;

(5) supports for kindergarten through grade 12 computer science professional learning, including mentoring and coaching;

(6) creation and deployment of resources to promote training opportunities and recruitment of kindergarten through grade 12 computer science teachers;

(7) creation or purchase of resources to support implementation approved by the commissioner of education, or the commissioner of education's designee;

(8) creation and deployment of resources to promote learning opportunities or recruit students to engage in the learning opportunities;

(9) development of teacher credentialing programs;

(10) planning for districts to implement or expand computer science education opportunities; and

(11) employment, or grant for employment, of personnel or contractors to oversee the statewide initiative, develop programs and trainings, and deliver training opportunities under clause (1).

(d) As a condition of receiving any funding through grants or subcontracts, eligible entities must submit an application to the Department of Education. The application must, at a minimum, address how the entity will:

(1) reach new and existing teachers with little to no computer science background;

(2) attract and support educators from schools that currently do not have established computer science education programs;

(3) use research- or evidence-based practices for high-quality professional development;

(4) focus the professional learning on the conceptual foundations of computer science;

(5) reach and support subgroups underrepresented in computer science;

(6) provide teachers with concrete experience through hands-on, inquiry-based practices;

(7) accommodate the particular teacher and student needs in each district and school; and

(8) ensure that participating districts begin offering courses or content within the same or subsequent school year after the teacher receives the professional learning.

(e) The Department of Education shall prioritize the following applications:

(1) consortiums of local educational agencies that are working in partnership with providers of high-quality professional learning for kindergarten through grade 12 computer science;

(2) proposals that describe strategies to increase enrollment overall, including but not limited to subgroups of students that are traditionally underrepresented in computer science; and

(3) proposals from rural or urban areas with a low penetration of kindergarten through grade 12 computer science offerings, including local education consortiums within these areas.

(f) The award recipient shall report, for all funding received under this section annually, at a minimum:

(1) the number of teachers:

(i) trained within each elementary, middle, and high school; and

(ii) trained within trainings offered as outlined in paragraph (c), clause (1), item (iv);

(2) the number of trainings offered in advanced placement, international baccalaureate, and concurrent enrollment credit computer science courses; and

(3) the number of teachers, and percentage of teachers trained, that started implementing computer science courses limited to middle and high school implementation.

(g) The Department of Education shall make these reports public. The publicly released data shall not include student-level personally identifiable information.

Subd. 5. **Teacher preparation.** On and after July 1, 2027, any program of teacher preparation leading to professional certification shall include, as part of the curriculum, instruction in computer science as applied to student learning and classroom instruction that are grade-level and subject-area appropriate.

Subd. 6. **Computer science education data collection.** (a) The Department of Education shall require all high schools to report data and information about computer science course offerings and enrollment.

(b) The Department of Education shall develop a plan for the secure and regular reporting of computer science course offerings and enrollment data from schools with kindergarten to grade 8 bands within 90 days of enactment of this act.

(c) Data collected in processes described in paragraphs (a) and (b) should be disaggregated by gender, race, ethnicity, free and reduced-price lunch status, Individuals with Disabilities Education Act status, 504 status, and English language learner status.

Subd. 7. **Adoption of rules.** The Department of Education and Professional Educator Standards and Licensing Board may adopt rules under this section, including rules for flexible options to license computer science teachers, approval codes, technical permits, ancillary licenses, and standard licenses.

Sec. 59. **PILOT PROGRAM TO IMPROVE EDUCATIONAL OUTCOMES AND ACCOUNTABILITY.**

Subdivision 1. **Program goal.** (a) A pilot program is established to support Pillsbury United Communities in developing a framework to evaluate school performance in improving educational outcomes for students. Participation in the pilot program is limited to high schools. The framework must:

(1) establish goals for each participating school based on engagement with students, families, and community leaders;

(2) support schools in continuing improvement efforts; and

(3) use data to measure performance of students beyond tests scores, graduation rates, and the world's best workforce goals.

(b) The department must support Pillsbury United Communities in implementing the framework by reviewing data measuring student outcomes based on the goals established for each school, and reporting the results of the pilot program to the legislature in accordance with subdivision 3.

(c) The performance measures under Minnesota Statutes, section 120B.11, subdivision 1a, do not apply to a school participating in the pilot program. A school participating in the pilot must continue to administer the Minnesota Comprehensive Assessments in accordance with Minnesota Statutes, section 120B.30.

(d) School goals established under the framework may include, but are not limited to:

(1) student attendance or engagement with coursework;

(2) reading or math growth as measured by a locally adopted assessment;

(3) participation in college-level coursework or an industry-recognized program;

(4) student participation in community engagement activities;

(5) family participation in conferences with teachers; and

(6) school board completion of training to improve governance.

Subd. 2. **Performance measures.** For each school in the pilot program, the equity-focused framework must:

(1) measure total enrollment, including the percentage of enrolled students disaggregated by characteristics of race and ethnicity, gender, age, economic disadvantage, disability, homelessness, home language, number of schools attended, foster-system involvement, or other categories required by the department;

(2) describe basic needs support provided by the school to students, family members, and community members;

(3) measure the number of students who receive support of the following types of social-emotional and mental health support: (i) individual meetings with licensed mental health professionals; (ii) peer support groups; (iii) referrals to community resources; and (iv) other social-emotional and mental health services provided by the school;

(4) describe flexible, personalized, and innovative instruction provided by the school;

(5) describe culturally and real-life relevant curriculum provided by the school, including students learning about the experiences of People of Color through a contextually accurate history of Minnesota's Indigenous people;

(6) measure the number and percentage of students provided opportunities for student identity development, including cultural identity;

(7) measure the number and percentage of students provided opportunities for student career exploration and preparation;

(8) measure the number and percentage of students participating in at least one extracurricular activity;

(9) measure the number of restorative-justice interventions and the number of referrals, suspensions, and expulsions per school;

(10) describe family engagement practices by the school;

(11) describe community engagement practices by the school; and

(12) describe teacher and staff training about antiracism, anti-bias, or equity, and the average weekly time provided for teacher and staff collaboration.

Subd. 3. **Report.** (a) By September 1, 2025, Pillsbury United Communities must report to the Department of Education data on school and student performance measurements based on the goals established for each participating school. The report must identify the percentage of each goal that each school attained.

(b) By December 15, 2025, the Department of Education must review the data and report to the legislative committees with jurisdiction over kindergarten through grade 12 education on the effectiveness of the framework in measuring growth by identifying school actions to implement the framework, how well the school implemented the framework, and how students were affected by the school's implementation of the framework.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 60. WORKING GROUP ON EDUCATION ON THE HOLOCAUST, GENOCIDE OF INDIGENOUS PEOPLES, AND OTHER GENOCIDES.

Subdivision 1. **Working group established.** (a) The Working Group on Education on the Holocaust, Genocide of Indigenous Peoples, and Other Genocides is established to advise the commissioner of education and develop resources necessary to implement requirements for education on the Holocaust, genocide of Indigenous Peoples, and other genocides under Minnesota Statutes, section 120B.252. The commissioner must appoint members of the working group by April 1, 2024, based on the guidance and recommendations from the cochairs of the working group.

(b) The Working Group on Education on the Holocaust, Genocide of Indigenous Peoples, and Other Genocides must have a minimum of 12 members, but no more than 21 members, consisting of the following members:

(1) at least one representative, who shall cochair the working group, from the Center for Holocaust and Genocide Studies;

(2) at least one representative, who shall cochair the working group, with expertise in training middle and high school teachers in Holocaust and other genocide education;

(3) at least one representative from the Tribal Nations Education Committee;

(4) at least one representative from a Minnesota college or university with academic expertise in the genocide of Indigenous Peoples in Minnesota or in the Americas and throughout the world;

(5) at least one additional representative from a Minnesota college or university other than the Center for Holocaust and Genocide Studies with academic expertise in the Holocaust and genocide studies;

(6) at least one representative from a Minnesota teacher licensure program with expertise in the Holocaust, genocide of Indigenous Peoples, and other genocide studies;

(7) at least three representatives from Minnesota-based nonprofit organizations, community groups, sovereign nations, or institutions of higher education whose missions include educating about and honoring the victims and survivors of the displacement and genocide of Indigenous Peoples in the Americas and throughout the world; Black genocide in the United States and the Americas; the genocide in German Southwest Africa; Armenian genocide; the genocide of the Ukrainian people from 1932 to 1933, also known as the Holodomor; the Holocaust, including

non-Jewish victims of Nazi persecution and genocide; Cambodian genocide; Guatemalan genocide; Rwandan genocide; genocide in the former Yugoslavia; genocide in Darfur; Rohingya genocide; and other historical and contemporary cases of genocide;

(8) at least one public middle or high school social studies teacher with experience teaching the Holocaust, genocide of Indigenous Peoples, or other genocides in the classroom;

(9) at least one public middle or high school English language arts teacher with experience teaching the Holocaust, genocide of Indigenous Peoples, or other genocides in the classroom; and

(10) at least one public middle or high school student with a demonstrated interest in learning about the Holocaust, genocide of Indigenous Peoples, or other genocides.

(c) At the discretion of the commissioner and in consultation with the working group cochairs, the working group may include additional experts in the fields of Holocaust and genocide studies, genocide of Indigenous Peoples or other genocides, Minnesota history, social studies education, or English language arts education, and community members with a particular interest in education on the Holocaust, genocide of Indigenous Peoples, and other genocides.

Subd. 2. Working group duties. (a) The working group must:

(1) advise the commissioner during the development of the social studies glossary regarding the definitions of "Holocaust," "genocide," and "incidents of mass violence";

(2) identify professional learning opportunities for teachers and public school district staff, including opportunities for continuing education to facilitate implementation of education requirements under Minnesota Statutes, section 120B.252;

(3) identify training materials, strategies, skills, content, and resources for teachers and public school district staff to successfully implement the education requirements under Minnesota Statutes, section 120B.252;

(4) develop model lesson plans that teachers and public school district staff may use to successfully implement the education requirements under Minnesota Statutes, section 120B.252;

(5) create a work plan that outlines the timeline to fulfill the duties of the working group under this subdivision;

(6) provide to the commissioner of education a list of recommended professional learning opportunities, resources, strategies, skills, content, model lesson plans, and other materials developed under this subdivision by May 1, 2025;

(7) coordinate with the commissioner to update the material and resources. The commissioner must make all reasonable efforts to make the recommended materials publicly available on the department's website by September 1, 2025, and in coordination with the working group, must update the materials and resources; and

(8) by November 15, 2025, submit to the chairs and ranking minority members of the committees of the senate and the house of representatives with primary jurisdiction over kindergarten through grade 12 education policy and finance a report containing a list of resources and materials provided to the commissioner of education for the commissioner to make available to public school districts implementing requirements for education on the Holocaust, genocide of Indigenous Peoples, and other genocides.

(b) The working group may:

(1) conduct a survey of the current state of education on the Holocaust, genocide of Indigenous Peoples, and other genocides in Minnesota public school districts with a focus on teacher preparedness, access and utilization of resources, and additional surveys of the state of education on the Holocaust, genocide of Indigenous Peoples, and other genocides following the conclusion of the 2024-2025 school year;

(2) carry out any other tasks that it considers pertinent to support the ability of teachers and public school district staff to facilitate the successful implementation of education requirements under Minnesota Statutes, section 120B.252; and

(3) apply for and accept grants and receive gifts, donations, and other financial support from private sources for the purposes of carrying out its work under this section.

Subd. 3. **Working group meetings.** The working group must convene on at least a bimonthly basis and must hold the first meeting no later than September 1, 2024.

Subd. 4. **Administration.** The commissioner must provide meeting space and technical assistance for the working group.

Subd. 5. **Expiration.** This section expires November 15, 2025, or the date upon which the working group report required under subdivision 2 is submitted to the legislature, whichever is later.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 61. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid under Minnesota Statutes, section 124D.862:

<u>\$83,330,000</u>	<u>.....</u>	<u>2024</u>
<u>\$84,512,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$8,172,000 for 2023 and \$75,158,000 for 2024.

(c) The 2025 appropriation includes \$8,350,000 for 2024 and \$76,162,000 for 2025.

Subd. 3. **Alternative programs.** For a grant to the Minnesota Association of Alternative Programs STARS (Success, Teamwork, Achievement, Recognition, and Self-Esteem) program to help students in alternative programs develop employment, academic, and social skills and support student participation in trainings and conferences:

<u>\$50,000</u>	<u>.....</u>	<u>2024</u>
-----------------	--------------	-------------

Subd. 4. **BARR Center.** (a) For grants to the Building Assets, Reducing Risks (BARR) Center, to deliver an evidence-based, research-validated program to schools:

<u>\$5,000,000</u>	<u>.....</u>	<u>2024</u>
--------------------	--------------	-------------

(b) Consistent with Minnesota Statutes, section 127A.20, the BARR Center must apply for the grants in the form and manner specified by the commissioner of education. The BARR Center must deliver an evidence-based, research-validated program that provides school coaching support, professional development, and curriculum and resources over a three-year period to each qualifying school site.

(c) The BARR Center must select at least 18 schools to participate in the program. The schools must be geographically balanced among urban, suburban, and rural schools, and serve high concentrations of students in poverty or high concentrations of underrepresented students, including students who are from Black, Indigenous, and People of Color communities.

(d) The grants to the BARR Center must be directed toward:

- (1) improving student social and emotional skills and engagement in school;
- (2) increasing opportunity and academic achievement for students of color and those experiencing poverty;
- (3) improving teacher satisfaction and effectiveness; and
- (4) increasing the number of students who earn a high school diploma.

(e) This is a onetime appropriation and is available until June 30, 2026.

Subd. 5. **Charter school building lease aid.** (a) For building lease aid under Minnesota Statutes, section 124E.22:

<u>\$94,320,000</u>	<u>.....</u>	<u>2024</u>
<u>\$98,764,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$9,047,000 for 2023 and \$85,273,000 for 2024.

(c) The 2025 appropriation includes \$9,474,000 for 2024 and \$89,290,000 for 2025.

Subd. 6. **College entrance examination reimbursement.** (a) To reimburse districts for the costs of college entrance examination fees for students who are eligible for free or reduced-price meals who take the ACT or SAT test under Minnesota Statutes, section 120B.30, subdivision 1, paragraph (e):

<u>\$1,011,000</u>	<u>.....</u>	<u>2024</u>
<u>\$1,011,000</u>	<u>.....</u>	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. **COMPASS and MTSS.** (a) To support the development and implementation of the MTSS framework and the Collaborative Minnesota Partnerships to Advance Student Success (COMPASS) school improvement model:

<u>\$18,250,000</u>	<u>.....</u>	<u>2024</u>
<u>\$18,250,000</u>	<u>.....</u>	<u>2025</u>

(b) Of this amount, \$7,000,000 in fiscal year 2024 and \$7,000,000 in fiscal year 2025 are to support implementation of MTSS and COMPASS. Funds must be used to support increased capacity at the Department of Education and the Minnesota Service Cooperatives for implementation supports.

(c) Of this amount, \$5,000,000 each year is reserved for grants to school districts, charter schools, and cooperative units as defined in Minnesota Statutes, section 123A.24, subdivision 2, for implementation of MTSS, including: hiring local MTSS coordinators; deferring costs for personnel to participate in cohort activities and professional learning; and piloting a Department of Education One Plan, the consolidation of multiple reporting structures to streamline various applications, reports, and submissions by school districts and charter schools. Up to five percent of this amount is available for program and grant administration.

(d) Of this amount, \$5,250,000 each year must be used to develop a regional network focusing on mathematics to provide dedicated mathematics trainers and coaches to train regional support staff from the Minnesota Service Cooperatives to support school leaders and teachers to implement evidence-based instructional strategies in mathematics. Funds may also be used to host an annual Mathematics Standards-Based Instructional Institute.

(e) Of this amount, \$1,000,000 each year is for the University of Minnesota Center for Applied Research and Educational Improvement to support implementation and evaluation of the MTSS framework.

(f) Support for school districts, charter schools, and cooperative units under this subdivision may include but is not limited to:

(1) partnering with the Minnesota Service Cooperatives to support districts in implementing COMPASS to support schools in the areas of literacy, math, social-emotional learning, and mental health using the MTSS framework;

(2) providing support to districts and charter schools identified under Minnesota Statutes, section 120B.11;

(3) providing support to districts and charter schools in streamlining various applications, reports, and submissions to the Department of Education through One Plan;

(4) providing training, guidance, and implementation resources for MTSS, including a universal screening process approved by the Department of Education to identify students who may be at risk of experiencing academic, behavioral, and social-emotional development difficulties;

(5) providing guidance to convene school-based teams to analyze data provided by screenings and resources for related identification, instruction, and intervention methods;

(6) dyslexia screening and intervention that are evidence-based;

(7) requiring school districts and charter schools to provide parents of students identified in screenings with notice of screening findings and related support information;

(8) requiring districts and charter schools to provide at-risk students with interventions and to monitor the effectiveness of these interventions and student progress; and

(9) developing and annually reporting findings regarding the implementation of MTSS.

(g) This is a onetime appropriation.

(h) Up to five percent of the funds identified for grants is available for grant administration costs.

(i) Any balance in the first year does not cancel but is available in the second year.

Subd. 8. **Computer science education advancement.** (a) For computer science advancement:

<u>\$500,000</u>	.....	<u>2024</u>
<u>\$500,000</u>	.....	<u>2025</u>

(b) Of this amount, \$150,000 is for the computer science supervisor.

(c) Eligible uses of the appropriation include expenses related to the implementation of article 2, section 58, and expenses related to the development, advancement, and promotion of kindergarten through grade 12 computer science education.

(c) Any balance in the first year does not cancel and is available in the second year.

Subd. 9. **Computer science STEAM grants.** (a) For grants to STEAM-focused programs that work directly with students providing additional STEAM education through after-school programming or new in-school programs:

<u>\$500,000</u>	.....	<u>2024</u>
<u>\$500,000</u>	.....	<u>2025</u>

(b) Eligible grant recipients are schools and school districts or nonprofits that are currently offering computer science courses or STEAM-focused programming for kindergarten through grade 12 students in after-school programs. Preference must be given to programs serving high free and reduced-priced lunch populations, students from Tribal Nations, or programs in schools or districts receiving sparsity revenue under Minnesota Statutes, section 126C.10.

(c) Grant awards to nonprofits must not exceed \$50,000 per recipient.

(d) At the conclusion of the grant, recipients must submit to the commissioner of education student enrollment data disaggregated by gender, race, ethnicity, free and reduced-price lunch status, Individuals with Disabilities Education Act status, 504 status, and English language learner status.

(e) Any balance in the first year does not cancel and is available in the second year.

Subd. 10. **Concurrent enrollment aid.** (a) For concurrent enrollment aid under Minnesota Statutes, section 124D.091:

<u>\$4,000,000</u>	.....	<u>2024</u>
<u>\$4,000,000</u>	.....	<u>2025</u>

(b) If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each school district.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 11. **Early childhood literacy programs.** (a) For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

<u>\$7,950,000</u>	.....	<u>2024</u>
<u>\$7,950,000</u>	.....	<u>2025</u>

(b) Up to \$7,950,000 each year is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota reading corps program established by ServeMinnesota, including costs associated with training and teaching early literacy skills to children ages three through grade 3 and evaluating the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 12. **Educational outcomes and accountability pilot program.** (a) For a grant to Pillsbury United Communities to implement a framework to improve educational outcomes and accountability in accordance with article 2, section 59:

<u>\$90,000</u>	<u>.....</u>	<u>2024</u>
<u>\$90,000</u>	<u>.....</u>	<u>2025</u>

(b) The department may retain up to five percent of the appropriation to administer the grant and report on the program in accordance with article 2, section 59, subdivision 3.

(c) This is a onetime appropriation.

(d) The appropriation is available until June 30, 2026.

Subd. 13. **Ethnic studies community consultation.** To consult with community members throughout Minnesota on the development of ethnic studies curricula, resources, and implementation support:

<u>\$150,000</u>	<u>.....</u>	<u>2024</u>
<u>\$150,000</u>	<u>.....</u>	<u>2025</u>

Subd. 14. **Ethnic studies school grants.** (a) For competitive grants to school districts and charter schools to develop, evaluate, and implement ethnic studies courses:

<u>\$700,000</u>	<u>.....</u>	<u>2024</u>
<u>\$700,000</u>	<u>.....</u>	<u>2025</u>

(b) The commissioner must consult with the Ethnic Studies Working Group to develop criteria for the grants.

Subd. 15. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

<u>\$4,500,000</u>	<u>.....</u>	<u>2024</u>
<u>\$4,500,000</u>	<u>.....</u>	<u>2025</u>

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and International Baccalaureate Minnesota, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations, shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

(e) Any balance in the first year does not cancel but is available in the second year.

Subd. 16. **Full-service community schools.** (a) For grants to plan or expand the full-service community schools program under Minnesota Statutes, section 124D.231:

<u>\$12,226,000</u>	<u>.....</u>	<u>2024</u>
<u>\$12,226,000</u>	<u>.....</u>	<u>2025</u>

(b) Of this amount, priority must be given to programs in the following order:

(1) current grant recipients issued under Minnesota Statutes, section 124D.231;

(2) schools identified as low-performing under the federal Every Student Succeeds Act; and

(3) any other applicants.

(c) Up to two percent of the appropriation is available for grant administration.

(d) The base for fiscal year 2026 and later is \$9,275,000.

Subd. 17. **Girls Taking Action.** (a) For a grant to the Girls Taking Action program to enable Girls Taking Action to continue to provide and expand metropolitan-area school and community-based programs that encourage and support low-income girls of color:

<u>\$1,500,000</u>	<u>.....</u>	<u>2024</u>
--------------------	--------------	-------------

(b) Of the appropriated funds, \$1,000,000 must be used to sustain 16 current Girls Taking Action program sites, and to expand an additional four sites in inner-ring suburban communities with growing ethnic diversity among students.

(c) Of the appropriated funds, \$500,000 must be used to sustain three community-based Girls Taking Action programs for Asian, East African, and Latina girls in Hennepin, Ramsey, and Dakota Counties, and to expand an additional two community-based programs in these counties to reach Native American and African American girls.

(d) Girls Taking Action programs supported by these funds must include programs focused on:

(1) increasing academic performance, high school graduation rates, and enrollment in postsecondary education for girls faced with social, demographic, racial, and economic barriers and challenges;

(2) increasing mentoring opportunities, literacy, career development, positive community engagement, and the number of qualified female employees of color in the workforce pipeline, particularly in science, technology, engineering, and mathematics fields;

(3) providing coaching, mentoring, health and wellness counseling, resources to girls whose experience with sexual assault has negatively impacted their academics and behavior, and culturally sensitive therapy resources and counseling services to sexual assault victims; and

(4) increasing financial literacy and knowledge of options for financing college or postsecondary education.

(e) This is a onetime appropriation. Any balance in the first year does not cancel but is available in the second year.

Subd. 18. Grants to increase science, technology, engineering, and math course offerings. (a) For grants to schools to encourage low-income and other underserved students to participate in advanced placement and international baccalaureate programs according to Minnesota Statutes, section 120B.132:

<u>\$250,000</u>	.....	<u>2024</u>
<u>\$250,000</u>	.....	<u>2025</u>

(b) To the extent practicable, the commissioner must distribute grant funds equitably among geographic areas in the state, including schools located in greater Minnesota and in the seven-county metropolitan area.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 19. Implementation of education on the Holocaust, genocide of Indigenous Peoples, and other genocides. For implementation of requirements for education on the Holocaust, genocide of Indigenous Peoples, and other genocides under Minnesota Statutes, section 120B.252:

<u>\$75,000</u>	.....	<u>2024</u>
<u>\$75,000</u>	.....	<u>2025</u>

Subd. 20. Interdistrict desegregation or integration transportation grants. For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

<u>\$14,992,000</u>	.....	<u>2024</u>
<u>\$16,609,000</u>	.....	<u>2025</u>

Subd. 21. Literacy incentive aid. (a) For literacy incentive aid under Minnesota Statutes, section 124D.98:

<u>\$42,234,000</u>	.....	<u>2024</u>
<u>\$42,502,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$4,606,000 for 2023 and \$37,628,000 for 2024.

(c) The 2025 appropriation includes \$4,180,000 for 2024 and \$38,322,000 for 2025.

Subd. 22. Minnesota Alliance of Boys and Girls Clubs. (a) For a grant to the Minnesota Alliance of Boys and Girls Clubs to support the establishment and expansion of Boys and Girls Clubs in Minnesota beyond existing service areas to support after-school and summer programming that address learning loss:

<u>\$1,250,000</u>	.....	<u>2024</u>
<u>\$1,250,000</u>	.....	<u>2025</u>

(b) The grant recipient must take into consideration multiple factors, including need, feasibility, and community engagement when determining where to establish and expand Boys and Girls Clubs programming. Need may be analyzed using available data from the department. Feasibility must be determined by proximity to supporting organizations, staffing capabilities, and access to adequate facilities. The grant recipient must take into consideration community engagement and interest in programming as important elements for the desired sustainability of programming beyond the project's funding period.

(c) To receive a grant under this section, the Minnesota Alliance of Boys and Girls Clubs must receive a 25 percent match from nonstate funds.

(d) This is a onetime appropriation.

Subd. 23. **Minnesota Center for the Book programming.** For grants to the entity designated by the Library of Congress as the Minnesota Center for the Book to provide statewide programming related to the Minnesota Book Awards and for additional programming throughout the state related to the Center for the Book designation:

<u>\$200,000</u>	<u>.....</u>	<u>2024</u>
<u>\$200,000</u>	<u>.....</u>	<u>2025</u>

Subd. 24. **Minnesota Independence College and Community.** (a) For transfer to the Office of Higher Education for grants to Minnesota Independence College and Community for tuition reduction and institutional support:

<u>\$625,000</u>	<u>.....</u>	<u>2024</u>
<u>\$625,000</u>	<u>.....</u>	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 25. **Minnesota math corps.** (a) For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

<u>\$1,000,000</u>	<u>.....</u>	<u>2024</u>
<u>\$1,000,000</u>	<u>.....</u>	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 26. **Minnesota Principals Academy.** (a) For grants to the University of Minnesota College of Education and Human Development for the operation of the Minnesota Principals Academy:

<u>\$200,000</u>	<u>.....</u>	<u>2024</u>
<u>\$200,000</u>	<u>.....</u>	<u>2025</u>

(b) Of these amounts, \$50,000 must be used to pay the costs of attendance for principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act. To the extent funds are available, the Department of Education is encouraged to use up to \$200,000 of federal Title II funds to support additional participation in the Principals Academy by principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 27. Museums and education centers. (a) For grants to museums and education centers:

<u>\$460,000</u>	.....	<u>2024</u>
<u>\$460,000</u>	.....	<u>2025</u>

(b) \$269,000 each year is for the Minnesota Children's Museum.

(c) \$50,000 each year is for the Minnesota Children's Museum, Rochester.

(d) \$50,000 each year is for the Duluth Children's Museum.

(e) \$41,000 each year is for the Minnesota Academy of Science.

(f) \$50,000 each year is for the Headwaters Science Center.

(g) A recipient of a grant under this subdivision must use the funds to encourage and increase access for historically underserved communities.

(h) Any balance in the first year does not cancel but is available in the second year.

Subd. 28. Nonexclusionary discipline. (a) For grants to school districts and charter schools to provide training for school staff on nonexclusionary disciplinary practices:

<u>\$1,750,000</u>	.....	<u>2024</u>
<u>\$1,750,000</u>	.....	<u>2025</u>

(b) Grants are to develop training and to work with schools to train staff on nonexclusionary disciplinary practices that maintain the respect, trust, and attention of students and help keep students in classrooms. These funds may also be used for grant administration.

(c) Eligible grantees include school districts, charter schools, intermediate school districts, and cooperative units as defined in section 123A.24, subdivision 2.

(d) Up to five percent of the appropriation is available for grant administration.

Subd. 29. P-TECH schools. (a) For P-TECH support grants under Minnesota Statutes, section 124D.093, subdivision 5:

<u>\$791,000</u>	.....	<u>2024</u>
<u>\$791,000</u>	.....	<u>2025</u>

(b) The amounts in this subdivision are for grants, including to a public-private partnership that includes Independent School District No. 535, Rochester.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 30. Paraprofessional training. (a) For compensation associated with paid orientation and professional development for paraprofessionals under Minnesota Statutes, section 121A.642:

<u>\$7,836,000</u>	.....	<u>2024</u>
<u>\$8,033,000</u>	.....	<u>2025</u>

(b) The base for fiscal year 2026 is \$8,233,000 and for fiscal year 2027 is \$8,439,000.

Subd. 31. **Recovery program grants.** (a) For recovery program grants under Minnesota Statutes, section 124D.695:

<u>\$750,000</u>	.....	<u>2024</u>
<u>\$750,000</u>	.....	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 32. **Sanneh Foundation.** (a) For grants to the Sanneh Foundation for purposes of subdivision 3:

<u>\$1,500,000</u>	.....	<u>2024</u>
<u>\$1,500,000</u>	.....	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 33. **ServeMinnesota program.** (a) For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

<u>\$900,000</u>	.....	<u>2024</u>
<u>\$900,000</u>	.....	<u>2025</u>

(b) A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time ServeMinnesota program to the extent such coverage is not otherwise available.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 34. **Starbase MN.** (a) For a grant to Starbase MN for a rigorous science, technology, engineering, and math program providing students in grades 4 through 6 with a multisensory learning experience and a hands-on curriculum in an aerospace environment using state-of-the-art technology:

<u>\$500,000</u>	.....	<u>2024</u>
<u>\$500,000</u>	.....	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 35. **Statewide testing and reporting system.** (a) For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:

<u>\$10,892,000</u>	.....	<u>2024</u>
<u>\$10,892,000</u>	.....	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 36. **Student organizations.** (a) For student organizations:

<u>\$1,084,000</u>	.....	<u>2024</u>
<u>\$1,084,000</u>	.....	<u>2025</u>

(b) \$68,000 each year is for student organizations serving health occupations (HOSA).

(c) \$100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary).

(d) \$122,000 each year is for student organizations serving business occupations (BPA, secondary and postsecondary).

(e) \$322,000 each year is for student organizations serving agriculture occupations (FFA, PAS).

(f) \$185,000 each year is for student organizations serving family and consumer science occupations (FCCLA). Notwithstanding Minnesota Rules, part 3505.1000, subparts 28 and 31, the student organizations serving FCCLA shall continue to serve students younger than grade 9.

(g) \$202,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate).

(h) \$85,000 each year is for the Minnesota Foundation for Student Organizations. Of this amount, \$30,000 each year must be used for direct support of underserved and special student populations.

(i) Any balance in the first year does not cancel but is available in the second year.

Sec. 62. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering. The revisor shall also make any technical language and other changes necessitated by the renumbering and cross-reference changes in this act.

Column A

Column B

General Requirements Statewide Assessments

<u>120B.30, subdivision 1a, paragraph (h)</u>	<u>120B.30, subdivision 1</u>
<u>120B.30, subdivision 1, paragraph (q)</u>	<u>120B.30, subdivision 2</u>
<u>120B.30, subdivision 1a, paragraph (g)</u>	<u>120B.30, subdivision 3</u>
<u>120B.30, subdivision 1b</u>	<u>120B.30, subdivision 4</u>
<u>120B.30, subdivision 1, paragraph (n)</u>	<u>120B.30, subdivision 5, paragraph (a)</u>
<u>120B.30, subdivision 1, paragraph (a)</u>	<u>120B.30, subdivision 5, paragraph (b)</u>
<u>120B.30, subdivision 1a, paragraph (e)</u>	<u>120B.30, subdivision 6, paragraph (a)</u>
<u>120B.30, subdivision 2, paragraph (a)</u>	<u>120B.30, subdivision 6, paragraph (b)</u>
<u>120B.30, subdivision 2, paragraph (b), clauses (1) and (2)</u>	<u>120B.30, subdivision 6, paragraph (c)</u>
<u>120B.30, subdivision 2</u>	<u>120B.30, subdivision 6, paragraph (d)</u>
<u>120B.30, subdivision 4</u>	<u>120B.30, subdivision 7</u>
<u>120B.30, subdivision 5</u>	<u>120B.30, subdivision 8</u>
<u>120B.30, subdivision 6</u>	<u>120B.30, subdivision 9</u>
<u>120B.30, subdivision 1, paragraph (e)</u>	<u>120B.30, subdivision 10</u>

General Requirements Test Design

<u>120B.30, subdivision 1a, paragraph (a), clauses (1) to (5)</u>	<u>120B.301, subdivision 1</u>
<u>120B.30, subdivision 1, paragraph (a)</u>	<u>120B.301, subdivision 2</u>
<u>120B.30, subdivision 1, paragraph (b)</u>	<u>120B.301, subdivision 3, paragraph (a)</u>
<u>120B.30, subdivision 1, paragraph (n)</u>	<u>120B.301, subdivision 3, paragraph (b)</u>

<u>120B.30, subdivision 1a, paragraph (b)</u>	<u>120B.301, subdivision 3, paragraph (c)</u>
<u>120B.30, subdivision 1a, paragraph (c), clauses (1) and (2)</u>	<u>120B.301, subdivision 3, paragraph (d)</u>

Assessment Graduation Requirements

<u>120B.30, subdivision 1, paragraph (c), clauses (1) and (2)</u>	<u>120B.304, subdivision 1</u>
<u>120B.30, subdivision 1, paragraph (d)</u>	<u>120B.304, subdivision 2</u>
<u>120B.30, subdivision 1, paragraph (i)</u>	<u>120B.304, subdivision 3</u>

Assessment Reporting Requirements

<u>120B.30, subdivision 1a, paragraph (f), clauses (1) to (3)</u>	<u>120B.305, subdivision 1</u>
<u>120B.30, subdivision 1a, paragraph (d), clauses (1) to (4)</u>	<u>120B.305, subdivision 2, paragraph (a)</u>
<u>120B.30, subdivision 1, paragraph (m)</u>	<u>120B.305, subdivision 2, paragraph (b)</u>
<u>120B.30, subdivision 1, paragraph (n)</u>	<u>120B.305, subdivision 2, paragraph (c)</u>
<u>120B.30, subdivision 1, paragraph (o), clauses (1) to (4)</u>	<u>120B.305, subdivision 3, paragraph (a)</u>
<u>120B.30, subdivision 3</u>	<u>120B.305, subdivision 3, paragraph (b)</u>

District Assessment Requirements

<u>120B.301, paragraphs (a) to (c)</u>	<u>120B.306, subdivision 1</u>
<u>120B.304, paragraphs (a) and (b)</u>	<u>120B.306, subdivision 2</u>

College and Career Readiness

<u>120B.30, subdivision 1, paragraph (p)</u>	<u>120B.307, subdivision 1</u>
<u>120B.30, subdivision 1, paragraph (d)</u>	<u>120B.307, subdivision 2</u>
<u>120B.30, subdivision 1, paragraph (f)</u>	<u>120B.307, subdivision 3</u>
<u>120B.30, subdivision 1, paragraph (g)</u>	<u>120B.307, subdivision 4, paragraph (a)</u>
<u>120B.30, subdivision 1, paragraph (h)</u>	<u>120B.307, subdivision 4, paragraph (b)</u>
<u>120B.30, subdivision 1, paragraph (j)</u>	<u>120B.307, subdivision 4, paragraph (c)</u>
<u>120B.30, subdivision 1, paragraph (k)</u>	<u>120B.307, subdivision 4, paragraph (d)</u>
<u>120B.30, subdivision 1, paragraph (l)</u>	<u>120B.307, subdivision 4, paragraph (e)</u>

Sec. 63. **REPEALER.**

Minnesota Statutes 2022, sections 120B.35, subdivision 5; and 124D.095, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8, are repealed.

ARTICLE 3
READ ACT

Section 1. Minnesota Statutes 2022, section 120B.11, subdivision 1, is amended to read:

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 including applied and experiential learning.

(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.

(d) "Experiential learning" means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

Sec. 2. Minnesota Statutes 2022, section 120B.11, subdivision 2, is amended to read:

Subd. 2. **Adopting plans and budgets.** (a) 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 to assess and evaluate each student's progress toward meeting state and local academic standards, assess and identify students to participate in gifted and talented programs and accelerate their instruction, and adopt early-admission procedures consistent with section 120B.15, 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, students' access to effective teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of enrolled students under section 120B.35, subdivision 3, paragraph (b), clause (2), 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) a process to examine the equitable distribution of teachers and strategies to ensure low-income and minority children are not taught at higher rates than other children by inexperienced, ineffective, or out-of-field teachers;

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

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

(b) A school district is not required to include information regarding literacy in a plan or report required under this section, except with regard to the academic achievement of English learners.

Sec. 3. [120B.1119] TITLE; THE READ ACT.

Sections 120B.12 to 120B.124 may be cited as the "Reading to Ensure Academic Development Act," or the "Read Act."

Sec. 4. Minnesota Statutes 2022, section 120B.12, is amended to read:

120B.12 READING PROFICIENTLY NO LATER THAN THE END OF GRADE 3 READ ACT GOAL AND INTERVENTIONS.

Subdivision 1. **Literacy goal.** (a) The legislature seeks to have every child reading at or above grade level no later than the end of grade 3, every year, beginning in kindergarten, including English multilingual learners, and that teachers provide comprehensive, scientifically based and students receiving special education services. By the 2026-2027 school year, school leaders and educators must provide evidence-based reading instruction consistent with section 122A.06, subdivision 4 through a focus on student mastery of the foundational reading skills of phonemic awareness, phonics, and fluency, as well as the development of oral language, vocabulary, and reading comprehension skills. Students must receive evidence-based instruction that is proven to effectively teach children to read, consistent with sections 120B.12 to 120B.124.

(b) To meet this goal, each district must provide teachers and instructional support staff with responsibility for teaching reading with training on evidence-based reading instruction that is approved by the Department of Education. By July 1, 2025, a district must provide the training to intervention teachers working with students in kindergarten through grade 12, special education teachers, curriculum directors, instructional support staff who provide reading instruction, employees who select literacy instructional materials for a district, and all classroom teachers of students in kindergarten through grade 3 and children in prekindergarten programs. All teachers and instructional staff required to receive training under the Read Act must complete the training no later than July 1, 2027. The commissioner may grant a district an extension to the deadlines in this paragraph.

(c) Districts are strongly encouraged to adopt a MTSS framework. The framework should include a process for monitoring student progress, evaluating program fidelity, and analyzing student outcomes and needs in order to design and implement ongoing evidenced-based instruction and interventions.

Subd. 2. **Identification; report.** (a) Each school district must identify before the end of Twice per year, each school district must screen every student enrolled in kindergarten, grade 1, and grade 2 all students who are not reading at grade level, and grade 3 using a screening tool approved by the Department of Education. Students identified as not reading at grade level by the end of enrolled in kindergarten, grade 1, and grade 2, and grade 3, including multilingual learners and students receiving special education services, must be universally screened, in a locally determined manner, for mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, oral language, and for characteristics of dyslexia as measured by a screening tool approved by the Department of Education. The screening for characteristics of dyslexia may be integrated with universal screening for mastery of foundational skills and oral language. A district must submit data on student performance in kindergarten, grade 1, grade 2, and grade 3 on foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language to the Department of Education in the annual local literacy plan.

(b) Students in grade 3 or higher who demonstrate a reading difficulty to a classroom teacher grades 4 and above, including multilingual learners and students receiving special education services, who do not demonstrate mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language, must be screened, in a locally determined manner, using a screening tool approved by the Department of Education for characteristics of dyslexia, unless a different reason for the reading difficulty has been identified, and must continue to receive evidence-based instruction, interventions, and progress monitoring until the students achieve grade-level proficiency. A parent, in consultation with two fellow literacy teachers, may opt a student out of the literacy screener if the parent believes that continuing to screen would not be beneficial to the student. In such limited cases, the student must continue to receive progress monitoring and literacy interventions.

(c) Reading ~~assessments~~ screeners 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 multilingual learners. The district must use a locally adopted, developmentally appropriate, and culturally responsive assessment screener and annually report summary assessment screener results to the commissioner by ~~July 1~~ June 15 in the form and manner determined by the commissioner.

(d) The district also must ~~annually report to the commissioner by July 1~~ include in its literacy plan under subdivision 4a, a summary of the district's efforts to screen and identify, and provide interventions to students who demonstrate characteristics of dyslexia using as measured by a screening tools such as those recommended by the department's dyslexia specialist tool approved by the Department of Education. Districts are strongly encouraged to use the MTSS framework. With respect to students screened or identified under paragraph (a), the report must include:

- (1) a summary of the district's efforts to screen for dyslexia;
- (2) the number of students universally screened for that reporting year; ~~and~~
- (3) the number of students demonstrating characteristics of dyslexia for that year-; and

~~(e) A student~~ (4) an explanation of how students identified under this subdivision ~~must be~~ are provided with alternate instruction and interventions under section 125A.56, subdivision 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) the student's reading proficiency as measured by a ~~locally adopted assessment~~ screener approved by the Department of Education;
- (2) reading-related services currently being provided to the student and the student's progress; 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.

A district may not use this section to deny a student's right to a special education evaluation.

Subd. 3. **Intervention.** (a) 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. A district is encouraged to provide reading intervention through a MTSS framework. If a student does not read at or above grade level by the end of ~~grade 3~~ the current school year, the district must continue to provide reading intervention until the student reads at grade level. District intervention methods shall encourage family engagement and, where possible, collaboration with appropriate school and community programs- ~~Intervention methods that specialize in evidence-based instructional practices and measure mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language. By July 1, 2025, Tier 2 and Tier 3 intervention programs must be taught by an intervention teacher or special education teacher who has successfully completed training in evidence-based reading instruction approved by the Department of Education.~~ Intervention may include, but ~~are~~ is not limited to, requiring student 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.

(b) ~~A school district or charter school is strongly encouraged to~~ must provide a personal learning plan for a student who is unable to demonstrate grade-level proficiency, as measured by the statewide reading assessment in grade 3 or a screener identified by the Department of Education under section 120B.123. The district or charter school must determine the format of the personal learning plan in collaboration with the student's educators and other appropriate professionals. The school must develop the learning plan in consultation with the student's parent or guardian. The personal learning plan must include targeted instruction that is evidence-based and ongoing progress monitoring, and address knowledge gaps and skill deficiencies through strategies such as specific exercises and practices during and outside of the regular school day, group interventions, periodic assessments or screeners, and reasonable timelines. The personal learning plan may include grade retention, if it is in the student's best interest; a student may not be retained solely due to delays in literacy or not demonstrating grade-level proficiency. A school must maintain and regularly update and modify the personal learning plan until the student reads at grade level. This paragraph does not apply to a student under an individualized education program.

Subd. 4. **Staff development.** (a) A district must provide training on evidence-based reading instruction to teachers and instructional staff in accordance with subdivision 1, paragraph (b). The training must include teaching in the areas of phonemic awareness, phonics, vocabulary development, reading fluency, reading comprehension, and culturally and linguistically responsive pedagogy.

(b) 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~~ explicit, systematic, evidence-based instruction on foundational reading skills in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension as defined in section ~~122A.06, subdivision 4,~~ 120B.121 and other literacy-related areas including writing until the student achieves grade-level reading and writing proficiency;

(2) elementary teachers have sufficient training to provide ~~comprehensive, scientifically based reading~~ students with evidence-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~~ multilingual 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.

(c) A district must provide staff in early childhood programs sufficient training to provide children in early childhood programs with explicit, systematic instruction in phonological and phonemic awareness; oral language, including listening comprehension; vocabulary; and letter-sound correspondence.

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child ~~reading at or above grade level no later than the end of grade 3, including English learners~~ multilingual learners and students receiving special education services, demonstrate mastery of foundational literacy skills and read proficiently, at or above grade level, at every grade. The plan must be updated by June 15 each year. The plan must be consistent with section ~~122A.06, subdivision 4~~ the Read Act, and include the following:

(1) a process to assess students' foundational reading skills, oral language, and level of reading proficiency and data to support the effectiveness of an assessment used to screen and identify a student's level of reading proficiency the screeners used, by school site and grade level, under section 120B.123;

(2) a process to notify and involve parents;

(3) a description of how schools in the district will determine the proper targeted reading instruction that is evidence-based and includes an intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

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

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

(6) the literacy, intervention, and special education literacy curricula used by school site and grade level;

(7) a statement of whether the district has adopted a MTSS framework;

(8) student data using the measures of foundational literacy skills and mastery identified by the Department of Education; and

(9) a summary of the district's efforts to screen, identify, and provide interventions to students who demonstrate characteristics of dyslexia, in accordance with subdivision 2.

(b) The district must post its literacy plan on the official school district website and submit it to the commissioner of education using the template developed by the commissioner of education once it is available.

(c) By March 1, 2024, the commissioner of education must develop a streamlined template for local literacy plans that meets the requirements of this subdivision and requires all reading instruction and teacher training in reading instruction to be evidence-based. The template must require a district to report information using the student categories required in the commissioner's report under paragraph (d). The template must focus district resources on improving students' foundational reading skills while reducing paperwork requirements for teachers.

(d) By December 1, 2025, the commissioner of education must submit a report to the legislative committees with jurisdiction over prekindergarten through grade 12 education summarizing the local literacy plans submitted to the commissioner. The summary must include the following information:

(1) the number of teachers and other staff that have completed training approved by the Department of Education;

(2) by school site and grade, the screeners used at the beginning and end of the school year and the reading curriculum used; and

(3) by school site and grade, using the measurements of foundational literacy skills and mastery identified by the department, both aggregated data and disaggregated data using the student categories under section 120B.35, subdivision 3, paragraph (a), clause (2).

Subd. 5. **Commissioner Approved screeners.** The commissioner shall must recommend to districts multiple assessment screening tools to assist districts and teachers with identifying students under subdivision 2 and to assess students' reading proficiency. The commissioner must identify screeners that may be used for both purposes. 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.~~

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 5. **[120B.121] READ ACT DEFINITIONS.**

Subdivision 1. **Read Act.** For purposes of sections 120B.12 to 120B.124, the following terms have the meanings given.

Subd. 2. **CAREI.** "CAREI" means the Center for Applied Research and Educational Improvement at the University of Minnesota.

Subd. 3. **District.** "District" means a school district, charter school, or cooperative unit as defined in section 123A.24, subdivision 2.

Subd. 4. **Evidence-based.** "Evidence-based" means the instruction or item described is based on reliable, trustworthy, and valid evidence and has demonstrated a record of success in increasing students' reading competency in the areas of phonological and phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension. Evidence-based literacy instruction is explicit, systematic, and includes phonological and phonemic awareness, phonics and decoding, spelling, fluency, vocabulary, oral language, and comprehension that can be differentiated to meet the needs of individual students. Evidence-based instruction does not include the three-cueing system, as defined in subdivision 16.

Subd. 5. **Fluency.** "Fluency" means the ability of students to read text accurately, automatically, and with proper expression.

Subd. 6. **Foundational reading skills.** "Foundational reading skills" includes phonological and phonemic awareness, phonics and decoding, and fluency. Foundational reading skills appropriate to each grade level must be mastered in kindergarten, grade 1, grade 2, and grade 3. Struggling readers in grades 4 and above who do not demonstrate mastery of grade-level foundational reading skills must continue to receive explicit, systematic instruction to reach mastery.

Subd. 7. **Literacy specialist.** "Literacy specialist" means a person licensed by the Professional Educator Licensing and Standards Board as a teacher of reading, a special education teacher, or a kindergarten through grade 6 teacher, who has completed professional development approved by the Department of Education in structured literacy.

Subd. 8. **Literacy lead.** "Literacy lead" means a literacy specialist with expertise in working with educators as adult learners. A district literacy lead must support the district's implementation of the Read Act; provide school-based coaching; support the implementation of structured literacy, interventions, curriculum delivery, and teacher training; assist with the development of personal learning plans; and train paraprofessionals and other support staff to support classroom literacy instruction. A literacy lead may be employed by one district, jointly by two or more districts, or may provide services to districts through a partnership with the regional service cooperatives or another district.

Subd. 9. **MTSS.** "Multitiered system of support" or "MTSS" means a systemic, continuous improvement framework for ensuring positive social, emotional, behavioral, developmental, and academic outcomes for every student. The MTSS framework provides access to layered tiers of culturally and linguistically responsive, evidence-based practices and relies on the understanding and belief that every student can learn and thrive. Through

a MTSS at the core (Tier 1), supplemental (Tier 2), and intensive (Tier 3) levels, educators provide high quality, evidence-based instruction and intervention that is matched to a student's needs; progress is monitored to inform instruction and set goals and data is used for educational decision making.

Subd. 10. **Oral language.** "Oral language," also called "spoken language," includes speaking and listening, and consists of five components: phonology, morphology, syntax, semantics, and pragmatics.

Subd. 11. **Phonemic awareness.** "Phonemic awareness" means the ability to notice, think about, and manipulate individual sounds in spoken syllables and words.

Subd. 12. **Phonics instruction.** "Phonics instruction" means the explicit, systematic, and direct instruction of the relationships between letters and the sounds they represent and the application of this knowledge in reading and spelling.

Subd. 13. **Progress monitoring.** "Progress monitoring" means using data collected to inform whether interventions are working. Progress monitoring involves ongoing monitoring of progress that quantifies rates of improvement and informs instructional practice and the development of individualized programs using state-approved screening that is reliable and valid for the intended purpose.

Subd. 14. **Reading comprehension.** "Reading comprehension" means a function of word recognition skills and language comprehension skills. It is an active process that requires intentional thinking during which meaning is constructed through interactions between the text and reader. Comprehension skills are taught explicitly by demonstrating, explaining, modeling, and implementing specific cognitive strategies to help beginning readers derive meaning through intentional, problem-solving thinking processes.

Subd. 15. **Structured literacy.** "Structured literacy" means an approach to reading instruction in which teachers carefully structure important literacy skills, concepts, and the sequence of instruction to facilitate children's literacy learning and progress. Structured literacy is characterized by the provision of systematic, explicit, sequential, and diagnostic instruction in phonemic awareness, phonics, fluency, vocabulary and oral language development, and reading comprehension.

Subd. 16. **Three-cueing system.** "Three-cueing system," also known as "meaning structure visual (MSV)," means a method that teaches students to use meaning, structure and syntax, and visual cues when attempting to read an unknown word.

Subd. 17. **Vocabulary development.** "Vocabulary development" means the process of acquiring new words. A robust vocabulary improves all areas of communication, including listening, speaking, reading, and writing. Vocabulary growth is directly related to school achievement and is a strong predictor for reading success.

Sec. 6. Minnesota Statutes 2022, section 120B.122, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The department must employ a dyslexia specialist to provide technical assistance for dyslexia and related disorders and to serve as the primary source of information and support for schools in addressing the needs of students with dyslexia and related disorders. The dyslexia specialist shall also act to increase professional awareness and instructional competencies to meet the educational needs of students with dyslexia or identified with risk characteristics associated with dyslexia and shall develop implementation guidance and make recommendations to the commissioner consistent with ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, to be used to assist general education teachers and special education teachers to recognize educational needs and to improve literacy outcomes for students with dyslexia or identified with risk characteristics associated with dyslexia, including recommendations related to increasing the availability of online and asynchronous professional development programs and materials.

Sec. 7. **[120B.123] READ ACT IMPLEMENTATION.**

Subdivision 1. Screeners. A district must administer a reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, and again within the last six weeks of the school year. The screener must be one of the screening tools approved by the Department of Education. A district must identify the screeners it uses in the district's annual literacy plan.

Subd. 2. Progress monitoring. For a student not reading at grade level, a district must develop an intervention plan that meets the requirements of section 120B.12, subdivision 3. A district may use screening tools to monitor students' progress.

Subd. 3. Curriculum. A district is encouraged to use evidence-based curriculum at each grade level that is designed to ensure student mastery of phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension.

Subd. 4. MTSS Framework. A district is encouraged to use a data-based decision-making process within the MTSS framework to determine the evidence-based core reading instruction and Tier 2 or Tier 3 intervention required to meet a student's identified needs.

Subd. 5. Professional development. A district must provide training from a menu of approved evidence-based training programs to all reading intervention teachers, literacy specialists, and other teachers and staff identified in section 120B.12, subdivision 1, paragraph (b), by July 1, 2025; and by June 15, 2026, to other teachers in the district, prioritizing teachers who work with students with disabilities, English learners, and students who qualify for the graduation incentives program under section 124D.68. The commissioner of education may grant a district an extension to the deadlines in this subdivision.

Subd. 6. Literacy lead. (a) By August 30, 2025, a district must employ or contract with a literacy lead, or be actively supporting a designated literacy specialist through the process of becoming a literacy lead. A board may satisfy the requirements of this subdivision by contracting with another school board or cooperative unit under section 123A.24 for the services of a literacy lead by August 30, 2025.

(b) A district literacy lead must collaborate with district administrators and staff to support the district's implementation of requirements under the Read Act.

Subd. 7. Department of Education. (a) By July 1, 2023, the department must make available to districts a list of approved evidence-based screeners in accordance with section 120B.12. A district must use an approved screener to assess students' mastery of foundational reading skills in accordance with section 120B.12.

(b) The Department of Education must partner with CAREI as required under section 120B.124 to approve professional development programs, subject to final determination by the department. After the implementation partnership under section 120B.124 ends, the department must continue to regularly provide districts with information about professional development opportunities available throughout the state on reading instruction that is evidence-based.

(c) The department must identify training required for a literacy specialist position under this section.

(d) The department must employ a literacy specialist to provide support to districts implementing the Read Act and coordinate duties assigned to the department under the Read Act. The literacy specialist must work on state efforts to improve literacy tracking and implementation.

(e) The department must develop a template for a local literacy plan in accordance with section 120B.12, subdivision 4a.

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

Sec. 8. **[120B.124] READ ACT IMPLEMENTATION PARTNERSHIP.**

Subdivision 1. **Resources.** The Department of Education must partner with CAREI for two years beginning June 1, 2023, until August 30, 2025, to support implementation of the Read Act. The department and CAREI must jointly:

(1) identify at least five literacy curricula and supporting materials that are evidence-based or focused on structured literacy by January 1, 2024, and post a list of the curricula on the department website. The list must include curricula that use culturally and linguistically responsive materials that reflect diverse populations and, to the extent practicable, curricula that reflect the experiences of students from diverse backgrounds, including multilingual learners, biliterate students, and students who are Black, Indigenous, and People of Color. A district is not required to use an approved curriculum, unless the curriculum was purchased with state grant funds that require a curriculum to be selected from a list of approved curricula;

(2) identify at least three professional development programs that focus on the five pillars of literacy and the components of structured literacy by July 15, 2023, subject to final approval by the department. The department must post a list of the programs on the department website. The programs may include a program offered by CAREI. The requirements of section 16C.08 do not apply to the selection of a provider under this section;

(3) identify evidence-based literacy intervention materials for students in kindergarten through grade 12;

(4) develop an evidence-based literacy lead training program that trains literacy specialists throughout Minnesota to support schools' efforts in screening, measuring growth, monitoring progress, and implementing interventions in accordance with subdivision 1;

(5) identify measures of foundational literacy skills and mastery that a district must report on a local literacy plan;

(6) provide guidance to districts about best practices in literacy instruction, and practices that are not evidence-based;

(7) develop MTSS model plans that districts may adopt to support efforts to screen, identify, intervene, and monitor the progress of students not reading at grade level; and

(8) ensure that teacher professional development options and MTSS framework trainings are geographically equitable by supporting trainings through the regional service cooperatives.

Subd. 2. **Reconsideration.** The department and CAREI must provide districts an opportunity to request that the department and CAREI add to the list of curricula or professional development programs a specific curriculum or professional development program. The department must publish the request for reconsideration procedure on the department website. A request for reconsideration must demonstrate that the curriculum or professional development program meets the requirements of the Read Act, is evidence-based, and has structured literacy components; or that the screener accurately measures literacy growth, monitors progress, and accurately assesses effective reading, including phonemic awareness, phonics, fluency, vocabulary, and comprehension. The department and CAREI must review the request for reconsideration and approve or deny the request within 60 days.

Subd. 3. **Support.** The department and CAREI must support district efforts to implement the Read Act by:

(1) issuing guidance for teachers on implementing curriculum that is evidence-based, or focused on structured literacy;

(2) providing teachers accessible options for evidence-based professional development focused on structured literacy;

(3) providing districts with guidance on adopting MTSS; and

(4) providing districts with literacy implementation guidance and support.

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

Sec. 9. Minnesota Statutes 2022, section 122A.092, subdivision 5, is amended to read:

Subd. 5. **Reading strategies.** (a) A teacher preparation provider approved by the Professional Educator Licensing and Standards Board to prepare persons for classroom teacher licensure must include in its teacher preparation programs ~~research-based~~ evidence-based best practices in reading, consistent with ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, that enable the licensure candidate to teach reading in the candidate's content areas. Teacher candidates must be instructed in using students' native languages as a resource in creating effective differentiated instructional strategies for English learners developing literacy skills. A teacher preparation provider also must prepare early childhood and elementary teacher candidates for Tier 3 and Tier 4 teaching licenses under sections 122A.183 and 122A.184, respectively, for the portion of the examination under section 122A.185, subdivision 1, paragraph (c), covering assessment of reading instruction.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in applying comprehensive, scientifically based or evidence-based, and structured reading instruction programs that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, so that all students achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels to become proficient readers.

(c) Board-approved teacher preparation programs for teachers of elementary education, early childhood education, special education, and reading intervention must include instruction on dyslexia, as defined in section 125A.01, subdivision 2. Teacher preparation programs may consult with the Department of Education, including the dyslexia specialist under section 120B.122, to develop instruction under this paragraph. Instruction on dyslexia must be modeled on practice standards of the International Dyslexia Association, and must address:

(1) the nature and symptoms of dyslexia;

(2) resources available for students who show characteristics of dyslexia;

(3) evidence-based instructional strategies for students who show characteristics of dyslexia, including the structured literacy approach; and

(4) outcomes of intervention and lack of intervention for students who show characteristics of dyslexia.

(d) Nothing in this section limits the authority of a school district to select a school's reading program or curriculum.

Sec. 10. Minnesota Statutes 2022, section 122A.185, subdivision 1, is amended to read:

Subdivision 1. **Tests.** (a) The Professional Educator Licensing and Standards Board must adopt rules requiring a candidate to demonstrate a passing score on a board-adopted examination of skills in reading, writing, and mathematics before being granted a Tier 4 teaching license under section 122A.184 to provide direct instruction to pupils in elementary, secondary, or special education programs. Candidates may obtain a Tier 1, Tier 2, or Tier 3 license to provide direct instruction to pupils in elementary, secondary, or special education programs if candidates meet the other requirements in section 122A.181, 122A.182, or 122A.183, respectively.

(b) The board must adopt rules requiring candidates for Tier 3 and Tier 4 licenses to pass an examination of general pedagogical knowledge and examinations of licensure field specific content. The content examination requirement does not apply if no relevant content exam exists.

(c) Candidates for initial Tier 3 and Tier 4 licenses to teach elementary students must pass test items assessing the candidates' knowledge, skill, and ability in ~~comprehensive, scientifically based reading~~ evidence-based literacy instruction under ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, knowledge and understanding of the foundations of reading development, development of reading comprehension and reading assessment and instruction, and the ability to integrate that knowledge and understanding into instruction strategies under ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124.

(d) The requirement to pass a board-adopted reading, writing, and mathematics skills examination does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1.

Sec. 11. Minnesota Statutes 2022, section 122A.187, subdivision 5, is amended to read:

Subd. 5. **Reading preparation.** The Professional Educator Licensing and Standards Board must adopt rules that require all licensed teachers who are renewing a Tier 3 or Tier 4 teaching license under sections 122A.183 and 122A.184, respectively, to include in the renewal requirements further reading preparation, consistent with ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

Sec. 12. Minnesota Statutes 2022, section 124D.42, subdivision 8, is amended to read:

Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps program is established to provide ServeMinnesota AmeriCorps members with a data-based problem-solving model of literacy instruction to use in helping to train local Head Start program providers, other prekindergarten program providers, and staff in schools with students in kindergarten through grade 3 to evaluate and teach early literacy skills, including ~~comprehensive, scientifically based reading~~ evidence-based literacy instruction under ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, to children age 3 to grade 3.

(b) Literacy programs under this subdivision must comply with the provisions governing literacy program goals and data use under section 119A.50, subdivision 3, paragraph (b).

(c) The commission must submit a biennial report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education that records and evaluates program data to determine the efficacy of the programs under this subdivision.

Sec. 13. Minnesota Statutes 2022, section 124D.98, is amended by adding a subdivision to read:

Subd. 5. **Literacy incentive aid uses.** A school district must use its literacy incentive aid to support implementation of evidence-based reading instruction. The following are eligible uses of literacy incentive aid:

(1) training for kindergarten through grade 3 teachers, early childhood educators, special education teachers, reading intervention teachers working with students in kindergarten through grade 12, curriculum directors, and instructional support staff that provide reading instruction, on using evidence-based screening and progress monitoring tools;

(2) evidence-based training using a training program approved by the Department of Education;

(3) employing or contracting with a literacy lead, as defined in section 120B.121; and

(4) materials, training, and ongoing coaching to ensure reading interventions under section 125A.56, subdivision 1, are evidence-based.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 14. **APPROPRIATIONS; READ ACT.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **CAREI.** (a) To contract with the Center for Applied Research and Educational Improvement at the University of Minnesota for the Read Act implementation partnership under section 120B.124:

<u>\$4,200,000</u>	<u>.....</u>	<u>2024</u>
<u>\$0</u>	<u>.....</u>	<u>2025</u>

(b) This appropriation is available until June 30, 2026.

(c) The base for fiscal year 2026 and later is \$0.

Subd. 3. **Read Act curriculum and intervention materials reimbursement.** (a) To reimburse school districts, charter schools, and cooperatives for evidence-based literacy supports for children in prekindergarten through grade 12 based on structured literacy:

<u>\$40,000,000</u>	<u>.....</u>	<u>2024</u>
---------------------	--------------	-------------

(b) The commissioner must use this appropriation to reimburse school districts, charter schools, and cooperatives for approved evidence-based, structured literacy curriculum and supporting materials, and intervention materials purchased after July 1, 2021. An applicant must apply for the reimbursement in the form and manner determined by the commissioner.

(c) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the districts and charter schools that receive literacy grants and the amounts of each grant, by January 15, 2025, according to Minnesota Statutes, section 3.195.

(d) A school district or charter school is encouraged to purchase curriculum and instructional materials that are culturally responsive and reflect diverse populations.

(e) Of this amount, up to \$250,000 is available for grant administration.

(f) This appropriation is available until June 30, 2028.

Subd. 4. Read Act professional development. (a) For evidence-based training on structured literacy for teachers working in school districts, charter schools, and cooperatives:

<u>\$27,450,000</u>	<u>.....</u>	<u>2024</u>
<u>\$0</u>	<u>.....</u>	<u>2025</u>

(b) Of this amount, \$18,000,000 is to fund the development of regional literacy networks. The regional literacy networks must focus on the implementation of comprehensive literacy reform efforts based on structured literacy. A Minnesota service cooperative must add a literacy director position and establish a team of trained literacy coaches to facilitate evidence-based training opportunities and ongoing supports to school districts and charter schools in each of their regions.

(c) Of this amount, \$9,200,000 is for one or more contracts to develop statewide training based in structured literacy to be offered free to school districts and charter schools and facilitated by the regional literacy networks and Minnesota Service Cooperatives.

(d) Of this amount, \$250,000 is for administration.

(e) If funds remain unspent on July 1, 2026, the commissioner must expand eligibility for approved training to include principals and other district, charter school, or cooperative administrators.

(f) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the number of teachers from each district who received approved training using funds under this subdivision, and the amounts awarded to districts, charter schools, or cooperatives under paragraph (c).

(g) This appropriation is available until June 30, 2028.

(h) The base for fiscal year 2026 and later is \$3,000,000 for the regional literacy networks and staff at the Department of Education to provide ongoing support to school districts, charter schools, and cooperatives implementing evidence-based literacy instruction.

Subd. 5. Read Act teacher training supplemental funds. (a) For supplemental teacher training funds:

<u>\$1,000,000</u>	<u>.....</u>	<u>2024</u>
<u>\$0</u>	<u>.....</u>	<u>2025</u>

(b) The commissioner must allocate to each school district, charter school, and cooperative unit \$1.15 per enrolled student based on the fall 2022 student count.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) One hundred percent of the aid for fiscal year 2024 must be paid in fiscal year 2024.

Subd. 6. Department literacy specialist. (a) For a full-time literacy specialist at the Department of Education:

<u>\$250,000</u>	<u>.....</u>	<u>2024</u>
<u>\$250,000</u>	<u>.....</u>	<u>2025</u>

(b) The base for fiscal year 2026 and later is \$250,000.

Sec. 15. **REPEALER.**

Minnesota Statutes 2022, section 122A.06, subdivision 4, is repealed.

ARTICLE 4
AMERICAN INDIAN EDUCATION

Section 1. Minnesota Statutes 2022, section 13.32, subdivision 3, is amended to read:

Subd. 3. **Private data; when disclosure is permitted.** Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

- (a) pursuant to section 13.05;
- (b) pursuant to a valid court order;
- (c) pursuant to a statute specifically authorizing access to the private data;
- (d) to disclose information in health, including mental health, and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I), and Code of Federal Regulations, title 34, section 99.36;
- (e) pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3), (b)(6), (b)(7), and (i), and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, 99.35, and 99.39;
- (f) to appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
- (g) when disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, section 1092;
- (h) to the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a postsecondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;
- (i) to appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file;
- (j) to volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;
- (k) to provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216;

(l) to the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals;

(m) with respect to Social Security numbers of students in the adult basic education system, to Minnesota State Colleges and Universities and the Department of Employment and Economic Development for the purpose and in the manner described in section 124D.52, subdivision 7;

(n) to the commissioner of education for purposes of an assessment or investigation of a report of alleged maltreatment of a student as mandated by chapter 260E. Upon request by the commissioner of education, data that are relevant to a report of maltreatment and are from charter school and school district investigations of alleged maltreatment of a student must be disclosed to the commissioner, including, but not limited to, the following:

(1) information regarding the student alleged to have been maltreated;

(2) information regarding student and employee witnesses;

(3) information regarding the alleged perpetrator; and

(4) what corrective or protective action was taken, if any, by the school facility in response to a report of maltreatment by an employee or agent of the school or school district;

(o) when the disclosure is of the final results of a disciplinary proceeding on a charge of a crime of violence or nonforcible sex offense to the extent authorized under United States Code, title 20, section 1232g(b)(6)(A) and (B), and Code of Federal Regulations, title 34, sections 99.31(a)(13) and (14);

(p) when the disclosure is information provided to the institution under United States Code, title 42, section 14071, concerning registered sex offenders to the extent authorized under United States Code, title 20, section 1232g(b)(7); ~~or~~

(q) when the disclosure is to a parent of a student at an institution of postsecondary education regarding the student's violation of any federal, state, or local law or of any rule or policy of the institution, governing the use or possession of alcohol or of a controlled substance, to the extent authorized under United States Code, title 20, section 1232g(i), and Code of Federal Regulations, title 34, section 99.31(a)(15), and provided the institution has an information release form signed by the student authorizing disclosure to a parent. The institution must notify parents and students about the purpose and availability of the information release forms. At a minimum, the institution must distribute the information release forms at parent and student orientation meetings; or

(r) with Tribal Nations about Tribally enrolled or descendant students to the extent necessary for the Tribal Nation and school district or charter school to support the educational attainment of the student.

Sec. 2. Minnesota Statutes 2022, section 120A.42, is amended to read:

120A.42 CONDUCT OF SCHOOL ON CERTAIN HOLIDAYS.

(a) 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~~ Indigenous Peoples 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. On Indigenous Peoples Day, at least one hour of the school program must be devoted to observance of the day. As part of its observance of Indigenous Peoples Day, a district may provide professional development to teachers and staff, or instruction to students, on the following topics:

- (1) the history of treaties between the United States and Indigenous peoples;
- (2) the history of federal boarding schools for Indigenous children;
- (3) Indigenous languages;
- (4) Indigenous traditional medicines and cultural or spiritual practices;
- (5) the sovereignty of Tribal nations;
- (6) the contributions of Indigenous people to American culture, literature, and society; and
- (7) current issues affecting Indigenous communities.

(b) A district may conduct a school program to honor Constitution Day and Citizenship Day by providing opportunities for students to learn about the principles of American democracy, the American system of government, American citizens' rights and responsibilities, American history, and American geography, symbols, and holidays. Among other activities under this paragraph, districts may administer to students the test questions United States Citizenship and Immigration Services officers pose to applicants for naturalization.

Sec. 3. Minnesota Statutes 2022, section 120B.021, subdivision 2, is amended to read:

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; and
- (6) representatives from the Tribal Nations Education Committee and Minnesota's Tribal Nations and communities, including both Anishinaabe and Dakota.

(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.

Sec. 4. Minnesota Statutes 2022, section 120B.021, subdivision 4, as amended by Laws 2023, chapter 17, section 1, is amended to read:

Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must revise ~~and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into~~ the state's academic standards and graduation requirements and implement a ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian Tribes and communities, including urban Indigenous communities, as related to the academic standards during the review and revision of the required academic standards. The commissioner must embed Indigenous education for all students consistent with recommendations from Minnesota's Tribal Nations and urban Indigenous communities regarding the contributions of Minnesota American Indian Tribes and communities into the state's academic standards during the review and revision of the required academic standards. The recommendations to embed Indigenous education for all students includes but is not limited to American Indian experiences in Minnesota, including Tribal histories, Indigenous languages, sovereignty issues, cultures, treaty rights, governments, socioeconomic experiences, contemporary issues, and current events.

(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 2021-2022 school year and every ten years thereafter.

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

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

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

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2020-2021 school year and every ten years thereafter.

(g) The commissioner must implement a review of the academic standards and related benchmarks in physical education beginning in the 2026-2027 school year and every ten years thereafter.

(h) 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.

(i) The commissioner of education must embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements.

(j) The commissioner of education must embed ethnic studies as related to the academic standards during the review and revision of the required academic standards.

Sec. 5. Minnesota Statutes 2022, section 120B.021, is amended by adding a subdivision to read:

Subd. 5. **Indigenous education for all students.** To support implementation of Indigenous education for all students, the commissioner must:

(1) provide historically accurate, Tribally endorsed, culturally relevant, community-based, contemporary, and developmentally appropriate resources. Resources to implement standards must include professional development and must demonstrate an awareness and understanding of the importance of accurate, high-quality materials about the histories, languages, cultures, and governments of local Tribes;

(2) provide resources to support all students learning about the histories, languages, cultures, governments, and experiences of their American Indian peers and neighbors. Resources to implement standards across content areas must be developed to authentically engage all students and support successful learning; and

(3) conduct a needs assessment by December 31, 2023. The needs assessment must fully inform the development of future resources for Indigenous education for all students by using information from Minnesota's American Indian Tribes and communities, including urban Indigenous communities, Minnesota's Tribal Nations Education Committee, schools and districts, students, and educational organizations. The commissioner must submit a report on the findings and recommendations from the needs assessment to the chairs and ranking minority members of legislative committees with jurisdiction over education; to the American Indian Tribes and communities in Minnesota, including urban Indigenous communities; and to all schools and districts in the state by February 1, 2024.

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

Sec. 6. **[121A.041] AMERICAN INDIAN MASCOTS PROHIBITED.**

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

(b) "American Indian" means an individual who is:

(1) a member of an Indian Tribe or band, as membership is defined by the Tribe or band, including:

(i) any Tribe or band terminated since 1940; and

(ii) any Tribe or band recognized by the state in which the Tribe or band resides;

(2) a descendant, in the first or second degree, of an individual described in clause (1);

(3) considered by the Secretary of the Interior to be an Indian for any purpose;

(4) an Eskimo, Aleut, or other Alaska Native; or

(5) a member of an organized Indian group that received a grant under the Indian Education Act of 1988 as in effect the day preceding October 20, 1994.

(c) "District" means a district under section 120A.05, subdivision 8.

(d) "Mascot" means any human, nonhuman animal, or object used to represent a school and its population.

(e) "Public school" or "school" means a public school under section 120A.05, subdivisions 9, 11, 13, and 17, and a charter school under chapter 124E.

Subd. 2. Prohibition on American Indian mascots. (a) A public school may not have or adopt a name, symbol, or image that depicts or refers to an American Indian Tribe, individual, custom, or tradition to be used as a mascot, nickname, logo, letterhead, or team name of the district or school within the district.

(b) A public school may seek an exemption to paragraph (a) by submitting a request in writing to all eleven federally recognized Tribal Nations in Minnesota and to the Tribal Nations Education Committee. The exemption is denied if any of the eleven Tribal Nations or the Tribal Nations Education Committee opposes the exemption. A public school whose exemption is denied must comply with paragraph (a) by September 1 of the following calendar year after which the exemption request was made.

EFFECTIVE DATE. This section is effective June 30, 2024.

Sec. 7. Minnesota Statutes 2022, section 122A.63, is amended by adding a subdivision to read:

Subd. 10. Minnesota Indian teacher training program account. (a) An account is established in the special revenue fund known as the "Minnesota Indian teacher training program account."

(b) Funds appropriated for the Minnesota Indian teacher training program under this section must be transferred to the Minnesota Indian teacher training program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for the Minnesota Indian teacher training program under this section. Any returned funds are available to be regranted. Grant recipients may apply to use grant money over a period of up to 60 months.

(d) Up to \$75,000 annually is appropriated to the commissioner for costs associated with administering and monitoring the program under this section.

Sec. 8. Minnesota Statutes 2022, section 124D.73, is amended by adding a subdivision to read:

Subd. 5. American Indian student. "American Indian student" means a student who identifies as American Indian or Alaska Native, as defined by the state on October 1 of the previous school year.

Sec. 9. Minnesota Statutes 2022, section 124D.74, subdivision 1, is amended to read:

Subdivision 1. **Program described.** American Indian education programs are programs in public elementary and secondary schools, nonsectarian nonpublic, community, Tribal, charter, or alternative schools enrolling American Indian children designed to:

- (1) support postsecondary preparation for American Indian pupils;
- (2) support the academic achievement of American Indian ~~students~~ pupils;
- (3) make the curriculum relevant to the needs, interests, and cultural heritage of American Indian pupils;
- (4) provide positive reinforcement of the self-image of American Indian pupils;
- (5) develop intercultural awareness among pupils, parents, and staff; and
- (6) supplement, not supplant, state and federal educational and cocurricular programs.

Program services designed to increase completion and graduation rates of American Indian students must emphasize academic achievement, retention, and attendance; development of support services for staff, including in-service training and technical assistance in methods of teaching American Indian pupils; research projects, including innovative teaching approaches and evaluation of methods of relating to American Indian pupils; provision of career counseling to American Indian pupils; modification of curriculum, instructional methods, and administrative procedures to meet the needs of American Indian pupils; and ~~supplemental~~ instruction in American Indian language, literature, history, and culture. Districts offering programs may make contracts for the provision of program services by establishing cooperative liaisons with Tribal programs and American Indian social service agencies. These programs may also be provided as components of early childhood and family education programs.

Sec. 10. Minnesota Statutes 2022, section 124D.74, subdivision 3, is amended to read:

Subd. 3. **Enrollment of other children; shared time enrollment.** To the extent it is economically feasible, a district or participating school may make provision for the voluntary enrollment of non-American Indian children in the instructional components of an American Indian education program in order that they may acquire an understanding of the cultural heritage of the American Indian children for whom that particular program is designed. However, in determining eligibility to participate in a program, priority must be given to American Indian children. American Indian children ~~and other children~~ enrolled in an existing nonpublic school system may be enrolled on a shared time basis in American Indian education programs.

Sec. 11. Minnesota Statutes 2022, section 124D.74, subdivision 4, is amended to read:

Subd. 4. **Location of programs.** American Indian education programs must be located in ~~facilities~~ educational settings in which regular classes in a variety of subjects are offered on a daily basis. Programs may operate on an extended day or extended year basis, including school districts, charter schools, and Tribal contract schools that offer virtual learning environments.

Sec. 12. Minnesota Statutes 2022, section 124D.74, is amended by adding a subdivision to read:

Subd. 7. **American Indian culture and language classes.** A district or participating school that conducts American Indian education programs under sections 124D.71 to 124D.82 must provide American Indian culture and language classes if: (1) at least five percent of enrolled students meet the definition of American Indian students; or (2) 100 or more enrolled students meet the definition of American Indian students.

Sec. 13. Minnesota Statutes 2022, section 124D.76, is amended to read:

124D.76 COMMUNITY COORDINATORS, INDIAN HOME/SCHOOL LIAISONS AMERICAN INDIAN EDUCATION PROGRAM COORDINATORS, PARAPROFESSIONALS.

In addition to employing American Indian language and culture education teachers, each district or participating school providing programs pursuant to sections 124D.71 to 124D.82 may employ paraprofessionals. Paraprofessionals must not be employed for the purpose of supplanting American Indian language and culture education teachers.

Any district or participating school ~~which~~ that conducts American Indian education programs pursuant to sections 124D.71 to 124D.82 must employ one or more full-time or part-time ~~community coordinators or Indian home/school liaisons if there are~~ dedicated American Indian education program coordinators in a district with 100 or more state-identified American Indian students enrolled in the district. Community coordinators shall A dedicated American Indian education program coordinator must promote communication, understanding, and cooperation between the schools and the community and ~~shall~~ must visit the homes of children who are to be enrolled in an American Indian education program in order to convey information about the program.

Sec. 14. Minnesota Statutes 2022, section 124D.78, is amended to read:

124D.78 PARENT AND COMMUNITY PARTICIPATION.

Subdivision 1. **Parent committee.** ~~School boards and American Indian schools~~ School districts, charter schools, Tribal contract schools, and the respective school boards must provide for the maximum involvement of parents of American Indian children enrolled in American Indian education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, ~~the board of a school district school districts, charter schools, and Tribal contract schools~~ in which there are ten or more state-identified American Indian students enrolled ~~and each American Indian school~~ must establish an American Indian ~~education~~ Parent Advisory Committee. If a committee whose membership consists of a majority of parents of American Indian children has been or is established according to federal, Tribal, or other state law, that committee may serve as the committee required by this section and is subject to, at least, the requirements of this subdivision and subdivision 2.

The American Indian ~~education~~ Parent Advisory Committee must develop its recommendations in consultation with the curriculum advisory committee required by section 120B.11, subdivision 3. This committee must afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. ~~The school board or American Indian school~~ School districts, charter schools, and Tribal contract schools must ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of the American Indian students served by the programs.

Subd. 2. ~~Resolution of concurrence~~ **Annual compliance.** Prior to March 1, ~~the school board or American Indian school~~ must submit to the department a copy of a resolution adopted by the American Indian education parent advisory committee. ~~The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian students offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations shall be submitted directly to the school board with the resolution. By resolution, the board must respond in writing within 60 days, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations. American Indian Parent Advisory Committee must meet to discuss whether or not they concur with the educational offerings that have been extended by the district to American Indian students. If the committee finds that the district, charter school, Tribal contract school, and the school board have been meeting the needs of American Indian students, they issue a vote and resolution of concurrence. If they find that the needs of American Indian students are not being met, they issue a vote and resolution of nonconcurrence. The vote and resolution must be presented to the school board by one or more members of the American Indian Parent Advisory Committee. The vote is formally reflected on documentation provided by the Department of Education and must be submitted annually on March 1.~~

If the vote is one of nonconcurrence, the committee must provide written recommendations for improvement to the school board at the time of the presentation. In the case of nonconcurrence, the school board is given 60 days in which to respond, in writing, to the committee's recommendations. The board response must be signed by the entire school board and submitted to both the American Indian Parent Advisory Committee and to the Department of Education. The resolution must be accompanied by Parent Advisory Committee meeting minutes that show they have been appraised by the district on the goals of the Indian Education Program Plan and the measurement of progress toward those goals.

Subd. 3. **Membership.** The American Indian ~~education~~ Parent Advisory Committee must be composed of parents or guardians of American Indian children eligible to be enrolled in American Indian education programs; American Indian secondary students eligible to be served; American Indian family members of students eligible to be enrolled in American Indian education programs; American Indian language and culture education teachers and paraprofessionals; American Indian teachers; American Indian district employees; American Indian counselors;

adult American Indian people enrolled in educational programs; and ~~representatives from community groups. A~~ American Indian community members. The majority of each committee must be the parents or guardians of the American Indian children enrolled or eligible to be enrolled in the programs. ~~The number of parents of American Indian and non-American Indian children shall reflect approximately the proportion of children of those groups enrolled in the programs.~~

Subd. 4. **Alternate committee.** If the organizational membership or the board of directors of ~~an American Indian school~~ a Tribal contract school consists of parents of children attending the school, that membership or board may serve also as the American Indian ~~education~~ Parent Advisory Committee.

Subd. 5. **State-identified American Indian.** For the purposes of sections 124D.71 to 124D.82, the number of students who identify as American Indian or Alaska Native, as defined by the state of Minnesota on October 1 of the previous school year, will be used to determine the state-identified American Indian student counts for school districts, charter schools, and Tribal contract schools for the subsequent school year.

Sec. 15. Minnesota Statutes 2022, section 124D.79, subdivision 2, is amended to read:

Subd. 2. **Technical assistance.** The commissioner shall provide technical assistance to districts, schools and postsecondary institutions for preservice and in-service training for teachers, American Indian education teachers and paraprofessionals specifically designed to implement culturally responsive teaching methods, culturally based curriculum development, testing and testing mechanisms, ~~and~~ the development of materials for American Indian education programs, and the annual report of American Indian student data using the state count.

Sec. 16. Minnesota Statutes 2022, section 124D.791, subdivision 4, is amended to read:

Subd. 4. **Duties; powers.** The American Indian education director shall:

(1) ~~serve as the liaison for the department~~ work collaboratively and in conjunction with the Tribal Liaison, the Tribal Nations Education Committee, the 11 Tribal communities nations in Minnesota, the Minnesota Chippewa Tribe, and the Minnesota Indian Affairs Council;

(2) evaluate the state of American Indian education in Minnesota;

(3) engage the Tribal bodies, community groups, parents of children eligible to be served by American Indian education programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian education programs, the Tribally controlled schools, and other persons knowledgeable in the field of American Indian education and seek their advice on policies that can improve the quality of American Indian education;

(4) advise the commissioner on American Indian education issues, including:

(i) issues facing American Indian students;

(ii) policies for American Indian education;

(iii) awarding scholarships to eligible American Indian students and in administering the commissioner's duties regarding awarding of American Indian education grants to school districts; and

(iv) administration of the commissioner's duties under sections 124D.71 to 124D.82 and other programs for the education of American Indian people;

(5) propose to the commissioner legislative changes that will improve the quality of American Indian education;

(6) develop a strategic plan and a long-term framework for American Indian education, in conjunction with the Minnesota Indian Affairs Council, that is updated every five years and implemented by the commissioner, with goals to:

(i) increase American Indian student achievement, including increased levels of proficiency and growth on statewide accountability assessments;

(ii) increase the number of American Indian teachers in public schools;

(iii) close the achievement gap between American Indian students and their more advantaged peers;

(iv) increase the statewide graduation rate for American Indian students; and

(v) increase American Indian student placement in postsecondary programs and the workforce; and

(7) keep the American Indian community informed about the work of the department by reporting to the Tribal Nations Education Committee at each committee meeting.

Sec. 17. **[124D.792] GRADUATION CEREMONIES; TRIBAL REGALIA AND OBJECTS OF CULTURAL SIGNIFICANCE.**

A school district or charter school must not prohibit an American Indian student from wearing American Indian regalia, Tribal regalia, or objects of cultural significance at a graduation ceremony.

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

Sec. 18. Minnesota Statutes 2022, section 124D.81, is amended to read:

124D.81 AMERICAN INDIAN EDUCATION AID.

Subdivision 1. **Procedures.** A school district, charter school, cooperative unit as defined in section 123A.24, subdivision 2, or American Indian-controlled Tribal contract or grant school enrolling at least 20 American Indian students identified by the state count on October 1 of the previous school year ~~and operating an American Indian education program according to section 124D.74~~ is eligible for American Indian education aid if it meets the requirements of this section. Programs may provide for contracts for the provision of program components by nonsectarian nonpublic, community, Tribal, charter, or alternative schools. The commissioner shall prescribe the form and manner of application for aids, and no aid shall be made for a program not complying with the requirements of sections 124D.71 to 124D.82.

Subd. 2. **Plans.** To ~~qualify for~~ receive aid, an eligible district, charter school, cooperative unit as defined in section 123A.24, subdivision 2, or Tribal contract school must develop and submit a plan for approval by the Indian education director that shall:

(a) Identify the measures to be used to meet the requirements of sections 124D.71 to 124D.82;

(b) Identify the activities, methods and programs to meet the identified educational needs of the children to be enrolled in the program;

(c) Describe how district goals and objectives as well as the objectives of sections 124D.71 to 124D.82 are to be achieved;

(d) Demonstrate that required and elective courses as structured do not have a discriminatory effect within the meaning of section 124D.74, subdivision 5;

(e) Describe how each school program will be organized, staffed, coordinated, and monitored; and

(f) Project expenditures for programs under sections 124D.71 to 124D.82.

Subd. 2a. **American Indian education aid.** (a) The American Indian education aid for an eligible district, cooperative unit, or Tribal contract school equals the greater of (1) the sum of ~~\$20,000~~ \$40,000 plus the product of ~~\$358~~ \$500 times the difference between the number of American Indian students enrolled on October 1 of the previous school year and 20; or (2) if the district or school received a grant under this section for fiscal year 2015, the amount of the grant for fiscal year 2015.

(b) Notwithstanding paragraph (a), the American Indian education aid must not exceed the district, cooperative unit, or Tribal contract school's actual expenditure according to the approved plan under subdivision 2, except as provided in subdivision 2b.

Subd. 2b. **Carry forward of funds.** If a school district or Tribal contract school does not expend the full amount of its aid described in its plan and received under this section in the designated fiscal year, the school district or Tribal contract school may carry forward the remaining funds to the following fiscal year and is not subject to an aid reduction only if:

(1) the district is otherwise adhering to the plan developed under subdivision 2;

(2) the American Indian education parent advisory committee for that school has approved the carry forward; and

(3) the school district reports the reason for the carry forward and describes the district's intended actions to ensure the funds are expended in the following fiscal year. The district must report this information to the Department of Education in the form and manner and according to the timelines specified by the commissioner.

Subd. 3. **Additional requirements.** Each district or cooperative unit receiving aid under this section must each year conduct a count of American Indian children in the schools of the district; test for achievement; identify the extent of other educational needs of the children to be enrolled in the American Indian education program; and classify the American Indian children by grade, level of educational attainment, age and achievement. Participating schools must maintain records concerning the needs and achievements of American Indian children served.

Subd. 4. **Nondiscrimination; testing.** In accordance with recognized professional standards, all testing and evaluation materials and procedures utilized for the identification, testing, assessment, and classification of American Indian children must be selected and administered so as not to be racially or culturally discriminatory and must be valid for the purpose of identifying, testing, assessing, and classifying American Indian children.

Subd. 5. **Records.** Participating schools ~~and~~ districts, and cooperative units must keep records and afford access to them as the commissioner finds necessary to ensure that American Indian education programs are implemented in conformity with sections 124D.71 to 124D.82. Each school district, cooperative unit, or participating school must keep accurate, detailed, and separate revenue and expenditure accounts for ~~pilot~~ American Indian education programs funded under this section.

Subd. 6. **Money from other sources.** A district, cooperative unit, or participating school providing American Indian education programs shall be eligible to receive moneys for these programs from other government agencies and from private sources when the moneys are available.

Subd. 7. **Exceptions.** Nothing in sections 124D.71 to 124D.82 shall be construed as prohibiting a district, cooperative unit, or school from implementing an American Indian education program which is not in compliance with sections 124D.71 to 124D.82 if the proposal and plan for that program is not funded pursuant to this section.

EFFECTIVE DATE. This section is effective the day following final enactment for aid for fiscal year 2024 and later.

Sec. 19. Minnesota Statutes 2022, section 126C.05, subdivision 19, is amended to read:

Subd. 19. **Online learning students.** (a) The average daily membership for a public school pupil or a pupil enrolled in a school authorized to receive Tribal contract or grant aid under section 124D.83 generating online learning average daily membership according to section 124D.095, subdivision 8, paragraph (b), equals the sum of: (1) 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 (2) .12 times the initial online 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 online 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 online learning average daily membership according to section 124D.095, subdivision 8, paragraph (b), shall be reduced by any remaining excess over the maximum.

Sec. 20. Minnesota Statutes 2022, section 144.4165, is amended to read:

144.4165 TOBACCO PRODUCTS PROHIBITED IN PUBLIC SCHOOLS.

(a) No person shall at any time smoke, chew, or otherwise ingest tobacco, or carry or use an activated 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, or in a charter school governed by chapter 124E. 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.

(b) Nothing in this section shall prohibit the lighting of tobacco by an adult as a part of a traditional Indian spiritual or cultural ceremony. An American Indian student may carry a medicine pouch containing loose tobacco intended as observance of traditional spiritual or cultural practices. For purposes of this section, an Indian is a person who is a member of an Indian Tribe as defined in section 260.755, subdivision 12.

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

Sec. 21. **APPROPRIATIONS.**

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. American Indian education aid. (a) For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

<u>\$17,949,000</u>	<u>.....</u>	<u>2024</u>
<u>\$19,266,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$1,159,000 for 2023 and \$16,790,000 for 2024.

(c) The 2025 appropriation includes \$1,865,000 for 2024 and \$17,401,000 for 2025.

Subd. 3. **Minnesota Indian teacher training program grants.** (a) For joint grants to assist people who are American Indian to become teachers under Minnesota Statutes, section 122A.63:

<u>\$2,210,000</u>	.....	<u>2024</u>
<u>\$600,000</u>	.....	<u>2025</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.63, subdivision 10.

Subd. 4. **Native language revitalization grants to schools.** (a) For grants to school districts and charter schools to offer language instruction in Dakota and Anishinaabe languages or another language indigenous to the United States or Canada:

<u>\$7,500,000</u>	.....	<u>2024</u>
<u>\$7,500,000</u>	.....	<u>2025</u>

(b) Grant amounts are to be determined based upon the number of schools within a district implementing language courses. Eligible expenses include costs for teachers, program supplies, and curricular resources.

(c) Up to five percent of the grant amount is available for grant administration and monitoring.

(d) Up to \$300,000 each year is for administrative and programmatic capacity at the Department of Education.

(e) Any balance in the first year does not cancel but is available in the second year.

Subd. 5. **Tribal contract school aid.** (a) For Tribal contract school aid under Minnesota Statutes, section 124D.83:

<u>\$2,585,000</u>	.....	<u>2024</u>
<u>\$2,804,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$255,000 for 2023 and \$2,330,000 for 2024.

(c) The 2025 appropriation includes \$258,000 for 2024 and \$2,546,000 for 2025.

ARTICLE 5 TEACHERS

Section 1. Minnesota Statutes 2022, section 120A.414, subdivision 2, is amended to read:

Subd. 2. **Plan.** A school board, including the board of a charter school, may adopt an e-learning day plan after ~~consulting meeting and negotiating~~ with the exclusive representative of the teachers. ~~A~~ If a charter school's teachers are not represented by an exclusive representative, the charter school may adopt an e-learning day plan after consulting with its teachers. The plan must include accommodations for students without Internet access at home and for digital device access for families without the technology or an insufficient amount of technology for the number of children in the household. A school's e-learning day plan must provide accessible options for students with disabilities under chapter 125A.

Sec. 2. **[120B.101] CURRICULUM.**

No school district or charter school may discriminate against or discipline a teacher or principal on the basis of incorporating into curriculum contributions of persons in a federally protected class or state protected class, when the contribution is in alignment with standards and benchmarks adopted under sections 120B.021 and 120B.023.

Sec. 3. **[120B.117] INCREASING PERCENTAGE OF TEACHERS OF COLOR AND AMERICAN INDIAN TEACHERS IN MINNESOTA.**

Subdivision 1. Purpose. This section sets short-term and long-term attainment goals for increasing the percentage of teachers of color and who are American Indian teachers in Minnesota and for ensuring all students have equitable access to effective and racially and ethnically diverse teachers who reflect the diversity of students. The goals and report required under this section are important for meeting attainment goals for the world's best workforce under section 120B.11, achievement and integration under section 124D.861, and higher education attainment under section 135A.012, all of which have been established to close persistent opportunity and achievement gaps that limit students' success in school and life and impede the state's economic growth.

Subd. 2. Equitable access to racially and ethnically diverse teachers. The percentage of teachers in Minnesota who are of color or who are American Indian should increase at least two percentage points per year to have a teaching workforce that more closely reflects the state's increasingly diverse student population and to ensure all students have equitable access to effective and diverse teachers by 2040.

Subd. 3. Rights not created. The attainment goal in this section is not to the exclusion of any other goals and does not confer a right or create a claim for any person.

Subd. 4. Reporting. Beginning in 2024 and every even-numbered year thereafter, the Professional Educator Licensing and Standards Board must collaborate with the Department of Education and the Office of Higher Education to publish a summary report of each of the programs they administer and any other programs receiving state appropriations that have or include an explicit purpose of increasing the racial and ethnic diversity of the state's teacher workforce to more closely reflect the diversity of students. The report must include programs under sections 122A.59, 122A.63, 122A.635, 122A.70, 122A.73, 124D.09, 124D.861, 136A.1274, 136A.1276, and 136A.1791, along with any other programs or initiatives that receive state appropriations to address the shortage of teachers of color and American Indian teachers. The board must, in coordination with the Office of Higher Education and Department of Education, provide policy and funding recommendations related to state-funded programs to increase the recruitment, preparation, licensing, hiring, and retention of racially and ethnically diverse teachers and the state's progress toward meeting or exceeding the goals of this section. The report must include recommendations for state policy and funding needed to achieve the goals of this section, plans for sharing the report and activities of grant recipients, and opportunities among grant recipients of various programs to share effective practices with each other. The 2024 report must include a recommendation of whether a state advisory council should be established to address the shortage of racially and ethnically diverse teachers and what the composition and charge of such an advisory council would be if established. The board must consult with the Indian Affairs Council and other ethnic councils along with other community partners, including students of color and American Indian students, in developing the report. By November 3 of each odd-numbered year, the board must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over education and higher education policy and finance. The report must be available to the public on the board's website.

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

Sec. 4. **[122A.04] LICENSE REQUIRED.**

Pursuant to section 120A.22, subdivision 10, a teacher must hold a field license or a permission aligned to the content area and scope of the teacher's assignment to provide instruction in a public school, including a charter school.

Sec. 5. Minnesota Statutes 2022, section 122A.06, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For the purpose of sections ~~122A.05~~ 122A.04 to 122A.093; ~~and 122A.15 to 122A.33,~~ the terms defined in this section have the meanings given them, unless another meaning is clearly indicated.

Sec. 6. Minnesota Statutes 2022, section 122A.06, subdivision 2, is amended to read:

Subd. 2. **Teacher.** "Teacher" means a classroom teacher or other similar professional employee required by law to hold a license from the Professional Educator Licensing and Standards Board.

Sec. 7. Minnesota Statutes 2022, section 122A.06, subdivision 5, is amended to read:

Subd. 5. **Field.** A "field," "licensure area," or "subject area" means the content area in which a teacher may become licensed to teach.

Sec. 8. Minnesota Statutes 2022, section 122A.06, subdivision 6, is amended to read:

Subd. 6. **Shortage area.** "Shortage area" means:

(1) licensure fields and economic development regions reported by the ~~commissioner of education~~ Office of Higher Education or the Professional Educator Licensing and Standards Board as experiencing a teacher shortage; and

(2) economic development regions where ~~there is a shortage of licensed teachers who reflect the racial or ethnic diversity of students in the region.~~ the aggregate percentage of Indigenous teachers and teachers of color in the region is lower than the aggregate percentage of kindergarten through grade 12 Indigenous students and students of color in that region. Only individuals who close the gap between these percentages qualify as filling a shortage by this definition.

Sec. 9. Minnesota Statutes 2022, section 122A.06, subdivision 7, is amended to read:

Subd. 7. **Teacher preparation program.** "Teacher preparation program" means a program approved by the Professional Educator Licensing and Standards Board for the purpose of preparing individuals for a specific teacher licensure field in Minnesota. ~~Teacher preparation programs include traditional programs delivered by postsecondary institutions, alternative teacher preparation programs, and nonconventional teacher preparation programs.~~

Sec. 10. Minnesota Statutes 2022, section 122A.06, subdivision 8, is amended to read:

Subd. 8. **Teacher preparation program provider.** "Teacher preparation program provider" or "unit" means an entity that has primary responsibility for overseeing and delivering a teacher preparation program. Teacher preparation program providers include institutes of higher education, school districts, charter schools, or nonprofit corporations organized under chapter 317A.

Sec. 11. Minnesota Statutes 2022, section 122A.06, is amended by adding a subdivision to read:

Subd. 9. **District.** "District" means a school district or charter school.

Sec. 12. Minnesota Statutes 2022, section 122A.06, is amended by adding a subdivision to read:

Subd. 10. **Transfer pathway.** "Transfer pathway" means an established pathway to licensure between a two-year college or Tribal college, and a board-approved teacher preparation provider.

Sec. 13. Minnesota Statutes 2022, section 122A.09, subdivision 4, is amended to read:

Subd. 4. **Licensing and approval.** (a) The Professional Educator Licensing and Standards Board must license teachers, as defined in section 122A.15, subdivision 1, except for supervisory personnel, as defined in section 122A.15, subdivision 2. The board must not delegate its authority to make all licensing decisions with respect to ~~candidates~~ applicants for teacher licensure. The board must evaluate ~~candidates~~ applicants for compliance with statutory or rule requirements for licensure and develop licensure verification requirements.

(b) The Professional Educator Licensing and Standards Board must approve teacher preparation providers seeking to prepare applicants for teacher licensure in Minnesota.

Sec. 14. Minnesota Statutes 2022, section 122A.09, subdivision 6, is amended to read:

Subd. 6. **Register of persons licensed.** ~~The executive director of the Professional Educator Licensing and Standards Board must keep a record of the proceedings of and a register of all persons licensed pursuant to the provisions of this chapter. The register must show the name, address, licenses and permissions held, including renewals, and license number and the renewal of the license. The board must on July 1, of each year or as soon thereafter as is practicable, compile a list of such duly licensed teachers. A copy of the register This list must be available during business hours at the office of the board to any interested person on the board's website.~~

Sec. 15. Minnesota Statutes 2022, section 122A.09, subdivision 9, is amended to read:

Subd. 9. **Professional Educator Licensing and Standards Board must adopt rules.** (a) The Professional Educator Licensing and Standards Board must adopt rules subject to the provisions of chapter 14 to implement sections 120B.363, 122A.05 to 122A.09, 122A.092, 122A.16, 122A.17, 122A.18, 122A.181, 122A.182, 122A.183, 122A.184, 122A.185, 122A.187, 122A.188, 122A.19, 122A.20, 122A.21, 122A.23, 122A.26, 122A.28, ~~and 122A.29, and 124D.72.~~

(b) The board must adopt rules relating to fields of licensure and grade levels that a licensed teacher may teach, including a process for granting permission to a licensed teacher to teach in a field that is different from the teacher's field of licensure without change to the teacher's license tier level.

~~(c) The board must adopt rules relating to the grade levels that a licensed teacher may teach.~~

~~(d)~~ (c) If a rule adopted by the board is in conflict with a session law or statute, the law or statute prevails. Terms adopted in rule must be clearly defined and must not be construed to conflict with terms adopted in statute or session law.

~~(e)~~ (d) The board must include a description of a proposed rule's probable effect on teacher supply and demand in the board's statement of need and reasonableness under section 14.131.

~~(f)~~ (e) The board must adopt rules only under the specific statutory authority.

Sec. 16. Minnesota Statutes 2022, section 122A.09, subdivision 10, is amended to read:

Subd. 10. **Permissions.** (a) Notwithstanding subdivision 9 and sections 14.055 and 14.056, the Professional Educator Licensing and Standards Board may grant waivers to its rules upon application by a school district or a charter school for purposes of implementing experimental programs in learning or management.

(b) To enable a school district or a charter school to meet the needs of students enrolled in an alternative education program and to enable licensed teachers instructing those students to satisfy content area licensure requirements, the Professional Educator Licensing and Standards Board ~~annually~~ may permit a licensed teacher teaching in an alternative education program to instruct students in a content area for which the teacher is not licensed, consistent with paragraph (a).

(c) A special education license permission issued by the Professional Educator Licensing and Standards Board for a primary employer's low-incidence region is valid in all low-incidence regions.

(d) ~~A candidate~~ An applicant that has obtained career and technical education certification may apply for a Tier 1 license under section 122A.181. Consistent with section 136F.361, the Professional Educator Licensing and Standards Board must strongly encourage approved ~~college- or university-based~~ teacher preparation programs throughout Minnesota to develop alternative pathways for certifying and licensing high school career and technical education instructors and teachers, allowing such ~~candidates~~ applicants to meet certification and licensure standards that demonstrate their content knowledge, classroom experience, and pedagogical practices and their qualifications based on a combination of occupational testing, professional certification or licensure, and long-standing work experience.

Sec. 17. Minnesota Statutes 2022, section 122A.091, subdivision 1, is amended to read:

Subdivision 1. **Teacher and administrator preparation and performance data; report.** (a) The Professional Educator Licensing and Standards Board and the Board of School Administrators, in cooperation with ~~board-adopted~~ board-approved teacher or administrator preparation programs, annually must collect and report summary data on teacher and administrator preparation and performance outcomes, consistent with this subdivision. The Professional Educator Licensing and Standards Board and the Board of School Administrators annually by ~~June~~ July 1 must update and post the reported summary preparation and performance data on teachers and administrators from the preceding school years on ~~a website hosted jointly by the boards~~ their respective websites.

(b) Publicly reported summary data on teacher preparation ~~programs~~ providers must include:

~~(1) student entrance requirements for each Professional Educator Licensing and Standards Board approved program, including grade point average for enrolling students in the preceding year;~~

~~(2) the average board-adopted skills examination or ACT or SAT scores of students entering the program in the preceding year;~~

~~(3) (1) summary data on faculty teacher educator qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten birth through grade 12 classroom teachers or school administrators;~~

~~(4) the average time resident and nonresident program graduates in the preceding year needed to complete the program;~~

~~(2) the current number and percentage of enrolled candidates who entered the program through a transfer pathway disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;~~

~~(5) (3) the current number and percentage of students program completers by program who graduated, received a standard Minnesota teaching license, and Tier 3 or Tier 4 license disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;~~

(4) the current number and percentage of program completers who entered the program through a transfer pathway and received a Tier 3 or Tier 4 license disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(5) the current number and percentage of program completers who were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

~~(6) the number of content area credits and other credits by undergraduate program that students in the preceding school year needed to complete to graduate~~ the current number and percentage of program completers who entered the program through a transfer pathway and who were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

~~(7) students' pass rates on skills and subject matter exams required for graduation in each program and licensure area in the preceding school year;~~

~~(8) (7) board-adopted survey results measuring student and graduate satisfaction with the program~~ initial licensure program quality and structure in the preceding school year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

~~(9) a standard measure of the satisfaction of (8) board-adopted survey results from school principals or supervising teachers with the student teachers assigned to a school or supervising teacher~~ supervisors on initial licensure program quality and structure; and

~~(10) information under subdivision 3, paragraphs (a) and (b)~~ (9) the number and percentage of program completers who met or exceeded the state threshold score on the board-adopted teacher performance assessment.

Program reporting must be consistent with subdivision 2.

(c) Publicly reported summary data on administrator preparation programs approved by the Board of School Administrators must include:

(1) summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and the years of experience either as kindergarten through grade 12 classroom teachers or school administrators;

(2) the average time program graduates in the preceding year needed to complete the program;

(3) the current number and percentage of students who graduated, received a standard Minnesota administrator license, and were employed as an administrator in a Minnesota school district or school in the preceding year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(4) the number of credits by graduate program that students in the preceding school year needed to complete to graduate;

(5) survey results measuring student, graduate, and employer satisfaction with the program in the preceding school year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual; and

(6) information under subdivision 3, paragraphs (c) and (d).

Program reporting must be consistent with section 122A.14, subdivision 10.

Sec. 18. Minnesota Statutes 2022, section 122A.091, subdivision 2, is amended to read:

Subd. 2. **Teacher preparation program reporting.** ~~(a)~~ By December 31, 2018, and annually thereafter, the Professional Educator Licensing and Standards Board shall report and publish on its website the cumulative summary results of at least three consecutive years of data reported to the board under subdivision 1, paragraph (b). Where the data are sufficient to yield statistically reliable information and the results would not reveal personally identifiable information about an individual teacher, the board shall report the data by teacher preparation program.

~~(b) The Professional Educator Licensing and Standards Board must report annually to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education, the following information:~~

~~(1) the total number of teacher candidates during the most recent school year taking a board adopted skills examination;~~

~~(2) the number who achieve a qualifying score on the examination;~~

~~(3) the number who do not achieve a qualifying score on the examination; and~~

~~(4) the candidates who have not passed a content or pedagogy exam.~~

~~The information reported under this paragraph must be disaggregated by categories of race, ethnicity, and eligibility for financial aid. The report must be submitted in accordance with section 3.195.~~

Sec. 19. Minnesota Statutes 2022, section 122A.15, subdivision 1, is amended to read:

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, school counselors, school psychologists, school nurses, school social workers, audio-visual directors and coordinators, recreation personnel, media generalists, media supervisors, and ~~speech therapists~~ school speech-language pathologists. This definition does not apply to sections 122A.05 to 122A.093.

Sec. 20. Minnesota Statutes 2022, section 122A.18, subdivision 1, is amended to read:

Subdivision 1. **Authority to license.** (a) The Professional Educator Licensing and Standards Board must issue the following teacher licenses to ~~candidates~~ applicants who meet the qualifications prescribed by this chapter:

(1) Tier 1 license under section 122A.181;

(2) Tier 2 license under section 122A.182;

(3) Tier 3 license under section 122A.183; and

(4) Tier 4 license under section 122A.184.

(b) The Board of School Administrators must license supervisory personnel as defined in section 122A.15, subdivision 2, except for athletic coaches.

(c) The Professional Educator Licensing and Standards Board and the Department of Education must enter into a data sharing agreement to share:

(1) educational data at the E-12 level for the limited purpose of program approval and improvement for teacher education programs. The program approval process must include targeted redesign of teacher preparation programs to address identified E-12 student areas of concern; and

(2) data in the staff automated reporting system for the limited purpose of managing and processing funding to school districts and other entities.

(d) The Board of School Administrators and the Department of Education must enter into a data sharing agreement to share educational data at the E-12 level for the limited purpose of program approval and improvement for education administration programs. The program approval process must include targeted redesign of education administration preparation programs to address identified E-12 student areas of concern.

(e) For purposes of the data sharing agreements under paragraphs (c) and (d), the Professional Educator Licensing and Standards Board, Board of School Administrators, and Department of Education may share private data, as defined in section 13.02, subdivision 12, on teachers and school administrators. The data sharing agreements must not include educational data, as defined in section 13.32, subdivision 1, but may include summary data, as defined in section 13.02, subdivision 19, derived from educational data.

Sec. 21. Minnesota Statutes 2022, section 122A.18, subdivision 2, is amended to read:

Subd. 2. **Support personnel qualifications.** The Professional Educator Licensing and Standards Board must issue licenses and credentials under its jurisdiction to persons the board finds to be qualified and competent for support personnel positions in accordance with section ~~120B.36~~ 120B.363.

Sec. 22. Minnesota Statutes 2022, section 122A.18, subdivision 10, is amended to read:

Subd. 10. **Licensure via portfolio.** (a) The Professional Educator Licensing and Standards Board must adopt rules establishing a process for an eligible ~~candidate~~ applicant to obtain ~~any teacher an initial Tier 3 license under subdivision 1,~~ or to add a licensure field, to a Tier 3 or Tier 4 license via portfolio. The portfolio licensure application process must be consistent with the requirements in this subdivision.

(b) ~~A candidate~~ An applicant for a an initial Tier 3 license via portfolio must submit to the board one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

(c) ~~A candidate~~ An applicant seeking to add a licensure field via portfolio must submit to the board one portfolio demonstrating content competence for each licensure field the candidate seeks to add.

(d) The board must notify ~~a candidate~~ an applicant who submits a portfolio under paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not the portfolio is approved. If the portfolio is not approved, the board must ~~immediately~~ inform the ~~candidate~~ applicant how to revise the portfolio to successfully demonstrate the requisite competence. The ~~candidate~~ applicant may resubmit a revised portfolio at any time and the board must approve or disapprove the revised portfolio within 60 calendar days of receiving it.

(e) ~~A candidate~~ An applicant must pay a fee for a portfolio in accordance with section 122A.21, subdivision 4.

Sec. 23. Minnesota Statutes 2022, section 122A.18, is amended by adding a subdivision to read:

Subd. 11. Staff Automated Reporting. The Professional Educator Licensing and Standards Board shall collect data on educators' employment and assignments from all school districts and charter schools. The report may include data on educators' demographics and licensure.

Sec. 24. Minnesota Statutes 2022, section 122A.181, subdivision 1, is amended to read:

Subdivision 1. **Application requirements.** ~~The Professional Educator Licensing and Standards Board must approve a request from a district or charter school to issue a Tier 1 license in a specified content area to a candidate~~ an application for a Tier 1 license in a specified content area if:

- (1) the application has been submitted jointly by the applicant and the district;
- (2) the application has been paid for by the district or the applicant;
- ~~(1)~~ (3) the candidate applicant meets the professional requirement in subdivision 2;
- ~~(2)~~ (4) the district or charter school affirms that the candidate applicant has the necessary skills and knowledge to teach in the specified content area; ~~and~~
- ~~(3)~~ (5) the district or charter school demonstrates that:
 - ~~(i)~~ (i) a criminal background check under section 122A.18, subdivision 8, has been completed on the candidate applicant; and
 - ~~(ii)~~ (ii) (6) the district or charter school has posted the teacher position but was unable to hire an acceptable teacher with a Tier 2, 3, or 4 license for the position.

Sec. 25. Minnesota Statutes 2022, section 122A.181, subdivision 2, is amended to read:

Subd. 2. **Professional requirements.** (a) ~~A candidate~~ An applicant for a Tier 1 license must have a bachelor's degree to teach a class or course outside a career and technical education or career pathways course of study.

(b) ~~A candidate~~ An applicant for a Tier 1 license must have one of the following credentials in a relevant content area to teach a class in a career and technical education or career pathways course of study:

- (1) an associate's degree;
- (2) a professional certification; or
- (3) five years of relevant work experience.

Sec. 26. Minnesota Statutes 2022, section 122A.181, is amended by adding a subdivision to read:

Subd. 2a. Exemptions from a bachelor's degree. (a) The following applicants for a Tier 1 license are exempt from the requirement to hold a bachelor's degree in subdivision 2:

(1) an applicant for a Tier 1 license to teach career and technical education or career pathways courses of study if the applicant has:

- (i) an associate's degree;

(ii) a professional certification; or

(iii) five years of relevant work experience;

(2) an applicant for a Tier 1 license to teach world languages and culture pursuant to Minnesota Rules, part 8710.4950, if the applicant is a native speaker of the language; and

(3) an applicant for a Tier 1 license in the performing or visual arts pursuant to Minnesota Rules, parts 8710.4300, dance and theatre; 8710.4310, dance; 8710.4320, theatre; 8710.4650, vocal music and instrumental music; and 8710.4900, visual arts, if the applicant has at least five years of relevant work experience.

(b) The Professional Educator Licensing and Standards Board must adopt rules regarding the qualifications and determinations for applicants exempt from paragraph (a).

Sec. 27. Minnesota Statutes 2022, section 122A.181, subdivision 3, is amended to read:

Subd. 3. **Term of license and renewal.** (a) The Professional Educator Licensing and Standards Board must issue an initial Tier 1 license for a term of one year. A Tier 1 license may be renewed subject to paragraphs (b) and (c). ~~The board may submit written comments to the district or charter school that requested the renewal regarding the candidate.~~

(b) The Professional Educator Licensing and Standards Board must renew a Tier 1 license if:

(1) the district or charter school requesting the renewal demonstrates that it has posted the teacher position but was unable to hire an acceptable teacher with a Tier 2, 3, or 4 license for the position;

(2) the teacher holding the Tier 1 license took a content examination in accordance with section 122A.185 and submitted the examination results to the teacher's employing district or charter school within one year of the board approving the request for the initial Tier 1 license;

(3) the teacher holding the Tier 1 license participated in cultural competency training consistent with section 120B.30, subdivision 1, paragraph (q), within one year of the board approving the request for the initial Tier 1 license; and

(4) the teacher holding the Tier 1 license met the mental illness training renewal requirement under section 122A.187, subdivision 6.

The requirement in clause (2) does not apply to a teacher that teaches a class in a career and technical education or career pathways course of study.

(c) A Tier 1 license must not be renewed more than three times, unless the requesting district or charter school can show good cause for additional renewals. A Tier 1 license issued to teach (1) a class or course in a career and technical education or career pathway course of study or (2) in a shortage area, as defined in section 122A.06, subdivision 6, may be renewed without limitation.

Sec. 28. Minnesota Statutes 2022, section 122A.181, subdivision 4, is amended to read:

Subd. 4. **Application.** The Professional Educator Licensing and Standards Board must accept and review applications for a Tier 1 teaching license beginning July 1 of the school year for which the license is requested ~~and must issue or deny the Tier 1 teaching license within 30 days of receiving the completed application; at the board's discretion, the board may begin to accept and review applications before July 1.~~

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

Sec. 29. Minnesota Statutes 2022, section 122A.181, subdivision 5, is amended to read:

Subd. 5. **Limitations on license.** (a) A Tier 1 license is limited to the content matter indicated on the application for the initial Tier 1 license under subdivision 1, clause (2), and limited to the district or charter school that requested the initial Tier 1 license.

(b) A Tier 1 license does not bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, clause (a).

~~(c) A Tier 1 license does not bring an individual within the definition of a teacher under section 179A.03, subdivision 18.~~

Sec. 30. Minnesota Statutes 2022, section 122A.182, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** ~~(a)~~ The Professional Educator Licensing and Standards Board must approve a ~~request from a district or charter school to issue~~ an application for a Tier 2 license in a specified content area to a candidate if:

~~(1) the candidate meets the educational or professional requirements in paragraph (b) or (c);~~

~~(2) the candidate:~~

~~(i) has completed the coursework required under subdivision 2;~~

~~(ii) is enrolled in a Minnesota approved teacher preparation program; or~~

~~(iii) has a master's degree in the specified content area; and~~

~~(3) the district or charter school demonstrates that a criminal background check under section 122A.18, subdivision 8, has been completed on the candidate.~~

~~(b) A candidate for a Tier 2 license must have a bachelor's degree to teach a class outside a career and technical education or career pathways course of study.~~

~~(c) A candidate for a Tier 2 license must have one of the following credentials in a relevant content area to teach a class or course in a career and technical education or career pathways course of study:~~

~~(1) an associate's degree;~~

~~(2) a professional certification; or~~

~~(3) five years of relevant work experience.~~

(1) the application has been submitted jointly by the applicant and the district;

(2) the application has been paid for by the district or the applicant;

(3) the applicant holds a bachelor's degree, unless specifically exempt by statute or rule;

(4) the district demonstrates that a criminal background check under section 122A.18, subdivision 8, has been completed for the applicant; and

(5) the applicant:

(i) has completed a state-approved teacher preparation program;

(ii) is enrolled in a Minnesota-approved teacher preparation program; or

(iii) has a master's degree in the specified content area.

Sec. 31. Minnesota Statutes 2022, section 122A.182, is amended by adding a subdivision to read:

Subd. 2a. **Exemptions from a bachelor's degree.** (a) The following applicants for a Tier 2 license are exempt from the requirement to hold a bachelor's degree in subdivision 1:

(1) an applicant for a Tier 2 license to teach career and technical education or career pathways courses of study when the applicant has:

(i) an associate's degree;

(ii) a professional certification; or

(iii) five years of relevant work experience;

(2) an applicant for a Tier 2 license to teach world languages and culture pursuant to Minnesota Rules, part 8710.4950, when the applicant is a native speaker of the language; and

(3) an applicant for a Tier 2 license in the performing or visual arts pursuant to Minnesota Rules, parts 8710.4300, dance and theatre; 8710.4310, dance; 8710.4320, theatre; 8710.4650, vocal music and instrumental music; and 8710.4900, visual arts, when the applicant has at least five years of relevant work experience.

(b) The Professional Educator Licensing and Standards Board must adopt rules regarding the qualifications and determinations for applicants exempt from the requirement to hold a bachelor's degree in subdivision 1.

Sec. 32. Minnesota Statutes 2022, section 122A.182, is amended by adding a subdivision to read:

Subd. 2b. **Temporary eligibility for renewal.** For the 2023-2024, 2024-2025, and 2025-2026 school years only, the Professional Educator Licensing and Standards Board must approve an application to renew a Tier 2 license for an applicant that met the Tier 2 requirements in effect at the time the first Tier 2 license was issued. Nothing in this subdivision modifies the renewal requirements in subdivision 3.

Sec. 33. Minnesota Statutes 2022, section 122A.182, subdivision 4, is amended to read:

Subd. 4. **Application.** The Professional Educator Licensing and Standards Board must accept applications for a Tier 2 teaching license beginning July 1 of the school year for which the license is requested ~~and must issue or deny the Tier 2 teaching license within 30 days of receiving the completed application.~~ At the board's discretion, the board may begin to accept and review applications before July 1.

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

Sec. 34. Minnesota Statutes 2022, section 122A.183, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) The Professional Educator Licensing and Standards Board must issue a Tier 3 license to ~~a candidate~~ an applicant who provides information sufficient to demonstrate all of the following:

~~(1) the candidate meets the educational or professional requirements in paragraphs (b) and (c);~~

~~(2) (1) the candidate applicant~~ has obtained a passing score on the required licensure exams under section 122A.185; ~~and~~

~~(2) the applicant holds a bachelor's degree, unless specifically exempt by statute or rule; and~~

~~(3) the candidate applicant~~ has completed the coursework required under subdivision 2.

~~(b) A candidate for a Tier 3 license must have a bachelor's degree to teach a class or course outside a career and technical education or career pathways course of study.~~

~~(c) A candidate for a Tier 3 license must have one of the following credentials in a relevant content area to teach a class or course in a career and technical education or career pathways course of study:~~

~~(1) an associate's degree;~~

~~(2) a professional certification; or~~

~~(3) five years of relevant work experience.~~

~~In consultation with the governor's Workforce Development Board established under section 116L.665, the board must establish a list of qualifying certifications, and may add additional professional certifications in consultation with school administrators, teachers, and other stakeholders.~~

~~(b) The board must issue a Tier 3 license to an applicant who has completed student teaching comparable to the student teaching expectations in Minnesota, and has completed either: a teacher preparation program from a culturally specific Minority Serving Institution in the United States, such as Historically Black Colleges and Universities, Tribal Colleges and Universities, or Hispanic-Serving Institutions, including those in Puerto Rico; or a university teacher preparation program in another country, and has taught at least two years. An applicant who qualifies for a Tier 3 license under this paragraph is not required to obtain a passing score on licensure exams under section 122A.185.~~

Sec. 35. Minnesota Statutes 2022, section 122A.183, subdivision 2, is amended to read:

Subd. 2. **Coursework.** ~~A candidate~~ An applicant for a Tier 3 license must meet the coursework requirement by demonstrating one of the following:

(1) completion of a Minnesota-approved teacher preparation program;

(2) completion of a state-approved teacher preparation program that includes field-specific student teaching equivalent to field-specific student teaching in Minnesota-approved teacher preparation programs. The field-specific student teaching requirement does not apply to ~~a candidate~~ an applicant that has two years of field-specific teaching experience;

(3) submission of a content-specific licensure portfolio; or

(4) a professional teaching license from another state, evidence that the ~~candidate's~~ applicant's license is in good standing, and two years of field-specific teaching experience; ~~or.~~

~~(5) three years of teaching experience under a Tier 2 license and evidence of summative teacher evaluations that did not result in placing or otherwise keeping the teacher on an improvement process pursuant to section 122A.40, subdivision 8, or section 122A.41, subdivision 5.~~

Sec. 36. Minnesota Statutes 2022, section 122A.183, is amended by adding a subdivision to read:

Subd. 2a. **Exemptions from a bachelor's degree.** (a) The following applicants for a Tier 3 license are exempt from the requirement to hold a bachelor's degree in subdivision 1:

(1) an applicant for a Tier 3 license to teach career and technical education or career pathways courses of study when the applicant has:

(i) an associate's degree;

(ii) a professional certification; or

(iii) five years of relevant work experience;

(2) an applicant for a Tier 3 license to teach world languages and culture pursuant to Minnesota Rules, part 8710.4950, when the applicant is a native speaker of the language; and

(3) an applicant for a Tier 3 license in the performing or visual arts pursuant to Minnesota Rules, parts 8710.4300, dance and theatre; 8710.4310, dance; 8710.4320, theatre; 8710.4650, vocal music and instrumental music; and 8710.4900, visual arts, when the applicant has at least five years of relevant work experience.

(b) The Professional Educator Licensing and Standards Board must adopt rules regarding the qualifications and determinations for applicants exempt from the requirement to hold a bachelor's degree in subdivision 1.

Sec. 37. Minnesota Statutes 2022, section 122A.183, is amended by adding a subdivision to read:

Subd. 2b. **Temporary eligibility.** A candidate for a Tier 3 license may meet the coursework requirement under subdivision 2 if the candidate demonstrates three years of teaching experience under a Tier 2 license and evidence of summative teacher evaluations that did not result in placing or otherwise keeping the teacher on an improvement process pursuant to section 122A.40, subdivision 8, or section 122A.41, subdivision 5. This subdivision expires on December 31, 2026.

Sec. 38. Minnesota Statutes 2022, section 122A.184, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The Professional Educator Licensing and Standards Board must issue a Tier 4 license to ~~a candidate~~ an applicant who provides information sufficient to demonstrate all of the following:

(1) the ~~candidate~~ applicant meets all requirements for a Tier 3 license under section 122A.183, and has completed a teacher preparation program under section 122A.183, subdivision 2, clause (1) or (2);

(2) the ~~candidate~~ applicant has at least three years of field-specific teaching experience ~~in Minnesota~~ as a teacher of record;

(3) the ~~candidate~~ applicant has obtained a passing score on all required licensure exams under section 122A.185; and

~~(4) the candidate's most recent summative teacher evaluation did not result in placing or otherwise keeping the teacher in an improvement process pursuant to section 122A.40, subdivision 8, or 122A.41, subdivision 5.~~

(4) if the applicant previously held a Tier 3 license under section 122A.183, the applicant has completed the renewal requirements in section 122A.187.

Sec. 39. Minnesota Statutes 2022, section 122A.185, subdivision 1, is amended to read:

Subdivision 1. **Tests.** ~~(a) The Professional Educator Licensing and Standards Board must adopt rules requiring a candidate to demonstrate a passing score on a board adopted examination of skills in reading, writing, and mathematics before being granted a Tier 4 teaching license under section 122A.184 to provide direct instruction to pupils in elementary, secondary, or special education programs. Candidates may obtain a Tier 1, Tier 2, or Tier 3 license to provide direct instruction to pupils in elementary, secondary, or special education programs if candidates meet the other requirements in section 122A.181, 122A.182, or 122A.183, respectively.~~

~~(b)~~ (a) The board must adopt rules requiring ~~candidates~~ applicants for Tier 3 and Tier 4 licenses to pass an examination or performance assessment of general pedagogical knowledge and examinations of licensure field specific content. An applicant is exempt from the examination requirements if the applicant completed:

(1) a board-approved teacher preparation program;

(2) licensure via portfolio pursuant to section 122A.18, subdivision 10, and the portfolio has been approved; or

(3) a state-approved teacher preparation program in another state and passed licensure examinations in that state, if applicable. The content examination requirement does not apply if no relevant content exam exists.

~~(c) Candidates for initial Tier 3 and Tier 4 licenses to teach elementary students must pass test items assessing the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, knowledge and understanding of the foundations of reading development, development of reading comprehension and reading assessment and instruction, and the ability to integrate that knowledge and understanding into instruction strategies under section 122A.06, subdivision 4.~~

~~(d) The requirement to pass a board adopted reading, writing, and mathematics skills examination does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1.~~

(b) All testing centers in the state must provide monthly opportunities for untimed content and pedagogy examinations. These opportunities must be advertised on the test registration website. The board must require the exam vendor to provide other equitable opportunities to pass exams, including: (1) waiving testing fees for test takers who qualify for federal grants; (2) providing free, multiple, full-length practice tests for each exam and free, comprehensive study guides on the test registration website; (3) making content and pedagogy exams available in languages other than English for teachers seeking licensure to teach in language immersion programs; and (4) providing free, detailed exam results analysis by test objective to assist applicants who do not pass an exam in identifying areas for improvement. Any applicant who has not passed a required exam after two attempts must be allowed to retake the exam, including new versions of the exam, without being charged an additional fee.

Sec. 40. Minnesota Statutes 2022, section 122A.185, subdivision 4, is amended to read:

Subd. 4. **Remedial assistance.** ~~(a) A board approved teacher preparation program must make available upon request remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on a board adopted skills examination, including those for whom English is a second language. The teacher preparation programs must make available assistance in the specific academic areas of candidates' deficiency.~~

(b) School districts may make available upon request ~~similar~~, appropriate, and timely remedial assistance that includes a formal diagnostic component to those persons employed by the district who ~~completed their teacher education program, who~~ did not achieve a qualifying score on a board-adopted skills examination, and who received a Tier 1, Tier 2, or Tier 3 license under section 122A.181, 122A.182, or 122A.183, respectively, to teach in Minnesota.

Sec. 41. Minnesota Statutes 2022, section 122A.187, subdivision 1, is amended to read:

Subdivision 1. **License form requirements.** Each license issued under this chapter must bear the date of issue and the name of the state-approved teacher training provider or alternative teaching program, as applicable. Licenses must expire and be renewed according to rules adopted by the Professional Educator Licensing and Standards Board or the Board of School Administrators. ~~The rules adopted by the Professional Educator Licensing and Standards Board for renewing a Tier 3 or Tier 4 license under sections 122A.183 and 122A.184, respectively, must include showing satisfactory evidence of successful teaching or administrative experience for at least one school year during the period covered by the license in grades or subjects for which the license is valid or completing such additional preparation as required under this section, or as the Professional Educator Licensing and Standards Board prescribes.~~ The Board of School Administrators shall establish requirements for renewing the licenses of supervisory personnel except athletic coaches. ~~The Professional Educator Licensing and Standards Board shall establish requirements for renewing the licenses of athletic coaches.~~

Sec. 42. Minnesota Statutes 2022, section 122A.187, is amended by adding a subdivision to read:

Subd. 7. **American Indian history and culture.** The Professional Educator Licensing and Standards Board must adopt rules that require all licensed teachers renewing their license under sections 122A.181 to 122A.184 to include in the renewal requirements professional development in the cultural heritage and contemporary contributions of American Indians, with particular emphasis on Minnesota Tribal Nations.

Sec. 43. Minnesota Statutes 2022, section 122A.19, subdivision 4, is amended to read:

Subd. 4. **Teacher preparation programs.** (a) For the purpose of licensing bilingual and English as a second language teachers, the board may approve teacher preparation programs ~~at colleges or universities~~ designed for their training.

(b) Programs that prepare English as a second language teachers must provide instruction in implementing research-based practices designed specifically for English learners. The programs must focus on developing English learners' academic language proficiency in English, including oral academic language, giving English learners meaningful access to the full school curriculum, developing culturally relevant teaching practices appropriate for immigrant students, and providing more intensive instruction and resources to English learners with lower levels of academic English proficiency and varied needs, consistent with section 124D.59, subdivisions 2 and 2a.

Sec. 44. Minnesota Statutes 2022, section 122A.26, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A person who teaches in a community education program ~~which that~~ 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 that~~ is offered through a community education program and ~~which that~~ 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 that~~ is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher.

(b) A person who teaches a driver training course ~~which that~~ is offered through a community education program to persons under 18 years of age shall be licensed by the Professional Educator Licensing and Standards Board or be subject to section 171.35. A license ~~which that~~ is required for an instructor in a community education program pursuant to this ~~subdivision paragraph~~ 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 paragraph~~ (a).

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 45. Minnesota Statutes 2022, section 122A.40, subdivision 3, is amended to read:

Subd. 3. **Hiring, dismissing.** (a) 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.

(b) A school district must annually report to the Professional Educator Licensing and Standards Board: (1) all new teacher hires and terminations, including layoffs, by race and ethnicity; and (2) the reasons for all teacher resignations and requested leaves of absence. The report must not include data that would personally identify individuals.

Sec. 46. Minnesota Statutes 2022, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district ~~is~~ are 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~~ 90 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' 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.

(f) Notwithstanding any law to the contrary, a teacher who has taught for three consecutive years in a single school district or charter school in Minnesota or another state must serve a probationary period of no longer than one year in a Minnesota school district.

EFFECTIVE DATE. This section is effective for collective bargaining agreements effective July 1, 2023, and thereafter.

Sec. 47. Minnesota Statutes 2022, section 122A.40, subdivision 8, is amended to read:

Subd. 8. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop a teacher evaluation and peer review process for probationary and continuing contract teachers through joint agreement. If a school board and the exclusive representative of the teachers do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices, improve student learning and success, and provide all enrolled students in a district or school with improved and equitable access to more effective and diverse teachers, 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~~ include a rubric of performance standards for teacher practice that: (i) is based on professional teaching standards established in rule; (ii) includes culturally responsive methodologies; and (iii) provides common descriptions of effectiveness using at least three levels of performance;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs for teachers, including teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.187, subdivision 3, and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection, and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible, including academic literacy, oral academic language, and achievement of content areas of English learners;

(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; and

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Professional Educator Licensing and Standards Board, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 5.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that subject area and grade.

All data created and used under this paragraph retains its classification under chapter 13.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 48. Minnesota Statutes 2022, section 122A.41, subdivision 2, is amended to read:

Subd. 2. **Probationary period; discharge or demotion.** (a) ~~All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit.~~ The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district are 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 site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivisions 3 and 5. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall 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 shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) 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).

(c) 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.

(d) A probationary teacher must complete at least ~~120~~ 90 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' 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.

(e) Notwithstanding any law to the contrary, a teacher who has taught for three consecutive years in a single school district or charter school in Minnesota or another state must serve a probationary period of no longer than one year in a Minnesota school district.

EFFECTIVE DATE. This section is effective for collective bargaining agreements effective July 1, 2023, and thereafter.

Sec. 49. Minnesota Statutes 2022, section 122A.41, subdivision 5, is amended to read:

Subd. 5. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop an annual teacher evaluation and peer review process for probationary and nonprobationary teachers through joint agreement. If a school board and the exclusive representative of the teachers in the district do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan developed under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, and provide all enrolled students in a district or school with improved and equitable access to more effective and diverse teachers, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 2;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator;

(3) ~~must be based on professional teaching standards established in rule~~ include a rubric of performance standards for teacher practice that: (i) is based on professional teaching standards established in rule; (ii) includes culturally responsive methodologies; and (iii) provides common descriptions of effectiveness using at least three levels of performance;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs for teachers, including teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of students under section 120B.35, subdivision 3, paragraph (b), clause (2), who are enrolled in the district or school;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.187, subdivision 3, and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible, including academic literacy, oral academic language, and achievement of English learners;

(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; and

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Professional Educator Licensing and Standards Board, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 2.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that subject area and grade.

All data created and used under this paragraph retains its classification under chapter 13.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 50. Minnesota Statutes 2022, section 122A.41, is amended by adding a subdivision to read:

Subd. 16. Reporting of hires and terminations. A school district must annually report to the Professional Educator Licensing and Standards Board: (1) all new teacher hires and terminations, including layoffs, by race and ethnicity; and (2) the reasons for all teacher resignations and requested leaves of absence. The report must not include data that would personally identify individuals.

Sec. 51. Minnesota Statutes 2022, section 122A.415, subdivision 4, is amended to read:

Subd. 4. **Basic alternative teacher compensation aid.** (a) 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 a charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, 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 ~~\$75,840,000 for fiscal year 2016 and~~ \$88,118,000 for fiscal year ~~2017~~ 2023; \$88,461,000 for fiscal year 2024; \$88,461,000 for fiscal year 2025; \$89,570,000 for fiscal year 2026; and \$89,689,000 for fiscal year 2027 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits by not approving new participants or by prorating the aid among participating districts, intermediate school districts, school sites, and charter schools. The commissioner may also reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

(c) Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals \$3,000 times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

Sec. 52. **[122A.441] SHORT-CALL SUBSTITUTE TEACHER PILOT PROGRAM.**

(a) A school district or charter school and applicant may jointly request the Professional Educator Licensing and Standards Board approve an application for a short-call substitute teaching license. The application information must sufficiently demonstrate the following:

(1) the applicant:

(i) holds a minimum of an associate's degree or equivalent and has or will receive substitute training from the school district or charter school; or

(ii) holds a minimum of a high school diploma or equivalent and has been employed as an education support personnel or paraprofessional within the district or charter school for at least one academic year; and

(2) the school district or charter school has requested a background check in accordance with section 123B.03.

(b) The Professional Educator Licensing and Standards Board may issue a temporary teaching license pending a background check under section 122A.18, subdivision 8, and may immediately suspend or revoke the license upon receiving background check information. An applicant submitting an application for a short-call substitute teaching license in accordance with section 122A.18, subdivision 7a, paragraph (a), must not be required to complete a joint application with a district and must not be issued a license pending a background check under section 122A.18, subdivision 8.

(c) The board may prioritize short-call substitute teaching license applications to expedite the review process.

(d) A school district or charter school must provide a substitute teacher who receives a substitute teaching license through the pilot program with substitute teacher training. The board may remove a school district or charter school from the pilot program for failure to provide the required training.

(e) A school district or charter school must not require an employee to apply for a substitute teaching license, or retaliate against an employee that does not apply for a substitute teaching license under the pilot program.

(f) A school district or charter school must compensate an employee working as a short-call substitute teacher under the pilot program with the greater of \$200 per day or the employee's regular rate of pay.

EFFECTIVE DATE. This section is effective for the 2023-2024 and 2024-2025 school years only.

Sec. 53. Minnesota Statutes 2022, section 122A.59, is amended to read:

122A.59 COME TEACH IN MINNESOTA HIRING BONUSES.

Subdivision 1. **Purpose.** This section establishes a program to support districts and schools recruiting and offering hiring bonuses for ~~licensed~~ teachers who are American Indian or a person of color from another state or country in order to meet staffing needs in shortage areas in ~~economic development regions in~~ Minnesota.

Subd. 2. **Eligibility.** A district or school must verify that the hiring bonus is given to ~~teachers licensed in persons from~~ another state or country who:

(1) immediately qualify for a Tier ~~3 or Tier 4~~ 2 or higher Minnesota license;

(2) have moved to ~~the economic development region in~~ Minnesota ~~where they were hired~~; and

(3) belong to a racial or ethnic group that is underrepresented among teachers compared to students in the district or school under section 120B.35, subdivision 3, paragraph (b), clause (2).

Subd. 3. **Bonus amount.** A district or school may offer a ~~signing~~ hiring and retention bonus of a minimum of ~~\$2,500~~ \$4,000 and a maximum of ~~\$5,000~~ \$8,000 to a teacher who meets the eligibility requirements. A teacher who meets the eligibility requirements and meets a licensure shortage area in the economic development region of the state where the school is located may be offered a ~~signing~~ hiring bonus of a minimum of ~~\$4,000~~ \$5,000 and a maximum of ~~\$8,000~~ \$10,000. A teacher must be paid half of the bonus when starting employment and half after completing four years of service in the hiring district or school if the teacher has demonstrated teaching effectiveness and is not on a professional improvement plan under section 122A.40, subdivision 8, paragraph (b), clause (12) or (13), or section 122A.41, subdivision 5, paragraph (b), clause (12) or (13), or is not being considered for termination for a reason listed in section 122A.40, subdivision 9, including a teacher hired by a school district located in a city of the first class. A teacher who does not complete their first school year upon receiving a hiring bonus must repay the hiring bonus. A teacher must have a Tier 3 or Tier 4 Minnesota teaching license to qualify for the second half of the bonus. A district must prorate the second half of the bonus if the eligible teacher is nonrenewed due to reasons not having to do with teaching effectiveness or misconduct.

Subd. 4. **Administration.** (a) The commissioner must establish a process for districts or schools to seek reimbursement for hiring bonuses given to teachers in shortage areas moving to and working in Minnesota schools experiencing specific shortages. The commissioner must provide guidance for districts to seek repayment of a hiring bonus from a teacher who does not complete the first year of employment. The department may conduct a pilot program with a small number of teachers during the 2022-2023 biennium to establish feasibility. The department must submit a report by December 1, 2022, to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education detailing the effectiveness of the program and recommendations for improvement in future years.

(b) The commissioner may award participating districts and schools additional funds to administer the program, including out-of-state recruiting efforts and retention activities. The commissioner may allow participating districts and schools to reserve up to five percent of Come Teach in Minnesota funding to administer the program, including for out-of-state recruiting efforts and retention activities.

Subd. 5. **Come Teach in Minnesota Hiring Bonus program account.** (a) An account is established in the special revenue fund known as the "Come Teach in Minnesota Hiring Bonus program account."

(b) Funds appropriated for the Come Teach in Minnesota Hiring Bonus program under this section must be transferred to the Come Teach in Minnesota Hiring Bonus program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for hiring bonuses under this section. Any returned funds are available to be regrant.

(d) Up to \$35,000 annually is appropriated to the commissioner for costs associated with developing and administering the program under this section.

EFFECTIVE DATE. The amendment to subdivision 2 is effective retroactively from July 1, 2022. The amendments to subdivisions 1, 3, and 4 are effective the day following final enactment.

Sec. 54. **[122A.631] SUPPORTING HERITAGE LANGUAGE AND CULTURE TEACHERS.**

Subdivision 1. **Purpose.** The purpose of this section is to increase the number of heritage language and culture teachers in Minnesota.

Subd. 2. **Definitions.** "Heritage language and culture teachers" means teachers with a connection to a community's language and culture who use this connection to support students as they learn academic content or the language and culture of that particular community.

Subd. 3. **Eligibility.** Applicants for the heritage language and culture licensure pathway program must:

(1) hold a current license issued by the Professional Educator Licensing and Standards Board or meet the criteria for licensure in 122A.181; and

(2) seek initial, dual, or additional licensure in a heritage language.

Subd. 4. **Heritage language and culture teacher licensure pathway program.** (a) The Professional Educator Licensing and Standards Board shall develop a program to support initial and additional licensure for heritage language and culture teachers. The program must include:

(1) a yearlong mentorship program;

(2) monthly meetings where applicants receive guidance on completing the portfolio process from a portfolio liaison, dedicated specifically to facilitating this program;

(3) a stipend to cover substitute teachers when meetings take place during the school day;

(4) a waiver for all portfolio and licensure testing fees; and

(5) a portfolio review committee created by the board.

(b) For applicants seeking an initial license in a world language and culture, the applicant must demonstrate meeting the standards of effective practice in Minnesota Rules, part 8710.2000 and content-specific pedagogical standards in Minnesota Rules, part 8710.4950, through the portfolio process.

(c) For applicants seeking a dual license, the applicant must demonstrate meeting the standards of effective practice in Minnesota Rules, part 8710.2000, content-specific pedagogical standards in Minnesota Rules, part 8710.4950, and all standards for the chosen dual license through the portfolio process.

(d) For applicants seeking an additional license in a world language and culture, the applicant must demonstrate meeting the content-specific pedagogical standards in Minnesota Rules, part 8710.4950.

Subd. 5. Heritage language and culture educators seeking a world language license. Heritage language and culture teachers seeking a world language and culture license pursuant to Minnesota Rules, part 8710.4950, who demonstrate proficiency through one of the following may use this proficiency to evidence meeting the required content-specific world language and culture standards, which do not include content-specific pedagogical standards, for licensure in their heritage language:

(1) passing a board-adopted assessment;

(2) holding a certificate to serve as a translator or interpreter; or

(3) completing an undergraduate or postbaccalaureate degree from an accredited university where the majority of coursework was taught via the non-English instructional language.

Sec. 55. Minnesota Statutes 2022, section 122A.635, is amended to read:

122A.635 COLLABORATIVE URBAN AND GREATER MINNESOTA EDUCATORS OF COLOR GRANT PROGRAM.

Subdivision 1. **Establishment.** The Professional Educator Licensing and Standards Board must award competitive grants to increase the number of teacher candidates who are of color or who are American Indian, complete teacher preparation programs, and meet the requirements for a Tier 3 license under section 122A.183. Eligibility for a grant under this section is limited to public or private higher education institutions that offer a teacher preparation program approved by the Professional Educator Licensing and Standards Board.

Subd. 2. **Competitive grants.** (a) The Professional Educator Licensing and Standards Board must award competitive grants to a variety of higher education institution types under this section. The board must require an applicant institution to submit a plan describing how it would use grant funds to increase the number of teachers who are of color or who are American Indian, and must award grants based on the following criteria, listed in descending order of priority:

~~(1) the number of teacher candidates being supported in the program who are of color or who are American Indian;~~

~~(2) (1) program outcomes, including graduation or program completion rates, and licensure recommendation rates, and placement rates for candidates who are of color or who are American Indian compared to all candidates enrolled in a teacher preparation program at the institution and, for each outcome measure, the number of those teacher candidates who are of color or who are American Indian; and~~

~~(3) the percent of racially and ethnically diverse teacher candidates enrolled in the institution compared to:~~

~~(i) the total percent of students of color and American Indian students enrolled at the institution, regardless of major; and~~

~~(ii) the percent of underrepresented racially and ethnically diverse teachers in the economic development region of the state where the institution is located and where a shortage of diverse teachers exists, as reported under section 122A.091, subdivision 5.~~

(2) the extent to which an institution's plan is clear in describing how the institution would use grant funds for implementing explicit research-based practices to provide programmatic support to teacher candidates who are of color or who are American Indian. Plans for grant funds may include:

(i) recruiting more racially and ethnically diverse candidates for admission to teacher preparation programs;

(ii) providing differentiated advising, mentoring, or other supportive community-building activities in addition to what the institution provides to all candidates enrolled in the institution;

(iii) providing academic tutoring or support to help teacher candidates pass required assessments; and

(iv) providing for program staffing expenses;

(3) an institution's plan to provide direct financial assistance as scholarships or stipends within the allowable dollar range determined by the board under subdivision 3, paragraph (b), to teacher candidates who are of color or who are American Indian;

~~(b) The board must give priority in awarding grants under this section to institutions that received grants under Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 27, and have demonstrated continuing success at recruiting, retaining, graduating, and inducting (4) whether the institution has previously received a competitive grant under this section and has demonstrated positive outcomes from the use of grant funds for efforts helping teacher candidates who are of color or who are American Indian- to enroll in and successfully complete teacher preparation programs and be recommended for licensure;~~

(5) geographic diversity among the institutions. In order to expand the number of grant recipients throughout the state, whenever there is at least a 20 percent increase in the base appropriation for this grant program, the board must prioritize awarding grants to institutions outside of the Twin Cities metropolitan area. If the board awards a competitive grant based on the criteria in paragraph (a) to a program that has not previously received funding, the board must thereafter give priority to the program equivalent to other programs given priority under this paragraph that have received grants and demonstrated positive outcomes; and

(6) the percentage of racially and ethnically diverse teacher candidates enrolled in the institution compared to:

(i) the aggregate percentage of students of color and American Indian students enrolled in the institution, regardless of major; and

(ii) the percentage of underrepresented racially and ethnically diverse teachers in the economic development region of the state where the institution is located and where a shortage of diverse teachers exists, as reported under section 122A.091, subdivision 5.

(b) The board must not penalize an applicant institution in the grant review process for using grant funds only to provide direct financial support to teacher candidates if that is the institution's priority and the institution uses other resources to provide programmatic support to candidates.

(c) The board must determine award amounts for development, maintenance and, or expansion of programs based only on the degree to which applicants meet the criteria in this subdivision, the number of candidates who are of color or who are American Indian supported by an applicant program, sustaining support for those candidates, and funds available.

(d) The board must determine grant awards in part by multiplying the number of teacher candidates to be provided direct financial assistance by the average amount the institution proposes per candidate that is within the allowable dollar range. After assessing an institution's adherence to grant criteria and funds available, the board may grant an institution a lower average amount per candidate and the institution may decide to award less per candidate or provide financial assistance to fewer candidates within the allowable range. Additionally, an institution may use up to 25 percent of the awarded grant funds to provide programmatic support as described in paragraph (a), clause (3). If the board does not award an applicant institution's full request, the board must allow the institution to modify how it uses grant funds to maximize program outcomes consistent with the requirements of this section.

Subd. 3. **Grant program administration.** (a) The Professional Educator Licensing and Standards Board may enter into an interagency agreement with the Office of Higher Education. The agreement may include a transfer of funds to the Office of Higher Education to help establish and administer the competitive grant process. The board must award grants to institutions located in various economic development regions throughout the state, but must not predetermine the number of institutions to be awarded grants under this section or set a limit for the amount that any one institution may receive as part of the competitive grant application process.

(b) The board must establish a standard allowable dollar range for the amount of direct financial assistance an applicant institution may provide to each candidate. To determine the range, the board may collect de-identified data from institutions that received a grant during the previous grant period and calculate the average scholarship amount awarded to all candidates across all institutions using the most recent fiscal year data available. The calculation may be used to determine a scholarship range that is no more than 25 percent of this amount and no less than half the average of this amount. The purpose of direct financial assistance is to assist candidates matriculating through completing licensure programs if they demonstrate financial need after considering other grants and scholarships provided.

(c) All grants must be awarded by August 15 of the fiscal year in which the grants are to be used ~~except that, for initial competitive grants awarded for fiscal year 2020, grants must be awarded by September 15.~~ An institution that receives a grant under this section may use the grant funds over a two- to four-year period to sustain support for teacher candidates at any stage from recruitment and program admission to graduation and licensure application.

Subd. 4. **Report.** (a) By ~~January~~ August 15 of each year, an institution awarded a grant under this section must prepare for the ~~legislature and the~~ board a detailed report regarding the expenditure of grant funds, including the amounts used to recruit, retain, and ~~induct~~ support teacher candidates of color or ~~who are~~ American Indian teacher candidates to complete programs and be recommended for licensure. The report must include:

(1) the total number of teacher candidates of color, ~~disaggregated by race or ethnic group, who~~ and American Indian teacher candidates who:

(i) are enrolled in the institution;

(ii) are supported by grant funds with direct financial assistance during the academic reporting year;

(iii) are supported with other programmatic supports;

(iv) are recruited ~~to the institution, are~~ and newly admitted to ~~the~~ a licensure program, ~~are enrolled in the~~;

(v) are enrolled in a licensure program;

(vi) ~~have completed~~ a licensure program, ~~have completed student teaching, have graduated, are licensed, and are newly employed as Minnesota teachers in their licensure field.~~ A grant recipient must report; and

(vii) were recommended for licensure in the field for which they were prepared;

(2) the total number of teacher candidates of color or ~~who are~~ American Indian teacher candidates at each stage from ~~recruitment~~ program admission to ~~licensed teaching~~ licensure recommendation as a percentage of ~~total~~ all candidates seeking the same licensure at the institution-; and

(3) a brief narrative describing the successes and challenges of efforts proposed in the grant application to support candidates with grant funds, and lessons learned for future efforts.

(b) By November 1 of each year, the board must post a report on its website summarizing the activities and outcomes of grant recipients and results that promote sharing of effective practices and lessons learned among grant recipients.

Sec. 56. Minnesota Statutes 2022, section 122A.69, is amended to read:

122A.69 PRACTICE OR STUDENT TEACHERS.

The Professional Educator Licensing and Standards Board may, by agreements with teacher preparation institutions, arrange for classroom experience in the district for practice or student teachers ~~who have completed at least two years of~~ in an approved teacher preparation program. Such practice and student teachers must be appropriately supervised by a fully qualified teacher under rules adopted by the board. A practice or student teacher must be placed with a cooperating licensed teacher who has at least three years of teaching experience and is not in the improvement process under section 122A.40, subdivision 8, paragraph (b), clause (12), or 122A.41, subdivision 5, paragraph (b), clause (12). Practice and student teachers are employees of the school district in which they are rendering services for purposes of workers' compensation; liability insurance, if provided for other district employees under section 123B.23; and legal counsel under section 123B.25.

Sec. 57. Minnesota Statutes 2022, section 122A.70, is amended to read:

122A.70 TEACHER MENTORSHIP AND RETENTION OF EFFECTIVE TEACHERS.

Subdivision 1. **Teacher mentoring, induction, and retention programs.** (a) School districts must develop teacher mentoring programs for teachers new to the profession or district, including teaching residents, teachers of color, teachers who are American Indian, teachers in license shortage areas, teachers with special needs, or experienced teachers in need of peer coaching.

(b) Teacher mentoring programs must be included in or aligned with districts' teacher evaluation and peer review processes under sections 122A.40, subdivision 8, and 122A.41, subdivision 5. A district may use staff development revenue under section 122A.61, special grant programs established by the legislature, or another funding source to pay a stipend to a mentor who may be a current or former teacher who has taught at least three years and is not on an improvement plan. ~~Other initiatives using such funds or funds available under sections 124D.861 and 124D.862 may include:~~

~~(1) additional stipends as incentives to mentors of color or who are American Indian;~~

~~(2) financial supports for professional learning community affinity groups across schools within and between districts for teachers from underrepresented racial and ethnic groups to come together throughout the school year. For purposes of this section, "affinity groups" are groups of educators who share a common racial or ethnic identity in society as persons of color or who are American Indian;~~

~~(3) programs for induction aligned with the district or school mentorship program during the first three years of teaching, especially for teachers from underrepresented racial and ethnic groups; or~~

~~(4) grants supporting licensed and nonlicensed educator participation in professional development, such as workshops and graduate courses, related to increasing student achievement for students of color and American Indian students in order to close opportunity and achievement gaps.~~

~~(c) A school or district that receives a grant must negotiate additional retention strategies or protection from unrequested leave of absences in the beginning years of employment for teachers of color and teachers who are American Indian. Retention strategies may include providing financial incentives for teachers of color and teachers who are American Indian to work in the school or district for at least five years and placing American Indian educators at sites with other American Indian educators and educators of color at sites with other educators of color to reduce isolation and increase opportunity for collegial support.~~

Subd. 2. **Board grants.** The Professional Educator Licensing and Standards Board must make grant application forms available to sites interested in developing, sustaining, or expanding a mentorship program. A school district; a or group of school districts; ~~a coalition of districts, teachers, and teacher education institutions; or,~~ a school or coalition of schools, or a coalition of teachers, ~~or nonlicensed educators~~ may apply for a program grant. A higher education institution or nonprofit organization may partner with a grant applicant but is not eligible as a sole applicant for grant funds. The Professional Educator Licensing and Standards Board, in consultation with the teacher mentoring task force, must approve or disapprove the applications. To the extent possible, the approved applications must reflect effective mentoring, professional development, and retention components, and be geographically distributed throughout the state. The Professional Educator Licensing and Standards Board must encourage the selected sites to consider the use of its assessment procedures.

Subd. 2a. **Funded work.** (a) Grant funds may be used for the following:

(1) additional stipends as incentives to mentors who are of color or who are American Indian;

(2) financial supports for professional learning community affinity groups across schools within and between districts for educators from underrepresented racial and ethnic groups to come together throughout the school year. For purposes of this section, "affinity groups" means groups of licensed and nonlicensed educators who share a common racial or ethnic identity in society as persons who are of color or who are American Indian;

(3) programs for induction aligned with the district or school mentorship program during the first three years of teaching, especially for teachers from underrepresented racial and ethnic groups;

(4) professional development focused on ways to close opportunity and achievement gaps for students of color and American Indian students; or

(5) for teachers of color and American Indian teachers, graduate courses toward a first master's degree in a field related to their licensure or toward an additional license.

(b) A charter school or district that receives a grant must negotiate additional retention strategies or protection from unrequested leaves of absence in the beginning years of employment for teachers who are of color or who are American Indian. Retention strategies may include providing financial incentives for teachers of color and teachers who are American Indian to work in the school or district for at least five years and placing American Indian educators at sites with other American Indian educators and educators of color at sites with other educators of color to reduce isolation and increase opportunity for collegial support.

Subd. 3. **Criteria for selection.** (a) At a minimum, applicants for grants under subdivision 2 must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions or teacher educators;
- (6) provide facilities and other resources;
- (7) share findings, materials, and techniques with other school districts; and
- (8) retain teachers of color and teachers who are American Indian.

(b) The Professional Educator Licensing and Standards Board must give priority to applications to fund programs to induct, mentor, and retain Tier 2 or Tier 3 teachers who are of color or who are American Indian, and Tier 2 or Tier 3 teachers in licensure shortage areas within the applicant's economic development region.

Subd. 4. **Additional funding.** Grant applicants must seek additional funding and assistance from sources such as school districts, postsecondary institutions, foundations, and the private sector.

Subd. 5. **Program implementation.** A grant recipient may use grant funds on implementing activities over a period of time up to 24 months. New and expanding mentorship sites that receive a board grant under subdivision 2 to design, develop, implement, and evaluate their program must participate in activities that support program development and implementation.

Subd. 5a. **Grant program administration.** The Professional Educator Licensing and Standards Board may enter into an interagency agreement with the Office of Higher Education or the Department of Education. The agreement may include a transfer of funds to the Office of Higher Education or the Department of Education to help administer the competitive grant process.

Subd. 6. **Report.** ~~By June~~ September 30 of each year after receiving a grant, recipients must submit a report to the Professional Educator Licensing and Standards Board on program efforts that describes mentoring and induction activities and assesses the impact of these programs on teacher effectiveness and retention. The board must publish a summary report for the public and submit the report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education policy and finance in accordance with section 3.302 by November 30 of each year.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 58. Minnesota Statutes 2022, section 122A.73, subdivision 2, is amended to read:

Subd. 2. **Grow Your Own district programs.** (a) A school district, charter school, or cooperative unit under section 123A.24, subdivision 2, may apply for a grant for a Professional Educator Licensing and Standards Board-approved teacher preparation program to establish a Grow Your Own pathway for adults to obtain their first professional teaching license. Grantees must partner with a Professional Educator Licensing and Standards

Board-approved teacher preparation program. Partnerships may also include institutions that have an articulated transfer pathway with a board-approved teacher preparation program. The grant recipient must use at least 80 percent of grant funds to provide tuition scholarships or stipends to enable school district employees or community members affiliated with a school district, who are of color or American Indian and who seek a teaching license, to participate in the teacher preparation program. Grant funds may also be used to pay for teacher licensure exams and licensure fees.

(b) A district using grant funds under this subdivision to provide financial support to teacher candidates may require a commitment as determined by the district to teach in the district for a reasonable amount of time that does not exceed five years.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 59. Minnesota Statutes 2022, section 122A.73, subdivision 3, is amended to read:

Subd. 3. **Grants for programs serving secondary school students.** (a) In addition to grants for developing and offering dual-credit postsecondary course options in schools for "Introduction to Teaching" or "Introduction to Education" courses under section 124D.09, subdivision 10, a school district or charter school may apply for grants under this section to offer other innovative programs that encourage secondary school students, especially students of color and American Indian students, to pursue teaching. A school district, charter school, or a cooperative unit under section 123A.24, subdivision 2, may apply for grants to develop innovative Grow Your Own programs that encourage secondary school students, especially students of color and American Indian students, to pursue teaching. To be eligible for a grant under this subdivision, ~~a school district or charter school~~ an applicant must ensure that the aggregate percentage of secondary school students of color and American Indian students participating in the program is equal to or greater than the aggregate percentage of students of color and American Indian students in the school district ~~or, charter school, or cooperative unit.~~

(b) A grant recipient must use grant funds awarded under this subdivision for:

(1) supporting future teacher clubs or service-learning opportunities that provide middle and high school students with experiential learning that supports the success of younger students or peers and increases students' interest in pursuing a teaching career;

(2) developing and offering postsecondary enrollment options courses for "Introduction to Teaching" or "Introduction to Education" consistent with section 124D.09, subdivision 10, that would meet degree requirements for teacher licensure;

~~(2)~~ (3) providing direct support, including wrap-around services, for students who are of color or American Indian to enroll and be successful in postsecondary enrollment options courses under section 124D.09 that would meet degree requirements for teacher licensure; or

~~(3)~~ (4) offering scholarships to graduating high school students who are of color or American Indian to enroll in board-approved undergraduate teacher preparation programs at a college or university in Minnesota.

(c) The maximum grant award under this subdivision is \$500,000. The commissioner may consider the number of participants a grant recipient intends to support when determining a grant amount.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 60. Minnesota Statutes 2022, section 122A.73, subdivision 5, is amended to read:

Subd. 5. **Grow Your Own program account.** (a) An account is established in the special revenue fund known as the "Grow Your Own program account."

(b) Funds appropriated for the Grow Your Own program under this section must be transferred to the Grow Your Own program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for the Grow Your Own program under this section. Any returned funds are available to be regranted. Grant recipients may apply to use grant money over a period of up to 60 months.

(d) Up to ~~\$100,000~~ \$175,000 annually is appropriated to the commissioner for costs associated with administering and monitoring the program under this section.

Sec. 61. **122A.731 SPECIAL EDUCATION TEACHER PIPELINE PROGRAM.**

Subdivision 1. Grant program established. The commissioner of education must administer a grant program to develop a pipeline of trained, licensed Tier 3 or Tier 4 special education teachers. A school district, charter school, or cooperative unit under section 123A.24, subdivision 2, may apply for a grant under this section. An applicant must partner with a board-approved teacher preparation program.

Subd. 2. Grant uses. (a) A grant recipient must use grant funds to support participants who are employed by the grant recipient as either a paraprofessional or other unlicensed staff, or a teacher with a Tier 1 or Tier 2 license, and demonstrate a willingness to be a special education teacher after completing the program.

(b) A grant recipient may use grant funds for:

(1) tuition assistance or stipends for participants;

(2) supports for participants, including mentoring, licensure test preparation, and technology support; or

(3) participant recruitment.

Subd. 3. Grant procedure. (a) Applicants must apply for a grant under this section in the form and manner specified by the commissioner.

(b) In awarding grants, the commissioner must prioritize funding for training to allow participants holding a Tier 1 or Tier 2 special education license to obtain a Tier 3 special education license.

(c) To the extent that there are sufficient applications, the commissioner must, to the extent practicable, award an equal number of grants between applicants in greater Minnesota and applicants in the metropolitan area.

Subd. 4. Report. Within one year of receiving grant funds, and for each year that a recipient receives grant funds, a grant recipient must report to the commissioner in the form and manner determined by the commissioner the number of participants in the program and how grant funds were used. The commissioner must publish an annual report that identifies the grant recipients and summarizes how grant funds are used.

Subd. 5. Special education teacher pipeline program account. (a) An account is established in the special revenue fund known as the special education teacher pipeline program account.

(b) Funds appropriated for the special education teacher pipeline program under this section must be transferred to the special educator teacher pipeline program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for the special education teacher pipeline program under this section. Any returned funds are available to be regranted. Grant recipients may apply to use grant money over a period of up to 60 months.

(d) Up to \$175,000 annually is appropriated to the commissioner for costs associated with administering and monitoring the program under this section.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 62. Minnesota Statutes 2022, section 123B.147, subdivision 3, is amended to read:

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 culturally responsive 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) support and improve a principal's culturally responsive leadership practices that create inclusive and respectful teaching and learning environments for all students, families, and employees;

~~(2)~~ (3) include formative and summative evaluations based on multiple measures of student progress toward career and college readiness;

~~(3)~~ (4) 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) (5) include on-the-job observations and previous evaluations;

~~(5)~~ (6) 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)~~ (7) use longitudinal data on student academic growth as 35 percent of the evaluation and incorporate district achievement goals and targets;

~~(7)~~ (8) be linked to professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, culturally responsive leadership practices, and a collaborative professional culture; and

~~(8)~~ (9) 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.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 63. **[124D.901] STUDENT SUPPORT PERSONNEL AID.**

Subdivision 1. Definitions. For the purposes of this section, the following terms have the meanings given:

(1) "new position" means a student support services personnel full-time or part-time position not under contract by a school district, charter school, or cooperative unit at the start of the 2022-2023 school year;

(2) "part-time position" means a student support services personnel position less than 1.0 full-time equivalent at the start of the 2022-2023 school year;

(3) "American Rescue Plan Act" means the federal American Rescue Plan Act of 2021, Public Law 117-2, that awarded funds; and

(4) "student support services personnel" means an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

Subd. 2. Purpose. The purpose of student support personnel aid is to:

(1) address shortages of student support services personnel within Minnesota schools;

(2) decrease caseloads for existing student support services personnel to ensure effective services;

(3) ensure that students receive effective student support services and integrated and comprehensive services to improve prekindergarten through grade 12 academic, physical, social, and emotional outcomes supporting career and college readiness and effective school mental health services;

(4) ensure that student support services personnel serve within the scope and practice of their training and licensure;

(5) fully integrate learning supports, instruction, assessment, data-based decision making, and family and community engagement within a comprehensive approach that facilitates interdisciplinary collaboration; and

(6) improve student health, school safety, and school climate to support academic success and career and college readiness.

Subd. 3. Aid eligibility and application. A school district, charter school, intermediate school district, or other cooperative unit is eligible to apply for student support personnel aid under this section. The commissioner must prescribe the form and manner of the application, which must include a plan describing how the aid will be used, including the current roster of licensed student support personnel.

Subd. 4. Student support personnel aid. (a) The initial student support personnel aid for a school district equals the greater of the student support personnel allowance times the adjusted pupil units at the district for the current fiscal year or \$50,000. The initial student support personnel aid for a charter school equals the student support personnel allowance times the adjusted pupil units at the charter school for the current fiscal year.

(b) The cooperative student support personnel aid for a school district that is a member of an intermediate school district or other cooperative unit that enrolls students equals the cooperative student support allowance times the adjusted pupil units at the district for the current fiscal year. If a district is a member of more than one cooperative unit that enrolls students, the revenue must be allocated among the cooperative units.

(c) The student support personnel allowance equals \$25.23 for fiscal year 2024, \$50.66 for fiscal year 2025, and \$76.32 for fiscal year 2026 and later.

(d) The cooperative student support allowance equals \$1.51 for fiscal year 2024, \$3.04 for fiscal year 2025, and \$4.58 for fiscal year 2026 and later.

(e) Notwithstanding paragraphs (a) and (b), the student support personnel aid must not exceed the district's, charter school's, or cooperative unit's actual expenditure according to the approved plan under subdivision 3.

Subd. 5. Allowed uses; match requirements. (a) Aid under this section must be used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the federal Coronavirus Aid Relief and Economic Security Act, the federal Consolidated Appropriations Act, the federal Division M-Coronavirus Response and Relief Supplemental Appropriations Act, or the federal American Rescue Plan Act, or to maintain a position that would otherwise be eliminated.

(b) Cooperative student support personnel aid must be transferred to the intermediate district or other cooperative unit of which the district is a member and used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the American Rescue Plan Act at the intermediate district or cooperative unit.

(c) If a school district, charter school, or cooperative unit does not receive at least two applications and is not able to hire a new full-time equivalent position with student support personnel aid, the aid may be used for contracted services from individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

Subd. 6. Report required. By February 1 following any fiscal year in which student support personnel aid was received, a school district, charter school, or cooperative unit must submit a written report to the commissioner indicating how the new position affected two or more of the following measures:

(1) school climate;

(2) student health;

(3) attendance rates;

(4) academic achievement;

(5) career and college readiness; and

(6) postsecondary completion rates.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 64. Minnesota Statutes 2022, section 179A.03, subdivision 18, is amended to read:

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 Professional Educator Licensing and Standards Board or the commissioner of education; ~~or~~

(2) in a position as a physical therapist, occupational therapist, art therapist, music therapist, or audiologist; or

(3) in a position creating and delivering instruction to children in a prekindergarten or early learning program, except that an employee in a bargaining unit certified before January 1, 2023, may remain in a bargaining unit that does not include teachers unless an exclusive representative files a petition for a unit clarification or to transfer exclusive representative status.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 65. Minnesota Statutes 2022, section 179A.03, subdivision 19, is amended to read:

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. In the case of school employees, "terms and conditions of employment" includes class sizes, student testing, and student-to-personnel ratios.

Sec. 66. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Agricultural educator grants.** (a) For agricultural educator grants under Laws 2017, First Special Session chapter 5, article 2, section 51:

<u>\$250,000</u>	<u>.....</u>	<u>2024</u>
<u>\$250,000</u>	<u>.....</u>	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

<u>\$88,666,000</u>	<u>.....</u>	<u>2024</u>
<u>\$89,321,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$8,824,000 for fiscal year 2023 and \$79,842,000 for fiscal year 2024.

(c) The 2025 appropriation includes \$8,871,000 for fiscal year 2024 and \$80,450,000 for fiscal year 2025.

Subd. 4. Black Men Teach Twin Cities. (a) For a grant to Black Men Teach Twin Cities for the purposes listed in paragraph (c):

<u>\$500,000</u>	<u>.....</u>	<u>2024</u>
<u>\$500,000</u>	<u>.....</u>	<u>2025</u>

(b) Black Men Teach Twin Cities must use the grant to establish partnerships with school district elementary schools and elementary charter schools with a goal of increasing the number of black male teachers to 20 percent of the teachers at each school site. To the extent possible, Black Men Teach Twin Cities must include sites in greater Minnesota, suburban areas, and urban settings.

(c) The grant money may be used for:

(1) scholarships for aspiring teachers;

(2) student teacher stipends;

(3) mentoring activities;

(4) professional development, with an emphasis on early literacy training, including best practices associated with the science of reading; and

(5) stipends for housing to allow a teacher to live closer to the teacher's school.

(d) Black Men Teach Twin Cities must provide a detailed report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education and higher education by January 15 of each year following the year of the grant describing how the grant funds were used. The report must describe the progress made toward the goal of increasing the number of Black male teachers at each school site, identify the strategies used to recruit Black teachers, and describe barriers Black men face in the teaching profession. The report must be filed in accordance with Minnesota Statutes, section 3.195.

Subd. 5. Come Teach in Minnesota hiring bonuses. (a) For the Come Teach in Minnesota hiring bonuses pilot program under Minnesota Statutes, section 122A.59:

<u>\$0</u>	<u>.....</u>	<u>2024</u>
<u>\$200,000</u>	<u>.....</u>	<u>2025</u>

(b) Up to \$30,000 of the appropriation amount is available to administer and improve the program.

Subd. 6. Concurrent enrollment teacher training program. (a) For the concurrent enrollment teacher partnership under Minnesota Statutes, section 122A.76:

<u>\$375,000</u>	<u>.....</u>	<u>2024</u>
<u>\$375,000</u>	<u>.....</u>	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. Expanded concurrent enrollment grants. (a) For grants to institutions offering "Introduction to Teaching" or "Introduction to Education" courses under Minnesota Statutes, section 124D.09, subdivision 10, paragraph (b):

<u>\$500,000</u>	<u>.....</u>	<u>2024</u>
<u>\$500,000</u>	<u>.....</u>	<u>2025</u>

(b) Up to five percent of the grant amount is available for grant administration and monitoring.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 8. **Grow Your Own pathways to teacher licensure grants.** (a) For grants to develop, continue, or expand Grow Your Own new teacher programs under Minnesota Statutes, section 122A.73, to develop a teaching workforce that more closely reflects the state's increasingly diverse student population and ensure all students have equitable access to effective and diverse teachers:

<u>\$23,500,000</u>	.....	<u>2024</u>
<u>\$23,500,000</u>	.....	<u>2025</u>

(b) Up to \$100,000 of the appropriation is available to administer the grant program.

Subd. 9. **Special education teacher pipeline.** (a) For grants to develop special education teacher pipelines across Minnesota under Minnesota Statutes, section 122A.731:

<u>\$10,000,000</u>	.....	<u>2024</u>
<u>\$10,000,000</u>	.....	<u>2025</u>

(b) Up to \$175,000 of the appropriation is available to administer the grant program.

(c) Any balance in the first year does not cancel but is available in the following fiscal year.

Subd. 10. **Student support personnel aid.** (a) For aid to support schools in addressing students' social, emotional, and physical health under Minnesota Statutes, section 124D.901:

<u>\$25,000,000</u>	.....	<u>2024</u>
<u>\$50,000,000</u>	.....	<u>2025</u>

(b) This appropriation is 100 percent payable in the current year.

(c) The base for fiscal year 2026 and later is \$75,000,000.

Subd. 11. **Student support personnel workforce pipeline.** (a) For a grant program to develop a student support personnel workforce pipeline focused on increasing school psychologists, school nurses, school counselors, and school social workers of color and Indigenous providers, professional respecialization, recruitment, and retention:

<u>\$5,000,000</u>	.....	<u>2024</u>
<u>\$5,000,000</u>	.....	<u>2025</u>

(b) Of the amount in paragraph (a), \$150,000 is for providing support to school nurses across the state.

(c) To the extent practicable, the pipeline grants must be used to support equal numbers of students pursuing careers as school psychologists, school nurses, school counselors, and school social workers.

(d) For grants awarded under this subdivision to school psychologists, the following terms have the meanings given:

(1) "eligible designated trainee" means an individual enrolled in a NASP-approved or APA-accredited school psychology program granting educational specialist certificates or doctoral degrees in school psychology;

(2) "practica" means an educational experience administered and evaluated by the graduate training program, with university and site supervision by appropriately credentialed school psychologists, to develop trainees' competencies to provide school psychological services based on the graduate program's goals and competencies relative to accreditation and licensure requirements; and

(3) "eligible employment" means a paid position within a school or local education agency directly related to the training program providing direct or indirect school psychology services. Direct services include assessment, intervention, prevention, or consultation services to students or their family members and educational staff. Indirect services include supervision, research and evaluation, administration, program development, technical assistance, or professional learning to support direct services.

(e) Grants awarded to school psychologists must be used for:

(1) the provision of paid, supervised, and educationally meaningful practica in a public school setting for an eligible designated trainee enrolled in a qualifying program within the grantee's institution;

(2) to support student recruitment and retention to enroll and hire an eligible designated trainee for paid practica in public school settings; and

(3) oversight of trainee practica and professional development by the qualifying institution to ensure the qualifications and conduct by an eligible designated trainee meet requirements set forth by the state and accrediting agencies.

(f) Upon successful completion of the graduate training program, grants awarded to school psychologists must maintain eligible employment within Minnesota for a minimum period of one-year full-time equivalent for each academic year of paid traineeship under the grant program.

(g) Up to \$150,000 of the appropriation is available for grant administration.

Subd. 12. **Teacher residency program.** (a) For the teacher residency program under Minnesota Statutes, section 122A.68, subdivision 3:

<u>\$3,000,000</u>	<u>.....</u>	<u>2024</u>
<u>\$3,000,000</u>	<u>.....</u>	<u>2025</u>

(b) Up to three percent of the appropriation is available for grant administration.

(c) Any balance does not cancel but is available in the following fiscal year.

Sec. 67. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated.

Subd. 2. **Alternative pathways support position.** To fund a new position at the Professional Educator Licensing and Standards Board to support candidates through alternative pathway programs, including the licensure via portfolio process and to support districts, charter schools, and educational cooperatives to become alternative preparation providers:

<u>\$150,000</u>	<u>.....</u>	<u>2024</u>
<u>\$150,000</u>	<u>.....</u>	<u>2025</u>

Subd. 3. Collaborative urban and greater Minnesota educators of color grants. (a) For collaborative urban and greater Minnesota educators of color competitive grants under Minnesota Statutes, section 122A.635:

<u>\$6,000,000</u>	.....	<u>2024</u>
<u>\$6,000,000</u>	.....	<u>2025</u>

(b) The board may retain up to \$100,000 of the appropriation amount to monitor and administer the grant program.

(c) Any balance does not cancel but is available in the following fiscal year.

(d) The base appropriation for fiscal year 2026 and later is \$6,000,000.

Subd. 4. Heritage language and culture teachers. To support an additional licensure pathway program for heritage language and culture teachers under Minnesota Statutes, section 122A.631, including funding for a portfolio liaison and funding for substitute teachers on meeting days, portfolio fees, licensure fees, and licensure exam fees for 50 program participants:

<u>\$208,000</u>	.....	<u>2024</u>
<u>\$208,000</u>	.....	<u>2025</u>

Subd. 5. Licensure via portfolio online platform. To complete the licensure via portfolio online platform to streamline the portfolio submission and review process:

<u>\$150,000</u>	.....	<u>2024</u>
<u>\$150,000</u>	.....	<u>2025</u>

Subd. 6. Mentoring, induction, and retention incentive program grants for teachers of color. (a) To develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

<u>\$3,500,000</u>	.....	<u>2024</u>
<u>\$3,500,000</u>	.....	<u>2025</u>

(b) Any balance does not cancel but is available in the following fiscal year.

(c) The base for grants under Minnesota Statutes, section 122A.70, for fiscal year 2026 and later is \$4,500,000, of which at least \$3,500,000 each fiscal year is for grants to develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers.

(d) The board may retain up to three percent of the appropriation amount to monitor and administer the grant program.

Subd. 7. Removing barriers to licensure. (a) For rulemaking and technology changes related to tiered licensure changes:

<u>\$77,000</u>	<u>2024</u>
-----------------	-------	-------------

(b) This is a onetime appropriation.

Subd. 8. Reports on increasing percentage of teachers of color and American Indian teachers. (a) For a half-time equivalent employee to complete reports on state-funded programs to increase the percentage of teachers of color and American Indian teachers in Minnesota schools in accordance with Minnesota Statutes, section 120B.117, and process reports under Minnesota Statutes, sections 122A.40, subdivision 3, and 122A.41, subdivision 16:

<u>\$60,000</u>	<u>.....</u>	<u>2024</u>
<u>\$60,000</u>	<u>.....</u>	<u>2025</u>

(b) The base for fiscal year 2026 and later is \$60,000.

Subd. 9. Teacher recruitment marketing campaign. (a) To develop two contracts to develop and implement an outreach and marketing campaign under this subdivision:

<u>\$500,000</u>	<u>.....</u>	<u>2024</u>
<u>\$500,000</u>	<u>.....</u>	<u>2025</u>

(b) The Professional Educator Licensing and Standards Board must issue a request for proposals to develop and implement an outreach and marketing campaign to elevate the profession and recruit teachers, especially teachers of color and American Indian teachers. Outreach efforts should include and support current and former Teacher of the Year finalists interested in being recruitment fellows to encourage prospective educators throughout the state. The board may renew a grant contract with a prior recipient if it determines sufficient deliverables were achieved and the plans of the firm or organization are more promising than proposals from other entities.

(c) The outreach and marketing campaign must focus on increasing interest in teaching in Minnesota public schools for the following individuals:

- (1) high school and college students of color or American Indian students who have not chosen a career path; or
- (2) adults from racial or ethnic groups underrepresented in the teacher workforce who may be seeking to change careers.

(d) The board must award two \$250,000 grants each year to firms or organizations that demonstrate capacity to reach wide and varied audiences of prospective teachers based on a work plan with quarterly deliverables. Preferences should be given to firms or organizations that are led by people of color and that have people of color working on the campaign with a proven record of success. The grant recipients must recognize current pathways or programs to become a teacher and must partner with educators, schools, institutions, and racially diverse communities. The grant recipients are encouraged to provide in-kind contributions or seek funds from nonstate sources to supplement the grant award.

(e) The board may use no more than three percent of the appropriation amount to administer the program under this subdivision, and may have an interagency agreement with the Department of Education including transfer of funds to help administer the program.

(f) Any balance in the first year does not cancel but is available in the second year.

Sec. 68. REVISOR INSTRUCTION.

The revisor of statutes shall replace the terms "candidate" or "candidates" with "applicant" or "applicants" wherever they appear in Minnesota Statutes, sections 122A.09, 122A.18, 122A.181, 122A.182, 122A.183, 122A.184, 122A.185, 122A.188, 122A.21, and 122A.28.

Sec. 69. **REPEALER.**

(a) Minnesota Statutes 2022, sections 122A.07, subdivision 2a; 122A.091, subdivisions 3 and 6; and 122A.18, subdivision 7c, are repealed.

(b) Minnesota Rules, part 8710.0500, subparts 8 and 11, are repealed.

(c) Minnesota Statutes 2022, section 122A.182, subdivision 2, is repealed.

EFFECTIVE DATE. Paragraph (c) is effective July 1, 2024.

ARTICLE 6
CHARTER SCHOOLS

Section 1. Minnesota Statutes 2022, section 124E.02, is amended to read:

124E.02 DEFINITIONS.

(a) For purposes of this chapter, the terms defined in this section have the meanings given them.

(b) "Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under section 124E.06, subdivision 4, attesting to its review and approval process before chartering a school.

(c) "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person.

(d) "Control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether by owning voting securities, by contract, or otherwise.

(e) "Immediate family" means an individual whose relationship by blood, marriage, adoption, or partnership is no more remote than first cousin.

(f) "Market need and demand study" means a study that includes the following for the proposed locations of the school or additional site:

(1) current and projected demographic information of student populations in the geographic area;

(2) current student enrollment patterns in the geographic area;

(3) information on existing schools and types of educational programs currently available;

(4) documentation of the plan to do outreach to diverse and underrepresented populations;

(5) information on the availability of properly zoned and classified facilities; and

(6) quantification of existing demand for the new school or site expansion.

(f) (g) "Person" means an individual or entity of any kind.

~~(g)~~ (h) "Related party" means an affiliate or immediate relative of the other interested party, an affiliate of an immediate relative who is the other interested party, or an immediate relative of an affiliate who is the other interested party.

~~(h)~~ (i) For purposes of this chapter, the terms defined in section 120A.05 have the same meanings.

Sec. 2. Minnesota Statutes 2022, section 124E.03, subdivision 2, is amended to read:

Subd. 2. **Certain federal, state, and local requirements.** (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A charter school must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

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

(e) A charter school must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(f) A charter school and charter school board of directors must comply with chapter 181 governing requirements for employment.

(g) A charter school must comply with continuing truant notification under section 260A.03.

(h) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d). The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

(i) A charter school must adopt a policy, plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for the world's best workforce.

(j) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56 and 121A.575.

Sec. 3. Minnesota Statutes 2022, section 124E.03, is amended by adding a subdivision to read:

Subd. 9. **English learners.** A charter school is subject to and must comply with the Education for English Learners Act under sections 124D.58 to 124D.64 as though the charter school were a district.

Sec. 4. Minnesota Statutes 2022, section 124E.05, subdivision 4, is amended to read:

Subd. 4. **Application content.** (a) To be approved as an authorizer, an applicant must include in its application to the commissioner at least the following:

(1) how the organization carries out its mission by chartering schools;

(2) a description of the capacity of the organization to serve as an authorizer, including the positions allocated to authorizing duties, the qualifications for those positions, the full-time equivalencies of those positions, and the financial resources available to fund the positions;

(3) the application and review process the authorizer uses to decide whether to grant charters;

(4) the type of contract it arranges with the schools it charters to meet the provisions of section 124E.10;

(5) the process for overseeing the school, consistent with clause (4), to ensure that the schools chartered comply with applicable law and rules and the contract;

(6) the criteria and process the authorizer uses to approve applications adding grades or sites under section 124E.06, subdivision 5;

(7) the process for renewing or terminating the school's charter based on evidence showing the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and

(8) an assurance specifying that the organization is committed to serving as an authorizer ~~for the full five-year term until the commissioner terminates the organization's ability to authorize charter schools under subdivision 6 or the organization formally withdraws as an approved authorizer under subdivision 7.~~

(b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy the requirements of paragraph (a), clauses (1) and (2), and any requirement governing a conflict of interest between an authorizer and its charter schools or ongoing evaluation or continuing education of an administrator or other professional support staff by submitting to the commissioner a written promise to comply with the requirements.

Sec. 5. Minnesota Statutes 2022, section 124E.05, subdivision 7, is amended to read:

Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under ~~section 124E.10, subdivision 4~~ subdivision 6, the authorizer must notify all its chartered schools and the commissioner in writing by March 1 of its intent to withdraw as an authorizer on June 30 in the next calendar year, ~~regardless of when the authorizer's five-year term of approval ends.~~ Upon notification of the schools and commissioner, the authorizer must provide a letter to the school for distribution to families of students enrolled in the school that explains the decision to withdraw as an authorizer. The commissioner may approve the transfer of a charter school to a new authorizer under section 124E.10, subdivision 5.

Sec. 6. Minnesota Statutes 2022, section 124E.06, subdivision 1, is amended to read:

Subdivision 1. **Individuals eligible to organize.** (a) An authorizer, after receiving an application from a charter school developer, may charter either a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under subdivision 4.

(b) "Application" under this section means the charter school business plan a charter school developer submits to an authorizer for approval to establish a charter school. This application must include:

(1) the school developer's:

(i) mission statement;

(ii) school purposes;

(iii) program design;

- (iv) financial plan;
- (v) governance and management structure; ~~and~~
- (vi) background and experience; and
- (vii) market need and demand study; and
- (2) any other information the authorizer requests; ~~and~~.

~~(3) a "statement of assurances" of legal compliance prescribed by the commissioner.~~

(c) An authorizer shall not approve an application submitted by a charter school developer under paragraph (a) if the application does not comply with subdivision 3, paragraph (e), and section 124E.01, subdivision 1. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4 if the affidavit does not comply with subdivision 3, paragraph (e), and section 124E.01, subdivision 1.

Sec. 7. Minnesota Statutes 2022, section 124E.06, subdivision 4, is amended to read:

Subd. 4. **Authorizer's affidavit; approval process.** (a) Before an operator may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. An authorizer must file an affidavit at least 14 months before July 1 of the year the new charter school plans to serve students. The affidavit must state:

(1) the terms and conditions under which the authorizer would charter a school, including a market need and demand study; and

(2) how the authorizer intends to oversee:

(i) the fiscal and student performance of the charter school; and

(ii) compliance with the terms of the written contract between the authorizer and the charter school board of directors under section 124E.10, subdivision 1.

(b) The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receiving the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. The commissioner must notify the authorizer of the commissioner's final approval or final disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. An authorizer who fails to obtain the commissioner's approval is precluded from chartering the school that is the subject of this affidavit.

Sec. 8. Minnesota Statutes 2022, section 124E.06, subdivision 5, is amended to read:

Subd. 5. **Adding grades or sites.** (a) A charter school may apply to the authorizer to amend the school charter to add grades or primary enrollment sites beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a supplemental affidavit in the form and manner prescribed by the commissioner. The authorizer must file a supplemental affidavit to the commissioner by October 1 to be eligible to add grades or sites in the next school year. The supplemental affidavit must document to the authorizer's satisfaction:

(1) the need for the additional grades or sites with supporting long-range enrollment projections;

(2) a longitudinal record of student academic performance and growth on statewide assessments under chapter 120B or on other academic assessments that measure longitudinal student performance and growth approved by the charter school's board of directors and agreed upon with the authorizer;

(3) a history of sound school finances and a plan to add grades or sites that sustains the school's finances; ~~and~~

(4) board capacity to administer and manage the additional grades or sites; and

(5) for site expansion, a market need and demand study.

(b) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer in writing of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address any deficiencies in the supplemental affidavit to the commissioner's satisfaction. The commissioner must notify the authorizer of final approval or final disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. The school may not add grades or sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Sec. 9. Minnesota Statutes 2022, section 124E.10, subdivision 1, is amended to read:

Subdivision 1. **Contents.** (a) To authorize a charter school, the authorizer and the charter school board of directors must sign a written contract within 45 business days of the commissioner's approval of the authorizer's affidavit. The authorizer shall submit a copy of the charter contract to the commissioner within ten business days after the contract is signed by the contracting parties. The contract must include at least the following:

(1) a declaration that the charter school will carry out the primary purpose in section 124E.01, subdivision 1, and indicate how the school will report its implementation of the primary purpose to its authorizer;

(2) a declaration of the additional purpose or purposes in section 124E.01, subdivision 1, that the school intends to carry out and indicate how the school will report its implementation of those purposes to its authorizer;

(3) a description of the school program and the specific academic and nonacademic outcomes that pupils must achieve;

(4) a statement of the school's admission policies and procedures;

(5) a school governance, management, and administration plan;

(6) signed agreements from charter school board members to comply with the federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools;

(7) the criteria, processes, and procedures the authorizer will use to monitor and evaluate the fiscal, operational, and academic performance, consistent with subdivision 3, paragraphs (a) and (b);

(8) for contract renewal, the formal written performance evaluation that is a prerequisite for reviewing a charter contract under subdivision 3;

(9) types and amounts of insurance liability coverage the charter school must obtain, consistent with section 124E.03, subdivision 2, paragraph (d);

(10) consistent with section 124E.09, paragraph (d), a provision to indemnify and hold harmless from any suit, claim, or liability arising from any charter school operation:

- (i) the authorizer and its officers, agents, and employees; and
- (ii) notwithstanding section 3.736, the commissioner and department officers, agents, and employees;

(11) the term of the contract, which, for an initial contract, may be up to five years plus a preoperational planning period, or for a renewed contract or a contract with a new authorizer after a transfer of authorizers, may be up to five years, if warranted by the school's academic, financial, and operational performance;

(12) how the charter school board of directors or the charter school operators will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, and a description of the financial parameters within which the charter school will provide the special instruction and services to children with a disability;

(13) the specific conditions for contract renewal that identify the performance of all students under the primary purpose of section 124E.01, subdivision 1, as the most important factor in determining whether to renew the contract; and

(14) the additional purposes under section 124E.01, subdivision 1, and related performance obligations under clause (7) contained in the charter contract as additional factors in determining whether to renew the contract.

(b) In addition to the requirements of paragraph (a), the charter contract must contain the plan for an orderly closing of the school under chapter 317A, that establishes the responsibilities of the school board of directors and the authorizer, whether the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract. The plan must establish who is responsible for:

(1) notifying the commissioner, school district in which the charter school is located, and parents of enrolled students about the closure;

(2) providing parents of enrolled students information and assistance to enable the student to re-enroll in another school;

(3) transferring student records under section 124E.03, subdivision 5, paragraph (b), to the student's resident school district; and

(4) closing financial operations.

(c) A charter school must design its programs to at least meet the outcomes adopted by the commissioner for public school students, including world's best workforce goals under section 120B.11, subdivision 1. In the absence of the commissioner's requirements governing state standards and benchmarks, the school must meet the outcomes contained in the contract with the authorizer. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the commissioner for public school students.

Sec. 10. Minnesota Statutes 2022, section 124E.11, is amended to read:

124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.

(a) A charter school, including its preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), may limit admission to:

- (1) pupils within an age group or grade level;

(2) pupils who are eligible to participate in the graduation incentives program under section 124D.68; or

(3) residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations.

(b) A charter school, including its preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), ~~shall~~ must enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils must be accepted by lot. The charter school must develop and publish, including on its website, a lottery policy and process that it must use when accepting pupils by lot.

(c) Admission to a charter school must be free to any eligible pupil who resides within the state. A charter school must give enrollment preference to a Minnesota resident pupil over pupils that do not reside in Minnesota. A charter school must require a pupil who does not reside in Minnesota to annually apply to enroll in accordance with paragraphs (a) to (f). A charter school ~~shall~~ must give enrollment preference to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's staff before accepting other pupils by lot. A charter school that is located in Duluth township in St. Louis County and admits students in kindergarten through grade 6 must give enrollment preference to students residing within a five-mile radius of the school and to the siblings of enrolled children. ~~A charter school may give enrollment preference to children currently enrolled in the school's free preschool or prekindergarten program under section 124E.06, subdivision 3, paragraph (b), who are eligible to enroll in kindergarten in the next school year.~~

(d) A person ~~shall~~ may not be admitted to a charter school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that a charter school may establish and publish on its website a policy for admission of selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b) and (c).

(e) Except as permitted in ~~paragraph (d)~~ paragraphs (d) and (i), a charter school, including its preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability and may not establish any criteria or requirements for admission that are inconsistent with this section.

(f) The charter school ~~shall~~ must not distribute any services or goods of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

(g) Once a student who resides in Minnesota is enrolled in the school in kindergarten through grade 12, or in the school's free preschool or prekindergarten program under section 124E.06, subdivision 3, paragraph (b), while generating pupil units, the student is considered enrolled in the school until the student formally withdraws or is expelled under the Pupil Fair Dismissal Act in sections 121A.40 to 121A.56.

(h) A charter school with at least 90 percent of enrolled students who are eligible for special education services and have a primary disability of deaf or hard-of-hearing may enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1, paragraph (a), and must comply with the federal Individuals with Disabilities Education Act under Code of Federal Regulations, title 34, section 300.324, subsection (2), clause (iv).

(i) A charter school serving at least 90 percent of enrolled students who are eligible for special education services and have a primary disability of deaf, hard-of-hearing, or deafblind may give enrollment preference to students who are eligible for special education services and have a primary disability of deaf, hard-of-hearing, or deafblind. The charter school may not limit admission based on the student's eligibility for additional special education services.

Sec. 11. Minnesota Statutes 2022, section 124E.12, subdivision 1, is amended to read:

Subdivision 1. **Teachers.** A charter school, excluding its preschool or prekindergarten program established under section 124E.06, subdivision 3, must employ or contract with necessary teachers, as defined by section ~~122A.15, subdivision 1,~~ 122A.06, subdivision 2, or contract with a cooperative formed under chapter 308A to provide necessary teachers, who hold valid licenses to perform the particular service for which they are employed in the school. A charter school's preschool or prekindergarten program must employ or contract with teachers knowledgeable in early childhood curriculum content, assessment, native and English language programs, and instruction established under section 124E.06, subdivision 3. The commissioner may reduce the charter school's state aid under section 127A.43 if the school employs a teacher who is not appropriately licensed or approved by the Professional Educator Licensing and Standards Board. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. The charter school board is subject to section 181.932 governing whistle-blowers. When offering employment to a prospective employee, a charter school must give that employee a written description of the terms and conditions of employment and the school's personnel policies.

Sec. 12. Minnesota Statutes 2022, section 124E.13, subdivision 1, is amended to read:

Subdivision 1. **Leased space.** A charter school may lease space from: an independent or special school board; other public organization; private, nonprofit, nonsectarian organization; private property owner; or a sectarian organization if the leased space is constructed as a school facility. In all cases, the eligible lessor must also be the building owner. The commissioner must review and approve or disapprove leases in a timely manner to determine eligibility for lease aid under section 124E.22.

Sec. 13. Minnesota Statutes 2022, section 124E.13, subdivision 3, is amended to read:

Subd. 3. **Affiliated nonprofit building corporation.** (a) An affiliated nonprofit building corporation may purchase, expand, or renovate an existing facility to serve as a school or may construct a new school facility. ~~A~~ One charter school may organize an affiliated nonprofit building corporation that serves only that charter school if the charter school:

- (1) has operated for at least six consecutive years;
- (2) as of June 30, has a net positive unreserved general fund balance in the preceding three fiscal years;
- (3) has long-range strategic and financial plans that include enrollment projections for at least five years;
- (4) completes a feasibility study of facility options that outlines the benefits and costs of each option; and
- (5) has a plan that describes project parameters and budget.

(b) An affiliated nonprofit building corporation under this subdivision must:

- (1) be incorporated under section 317A;
- (2) comply with applicable Internal Revenue Service regulations, including regulations for "supporting organizations" as defined by the Internal Revenue Service;
- (3) post on the school website the name, mailing address, bylaws, minutes of board meetings, and names of the current board of directors of the affiliated nonprofit building corporation;

(4) submit to the commissioner a copy of its annual audit by December 31 of each year; and

(5) comply with government data practices law under chapter 13.

(c) An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. The state is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.

(d) The board of directors of the charter school must ensure the affiliated nonprofit building corporation complies with all applicable legal requirements. The charter school's authorizer must oversee the efforts of the board of directors of the charter school to ensure legal compliance of the affiliated building corporation. A school's board of directors that fails to ensure the affiliated nonprofit building corporation's compliance violates its responsibilities and an authorizer must consider that failure when evaluating the charter school.

Sec. 14. Minnesota Statutes 2022, section 124E.25, subdivision 1a, is amended to read:

Subd. 1a. **School closures; payments.** (a) Notwithstanding subdivision 1 and section 127A.45, for a charter school ceasing operation on or before June 30, for the payment periods occurring after the school ceases serving students, the commissioner shall withhold the estimated state aid owed the school. The charter school board of directors and authorizer must submit to the commissioner a closure plan under chapter ~~308A~~ or 317A, and financial information about the school's liabilities and assets. After receiving the closure plan, financial information, an audit of pupil counts, and documented lease expenditures from the charter school and monitoring special education expenditures, the commissioner may release cash withheld and may continue regular payments up to the current year payment percentages if further amounts are owed. If, based on audits and monitoring, the school received state aid in excess of the amount owed, the commissioner shall retain aid withheld sufficient to eliminate the aid overpayment.

(b) For a charter school ceasing operations before or at the end of a school year, notwithstanding section 127A.45, subdivision 3, the commissioner may make preliminary final payments after the school submits the closure plan, an audit of pupil counts, documented lease expenditures, and Uniform Financial Accounting and Reporting Standards (UFARS) financial data and the commissioner monitors special education expenditures for the final year of operation. The commissioner may make the final payment after receiving audited financial statements under section 123B.77, subdivision 3.

(c) Notwithstanding sections 317A.701 to 317A.791, after closing a charter school and satisfying creditors, remaining cash and investment balances shall be returned by the commissioner to the state general fund.

ARTICLE 7 SPECIAL EDUCATION

Section 1. Minnesota Statutes 2022, section 120A.20, subdivision 1, is amended to read:

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; or (5) in the case of a student with a disability as defined under section 125A.02, the pupil's 22nd birthday.

Sec. 2. Minnesota Statutes 2022, section 121A.41, subdivision 7, is amended to read:

Subd. 7. **Pupil.** (a) "Pupil" means any student:

(1) without a disability under 21 years of age; or

(2) with a disability under ~~21~~ 22 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.

Sec. 3. Minnesota Statutes 2022, section 122A.31, subdivision 1, is amended to read:

Subdivision 1. **Requirements for American sign language/English interpreters.** (a) In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must:

(1) hold current interpreter ~~and~~ or transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf (NAD), or a comparable state certification from the commissioner of education; ~~and~~

~~(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution; or~~

(2) hold a certified deaf interpreter certification issued by RID.

(b) New graduates of an interpreter/transliterator program affiliated with an accredited education institution or certified deaf interpreters who hold a certification issued by RID shall be granted a two-year provisional certificate by the commissioner. During the two-year provisional period, the interpreter/transliterator must develop and implement an education plan in collaboration with a mentor under paragraph (c).

(c) A mentor of a provisionally certified interpreter/transliterator must be an interpreter/transliterator who has either NAD level IV or V certification or RID certified interpreter and certified transliterator certification and have at least three years of interpreting/transliterating experience in any educational setting. The mentor, in collaboration with the provisionally certified interpreter/transliterator, shall develop and implement an education plan designed to meet the requirements of paragraph (a), clause (1), and include a weekly on-site mentoring process.

(d) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission of the Deaf, DeafBlind and Hard of Hearing, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying ~~time line~~ timeline for meeting the requirements of this subdivision. A committee composed of the deaf and hard-of-hearing state specialist, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters ~~of for~~ the Deaf, and other appropriate ~~persons~~ committee members selected by the commissioner must develop the plan and ~~time line~~ timeline for the person receiving the extension.

(e) A school district may employ only an interpreter/transliterater who has been certified under paragraph (a) or (b), or for whom a time-limited extension has been granted under paragraph (d).

(f) An interpreter who meets the requirements of paragraph (a) is "essential personnel" as defined in section 125A.76, subdivision 1.

Sec. 4. Minnesota Statutes 2022, section 122A.50, is amended to read:

122A.50 PREPARATION TIME.

Subdivision 1. 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."

Subd. 2. Due process forms and procedure time. (a) Beginning with the 2023-2024 school year, a school district must use the revenue under this subdivision to provide time for teachers to complete due process forms and procedures in accordance with the plan developed under paragraph (c). This time is in addition to the preparation time under subdivision 1. For purposes of this subdivision, "school district" includes a charter school.

(b) For fiscal year 2024, the due process revenue for a school district is equal to \$29 times the adjusted pupil units for the current fiscal year. For fiscal year 2024, the due process revenue for a school district that is a member of an intermediate school district or other cooperative unit that enrolls students is equal to \$8.25 times the adjusted pupil units for the current fiscal year. For fiscal year 2025 and later, the due process revenue for a school district equals \$16.25 times the adjusted pupil units for the current fiscal year. For fiscal year 2025 and later, the due process revenue for a school district that is a member of an intermediate school district or other cooperative unit that enrolls students equals \$3.25 times the adjusted pupil units for the current fiscal year. If a district is a member of more than one cooperative unit that enrolls students, the revenue must be allocated among the cooperative units.

(c) A district must meet and negotiate an agreement with the exclusive representative of teachers in the district containing a plan to use the revenue authorized under this subdivision. The plan must provide teachers that provide direct services to students with individualized education programs or individualized family services plans time to complete due process forms and procedures. Examples of allowed uses for the revenue include:

(1) 43.75 hours of paid time for each teacher providing direct special education services, with the time paid at a rate proportional to the teacher's annual salary, in addition to the wages provided under applicable collective bargaining agreements and memoranda between the school board and exclusive representative of teachers;

(2) the costs of necessary substitute teachers;

(3) innovative flexible learning days or weeks that provide teachers time during the regularly scheduled duty day to complete forms and procedures; and

(4) due process clerks or other staff dedicated to assisting teachers with due process forms and procedures.

(d) If the district and exclusive representative cannot reach agreement on a plan to use the revenue, the agreement must require the revenue to be used for the use identified in paragraph (c), clause (1). The parties may agree to reduce the number of paid hours if they agree on another use for the revenue, including another use identified in paragraph (c).

(e) Notwithstanding paragraphs (c) and (d), a charter school without an exclusive representative for its teachers may adopt a due process plan after consulting with its special education teachers. Due process aid received under this section by a charter school subject to this paragraph must be used only for the purposes of the charter school's due process plan.

(f) For fiscal years 2025 and later, the commissioner must proportionately reduce the school district and cooperative units per pupil allowances in paragraph (b) to account for the additional expenditures in the special education formula.

Sec. 5. Minnesota Statutes 2022, section 123B.92, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms defined in this subdivision have the meanings given to them.

(a) "Actual expenditure per pupil transported in the regular and excess transportation categories" means the quotient obtained by dividing:

(1) the sum of:

(i) all expenditures for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 124D.128 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on the district's type III vehicles, as defined in section 169.011, subdivision 71, which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

(2) the number of pupils eligible for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

(b) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public or nonpublic school they attend, and resident secondary pupils residing two miles or more from the public or nonpublic school they attend, excluding desegregation transportation and noon kindergarten transportation; but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

(ii) transportation of resident pupils to and from language immersion programs;

(iii) transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school;

(iv) transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school;

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation; and

(vi) transportation of pregnant or parenting pupils to and from a program that was established on or before January 1, 2018, or that is in operation on or after July 1, 2021, that provides:

(A) academic instruction;

(B) at least four hours per week of parenting instruction; and

(C) high-quality child care on site during the education day with the capacity to serve all children of enrolled pupils.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person or other location chosen by the pupil's parent or guardian, or an after-school program for children operated by a political subdivision of the state, as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence, or program is within the attendance area of the school the pupil attends.

(2) Excess transportation is:

(i) transportation to and from school during the regular school year for resident secondary pupils residing at least one mile but less than two miles from the public or nonpublic school they attend, and transportation to and from school for resident pupils residing less than one mile from school who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards; and

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards.

(3) Desegregation transportation is transportation within and outside of the district during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the commissioner or under court order.

(4) "Transportation services for pupils with disabilities" is:

(i) transportation of pupils with disabilities who cannot be transported on a regular school bus between home or a respite care facility and school;

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals, and treatment centers where special instruction or services required by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

(iii) necessary transportation for resident pupils with disabilities required by sections 125A.12, and 125A.26 to 125A.48;

(iv) board and lodging for pupils with disabilities in a district maintaining special classes;

(v) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, and necessary transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities who are provided special instruction and services on a shared-time basis or if resident pupils are not transported, the costs of necessary travel between public and private schools or neutral instructional sites by essential personnel employed by the district's program for children with a disability;

(vi) transportation for resident pupils with disabilities to and from board and lodging facilities when the pupil is boarded and lodged for educational purposes;

(vii) transportation of pupils for a curricular field trip activity on a school bus equipped with a power lift when the power lift is required by a student's disability or section 504 plan; and

(viii) services described in clauses (i) to (vii), when provided for pupils with disabilities in conjunction with a summer instructional program that relates to the pupil's individualized education program or in conjunction with a learning year program established under section 124D.128.

For purposes of computing special education initial aid under section 125A.76, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a student placed in a family foster home as defined in section 260C.007, subdivision 16b, a homeless student in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a). For purposes of subitem (A), a school district may transport a child who does not have a school of origin to the same school attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

(5) "Nonpublic nonregular transportation" is:

(i) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, excluding transportation for nonpublic pupils with disabilities under clause (4);

(ii) transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123B.44; and

(iii) late transportation home from school or between schools within a district for nonpublic school pupils involved in after-school activities.

(c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123B.41, subdivision 13.

Sec. 6. Minnesota Statutes 2022, section 124D.128, subdivision 2, is amended to read:

Subd. 2. **Commissioner designation.** (a) A state-approved alternative program designated by the state must be a site. A state-approved alternative program must provide services to students who meet the criteria in section 124D.68 and who are enrolled in:

(1) a district that is served by the state-approved alternative program; or

(2) a charter school located within the geographic boundaries of a district that is served by the state-approved alternative program.

(b) To be designated, a state-approved alternative program must demonstrate to the commissioner that it will:

(1) provide a program of instruction that permits pupils to receive instruction throughout the entire year; and

(2) develop and maintain a separate record system that, for purposes of section 126C.05, permits identification of membership attributable to pupils participating in the program. The record system and identification must ensure that the program will not have the effect of increasing the total average daily membership attributable to an individual pupil as a result of a learning year program. The record system must include the date the pupil originally enrolled in a learning year program, the pupil's grade level, the date of each grade promotion, the average daily membership generated in each grade level, the number of credits or standards earned, and the number needed to graduate.

(c) A student who has not completed a school district's graduation requirements may continue to enroll in courses the student must complete in order to graduate until the student satisfies the district's graduation requirements or the student is 21 years old, whichever comes first. A student with a disability as set forth in section 125A.02 may continue to enroll in courses until the student graduates with a regular high school diploma or the student is 22 years old, whichever comes first.

Sec. 7. Minnesota Statutes 2022, section 124D.68, subdivision 2, is amended to read:

Subd. 2. **Eligible pupils.** (a) 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 having substance use disorder;
- (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 is an English learner;
- (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.

(b) A pupil otherwise qualifying under paragraph (a) who is at least 21 years of age and not yet 22 years of age, and is an English learner with an interrupted formal education according to section 124D.59, subdivision 2a, or is a pupil with a disability as set forth in section 125A.02, is eligible to participate in the graduation incentives program under section 124D.68 and in concurrent enrollment courses offered under section 124D.09, subdivision 10, and is funded in the same manner as other pupils under this section.

Sec. 8. Minnesota Statutes 2022, section 125A.03, is amended to read:

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 all children with a disability, including providing required services under 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~~ until the child with a disability becomes 22 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.

(c) At the board's discretion, a school district that participates in a reciprocity agreement with a neighboring state under section 124D.041 may enroll and provide special instruction and services to a child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service if the district has completed child identification procedures for that child to determine the child's eligibility for special education services, and the child has received developmental screening under sections 121A.16 to 121A.19.

Sec. 9. Minnesota Statutes 2022, section 125A.0942, is amended to read:

125A.0942 STANDARDS FOR RESTRICTIVE PROCEDURES.

Subdivision 1. **Restrictive procedures plan.** (a) Schools that intend to use restrictive procedures shall maintain and make publicly accessible in an electronic format on a school or district website 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.187, subdivision 4;
- (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; any disproportionate use of restrictive procedures based on race, gender, or disability status; the role of the school resource officer or police in emergencies and the use of restrictive procedures; and documentation to determine if the standards for using restrictive procedures as described in sections 125A.0941 and 125A.0942 are met; 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 program or individualized family service 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 program, individualized family service 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, individualized family service plan, 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 or individualized family service plan meeting when the child's individualized education program or individualized family service plan provides for using restrictive procedures in an emergency.

(d) If the individualized education program or individualized family service plan 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 or individualized family service plan 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, individualized family service plan, or behavior intervention plan.

(f) An individualized education program or individualized family service plan team may plan for using restrictive procedures and may include these procedures in a child's individualized education program, individualized family service plan, 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, individualized family service plan, 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; and
 - (v) a brief description of the post-use debriefing that occurred as a result of the use of the physical hold or seclusion;
 - (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; and
 - (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.
- (b) By February 1, 2015, and annually thereafter, stakeholders may, as necessary, 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 seclusion.

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 seclusion; 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. Beginning with the 2016-2017 school year, in a form and manner determined by the commissioner, districts must report data quarterly to the department by January 15, April 15, July 15, and October 15 about individual students who have been secluded. By July 15 each year, districts must report summary data on their use of restrictive procedures to the department for the prior school year, July 1 through June 30, 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 section 121A.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 chapter 260E;
- (7) withholding regularly scheduled meals or water;
- (8) denying access to bathroom facilities;
- (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; ~~and~~
- (10) prone restraint; and
- (11) the use of seclusion on children from birth through grade 3 by December 31, 2024.

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 or individualized family service plan teams 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. Any reasonable force used under sections 121A.582; 609.06, subdivision 1; and 609.379 which intends to hold a child immobile or limit a child's movement where body contact is the only source of physical restraint or confines a child alone in a room from which egress is barred shall be reported to the Department of Education as a restrictive procedure, including physical holding or seclusion used by an unauthorized or untrained staff person.~~

(c) By February 1, 2024, the commissioner, in cooperation with stakeholders, must make recommendations to the legislature for urgently ending seclusion in Minnesota schools. The commissioner must consult with interested stakeholders, including parents of students who have been secluded or restrained; advocacy organizations; legal services providers; special education directors; teachers; paraprofessionals; intermediate school districts and cooperative units as defined under section 123A.24, subdivision 2; school boards; day treatment providers; county social services; state human services department staff; mental health professionals; autism experts; and representatives of groups disproportionately affected by restrictive procedures, including People of Color and people with disabilities. The recommendations must include specific dates for ending seclusion by grade or facility. The recommendations must identify existing resources and the new resources necessary for staff capacity, staff training, children's supports, child mental health services, and schoolwide collaborative efforts.

Sec. 10. Minnesota Statutes 2022, section 125A.13, is amended to read:

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~~ elect, in the same manner as the parent of a resident student with a disability, a school in the nonresident district ~~if:~~

~~(1) where~~ the child is enrolled in a Head Start program or a licensed child care setting in the nonresident district; ~~and, provided~~

~~(2) the child can be served in the same setting as other children in the nonresident district with the same level of disability.~~

Sec. 11. Minnesota Statutes 2022, section 125A.15, is amended to read:

125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

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

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian. 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. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the child's district of residence may utilize that state-approved online learning program in fulfilling its educational program responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(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. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the nonresident district may utilize that state-approved online learning program in fulfilling its educational program responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(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.

Sec. 12. Minnesota Statutes 2022, section 125A.51, is amended to read:

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

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

(a) The school district of residence of the pupil is the district in which the pupil's parent or guardian resides. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner.

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

(c) Before the placement of a pupil for care and treatment, the district of residence must be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement. When a nonresident district makes an emergency placement without first consulting with the resident district, 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.

(d) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence must provide instruction and necessary transportation to and from the care and treatment program for the pupil. 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 instruction at a school within the district of residence; at the pupil's residence; through an authorized online learning program provided by the pupil's resident district, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction; or, in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the Professional Educator Licensing and Standards Board.

(e) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed must provide instruction for the pupil and necessary transportation while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district must bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. If a pupil's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the district in which the pupil is placed may utilize that state-approved online learning program in fulfilling its responsibility to provide instruction under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or private homeless shelter, then the district that enrolls the pupil under section 120A.20, subdivision 2, paragraph (b), shall provide the transportation, unless the district that enrolls the pupil and the district in which the pupil is temporarily placed agree that the district in which the pupil is temporarily placed shall provide transportation. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil must send timely written notice of the placement to the district of residence. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the Professional Educator Licensing and Standards Board. For purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

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

Sec. 13. Minnesota Statutes 2022, section 125A.515, subdivision 3, is amended to read:

Subd. 3. Responsibilities for providing education. (a) The district in which the children's residential facility is located must provide education services, including special education if eligible, to all students placed in a facility. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the district in which the children's residential facility is located may utilize that state-approved online learning program in fulfilling its education services responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(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.

Sec. 14. Minnesota Statutes 2022, section 125A.76, subdivision 2c, is amended to read:

Subd. 2c. **Special education aid.** (a) For fiscal year 2020 and later, a district's special education aid equals the sum of the district's special education initial aid under subdivision 2a, the district's cross subsidy reduction aid under subdivision 2e, special education homeless pupil aid under subdivision 2f, and the district's excess cost aid under section 125A.79, subdivision 5.

(b) Notwithstanding paragraph (a), for fiscal year 2020, the special education aid for a school district, excluding the cross subsidy reduction aid under subdivision 2e, and excluding special education homeless pupil aid under subdivision 2f, must not exceed the greater of:

(i) the sum of 56 percent of the district's nonfederal special education expenditures plus 100 percent of the district's cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4), plus the adjustment under sections 125A.11 and 127A.47, subdivision 7; or

(ii) the sum of: (A) the product of the district's average daily membership served and the special education aid increase limit and (B) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's average daily membership served for the current fiscal year to the district's average daily membership served for fiscal year 2016, and the program growth factor.

(c) Notwithstanding paragraph (a), for fiscal year ~~2020~~ 2024 and later the special education aid, excluding the cross subsidy reduction aid under subdivision 2e, excluding special education homeless pupil aid under subdivision 2f, for a school district, not including a charter school or cooperative unit as defined in section 123A.24, must not be less than the lesser of (1) the sum of 90 percent for fiscal year 2020, 85 percent for fiscal year 2021, 80 percent for fiscal year 2022, and 75 percent for fiscal year 2023 and later of the district's nonfederal special education expenditures plus 100 percent of the district's cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4), plus the adjustment under sections 125A.11 and 127A.47, subdivision 7, for that fiscal year or (2) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the minimum aid adjustment factor.

(d) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first year of operation shall generate special education aid based on current year data. A newly formed cooperative unit as defined in section 123A.24 may apply to the commissioner for approval to generate special education aid for its first year of operation based on current year data, with an offsetting adjustment to the prior year data used to calculate aid for programs at participating school districts or previous cooperatives that were replaced by the new cooperative. The department shall establish procedures to adjust the prior year data and fiscal year 2016 old formula aid used in calculating special education aid to exclude costs that have been eliminated for districts where programs have closed or where a substantial portion of the program has been transferred to a cooperative unit.

(e) The department shall establish procedures through the uniform financial accounting and reporting system to identify and track all revenues generated from third-party billings as special education revenue at the school district level; include revenue generated from third-party billings as special education revenue in the annual cross-subsidy report; and exclude third-party revenue from calculation of excess cost aid to the districts.

Sec. 15. Minnesota Statutes 2022, section 125A.76, subdivision 2e, is amended to read:

Subd. 2e. **Cross subsidy reduction aid.** (a) A school district's annual cross subsidy reduction aid equals the school district's initial special education cross subsidy for the previous fiscal year times the cross subsidy aid factor for that fiscal year.

(b) The cross subsidy aid factor equals ~~2.6 percent for fiscal year 2020 and 6.43 percent for fiscal year 2021~~ 47.8 percent for fiscal year 2024 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 16. Minnesota Statutes 2022, section 125A.76, is amended by adding a subdivision to read:

Subd. 2f. **Special education homeless pupil aid.** (a) For fiscal year 2024 and later, special education homeless pupil aid must be paid to a school district that is funded for that year based on the district's fiscal year 2016 expenditures calculated under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the minimum aid adjustment factor.

(b) Special education homeless pupil aid equals the greater of zero, or a district's prior year transportation costs under section 123B.92, subdivision 1, paragraph (b), clause (4), items (ii) and (vii), and the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a homeless student in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; minus the fiscal year 2016 costs associated with transportation costs under section 123B.92, subdivision 1, paragraph (b), clause (4), items (ii) and (vii), and the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a homeless student in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin, but only through the end of the academic year; adjusted by the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the minimum aid adjustment factor.

Sec. 17. **[125A.81] SPECIAL EDUCATION SEPARATE SITES AND PROGRAMS AID.**

Subdivision 1. **Definition.** For purposes of this section, "special education separate site and program" means a public separate day school facility attended by students with disabilities for 50 percent or more of their school day.

Subd. 2. **Eligibility for special education separate sites and programs aid.** An education cooperative under section 471.59, education district under section 123A.15, service cooperative under section 123A.21, or intermediate school district under section 136D.01 qualifies for additional state funding to special education separate sites and programs for every kindergarten through grade 12 child with a disability, as defined in section 125A.02, served in a special education separate site or program as defined in subdivision 1.

Subd. 3. **Uses of special education separate sites and programs aid.** Additional state funding to special education separate sites and programs under this section may be used for the same purposes as are permitted for state special education aid under section 125A.76.

Subd. 4. **Special education separate sites and programs aid.** For fiscal year 2024 and later, additional state funding to special education separate sites and programs equals \$1,689 times the adjusted kindergarten through grade 12 pupil units served in special education separate sites and programs under subdivision 1.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 18. Minnesota Statutes 2022, section 256B.0625, subdivision 26, is amended to read:

Subd. 26. **Special education services.** (a) Medical assistance covers evaluations necessary in making a determination for eligibility for individualized education program and individualized family service plan services and for medical services identified in a recipient's individualized education program and individualized family service plan and covered under the medical assistance state plan. Covered services include occupational therapy, physical therapy, speech-language therapy, clinical psychological services, nursing services, school psychological services, school social work services, personal care assistants serving as management aides, assistive technology devices, transportation services, health assessments, and other services covered under the medical assistance state plan. Mental health services eligible for medical assistance reimbursement must be provided or coordinated through a children's mental health collaborative where a collaborative exists if the child is included in the collaborative operational target population. The provision or coordination of services does not require that the individualized education program be developed by the collaborative.

The services may be provided by a Minnesota school district that is enrolled as a medical assistance provider or its subcontractor, and only if the services meet all the requirements otherwise applicable if the service had been provided by a provider other than a school district, in the following areas: medical necessity; physician's, advanced practice registered nurse's, or physician assistant's orders; documentation; personnel qualifications; and prior authorization requirements. The nonfederal share of costs for services provided under this subdivision is the responsibility of the local school district as provided in section 125A.74. Services listed in a child's individualized education program are eligible for medical assistance reimbursement only if those services meet criteria for federal financial participation under the Medicaid program.

(b) Approval of health-related services for inclusion in the individualized education program does not require prior authorization for purposes of reimbursement under this chapter. The commissioner may require physician, advanced practice registered nurse, or physician assistant review and approval of the plan not more than once annually or upon any modification of the individualized education program that reflects a change in health-related services.

(c) Services of a speech-language pathologist provided under this section are covered notwithstanding Minnesota Rules, part 9505.0390, subpart 1, item L, if the person:

(1) holds a masters degree in speech-language pathology;

(2) is licensed by the Professional Educator Licensing and Standards Board as an educational speech-language pathologist; and

(3) either has a certificate of clinical competence from the American Speech and Hearing Association, has completed the equivalent educational requirements and work experience necessary for the certificate or has completed the academic program and is acquiring supervised work experience to qualify for the certificate.

(d) Medical assistance coverage for medically necessary services provided under other subdivisions in this section may not be denied solely on the basis that the same or similar services are covered under this subdivision.

(e) The commissioner shall develop and implement package rates, bundled rates, or per diem rates for special education services under which separately covered services are grouped together and billed as a unit in order to reduce administrative complexity.

(f) The commissioner shall develop a cost-based payment structure for payment of these services. Only costs reported through the designated Minnesota Department of Education data systems in distinct service categories qualify for inclusion in the cost-based payment structure. The commissioner shall reimburse claims submitted based

on an interim rate, and shall settle at a final rate once the department has determined it. The commissioner shall notify the school district of the final rate. The school district has 60 days to appeal the final rate. To appeal the final rate, the school district shall file a written appeal request to the commissioner within 60 days of the date the final rate determination was mailed. The appeal request shall specify (1) the disputed items and (2) the name and address of the person to contact regarding the appeal.

(g) Effective July 1, 2000, medical assistance services provided under an individualized education program or an individual family service plan by local school districts shall not count against medical assistance authorization thresholds for that child.

(h) Nursing services as defined in section 148.171, subdivision 15, and provided as an individualized education program health-related service, are eligible for medical assistance payment if they are otherwise a covered service under the medical assistance program. Medical assistance covers the administration of prescription medications by a licensed nurse who is employed by or under contract with a school district when the administration of medications is identified in the child's individualized education program. The simple administration of medications alone is not covered under medical assistance when administered by a provider other than a school district or when it is not identified in the child's individualized education program.

(i) School social work services provided by a mental health professional, as defined in section 245I.04, subdivision 2, or mental health practitioner, as defined in section 245I.04, subdivision 4, under the supervision of a mental health professional, are eligible for medical assistance payment. A mental health practitioner performing school social work services under this section must provide services within the mental health practitioner's licensure scope of practice, if applicable, and within the mental health practitioner scope of practice under section 245I.04, subdivision 5.

(j) Notwithstanding Minnesota Rules, part 9505.0371, a special education evaluation, individualized education program, or individual family service plan may be used to determine medical necessity and eligibility for school social work services under paragraph (i) instead of a diagnostic assessment if the special education evaluation, individualized education program, or individual family service plan includes a sign, symptom, or condition ICD-10-CM code for the student.

(k) A school social worker or school providing mental health services under paragraph (i) is not required to be certified to provide children's therapeutic services and supports under section 256B.0943.

(l) Covered mental health services provided by a school social worker under paragraph (i) include but are not limited to:

- (1) administering and reporting standardized measures;
- (2) care coordination;
- (3) children's mental health crisis assistance, planning, and response services;
- (4) children's mental health clinical care consultation;
- (5) dialectical behavioral therapy for adolescents;
- (6) direction of mental health behavioral aides;
- (7) family psychoeducation;
- (8) individual, family, and group psychotherapy;

(9) mental health behavioral aide services;

(10) skills training; and

(11) treatment plan development and review.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval has been obtained.

Sec. 19. **SPECIFIC LEARNING DISABILITY; RULEMAKING.**

(a) The commissioner of education must begin the rulemaking process to amend Minnesota Rules, part 3525.1341, and establish a stakeholder workgroup to review current specific learning disabilities criteria by December 31, 2023. By June 30, 2024, the workgroup must make recommendations aligned with related state and federal requirements, including:

(1) removing discrepancy from criteria;

(2) developing a plan to operationalize changes to criteria to align with current best practices and address concerns of multiple stakeholder groups, including but not limited to administrators, parents, educators, researchers, related services staff, advocates, lawyers, and minority and immigrant groups;

(3) providing definitions and clarification of terms and procedures within existing requirements;

(4) establishing the accountability process, including procedures and targets, for districts and cooperatives to use in evaluating their progress toward implementation of the amended rule; and

(5) developing an evaluation framework for measuring intended and unintended results of amended criteria. Intended and unintended results may include overidentification and underidentification of minorities, delays to referral and identification, transitioning from developmental delay to specific learning disability, consistency of identification across districts and the state, adding unnecessary paperwork, limiting team decision making, or limiting access and progress with intensive and individualized special education support.

(b) Following the development of recommendations from the stakeholder workgroup, the commissioner must proceed with the rulemaking process and recommended alignment with other existing state and federal law.

(c) Concurrent with rulemaking, the commissioner must establish technical assistance and training capacity on the amended criteria, and training and capacity building must begin upon final approval of the amended rule.

(d) The amended rule must go into full effect no later than five years after the proposed revised rules are approved by the administrative law judge.

Sec. 20. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Aid for children with disabilities.** (a) For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

<u>\$1,674,000</u>	<u>.....</u>	<u>2024</u>
<u>\$1,888,000</u>	<u>.....</u>	<u>2025</u>

(b) If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 3. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

<u>\$26,000</u>	.....	<u>2024</u>
<u>\$27,000</u>	.....	<u>2025</u>

Subd. 4. **Special education; regular.** (a) For special education aid under Minnesota Statutes, section 125A.75:

<u>\$2,301,765,000</u>	.....	<u>2024</u>
<u>\$2,473,008,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$229,860,000 for 2023 and \$2,071,905,000 for 2024.

(c) The 2025 appropriation includes \$291,664,000 for 2024 and \$2,181,344,000 for 2025.

Subd. 5. **Special education due process aid.** (a) For special education due process aid under Minnesota Statutes, section 122A.50:

<u>\$30,583,000</u>	.....	<u>2024</u>
<u>\$19,445,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$0 for 2023 and \$30,583,000 for 2024.

(c) The 2025 appropriation includes \$3,398,000 for 2024 and \$16,047,000 for 2025.

Subd. 6. **Special education out-of-state tuition.** For special education out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8:

<u>\$250,000</u>	.....	<u>2024</u>
<u>\$250,000</u>	.....	<u>2025</u>

Subd. 7. **Special education separate sites and programs.** (a) For aid for special education separate sites and programs under Minnesota Statutes, section 125A.81, subdivision 4:

<u>\$4,378,000</u>	.....	<u>2024</u>
<u>\$5,083,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$0 for 2023 and \$4,378,000 for 2024.

(c) The 2025 appropriation includes \$486,000 for 2024 and \$4,597,000 for 2025.

Subd. 8. **Travel for home-based services.** (a) For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

<u>\$334,000</u>	.....	<u>2024</u>
<u>\$348,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$32,000 for 2023 and \$302,000 for 2024.

(c) The 2025 appropriation includes \$33,000 for 2024 and \$315,000 for 2025.

ARTICLE 8
FACILITIES

Section 1. Minnesota Statutes 2022, section 123B.595, subdivision 1, is amended to read:

Subdivision 1. **Long-term facilities maintenance revenue.** ~~(a) For fiscal year 2017 only, long term facilities maintenance revenue equals the greater of (1) the sum of (i) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.~~

~~(b) For fiscal year 2018 only, long term facilities maintenance revenue equals the greater of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.~~

~~(c) For fiscal year 2019 and later, (a) Long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.~~

~~(d) (b) Notwithstanding paragraphs paragraph (a), (b), and (c), a school district that qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a), for fiscal year 2010 remains eligible for funding under this section as a district that would have qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a), for fiscal year 2017 and later.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 2. Minnesota Statutes 2022, section 123B.595, subdivision 2, is amended to read:

Subd. 2. **Long-term facilities maintenance revenue for a charter school.** ~~(a) For fiscal year 2017 only, long-term facilities maintenance revenue for a charter school equals \$34 times the adjusted pupil units.~~

~~(b) For fiscal year 2018 only, long-term facilities maintenance revenue for a charter school equals \$85 times the adjusted pupil units.~~

~~(c) For fiscal year 2019 and later, Long-term facilities maintenance revenue for a charter school equals \$132 times the adjusted pupil units.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 3. Minnesota Statutes 2022, section 123B.595, subdivision 3, is amended to read:

Subd. 3. **Intermediate districts and other cooperative units.** ~~(a) Upon approval through the adoption of a resolution by each member district school board of an intermediate district or other cooperative ~~units~~ unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59, and the approval of the commissioner of education, a school district may include in its authority under this section a proportionate share of the long-term maintenance costs of the intermediate district ~~or~~ cooperative unit, or joint powers district. The cooperative unit or joint powers district may issue bonds to finance the project costs or levy for the costs; using long-term maintenance revenue transferred from member districts to make debt service payments or pay project costs or, for leased facilities, pay the portion of lease costs attributable to the amortized cost of long-term facilities maintenance projects completed by the landlord. Authority under this subdivision is in addition to the authority for individual district projects under subdivision 1.~~

~~(b) The resolution adopted under paragraph (a) may specify which member districts will share the project costs under this subdivision, except that debt service payments for bonds issued by a cooperative unit or joint powers district to finance long-term maintenance project costs must be the responsibility of all member districts.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 4. Minnesota Statutes 2022, section 123B.595, subdivision 4, is amended to read:

Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district or intermediate district, not including a charter school, must have a ten-year facility plan adopted by the school board and approved by the commissioner. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental regulations and best practices, including indoor air quality management and remediation of lead hazards. For planning purposes, the plan must also address provisions for providing a gender-neutral single-user restroom at each school site.

(b) The district must annually update the plan, submit the plan to the commissioner for approval by July 31, and indicate whether the district will issue bonds to finance the plan or levy for the costs.

(c) For school districts issuing bonds to finance the plan, the plan must include a debt service schedule demonstrating that the debt service revenue required to pay the principal and interest on the bonds each year will not exceed the projected long-term facilities revenue for that year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 5. Minnesota Statutes 2022, section 123B.595, subdivision 7, is amended to read:

Subd. 7. **Long-term facilities maintenance equalization revenue.** ~~(a) For fiscal year 2017 only, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$193 times the adjusted pupil units or (2) the district's revenue under subdivision 1.~~

~~(b) For fiscal year 2018 only, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2) the district's revenue under subdivision 1.~~

~~(c) For fiscal year 2019 and later, (a)~~ A district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2) the district's revenue under subdivision 1.

~~(d) (b)~~ Notwithstanding ~~paragraphs paragraph~~ paragraph (a) to (c), a district's long-term facilities maintenance equalization revenue must not be less than the lesser of the district's long-term facilities maintenance revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 6. Minnesota Statutes 2022, section 123B.595, subdivision 8, is amended to read:

Subd. 8. **Long-term facilities maintenance equalized levy.** ~~(a) For fiscal year 2017 and later,~~ A district's long-term facilities maintenance equalized levy equals the district's long-term facilities maintenance equalization revenue minus the greater of:

(1) the lesser of the district's long-term facilities maintenance equalization revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6; or

(2) the district's long-term facilities maintenance equalization revenue times the greater of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the year the levy is certified to 123 percent of the state average adjusted net tax capacity per adjusted pupil unit for all school districts in the year preceding the year the levy is certified.

(b) For purposes of this subdivision, "adjusted net tax capacity" means the value described in section 126C.01, subdivision 2, paragraph (b).

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 7. Minnesota Statutes 2022, section 123B.595, subdivision 8a, is amended to read:

Subd. 8a. **Long-term facilities maintenance unequalized levy.** ~~For fiscal year 2017 and later,~~ A district's long-term facilities maintenance unequalized levy equals the difference between the district's revenue under subdivision 1 and the district's equalization revenue under subdivision 7.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 8. Minnesota Statutes 2022, section 123B.595, subdivision 9, is amended to read:

Subd. 9. **Long-term facilities maintenance equalized aid.** ~~For fiscal year 2017 and later,~~ A district's long-term facilities maintenance equalized aid equals its long-term facilities maintenance equalization revenue minus its long-term facilities maintenance equalized levy times the ratio of the actual equalized amount levied to the permitted equalized levy.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 9. Minnesota Statutes 2022, section 123B.595, subdivision 10, is amended to read:

Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A district may use revenue under this section for any of the following:

- (1) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities;
- (2) increasing accessibility of school facilities;
- (3) health and safety capital projects under section 123B.57; ~~or~~
- (4) remodeling or constructing a gender-neutral single-user restroom at each school site; or

~~(4)~~ (5) by board resolution, to transfer money from the general fund reserve for long-term facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when due, principal and interest on general obligation bonds issued under subdivision 5.

(b) A charter school may use revenue under this section for any purpose related to the school.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 10. Minnesota Statutes 2022, section 123B.595, subdivision 11, is amended to read:

Subd. 11. **Restrictions on long-term facilities maintenance revenue.** Notwithstanding subdivision 10, long-term facilities maintenance revenue may not be used:

(1) for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms, except for the costs associated with constructing or remodeling existing facilities to include at least one gender-neutral single-user restroom authorized under subdivision 10;

(2) to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;

(3) for energy-efficiency projects under section 123B.65, for a building or property or part of a building or property used for postsecondary instruction or administration, or for a purpose unrelated to elementary and secondary education; or

(4) for violence prevention and facility security, ergonomics, or emergency communication devices.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 11. Minnesota Statutes 2022, section 123B.71, subdivision 9, is amended to read:

Subd. 9. **Information required.** A school board proposing to construct, expand, or remodel a facility that requires a review and comment under 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, the process used to determine the deficiencies, a list of those deficiencies that will and will not be addressed by the proposed project, 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) 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;

(5) a description of the project's plans for gender-neutral single-user restrooms, locker room privacy stalls, or other spaces with privacy features, including single-user shower stalls, changing stalls, or other single-user facilities;

~~(5)~~ (6) a specification of the source of financing the project, including applicable statutory citations; 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; and

~~(6)~~ (7) documents obligating the school district and contractors to comply with items (i) to (vii) in planning and executing the project:

(i) section 471.345 governing municipal contracts;

(ii) sustainable design;

(iii) school facility commissioning under section 123B.72 certifying the plans and designs for the heating, ventilating, air conditioning, and air filtration for an extensively renovated or new facility meet or exceed current code standards, including the ASHRAE air filtration standard 52.1;

(iv) American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times;

(v) State Fire Code;

(vi) chapter 326B governing building codes; and

(vii) consultation with affected government units about the impact of the project on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access to mass transit, and safe access for pedestrians and cyclists.

EFFECTIVE DATE. This section is effective for review and comments submitted on or after July 1, 2023.

Sec. 12. Minnesota Statutes 2022, section 126C.10, subdivision 14, is amended to read:

Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may be used only for the following purposes:

(1) to acquire land for school purposes;

(2) to acquire or construct buildings for school purposes;

(3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;

(4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers and gender-neutral single-user restrooms, locker room privacy stalls, or other spaces with privacy features, including single-user shower stalls, changing stalls, or other single-user facilities;

(5) for a surplus school building that is used substantially for a public nonschool purpose;

(6) to eliminate barriers or increase access to school buildings by individuals with a disability;

(7) to bring school buildings into compliance with the State Fire Code adopted according to chapter 299F;

(8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;

(11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;

(12) to improve buildings that are leased according to section 123B.51, subdivision 4;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act according to sections 298.292 to ~~298.298~~ 298.294;

(15) to purchase or lease interactive telecommunications equipment;

(16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;

(17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;

(18) to purchase or lease computers and related hardware, software, and annual licensing fees, copying machines, telecommunications equipment, and other noninstructional equipment;

(19) to purchase or lease assistive technology or equipment for instructional programs;

(20) to purchase textbooks as defined in section 123B.41, subdivision 2;

(21) to purchase new and replacement library media resources or technology;

(22) to lease or purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

- (i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;
- (ii) managing student assessment, services, and achievement information required for students with individualized education programs; and
- (iii) other classroom information management needs;

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software; and

(25) to pay the costs directly associated with closing a school facility, including moving and storage costs.

EFFECTIVE DATE. This section is effective for fiscal year 2024 and later.

Sec. 13. Minnesota Statutes 2022, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed \$212 times the adjusted pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 may include in its authority under this section the costs associated with leases of administrative and classroom space for ~~intermediate school district~~ programs of the intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or joint powers district under section 471.59. This authority must not exceed \$65 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. The intermediate school district, other cooperative unit, or joint powers district may specify which member districts will levy for lease costs under this paragraph.

(i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012 to 2023, a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease agreement to finance improvements to a building and land for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e). The total levy authority under this paragraph shall not exceed \$632,000.

(j) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease.

(k) Notwithstanding paragraph (a), a district may levy under this subdivision for the district's proportionate share of deferred maintenance expenditures for a district-owned building or site leased to a cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 for any instructional purposes or for school storage.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 14. Minnesota Statutes 2022, section 126C.40, subdivision 6, is amended to read:

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

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

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

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

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

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

(1) Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, Independent School District No. 709, Duluth, or Independent School District No. 535, Rochester, if the district's desegregation plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) other districts eligible for revenue under section 124D.862 if the facility acquired under this subdivision is to be primarily used for a joint program for interdistrict desegregation and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

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

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

(g) Projects funded under this subdivision are subject to review and comment under section 123B.71, subdivision 8, in the same manner as other school construction projects.

Sec. 15. Minnesota Statutes 2022, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS ~~LEVY~~ REVENUE.

Subdivision 1. Safe schools revenue for school districts. ~~(a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$36 multiplied by the district's adjusted pupil units for the school year.~~ A school district's safe schools revenue equals its safe schools levy.

Subd. 2. **School district safe schools levy.** A school district's safe schools levy equals \$36 times the district's adjusted pupil units for the school year.

Subd. 3. **Safe schools revenue for intermediate school districts.** A school district that is a member of an intermediate school district may include in its levy authority under this section the costs associated with safe schools activities authorized under this section for intermediate school district programs. This authority must not exceed the product of \$15 and the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this subdivision must be transferred to the intermediate school district.

Subd. 4. **Use of safe schools revenue.** ~~The proceeds of the levy~~ Safe schools revenue must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes:

(1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools;

(2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;

(3) to pay the costs for a gang resistance education training curriculum in the district's schools;

(4) to pay the costs for security in the district's schools and on school property;

(5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district;

(6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and substance use disorder counselors to help provide early responses to problems;

(7) to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security;

(8) to pay for costs associated with improving the school climate; ~~or~~

(9) to pay costs for collocating and collaborating with mental health professionals who are not district employees or contractors; or

(10) to pay for the costs of cybersecurity measures, including updating computer hardware and software, other systems upgrades, and cybersecurity insurance costs.

(b) For expenditures under paragraph (a), clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

~~(c) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$15 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.~~

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

Sec. 16. **LEASE LEVY FOR TRANSPORTATION HUB FOR EASTERN CARVER COUNTY SCHOOL DISTRICT.**

Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, Independent School District No. 112, Eastern Carver County Schools, may lease a transportation hub under Minnesota Statutes, section 126C.40, subdivision 1, if the district demonstrates to the satisfaction of the commissioner of education that the transportation hub will result in significant financial savings for the school district. Levy authority under this section must not exceed the total levy authority under Minnesota Statutes, section 126C.40, subdivision 1, paragraph (e).

EFFECTIVE DATE. This section is effective for taxes payable in 2024 and later.

Sec. 17. **LONG-TERM FACILITIES MAINTENANCE REVENUE ADJUSTMENT.**

Subdivision 1. **Eligibility.** A school board that purchases a nonschool facility and converts that facility to a school building may document to the commissioner of education, in the form and manner specified by the commissioner, that the purchase and subsequent remodeling of the facility is less expensive than constructing a new facility for the same space and is eligible for an adjustment to its long-term facilities maintenance revenue according to subdivision 2.

Subd. 2. **Inclusion in plan and revenue.** Notwithstanding Minnesota Statutes, section 123B.595, or any other law to the contrary, an eligible school district under subdivision 1 may include in its long-term facilities maintenance ten-year plan any heating, ventilation, and air conditioning projects necessary to improve air handling performance sufficient to satisfy the requirements for a certificate of occupancy for the space for its intended use as a school facility. The Department of Education must adjust an eligible school district's long-term facilities maintenance revenue to include these costs.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a nonschool facility purchased on or after January 1, 2019.

Sec. 18. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Building and cybersecurity grant program.** (a) To provide grants to school districts and charter schools to improve building security and cybersecurity:

<u>\$35,000,000</u>	<u>.....</u>	<u>2024</u>
<u>\$0</u>	<u>.....</u>	<u>2025</u>

(b) A cooperative unit, school district, or charter school may apply for a grant in the form and manner specified by the commissioner.

(c) Funds may be used for security-related facility improvements, cybersecurity insurance premiums, and associated costs.

(d) Up to \$100,000 is available for grant administration and monitoring.

(e) This is a onetime appropriation and is available until June 30, 2027.

Subd. 3. Debt service equalization aid. (a) For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

<u>\$24,511,000</u>	<u>.....</u>	<u>2024</u>
<u>\$21,351,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$2,424,000 for 2023 and \$22,087,000 for 2024.

(c) The 2025 appropriation includes \$2,454,000 for 2024 and \$18,897,000 for 2025.

Subd. 4. Equity in telecommunications access. (a) For equity in telecommunications access:

<u>\$3,750,000</u>	<u>.....</u>	<u>2024</u>
<u>\$3,750,000</u>	<u>.....</u>	<u>2025</u>

(b) If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2024 and 2025 shall be prorated.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 5. Grants for gender-neutral single-user restrooms. (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

<u>\$1,000,000</u>	<u>.....</u>	<u>2024</u>
<u>\$1,000,000</u>	<u>.....</u>	<u>2025</u>

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than \$75,000 per site under this subdivision in the form and manner specified by the commissioner. The commissioner must award at least one grant under this subdivision to Independent School District No. 709, Duluth, for a demonstration grant for a project awaiting construction.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to \$75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the committees of the legislature with jurisdiction over education on the number of grants that were awarded each year and the number of grant applications that were unfunded during that year.

Subd. 6. Long-term facilities maintenance equalized aid. (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

<u>\$108,045,000</u>	<u>.....</u>	<u>2024</u>
<u>\$108,245,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$10,821,000 for 2023 and \$97,224,000 for 2024.

(c) The 2025 appropriation includes \$10,803,000 for 2024 and \$97,442,000 for 2025.

ARTICLE 9
NUTRITION AND LIBRARIES

Section 1. Minnesota Statutes 2022, section 124D.111, subdivision 2a, is amended to read:

Subd. 2a. **Federal child and adult care food program and federal summer food service program; criteria and notice.** (a) The commissioner must post on the department's website eligibility criteria and application information for nonprofit organizations interested in applying to the commissioner for approval as a multisite sponsoring organization under the federal child and adult care food program and federal summer food service program. The posted criteria and information must inform interested nonprofit organizations about:

(1) the criteria the commissioner uses to approve or disapprove an application, including how an applicant demonstrates financial viability for the Minnesota program, among other criteria;

(2) the commissioner's process and time line for notifying an applicant when its application is approved or disapproved and, if the application is disapproved, the explanation the commissioner provides to the applicant; and

(3) any appeal or other recourse available to a disapproved applicant.

(b) The commissioner must evaluate financial eligibility as part of the application process. An organization applying to be a prospective sponsor for the federal child and adult food care program or the federal summer food service program must provide documentation of financial viability as an organization. Documentation must include:

(1) evidence that the organization has operated for at least one year and has filed at least one tax return;

(2) the most recent tax return submitted by the organization and corresponding forms and financial statements;

(3) a profit and loss statement and balance sheet or similar financial information; and

(4) evidence that at least ten percent of the organization's operating revenue comes from sources other than the United States Department of Agriculture child nutrition program and that the organization has additional funds or a performance bond available to cover at least one month of reimbursement claims.

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

Sec. 2. Minnesota Statutes 2022, section 124D.111, subdivision 5, is amended to read:

Subd. 5. **Respectful treatment.** (a) The participant must also provide meals to students in a respectful manner according to the policy adopted under subdivision 1. The participant must ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program, including but not limited to dumping meals; withdrawing a meal that has been served; announcing or listing students' names publicly; providing alternative meals not specifically related to dietary needs; providing nonreimbursable meals; or affixing stickers, stamps, or pins. The participant must not impose any other restriction prohibited under section 123B.37 due to unpaid student meal balances. The participant must not limit a student's participation in any school activities, graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities or access to materials, technology, or other items provided to students due to an unpaid student meal balance.

(b) If the commissioner or the commissioner's designee determines a participant has violated the requirement to provide meals to participating students in a respectful manner, the commissioner or the commissioner's designee must send a letter of noncompliance to the participant. The participant is required to respond and, if applicable, remedy the practice within 60 days.

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

Sec. 3. Minnesota Statutes 2022, section 124D.1158, as amended by Laws 2023, chapter 18, section 2, is amended to read:

124D.1158 SCHOOL BREAKFAST PROGRAM.

Subdivision 1. **Purpose; eligibility.** (a) The purpose of the school breakfast program is to provide affordable morning nutrition to children so that they can effectively learn.

(b) A school district, charter school, nonpublic school, or other participant in the federal school breakfast program may receive state breakfast aid.

(c) 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. 3. **Program reimbursement.** Each school year, the state must reimburse each participating school either:

(1) 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 prekindergarten student enrolled in an approved voluntary prekindergarten program under section 124D.151, early childhood special education student participating in a program authorized under section 124D.151, or a kindergarten student; or

(2) if the school participates in the free school meals program under section 124D.111, subdivision 1c, state aid as provided in section 124D.111, subdivision 1d.

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 prekindergarten students enrolled in an approved voluntary prekindergarten program under section 124D.151, early childhood special education students participating in a program authorized under section 124D.151, and all kindergarten students.

Sec. 4. Minnesota Statutes 2022, section 124D.119, is amended to read:

124D.119 SUMMER FOOD SERVICE ~~REPLACEMENT AID~~ PROGRAM AND CHILD AND ADULT CARE FOOD PROGRAM.

Subdivision 1. **Summer Food Service Program replacement aid.** ~~States~~ State funds are available to compensate department-approved Summer Food Service Program sponsors. Reimbursement shall be made on December 15 based on total meals served by each sponsor from the end of the school year to the beginning of the next school year on a pro rata basis.

Subd. 2. **Child and Adult Care Food Program and Summer Food Service Program sponsor organizations.** Legally distinct Child and Adult Care Food Program and Summer Food Service Program sites may transfer sponsoring organizations no more than once per year, except under extenuating circumstances including termination of the sponsoring organization's agreement or other circumstances approved by the Department of Education.

Subd. 3. **Child and Adult Care Food Program and Summer Food Service Program training.** Prior to applying to sponsor a Child and Adult Care Food Program or Summer Food Service Program site, a nongovernmental organization applicant must provide documentation to the Department of Education verifying that staff members have completed program-specific training as designated by the commissioner.

Subd. 4. **Summer Food Service Program locations.** Consistent with Code of Federal Regulations, title 7, section 225.6(d)(1)(ii), the Department of Education must not approve a new Summer Food Service Program open site that is within a half-mile radius of an existing Summer Food Service Program open site. The department may approve a new Summer Food Service Program open site within a half-mile radius only if the new program will not be serving the same group of children for the same meal type or if there are safety issues that could present barriers to participation.

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

Sec. 5. **[124D.901] SCHOOL LIBRARIES AND MEDIA CENTERS.**

A school district or charter school library or school library media center provides equitable and free access to students, teachers, and administrators.

A school library or school library media center must have the following characteristics:

(1) ensures every student has equitable access to resources and is able to locate, access, and use resources that are organized and cataloged;

(2) has a collection development plan that includes but is not limited to materials selection and deselection, a challenged materials procedure, and an intellectual and academic freedom statement;

(3) is housed in a central location that provides an environment for expanded learning and supports a variety of student interests;

(4) has technology and Internet access; and

(5) is served by a licensed school library media specialist or licensed school librarian.

Sec. 6. Minnesota Statutes 2022, section 134.31, subdivision 1, is amended to read:

Subdivision 1. **Library service.** The state shall, as an integral part of its responsibility for public education, support the provision of library service for every ~~citizen~~ resident, the development of cooperative programs for the sharing of resources and services among all libraries, and the establishment of jointly operated library services at a single location where appropriate.

Sec. 7. Minnesota Statutes 2022, section 134.31, subdivision 4a, is amended to read:

Subd. 4a. **Services to people with visual and physical disabilities.** The Minnesota Department of Education shall provide specialized services to people with visual and physical disabilities through the Minnesota Braille and Talking Book Library under a cooperative plan with the National Library ~~Services Service~~ Services Service for the Blind and ~~Physically Handicapped~~ Print Disabled of the Library of Congress.

Sec. 8. Minnesota Statutes 2022, section 134.32, subdivision 4, is amended to read:

Subd. 4. **Special project grants.** It may provide special project grants to assist innovative and experimental library programs including, but not limited to, special services for American Indians and ~~the Spanish-speaking multilingual learners~~, delivery of library materials to homebound persons, other extensions of library services to persons without access to libraries and projects to strengthen and improve library services.

Sec. 9. Minnesota Statutes 2022, section 134.34, subdivision 1, is amended to read:

Subdivision 1. **Local support levels.** (a) Regional library basic system support aid shall be provided to any regional public library system where there are at least three participating counties and where each participating city and county is providing for public library service support the lesser of (a) an amount equivalent to .82 percent of the average of the adjusted net tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second, third, and fourth year preceding that calendar year or (b) a per capita amount calculated under the provisions of this subdivision. The per capita amount is established for calendar year 1993 as \$7.62. In succeeding calendar years, the per capita amount shall be increased by a percentage equal to one-half of the percentage by which the total state adjusted net tax capacity of property as determined by the commissioner of revenue for the second year preceding that calendar year increases over that total adjusted net tax capacity for the third year preceding that calendar year.

(b) The minimum level of support specified under this subdivision or subdivision 4 shall be certified annually to the participating cities and counties by the Department of Education. If a city or county chooses to reduce its local support in accordance with subdivision 4, paragraph (b) or (c), it shall notify its regional public library system. The regional public library system shall notify the Department of Education that a revised certification is required. The revised minimum level of support shall be certified to the city or county by the Department of Education.

(c) A city which is a part of a regional public library system shall not be required to provide this level of support if the property of that city is already taxable by the county for the support of that regional public library system. In no event shall the Department of Education require any city or county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for regional library basic system support aid. This section shall not be construed to prohibit a city or county from providing a higher level of support for public libraries than the level of support specified in this section.

(d) The amounts required to be expended under this section are subject to the reduced maintenance of effort requirements under section 275.761.

Sec. 10. Minnesota Statutes 2022, section 134.355, subdivision 5, is amended to read:

Subd. 5. **Base aid distribution.** ~~Five~~ Fifteen percent of the available aid funds shall be paid to each system as base aid for basic system services.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2024 and later.

Sec. 11. Minnesota Statutes 2022, section 134.355, subdivision 6, is amended to read:

Subd. 6. **Adjusted net tax capacity per capita distribution.** ~~Twenty-five~~ Fifteen percent of the available aid funds shall be distributed to regional public library systems based upon the adjusted net tax capacity per capita for each member county or participating portion of a county as calculated for the ~~second~~ third year preceding the fiscal year for which aid is provided. Each system's entitlement shall be calculated as follows:

~~(a)~~ (1) multiply the adjusted net tax capacity per capita for each county or participating portion of a county by .0082;

~~(b)~~ (2) add sufficient aid funds that are available under this subdivision to raise the amount of the county or participating portion of a county with the lowest value calculated according to ~~paragraph (a) clause (1)~~ to the amount of the county or participating portion of a county with the next highest value calculated according to ~~paragraph (a) clause (1)~~. Multiply the amount of the additional aid funds by the population of the county or participating portion of a county;

~~(c)~~ (3) continue the process described in ~~paragraph (b) clause (2)~~ by adding sufficient aid funds that are available under this subdivision to the amount of a county or participating portion of a county with the next highest value calculated in ~~paragraph (a) clause (1)~~ to raise it and the amount of counties and participating portions of counties with lower values calculated in ~~paragraph (a) clause (1)~~ up to the amount of the county or participating portion of a county with the next highest value, until reaching an amount where funds available under this subdivision are no longer sufficient to raise the amount of a county or participating portion of a county and the amount of counties and participating portions of counties with lower values up to the amount of the next highest county or participating portion of a county; and

~~(d)~~ (4) if the point is reached using the process in ~~paragraphs (b) and (c) clauses (2) and (3)~~ at which the remaining aid funds under this subdivision are not adequate for raising the amount of a county or participating portion of a county and all counties and participating portions of counties with amounts of lower value to the amount of the county or participating portion of a county with the next highest value, those funds are to be divided on a per capita basis for all counties or participating portions of counties that received aid funds under the calculation in ~~paragraphs (b) and (c) clauses (2) and (3)~~.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2024 and later.

Sec. 12. Minnesota Statutes 2022, section 134.355, subdivision 7, is amended to read:

Subd. 7. **Population determination.** A regional public library system's population shall be determined according to must be calculated using the most recent estimate available under section 477A.011, subdivision 3, at the time the aid amounts are calculated, which must be by April 1 in the year the calculation is made.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2024 and later.

Sec. 13. Laws 2023, chapter 18, section 4, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, including the amounts for the free school meals program:

\$ 490,863,000 <u>190,897,000</u>	.....	2024
\$ 497,902,000 <u>198,154,000</u>	.....	2025

Sec. 14. Laws 2023, chapter 18, section 4, subdivision 3, is amended to read:

Subd. 3. **School breakfast.** For school breakfast aid under Minnesota Statutes, section 124D.1158:

\$ 25,731,000 <u>25,912,000</u>	.....	2024
\$ 26,538,000 <u>27,372,000</u>	.....	2025

Sec. 15. **APPROPRIATIONS.**

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. Basic system support. (a) For basic system support aid under Minnesota Statutes, section 134.355:

<u>\$15,550,000</u>	<u>.....</u>	<u>2024</u>
<u>\$15,770,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$1,357,000 for 2023 and \$14,193,000 for 2024.

(c) The 2025 appropriation includes \$1,757,000 for 2024 and \$14,213,000 for 2025.

Subd. 3. Electronic library for Minnesota. For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

<u>\$900,000</u>	<u>.....</u>	<u>2024</u>
<u>\$900,000</u>	<u>.....</u>	<u>2025</u>

Subd. 4. Kindergarten milk. For kindergarten milk aid under Minnesota Statutes, section 124D.118:

<u>\$659,000</u>	<u>.....</u>	<u>2024</u>
<u>\$659,000</u>	<u>.....</u>	<u>2025</u>

Subd. 5. Multicounty, multitype library systems. (a) For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<u>\$1,435,000</u>	<u>.....</u>	<u>2024</u>
<u>\$1,450,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$130,000 for 2023 and \$1,305,000 for 2024.

(c) The 2025 appropriation includes \$145,000 for 2024 and \$1,305,000 for 2025.

Subd. 6. Regional library telecommunications. (a) For regional library telecommunications aid under Minnesota Statutes, section 134.355:

<u>\$2,300,000</u>	<u>.....</u>	<u>2024</u>
<u>\$2,300,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$230,000 for 2023 and \$2,070,000 for 2024.

(c) The 2025 appropriation includes \$230,000 for 2024 and \$2,070,000 for 2025.

Subd. 7. Summer school food service replacement. For summer school food service replacement aid under Minnesota Statutes, section 124D.119:

<u>\$150,000</u>	<u>.....</u>	<u>2024</u>
<u>\$150,000</u>	<u>.....</u>	<u>2025</u>

Sec. 16. **REVISOR INSTRUCTION.**

The revisor of statutes shall replace the terms "free lunch," "reduced price lunch," "reduced-price lunch," and "free or reduced price lunch" with "free meals," "reduced-price meals," and "free or reduced-price meals" wherever they appear in Minnesota Statutes when used in context with the national school lunch and breakfast programs.

ARTICLE 10
EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2022, section 124D.151, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (e).

(b) In reviewing applications under subdivision 5, the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160 participants for fiscal years ~~2019, 2020, 2021, 2022, and 2023, and 3,160 participants for fiscal years 2024 and later~~ 2023 and 2024, and 12,360 participants for fiscal year 2025 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 2. Minnesota Statutes 2022, section 126C.05, subdivision 1, is amended to read:

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.08, or 124D.68; in a charter school under chapter 124E; 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 individualized education program 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 unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled 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 individualized education program to 875, but not more than one.~~

~~(d)~~ (c) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved voluntary prekindergarten program under section 124D.151 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units.

~~(e)~~ (d) A kindergarten pupil ~~who is not included in paragraph (c)~~ is counted as 1.0 pupil unit 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 unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

~~(f)~~ (e) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

~~(g)~~ (f) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

~~(h)~~ (g) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

~~(i)~~ For fiscal years 2018 through 2023, (h) A prekindergarten pupil who:

(1) is not included in paragraph (a), (b), or ~~(d)~~ (c);

(2) is enrolled in a school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9; and

(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program,

is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same manner as a voluntary prekindergarten student for all general education and other school funding formulas.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 3. Minnesota Statutes 2022, section 126C.05, subdivision 3, as amended by Laws 2023, chapter 18, section 3, is amended to read:

Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units 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 voluntary prekindergarten programs under section 124D.151, 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 voluntary prekindergarten program, 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) Notwithstanding paragraphs (a) to (e), for voluntary prekindergarten seats discontinued in fiscal year 2024 due to the reduction in the participation limit under section 124D.151, subdivision 6, those discontinued seats must not be used to calculate compensation revenue pupil units for fiscal year 2024.~~

~~(f) (e)~~ The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

~~(g) (f)~~ Notwithstanding paragraphs (a) to ~~(f) (e)~~, for revenue in fiscal year 2025 only, the compensation revenue pupil units for each building in a district equals the greater of the building's actual compensation revenue pupil units computed according to paragraphs (a) to ~~(f) (e)~~ for revenue in fiscal year 2025, or the building's actual compensation revenue pupil units computed according to paragraphs (a) to ~~(f) (e)~~ for revenue in fiscal year 2024.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 4. Minnesota Statutes 2022, section 126C.10, subdivision 2d, is amended to read:

Subd. 2d. **Declining enrollment revenue.** ~~(a)~~ A school district's declining enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance for that year and (2) the difference between the adjusted pupil units for the preceding year and the adjusted pupil units for the current year.

~~(b) Notwithstanding paragraph (a), for fiscal year 2024 only, prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be excluded from the calculation of declining enrollment revenue.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

ARTICLE 11 COMMUNITY EDUCATION AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2022, section 124D.20, subdivision 3, is amended to read:

Subd. 3. **General community education revenue.** The general community education revenue for a district equals ~~\$5.23 for fiscal years 2005 and 2006 and \$5.42~~ \$5.75 for fiscal year ~~2007~~ 2025 and later, times the greater of 1,335 or the population of the district. The population of the district is determined according to section 275.14.

Sec. 2. Minnesota Statutes 2022, section 124D.20, subdivision 5, is amended to read:

Subd. 5. **Total community education levy.** ~~(a) For fiscal years prior to 2025,~~ to obtain total community education revenue, a district may levy the amount raised by a maximum tax rate of 0.94 percent times the adjusted net tax capacity of the district. If the amount of the total community education levy would exceed the total community education revenue, the total community education levy shall be determined according to subdivision 6.

~~(b) By August 30 of each year, the commissioner shall establish a tax rate for the community education levy that raises the amount specified in paragraph (c). The community education levy must not exceed the community education revenue computed in subdivision 3.~~

~~(c) The community education levy amount is \$42,379,000 for fiscal year 2025, \$42,713,000 for fiscal year 2026, and \$43,045,000 for each subsequent fiscal year.~~

Sec. 3. Minnesota Statutes 2022, section 124D.2211, is amended to read:

124D.2211 AFTER-SCHOOL COMMUNITY LEARNING PROGRAMS.

Subdivision 1. **Establishment.** A competitive statewide after-school community learning grant program is established to provide grants to ~~community or nonprofit organizations, political subdivisions, for-profit or nonprofit child care centers, or school-based programs that serve~~ support eligible organizations to provide culturally affirming and enriching after-school and summer learning programs for school-age youth after school or during nonschool hours. Grants must be used to offer a broad array of academic enrichment activities that promote positive after-school and summer learning activities, including art, music, community engagement, literacy, science, technology, engineering, math, health, and recreation programs. The commissioner shall develop criteria for after-school community learning programs that promote partnerships and active collaboration with the schools that participating students attend. The commissioner may award grants under this section to community or nonprofit organizations, culturally specific organizations, American Indian organizations, Tribal Nations, political subdivisions, public libraries, or school-based programs that serve youth after school, during the summer, or during nonschool hours.

Subd. 2. ~~Program outcomes~~ **Objectives.** The ~~expected outcomes objectives~~ of the after-school community learning programs are to ~~increase~~:

- ~~(1) school connectedness of participants;~~
- ~~(2) academic achievement of participating students in one or more core academic areas;~~
- ~~(3) the capacity of participants to become productive adults; and~~
- ~~(4) prevent truancy from school and prevent juvenile crime.~~

(1) increase access to comprehensive and culturally affirming after-school and summer learning and enrichment opportunities that meet the academic, social, and emotional needs of historically underserved students;

(2) promote engagement in learning and connections to school and community; and

(3) encourage school attendance and improve academic performance.

Subd. 3. **Grants.** (a) An applicant ~~shall~~ must submit an after-school community learning program proposal to the commissioner. The submitted ~~plan~~ proposal must include:

- ~~(1) collaboration with and leverage of existing community resources that have demonstrated effectiveness;~~
- ~~(2) outreach to children and youth; and~~
- ~~(3) involvement of local governments, including park and recreation boards or schools, unless no government agency is appropriate.~~

~~Proposals will be reviewed and approved by the commissioner.~~

(1) an assessment of the needs and available resources for the after-school community learning program and a description of how the proposed program will address the needs identified, including how students and families were engaged in the process;

(2) a description of the partnership between a school and another eligible entity;

(3) an explanation of how the proposal will support the objectives identified in subdivision 2, including the use of best practices;

(4) a plan to implement effective after-school and summer learning practices and provide staff access to professional development opportunities; and

(5) a description of the data they will use to evaluate the impact of the program.

(b) The commissioner must review proposals and award grants to programs that:

(1) primarily serve historically underserved students; and

(2) provide opportunities for academic enrichment and a broad array of additional services and activities to meet program objectives.

(c) To the extent practicable, the commissioner must award grants equitably among the geographic areas of Minnesota, including rural, suburban, and urban communities.

Subd. 4. **Technical assistance and continuous improvement.** (a) The commissioner must monitor and evaluate the performance of grant recipients to assess the effectiveness of after-school community learning programs in meeting the objectives identified in subdivision 2.

(b) The commissioner must provide technical assistance, capacity building, and professional development to grant recipients, including guidance on effective practices for after-school and summer learning programs.

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

Sec. 4. Minnesota Statutes 2022, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

(2) the greater of 1.00 or the lesser of:

(i) 1.03; or

(ii) the average growth in state total contact hours over the prior ten program years.

Three percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 5. Minnesota Statutes 2022, section 124D.531, subdivision 4, is amended to read:

Subd. 4. **Adult basic education program aid limit.** (a) Notwithstanding subdivisions 2 and 3, the total adult basic education aid for a program per prior year contact hour must not exceed ~~\$22~~ \$30 per prior year contact hour computed under subdivision 3, clause (2).

(b) The aid for a program under subdivision 3, clause (2), adjusted for changes in program membership, must not exceed the aid for that program under subdivision 3, clause (2), for the first preceding fiscal year by more than the greater of 11 percent or \$10,000.

(c) Adult basic education aid is payable to a program for unreimbursed costs occurring in the program year as defined in section 124D.52, subdivision 3.

(d) Any adult basic education aid that is not paid to a program because of the program aid limitation under paragraph (a) must be added to the state total adult basic education aid for the next fiscal year under subdivision 1. Any adult basic education aid that is not paid to a program because of the program aid limitations under paragraph (b) must be reallocated among programs by adjusting the rate per contact hour under subdivision 3, clause (2).

Sec. 6. Minnesota Statutes 2022, section 124D.55, is amended to read:

124D.55 COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY TEST FEES.

(a) The commissioner shall pay 60 percent of the fee that is charged to an eligible individual for the full battery of the commissioner-selected high school equivalency tests, but not more than \$40 for an eligible individual.

(b) Notwithstanding paragraph (a), for fiscal years ~~2020 and 2021~~ 2023 through 2027 only, subject to the availability of funds, the commissioner shall pay 100 percent of the fee charged to an eligible individual for the full battery of the commissioner-selected high school equivalency tests, but not more than the cost of one full battery of tests per year for any individual.

Sec. 7. Minnesota Statutes 2022, section 124D.56, is amended to read:

124D.56 COMMUNITY EDUCATION PROGRAM REVENUE; ADULTS WITH DISABILITIES.

Subdivision 1. **Revenue amount.** A district that is eligible according to section 124D.20, subdivision 2, may receive revenue for a program for adults with disabilities. Revenue for the program for adults with disabilities for a district ~~or a group of districts~~ equals ~~the lesser of:~~

~~(1) the actual expenditures for approved programs and budgets; or~~

~~(2) \$60,000~~ the greater of (1) \$0.35 times the population of the school district as determined according to section 275.14, or (2) the district's adults with disabilities revenue for fiscal year 2023. If the district does not levy the entire amount permitted, the district's adults with disabilities aid is reduced in proportion to the actual amount levied.

Subd. 2. **Aid.** Program aid for adults with disabilities equals ~~the lesser of:~~

~~(1) one half of the actual expenditures for approved programs and budgets; or~~

~~(2) \$30,000~~ difference between the district's adults with disabilities revenue and the district's adults with disabilities levy.

Subd. 3. **Levy.** A district may levy for a program for adults with disabilities in an amount up to the amount designated in subdivision 2. In the case of a program offered by a group of districts, the levy amount must be apportioned among the districts according to the agreement submitted to the department, not to exceed the greater of:

(1) the district's revenue under subdivision 1; or

(2) the product of a tax rate not to exceed .00006 times the district's adjusted net tax capacity for the year prior to the year the levy is certified.

Subd. 4. **Outside revenue.** A district may receive money from public or private sources to supplement revenue for the program for adults with disabilities. Aid may not be reduced as a result of receiving money from these sources.

Subd. 5. **Use of revenue.** Revenue for the program for adults with disabilities may be used only to provide programs for adults with disabilities.

Subd. 6. **Cooperation encouraged.** A school district offering programming for adults with disabilities is encouraged to provide programming in cooperation with other school districts and other public and private organizations providing services to adults with disabilities.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 8. Minnesota Statutes 2022, section 124D.99, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section the terms defined in this subdivision have the meanings given them.

(b) "~~Tier 1 grant~~" "Neighborhood partnership grant" means a sustaining grant for the ongoing operation, stability, and expansion of existing education partnership program locations serving a defined geographic area within a single municipality.

(c) "~~Tier 2 grant~~" "Regional neighborhood partnership grant" means an implementation grant for ~~expanding activity in the ongoing operation, stability, and expansion of activity of existing~~ education partnership program locations serving a defined geographic area encompassing an entire municipality or part of or all of multiple municipalities.

Sec. 9. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Adult basic education aid.** (a) For adult basic education aid under Minnesota Statutes, section 124D.531:

<u>\$51,763,000</u>	.....	<u>2024</u>
<u>\$51,758,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$5,179,000 for 2023 and \$46,584,000 for 2024.

(c) The 2025 appropriation includes \$5,175,000 for 2024 and \$46,583,000 for 2025.

Subd. 3. Adults with disabilities program aid. (a) For adults with disabilities programs under Minnesota Statutes, section 124D.56:

<u>\$710,000</u>	.....	<u>2024</u>
<u>\$1,793,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$71,000 for 2023 and \$639,000 for 2024.

(c) The 2025 appropriation includes \$71,000 for 2024 and \$1,722,000 for 2025.

Subd. 4. After school community learning grant program. (a) For grants for after school community learning programs in accordance with Minnesota Statutes, section 124D.2211:

<u>\$25,000,000</u>	.....	<u>2024</u>
<u>\$0</u>	.....	<u>2025</u>

(b) Up to three percent of the appropriation is for an organization serving as the statewide after-school network to assist with the requirements of Minnesota Statutes, section 124D.2211, subdivision 4, paragraph (b).

(c) Up to two percent of the appropriation is available for grant administration, monitoring, providing technical assistance, and program evaluation.

(d) This is a onetime appropriation and is available until June 30, 2027.

Subd. 5. Community education aid. (a) For community education aid under Minnesota Statutes, section 124D.20:

<u>\$98,000</u>	.....	<u>2024</u>
<u>\$2,061,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$14,000 for 2023 and \$84,000 for 2024.

(c) The 2025 appropriation includes \$9,000 for 2024 and \$2,052,000 for 2025.

Subd. 6. Deaf, deafblind, and hard-of-hearing adults. For programs for deaf, deafblind, and hard-of-hearing adults under Minnesota Statutes, section 124D.57:

<u>\$70,000</u>	.....	<u>2024</u>
<u>\$70,000</u>	.....	<u>2025</u>

Subd. 7. High school equivalency tests. (a) For payment of the costs of the commissioner-selected high school equivalency tests under Minnesota Statutes, section 124D.55:

<u>\$615,000</u>	.....	<u>2024</u>
<u>\$125,000</u>	.....	<u>2025</u>

(b) Of the amounts in paragraph (a), \$490,000 in fiscal year 2024 is available until June 30, 2027.

Subd. 8. Neighborhood partnership grants. (a) For neighborhood partnership grants under Minnesota Statutes, section 124D.99:

<u>\$2,600,000</u>	<u>.....</u>	<u>2024</u>
<u>\$2,600,000</u>	<u>.....</u>	<u>2025</u>

(b) Of the amounts in paragraph (a), \$1,300,000 each year is for the Northside Achievement Zone and \$1,300,000 each year is for the St. Paul Promise Neighborhood.

Subd. 9. Regional neighborhood partnership grants. (a) For regional neighborhood partnership grants under Minnesota Statutes, section 124D.99:

<u>\$700,000</u>	<u>.....</u>	<u>2024</u>
<u>\$700,000</u>	<u>.....</u>	<u>2025</u>

(b) Of the amounts in paragraph (a), \$100,000 each year is for the following programs:

(1) Northfield Healthy Community Initiative in Northfield;

(2) Red Wing Youth Outreach Program in Red Wing;

(3) United Way of Central Minnesota in St. Cloud;

(4) Austin Aspires in Austin;

(5) Rochester Area Foundation in Rochester;

(6) Greater Twin Cities United Way for Generation Next; and

(7) Children First and Partnership for Success in St. Louis Park.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 10. School-age care aid. (a) For school-age care aid under Minnesota Statutes, section 124D.22:

<u>\$1,000</u>	<u>.....</u>	<u>2024</u>
<u>\$1,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$0 for 2023 and \$1,000 for 2024.

(c) The 2025 appropriation includes \$0 for 2024 and \$1,000 for 2025.

ARTICLE 12 STATE AGENCIES

Section 1. Minnesota Statutes 2022, section 121A.04, subdivision 1, is amended to read:

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, race, and ethnicity. The purpose of this section is to provide an equal opportunity for members of both sexes and members of all races and ethnicities to participate in athletic programs.

Sec. 2. Minnesota Statutes 2022, section 121A.04, subdivision 2, is amended to read:

Subd. 2. **Equal opportunity in athletic programs.** Each educational institution or public service shall provide equal opportunity for members of both sexes and members of all races and ethnicities 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 opportunity for members of all races and ethnicities to participate in the athletic program reflects the demonstrated interest in athletics of members of all races and ethnicities 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; whether the variety and selection of sports and levels of competition effectively accommodate the demonstrated interests of members of all races and ethnicities; 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.

Sec. 3. Minnesota Statutes 2022, section 121A.582, subdivision 1, is amended to read:

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 to~~ prevent imminent bodily harm or death to the student or 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 to~~ prevent bodily harm or death to the student or to another.

(c) Paragraphs (a) and (b) do not authorize conduct prohibited under section 125A.0942.

(d) Districts must report data on their use of any reasonable force used on a student with a disability to correct or restrain the student to prevent imminent bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c), as outlined in section 125A.0942, subdivision 3, paragraph (b).

(e) Beginning with the 2023-2024 school year, districts must report annually by July 15, in a form and manner determined by the commissioner, data from the prior school year about any reasonable force used on a general education student to correct or restrain the student to prevent imminent bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c).

Sec. 4. Minnesota Statutes 2022, section 122A.07, subdivision 1, is amended to read:

Subdivision 1. **Appointment of members.** The Professional Educator Licensing and Standards Board consists of ~~44~~ 13 members appointed by the governor, with the advice and consent of the senate. Membership terms, ~~compensation of members,~~ removal of members, the filling of membership vacancies, and fiscal year and reporting requirements are as provided in sections 214.07 to 214.09. No member may be reappointed for more than one additional term.

Sec. 5. Minnesota Statutes 2022, section 122A.07, subdivision 2, is amended to read:

Subd. 2. **Eligibility; board composition.** Each ~~nominee~~ appointee, other than a public nominee, must be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure. The board must be composed of:

(1) ~~six~~ seven teachers who are currently teaching in a Minnesota school ~~or who were teaching at the time of the appointment~~, have at least five years of teaching experience, and ~~were~~ are not serving in ~~an administrative function at a school district or school when appointed~~ a position requiring an administrative license, pursuant to section 122A.14. The ~~six~~ seven teachers must include the following:

(i) one teacher in a charter school;

(ii) ~~one teacher~~ two teachers from a school located in the seven-county metropolitan area, as defined in section 473.121, subdivision 2;

(iii) ~~one teacher~~ two teachers from a school located outside the seven-county metropolitan area;

(iv) one teacher from a related service category licensed by the board; and

(v) one special education teacher; ~~and~~

~~(vi) one teacher from a teacher preparation program;~~

~~(2) two teachers currently teaching in a board-approved teacher preparation program;~~

~~(2)~~ (3) one superintendent ~~that alternates, alternating~~ alternating each term between a superintendent from a school district in the seven-county metropolitan area, as defined in section 473.121, subdivision 2, and a superintendent from a school district outside the metropolitan area;

~~(3) one school district human resources director;~~

(4) one ~~administrator of a cooperative unit under section 123A.24, subdivision 2,~~ educator who oversees a special education program and who works closely with a cooperative unit under section 123A.24, subdivision 2;

(5) one principal ~~that alternates, alternating~~ alternating each term between an elementary and a secondary school principal; and

(6) one member of the public that may be a current or former school board member.

Sec. 6. Minnesota Statutes 2022, section 122A.07, subdivision 4, is amended to read:

Subd. 4. **Terms, compensation; removal; vacancies.** (a) The review and processing of complaints; the setting of fees; the selection and duties of an executive director to serve the board; and other provisions relating to board operations not provided in this chapter are as provided in chapter 214. Membership terms, except as provided in subdivision 2a, ~~compensation of members,~~ removal of members, the filling of membership vacancies, and fiscal year and reporting requirements are as provided in sections 214.07 to 214.09.

(b) Board members must receive a stipend of up to \$4,800 annually, prorated monthly, during each year of service on the board.

Sec. 7. Minnesota Statutes 2022, section 122A.07, subdivision 4a, is amended to read:

Subd. 4a. **Administration.** (a) The executive director of the board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director shall maintain the records of the board, account for all fees received by the board, supervise and direct employees servicing the board, and perform other services as directed by the board.

(b) The Department of Administration must provide administrative support in accordance with section 16B.371. The commissioner of administration must assess the board for services it provides under this section.

~~(c) The Department of Education must provide suitable offices and other space to the board at reasonable cost until January 1, 2020. Thereafter, the board may contract with either the Department of Education or the Department of Administration for the provision of suitable offices and other space, joint conference and hearing facilities, and examination rooms.~~

Sec. 8. Minnesota Statutes 2022, section 122A.07, subdivision 5, is amended to read:

Subd. 5. **District reimbursement for costs of substitute teachers.** The Professional Educator Licensing and Standards Board ~~may~~ must reimburse local school districts for the costs of substitute teachers employed when regular teachers are providing professional assistance to the state by serving on the board or on a committee or task force appointed by the board and charged to make recommendations concerning standards for teacher licensure in this state.

Sec. 9. Minnesota Statutes 2022, section 122A.07, subdivision 6, is amended to read:

Subd. 6. **Public employer compensation reduction prohibited.** (a) The public employer of a member must not reduce the member's compensation or benefits because of the member's absence from employment when engaging in the business of the board.

(b) The public employer of a member must grant the member time off to join board meetings, committee meetings, and board retreats.

Sec. 10. Minnesota Statutes 2022, section 125A.71, subdivision 1, is amended to read:

Subdivision 1. **Rental income; appropriation.** Rental income, ~~excluding rent for land and living residences,~~ must be deposited in the state treasury and credited to a revolving fund of the academies. Money in the revolving fund for rental income is annually appropriated to the academies for staff development purposes. Payment from the revolving fund for rental income may be made only according to vouchers authorized by the administrator of the academies.

Sec. 11. **[127A.21] OFFICE OF THE INSPECTOR GENERAL.**

Subdivision 1. **Establishment of Office of the Inspector General; powers; duties.** The commissioner must establish within the department an Office of the Inspector General. The Office of the Inspector General is charged with protecting the integrity of the department and the state by detecting and preventing fraud, waste, and abuse in department programs. The Office of the Inspector General must conduct independent and objective investigations to promote the integrity of the department's programs and operations. When fraud or other misuse of public funds is detected, the Office of the Inspector General must report it to the appropriate law enforcement entity and collaborate and cooperate with law enforcement to assist in the investigation and any subsequent civil and criminal prosecution.

Subd. 2. **Data practices; hiring; reporting.** The Office of the Inspector General has access to all program data, regardless of classification under chapter 13, held by the department, school districts or charter schools, grantees, and any other recipient of funds from the department. The commissioner, or the commissioner's designee, must hire an inspector general to lead the Office of the Inspector General. The inspector general must hire a deputy inspector general and, at the discretion of the inspector general, sufficient assistant inspectors general to carry out the duties of the office. In a form and manner determined by the inspector general, the Office of the Inspector General must develop a public platform for the public to report instances of potential fraud, waste, or abuse of public funds administered by the department.

Sec. 12. **[127A.215] COMPREHENSIVE SCHOOL MENTAL HEALTH SERVICES LEAD.**

Subdivision 1. **Lead position established.** The department must employ a comprehensive school mental health services lead to serve as a source of information and support for schools in addressing the mental health needs of students, teachers, and school staff and developing comprehensive school mental health systems in school districts and charter schools.

Subd. 2. **Assistance to districts.** (a) The lead must, upon request, assist schools in assessing the quality of their comprehensive school mental health systems and developing improvement plans to implement evidence-based mental health resources, tools, and practices in school districts and charter schools throughout Minnesota.

(b) The lead must establish a clearinghouse and provide information and resources for school districts, charter schools, teachers, school staff, and families to support students', teachers', and school staff's mental health needs.

(c) The lead must work with school districts and charter schools to improve mental health infrastructure support by:

(1) developing guidance and sharing resources on improving the quality of comprehensive school mental health systems;

(2) developing and sharing resources on evidence-based strategies, behavioral interventions, and practices or techniques for addressing mental health needs, including implementing a comprehensive approach to suicide prevention;

(3) facilitating coordination and cooperation to enable school districts and charter schools to share strategies, challenges, and successes associated with supporting the mental health needs of students, teachers, and staff;

(4) providing advice, upon request, to schools on implementing trauma-informed and culturally responsive school-based programs that provide prevention or intervention services to students, teachers, and staff;

(5) aligning resources among the different state agencies, including the Department of Education, Department of Human Services, and Department of Health, to ensure school mental health systems can efficiently access state resources; and

(6) maintaining a comprehensive list of resources on the Department of Education website that schools may use to address students', teachers', and staff's mental health needs, including grant opportunities; community-based prevention and intervention services; model policies; written publications that schools may distribute to students, teachers, and staff; professional development opportunities; best practices; and other resources for mental health education under section 120B.21.

(d) The lead may report to the legislature as necessary regarding students', teachers', and school staff's mental health needs; challenges in developing comprehensive school mental health services; successful strategies and outcomes; and recommendations for integrating mental health services and supports in schools.

Subd. 3. **Coordination with other agencies.** The comprehensive school mental health services lead must consult with the Regional Centers of Excellence, the Department of Health, the Department of Human Services, the Minnesota School Safety Center, and other federal, state, and local agencies as necessary to identify or develop information, training, and resources to help school districts and charter schools support students', teachers', and school staff's mental health needs.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 13. Laws 2021, First Special Session chapter 13, article 11, section 4, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

\$30,837,000	.....	2022
\$26,287,000	.....	2023

Of these amounts:

- (1) \$319,000 each year is for the Board of School Administrators;
 - (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;
 - (3) \$250,000 each year is for the School Finance Division to enhance financial data analysis;
 - (4) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;
 - (5) \$123,000 each year is for a dyslexia specialist;
 - (6) \$480,000 each year is for the Department of Education's mainframe update;
 - (7) \$4,500,000 in fiscal year 2022 only is for legal fees and costs associated with litigation; and
 - (8) \$340,000 in fiscal years 2022 and 2023 only are for voluntary prekindergarten programs.
- (b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.
- (c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.
- (d) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.21. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanisms specified in that agreement.
- (e) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (a), the base for fiscal year 2024 and later is \$25,965,000.
- (f) On the effective date of this act, \$1,500,000 from the fiscal year 2022 appropriation for legal fees and costs associated with litigation is canceled to the general fund.

Sec. 14. **PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD MEMBERSHIP.**

By July 15, 2023, the governor must nominate members to the Professional Educator Licensing and Standards Board to ensure the board consists of 13 members. Notwithstanding any law to the contrary, the term of the school district human resources director serving on the board as of March 1, 2023, ends December 31, 2023. By January 1, 2024, the governor must nominate a member to the board to ensure the board consists of the 13 members required under Minnesota Statutes, section 122A.07, subdivision 2.

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

Sec. 15. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Comprehensive school mental health services lead.** For the comprehensive school mental health services lead under Minnesota Statutes, section 127A.215:

<u>\$150,000</u>	<u>.....</u>	<u>2024</u>
<u>\$150,000</u>	<u>.....</u>	<u>2025</u>

Subd. 3. **Department.** (a) For the Department of Education:

<u>\$42,430,000</u>	<u>.....</u>	<u>2024</u>
<u>\$37,245,000</u>	<u>.....</u>	<u>2025</u>

Of these amounts:

(1) \$405,000 each year is for the Board of School Administrators;

(2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;

(4) \$480,000 each year is for the Department of Education's mainframe update;

(5) \$7,500,000 in fiscal year 2024 only is for legal fees and costs associated with litigation;

(6) \$595,000 in fiscal year 2024 and \$2,609,000 in fiscal year 2025 are for modernizing district data submissions. The base for this appropriation is \$2,359,000 in fiscal year 2026 and thereafter;

(7) \$573,000 each year is for engagement and rulemaking related to Specific Learning Disability;

(8) \$150,000 each year is for an ethnic studies specialist in the academic standards division to provide support to the ethnic studies working group and to school districts seeking to establish or strengthen ethnic studies courses;

(9) \$2,000,000 each year is for the Office of the Inspector General established under section 127A.21; and

(10) \$800,000 each year is for audit and internal control resources.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.21. Any ongoing information technology costs may be incorporated into the service level agreement and may be paid to the Department of Information Technology Services by the Department of Education under the rates and mechanisms specified in that agreement.

(e) The base for the Department of Education for fiscal year 2026 and later is \$36,990,000.

Subd. 4. **Equity, Diversity, and Inclusion Center staffing.** For staffing the Equity, Diversity and Inclusion (EDI) Center at the Department of Education:

<u>\$2,000,000</u>	.....	<u>2024</u>
<u>\$2,000,000</u>	.....	<u>2025</u>

Subd. 5. **Unemployment insurance aid administration.** For administrative expenses:

<u>\$275,000</u>	.....	<u>2024</u>
<u>\$175,000</u>	.....	<u>2025</u>

Sec. 16. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

Subdivision 1. **Minnesota State Academies.** (a) The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

<u>\$17,445,000</u>	.....	<u>2024</u>
<u>\$16,868,000</u>	.....	<u>2025</u>

Of these amounts:

(1) \$125,000 in fiscal year 2024 only is for an audiology booth and related testing equipment; and

(2) \$445,000 in fiscal year 2024 and \$185,000 in fiscal year 2025 are for a mental health day treatment program. These funds are available until June 30, 2027. The base amount for the allocation under this clause is \$185,000 in fiscal year 2026 and later.

(b) The base for fiscal year 2026 is \$17,115,000 and the base for fiscal year 2027 and later is \$16,872,000.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Unemployment insurance costs.** For unemployment insurance costs for the Minnesota State Academies:

<u>\$321,000</u>	.....	<u>2024</u>
<u>\$321,000</u>	.....	<u>2025</u>

Sec. 17. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

Subdivision 1. **Perpich Center for Arts Education.** (a) The sums indicated in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

<u>\$9,219,000</u>	.....	<u>2024</u>
<u>\$8,411,000</u>	.....	<u>2025</u>

Of these amounts, \$1,150,000 in fiscal year 2024 only is for furniture replacement in the agency's dormitory and classrooms, including costs associated with moving and disposal.

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Unemployment insurance costs.** For unemployment insurance costs of the Perpich Center for Arts Education:

<u>\$24,000</u>	.....	<u>2024</u>
<u>\$24,000</u>	.....	<u>2025</u>

Sec. 18. **APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** (a) The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated:

<u>\$3,036,000</u>	.....	<u>2024</u>
<u>\$3,180,000</u>	.....	<u>2025</u>

(b) Any balance in the first year does not cancel but is available in the second year.

(c) This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.21. Any ongoing information technology costs may be incorporated into an interagency agreement and may be paid to the Department of Information Technology Services by the Professional Educator Licensing and Standards Board under the mechanism specified in that agreement.

Subd. 2. **Licensure by portfolio.** (a) For licensure by portfolio:

<u>\$34,000</u>	.....	<u>2024</u>
<u>\$34,000</u>	.....	<u>2025</u>

(b) This appropriation is from the education licensure portfolio account in the special revenue fund.

ARTICLE 13
FORECAST

A. GENERAL EDUCATION

Section 1. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 2, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

<u>\$7,569,266,000</u>	.....	<u>2022</u>
<u>\$ 7,804,527,000 7,538,983,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$717,326,000 for 2021 and \$6,851,940,000 for 2022.

The 2023 appropriation includes \$734,520,000 for 2022 and ~~\$7,070,007,000~~ \$6,804,463,000 for 2023.

Sec. 2. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 3, is amended to read:

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$12,000	.....	2022
\$ 13,000 <u>16,000</u>	.....	2023

Sec. 3. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 4, is amended to read:

Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:

\$2,897,000	.....	2022
\$ 3,558,000 <u>1,434,000</u>	.....	2023

The 2022 appropriation includes \$269,000 for 2021 and \$2,628,000 for 2022.

The 2023 appropriation includes \$291,000 for 2022 and ~~\$3,267,000~~ \$1,143,000 for 2023.

Sec. 4. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 5, is amended to read:

Subd. 5. **Consolidation transition aid.** For districts consolidating under Minnesota Statutes, section 123A.485:

\$309,000	.....	2022
\$ 373,000 <u>95,000</u>	.....	2023

The 2022 appropriation includes \$30,000 for 2021 and \$279,000 for 2022.

The 2023 appropriation includes \$31,000 for 2022 and ~~\$342,000~~ \$64,000 for 2023.

Sec. 5. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 6, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$16,991,000	.....	2022
\$ 17,450,000 <u>19,003,000</u>	.....	2023

The 2022 appropriation includes \$1,903,000 for 2021 and \$15,088,000 for 2022.

The 2023 appropriation includes \$1,676,000 for 2022 and ~~\$15,774,000~~ \$17,327,000 for 2023.

Sec. 6. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 7, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$19,770,000	.....	2022
\$ 19,906,000 <u>21,027,000</u>	.....	2023

The 2022 appropriation includes \$1,910,000 for 2021 and \$17,860,000 for 2022.

The 2023 appropriation includes \$1,984,000 for 2022 and ~~\$17,922,000~~ \$19,043,000 for 2023.

Sec. 7. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 9, is amended to read:

Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$2,668,000	.....	2022
\$ 2,279,000 <u>1,914,000</u>	.....	2023

The 2022 appropriation includes \$323,000 for 2021 and \$2,345,000 for 2022.

The 2023 appropriation includes \$260,000 for 2022 and ~~\$2,019,000~~ \$1,654,000 for 2023.

B. EDUCATION EXCELLENCE

Sec. 8. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 2, is amended to read:

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$84,057,000	.....	2022
\$ 83,431,000 <u>81,579,000</u>	.....	2023

The 2022 appropriation includes \$8,868,000 for 2021 and \$75,189,000 for 2022.

The 2023 appropriation includes \$8,353,000 for 2022 and ~~\$75,078,000~~ \$73,226,000 for 2023.

Sec. 9. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 3, is amended to read:

Subd. 3. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$11,351,000	.....	2022
\$ 11,775,000 <u>11,575,000</u>	.....	2023

The 2022 appropriation includes \$1,102,000 for 2021 and \$10,249,000 for 2022.

The 2023 appropriation includes \$1,138,000 for 2022 and ~~\$10,637,000~~ \$10,437,000 for 2023.

Sec. 10. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 4, is amended to read:

Subd. 4. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124E.22:

\$93,547,000	.....	2022
\$ 99,819,000 <u>90,864,000</u>	.....	2023

The 2022 appropriation includes \$8,617,000 for 2021 and \$84,930,000 for 2022.

The 2023 appropriation includes \$9,436,000 for 2022 and ~~\$90,383,000~~ \$81,428,000 for 2023.

Sec. 11. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 12, is amended to read:

Subd. 12. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$12,310,000	.....	2022
\$ 14,823,000 <u>13,785,000</u>	.....	2023

Sec. 12. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 27, is amended to read:

Subd. 27. **Tribal contract school aid.** For Tribal contract school aid under Minnesota Statutes, section 124D.83:

\$2,743,000	.....	2022
\$ 3,160,000 <u>2,581,000</u>	.....	2023

The 2022 appropriation includes \$240,000 for 2021 and \$2,503,000 for 2022.

The 2023 appropriation includes \$278,000 for 2022 and ~~\$2,882,000~~ \$2,303,000 for 2023.

C. TEACHERS

Sec. 13. Laws 2021, First Special Session chapter 13, article 3, section 7, subdivision 7, is amended to read:

Subd. 7. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$88,896,000	.....	2022
\$ 88,898,000 <u>88,308,000</u>	.....	2023

(b) The 2022 appropriation includes \$8,877,000 for 2021 and \$80,019,000 for 2022.

(c) The 2023 appropriation includes \$8,891,000 for 2022 and ~~\$80,007,000~~ \$79,417,000 for 2023.

D. SPECIAL EDUCATION

Sec. 14. Laws 2021, First Special Session chapter 13, article 5, section 3, subdivision 2, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$1,822,998,000	.....	2022
\$ 1,945,533,000 <u>1,859,205,000</u>	.....	2023

The 2022 appropriation includes \$215,125,000 for 2021 and \$1,607,873,000 for 2022.

The 2023 appropriation includes \$226,342,000 for 2022 and ~~\$1,719,191,000~~ \$1,632,863,000 for 2023.

Sec. 15. Laws 2021, First Special Session chapter 13, article 5, section 3, subdivision 3, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$1,818,000	.....	2022
\$ 2,010,000 <u>1,484,000</u>	.....	2023

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 16. Laws 2021, First Special Session chapter 13, article 5, section 3, subdivision 4, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$465,000	.....	2022
\$ 512,000 <u>337,000</u>	.....	2023

The 2022 appropriation includes \$23,000 for 2021 and \$442,000 for 2022.

The 2023 appropriation includes \$49,000 for 2022 and ~~\$463,000~~ \$288,000 for 2023.

E. FACILITIES

Sec. 17. Laws 2021, First Special Session chapter 13, article 7, section 2, subdivision 2, is amended to read:

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$25,001,000	.....	2022
\$ 24,286,000 <u>24,315,000</u>	.....	2023

The 2022 appropriation includes \$2,588,000 for 2021 and \$22,413,000 for 2022.

The 2023 appropriation includes \$2,490,000 for 2022 and ~~\$21,796,000~~ \$21,825,000 for 2023.

Sec. 18. Laws 2021, First Special Session chapter 13, article 7, section 2, subdivision 3, is amended to read:

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$108,582,000	.....	2022
\$ 111,077,000 <u>108,269,000</u>	.....	2023

The 2022 appropriation includes \$10,660,000 for 2021 and \$97,922,000 for 2022.

The 2023 appropriation includes \$10,880,000 for 2022 and ~~\$100,197,000~~ \$97,389,000 for 2023.

F. NUTRITION

Sec. 19. Laws 2021, First Special Session chapter 13, article 8, section 3, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$16,661,000	.....	2022
\$ 16,954,000 <u>15,984,000</u>	.....	2023

Sec. 20. Laws 2021, First Special Session chapter 13, article 8, section 3, subdivision 3, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$11,848,000	.....	2022
\$ 12,200,000 <u>10,802,000</u>	.....	2023

Sec. 21. Laws 2021, First Special Session chapter 13, article 8, section 3, subdivision 4, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$656,000	.....	2022
\$ 658,000 <u>659,000</u>	.....	2023

G. EARLY EDUCATION

Sec. 22. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 5, is amended to read:

Subd. 5. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$35,003,000	.....	2022
\$ 36,478,000 <u>35,180,000</u>	.....	2023

(b) The 2022 appropriation includes \$3,341,000 for 2021 and \$31,662,000 for 2022.

(c) The 2023 appropriation includes \$3,518,000 for 2022 and ~~\$32,960,000~~ \$31,662,000 for 2023.

Sec. 23. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 6, is amended to read:

Subd. 6. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$3,582,000	.....	2022
\$ 3,476,000 <u>3,503,000</u>	.....	2023

(b) The 2022 appropriation includes \$360,000 for 2021 and \$3,222,000 for 2022.

(c) The 2023 appropriation includes \$357,000 for 2022 and ~~\$3,119,000~~ \$3,146,000 for 2023.

Sec. 24. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 12, is amended to read:

Subd. 12. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 124D.135:

\$462,000	.....	2022
\$ 444,000 <u>415,000</u>	.....	2023

(b) The 2022 appropriation includes \$47,000 for 2021 and \$415,000 for 2022.

(c) The 2023 appropriation includes \$46,000 for 2022 and ~~\$398,000~~ \$369,000 for 2023.

H. COMMUNITY EDUCATION AND LIFELONG LEARNING

Sec. 25. Laws 2021, First Special Session chapter 13, article 10, section 1, subdivision 2, is amended to read:

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$180,000	.....	2022
\$ 155,000 <u>150,000</u>	.....	2023

The 2022 appropriation includes \$22,000 for 2021 and \$158,000 for 2022.

The 2023 appropriation includes \$17,000 for 2022 and ~~\$138,000~~ \$133,000 for 2023.

Sec. 26. Laws 2021, First Special Session chapter 13, article 10, section 1, subdivision 8, is amended to read:

Subd. 8. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

\$53,191,000	.....	2022
\$ 54,768,000 <u>51,948,000</u>	.....	2023

The 2022 appropriation includes \$5,177,000 for 2021 and \$48,014,000 for 2022.

The 2023 appropriation includes \$5,334,000 for 2022 and ~~\$49,434,000~~ \$46,614,000 for 2023."

Delete the title and insert:

"A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, literacy, American Indian education, teachers, charter schools, special education, facilities, nutrition, libraries, early childhood, community education, and state agencies; making forecast adjustments; providing for rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.32, subdivision 3; 120A.20, subdivision 1; 120A.22, subdivision 10; 120A.414, subdivision 2, by adding a subdivision; 120A.42; 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4, as amended, by adding a subdivision; 120B.022, subdivision 1; 120B.024, subdivisions 1, 2; 120B.11, subdivisions 1, 2, 3; 120B.12; 120B.122, subdivision 1; 120B.15; 120B.30, subdivisions 1, 1a; 120B.301; 120B.35, subdivision 3; 120B.36, subdivision 2; 121A.031, subdivision 6; 121A.04, subdivisions 1, 2; 121A.41, subdivision 7, by adding subdivisions; 121A.425; 121A.45, subdivision 1; 121A.46, subdivision 4, by adding a subdivision; 121A.47, subdivisions 2, 14; 121A.53, subdivision 1; 121A.55; 121A.58; 121A.582, subdivision 1; 121A.61, subdivisions 1, 3, by adding subdivisions; 122A.06, subdivisions 1, 2, 5, 6, 7, 8, by adding subdivisions; 122A.07, subdivisions 1, 2, 4, 4a, 5, 6; 122A.09, subdivisions 4, 6, 9, 10; 122A.091, subdivisions 1, 2; 122A.092, subdivision 5; 122A.15, subdivision 1; 122A.18, subdivisions 1, 2, 10, by adding a subdivision; 122A.181, subdivisions 1, 2, 3,

4, 5, by adding a subdivision; 122A.182, subdivisions 1, 4, by adding subdivisions; 122A.183, subdivisions 1, 2, by adding subdivisions; 122A.184, subdivision 1; 122A.185, subdivisions 1, 4; 122A.187, subdivisions 1, 5, by adding a subdivision; 122A.19, subdivision 4; 122A.26, subdivision 2; 122A.31, subdivision 1; 122A.40, subdivisions 3, 5, 8; 122A.41, subdivisions 2, 5, by adding a subdivision; 122A.415, subdivision 4; 122A.50; 122A.59; 122A.63, by adding a subdivision; 122A.635; 122A.69; 122A.70; 122A.73, subdivisions 2, 3, 5; 123B.147, subdivision 3; 123B.595, subdivisions 1, 2, 3, 4, 7, 8, 8a, 9, 10, 11; 123B.71, subdivisions 9, 12; 123B.86, subdivision 3; 123B.92, subdivision 1, by adding a subdivision; 124D.03, subdivisions 3, 5; 124D.09, subdivisions 3, 5, 12, 13; 124D.111, subdivisions 2a, 5; 124D.1158, as amended; 124D.119; 124D.128, subdivisions 1, 2; 124D.151, subdivision 6; 124D.20, subdivisions 3, 5; 124D.2211; 124D.231; 124D.42, subdivision 8; 124D.531, subdivisions 1, 4; 124D.55; 124D.56; 124D.59, subdivisions 2, 2a; 124D.65, subdivision 5; 124D.68, subdivisions 2, 3; 124D.73, by adding a subdivision; 124D.74, subdivisions 1, 3, 4, by adding a subdivision; 124D.76; 124D.78; 124D.79, subdivision 2; 124D.791, subdivision 4; 124D.81; 124D.861, subdivision 2; 124D.862, subdivision 8; 124D.98, by adding a subdivision; 124D.99, subdivision 2; 124E.02; 124E.03, subdivision 2, by adding a subdivision; 124E.05, subdivisions 4, 7; 124E.06, subdivisions 1, 4, 5; 124E.10, subdivision 1; 124E.11; 124E.12, subdivision 1; 124E.13, subdivisions 1, 3; 124E.25, subdivision 1a; 125A.03; 125A.08; 125A.0942; 125A.13; 125A.15; 125A.51; 125A.515, subdivision 3; 125A.71, subdivision 1; 125A.76, subdivisions 2c, 2e, by adding a subdivision; 126C.05, subdivisions 1, 3, as amended, 19; 126C.10, subdivisions 2, 2a, 2d, 2e, 3, 4, 13, 13a, 14, 18a, by adding subdivisions; 126C.15, subdivisions 1, 2, 5; 126C.17, by adding a subdivision; 126C.40, subdivisions 1, 6; 126C.43, subdivision 2; 126C.44; 127A.353, subdivisions 2, 4; 134.31, subdivisions 1, 4a; 134.32, subdivision 4; 134.34, subdivision 1; 134.355, subdivisions 5, 6, 7; 144.4165; 179A.03, subdivisions 14, 18, 19; 256B.0625, subdivision 26; 268.085, subdivision 7; 290.0679, subdivision 2; Laws 2021, First Special Session chapter 13, article 1, section 10, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, section 4, subdivisions 2, 3, 4, 12, 27; article 3, section 7, subdivision 7; article 5, section 3, subdivisions 2, 3, 4; article 7, section 2, subdivisions 2, 3; article 8, section 3, subdivisions 2, 3, 4; article 9, section 4, subdivisions 5, 6, 12; article 10, section 1, subdivisions 2, 8; article 11, section 4, subdivision 2; Laws 2023, chapter 18, section 4, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 124D; 125A; 127A; repealing Minnesota Statutes 2022, sections 120B.35, subdivision 5; 122A.06, subdivision 4; 122A.07, subdivision 2a; 122A.091, subdivisions 3, 6; 122A.18, subdivision 7c; 122A.182, subdivision 2; 124D.095, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 126C.05, subdivisions 3, 16; 268.085, subdivision 8; Minnesota Rules, part 8710.0500, subparts 8, 11."

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes.

The report was adopted.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 2778, A bill for an act relating to natural resources; modifying the Legislative-Citizen Commission on Minnesota Resources membership and terms; modifying availability of fund disbursements; providing appointments; amending Minnesota Statutes 2022, sections 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2022, section 116P.05, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of ~~17~~ 19 members is created in the legislative branch, consisting of ~~the chairs of the house of representatives and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the~~

~~senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives appointed by the speaker~~ ten legislative members and nine citizen members.

~~(b) At least two members from the senate and two members from the house of representatives must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.~~

(b) The legislative members of the commission consist of:

(1) three members of the house of representatives appointed by the speaker of the house, including the chair of the environment and natural resources finance committee or the chair's designee;

(2) three members of the senate appointed by the senate majority leader, including the chair of the environment and natural resources finance committee or the chair's designee;

(3) two members of the house of representatives appointed by the house minority leader; and

(4) two members of the senate appointed by the senate minority leader.

~~(c) Seven citizens are~~ The citizen members of the commission, ~~five~~ consist of:

(1) four members appointed by the governor, ~~one;~~

(2) two members appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, ~~and;~~

(3) two members appointed by the speaker of the house. ~~The;~~ and

(4) one member appointed by the governor as recommended by the Tribal government representatives of the Indian Affairs Council.

~~(d) A citizen members are selected and recommended to the appointing authorities according to subdivision 1a and member~~ must:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;

(2) have strong knowledge in the state's environment and natural resource issues around the state; and

(3) have demonstrated ability to work in a collaborative environment; and

(4) not be a registered lobbyist.

~~(d)~~ (e) Members shall must develop procedures to elect a chair that rotates between legislative and citizen members each meeting. A citizen member, a senate member, and a house of representatives member shall serve as chairs. The citizen members, senate members, and house of representatives members must select their respective chairs. The chair ~~shall~~ must preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

~~(e)~~ (f) Appointed legislative members ~~shall~~ serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Appointed citizen members ~~shall~~ serve four-year terms, beginning in January of the first year and continuing through the end of December of the final year. Citizen and legislative members continue to serve until their successors are appointed.

~~(f)~~ (g) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission ~~shall do~~ not affect the authority of the remaining members of the commission to carry out their duties, and vacancies ~~shall~~ must be filled for the remainder of the term in the same manner under paragraphs (a) to (c).

~~(g)~~ (h) Legislative members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission. Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3, except that a citizen member may be compensated at the rate of up to \$125 a day.

~~(h) The governor's appointments are subject to the advice and consent of the senate.~~

(i) A citizen member may serve no more than eight years, except as necessary to fill a vacancy. A citizen member may not serve more than ten years if serving additional time to fill a vacancy."

Page 3, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2022, section 116P.05, subdivision 1a, is amended to read:

Subd. 1a. **Citizen selection committee.** (a) The governor ~~shall~~ must appoint a Trust Fund Citizen Selection Committee of five members who come from different regions of the state and who have knowledge and experience of state environment and natural resource issues to provide recommendations for appointments under subdivision 1, paragraph (c), clause (1).

(b) The duties of the Trust Fund Citizen Selection Committee ~~shall be~~ are to:

(1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;

(2) request and review citizen candidate applications to be members of the commission; and

(3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor, ~~the senate, and the house of representatives.~~

(c) Members serve three-year terms and are entitled to travel expenses incurred to fulfill their duties under this subdivision as provided in section 15.059, subdivision 6 the per diem and reimbursement for expenses incurred in the services of the committee, as provided in section 15.059, subdivision 3, except that a citizen selection committee member may be compensated at the rate of up to \$125 a day.

(d) A member appointed under this subdivision may not be a registered lobbyist."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 3, H. F. No. 2778 was re-referred to the Committee on Rules and Legislative Administration.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bierman introduced:

H. F. No. 3184, A bill for an act relating to higher education; regulating the sale, disposition, or transfer of University of Minnesota flagship health care facilities; restricting the use of certain state money; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy.

Myers introduced:

H. F. No. 3185, A bill for an act relating to public safety; granting immunity to private parties who require proof of firearms eligibility prior to transferring a firearm; amending Minnesota Statutes 2022, section 609.66, subdivision 1f.

The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy.

Hill and Lislegard introduced:

H. F. No. 3186, A bill for an act relating to human services; appropriating money for ALS research and caregiver support programs; amending Laws 2022, chapter 42, section 2.

The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy.

Wiens, Dotseth, Nash, Hudella and Nadeau introduced:

H. F. No. 3187, A bill for an act relating to metropolitan government; prohibiting the Metropolitan Council from requiring a local unit of government to amend its comprehensive plan under certain circumstances; amending Minnesota Statutes 2022, section 473.856.

The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy.

Pursell, Clardy, Sencer-Mura and Becker-Finn introduced:

H. F. No. 3188, A bill for an act relating to education finance; appropriating money for a grant to the Kids In Need Foundation.

The bill was read for the first time and referred to the Committee on Education Finance.

Schomacker introduced:

H. F. No. 3189, A bill for an act relating to transportation; appropriating money for reconstruction of Trunk Highway 75 from the city of Luverne to the city of Pipestone; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Hornstein introduced:

H. F. No. 3190, A bill for an act relating to transportation; rail safety; providing for emergency incident preparedness for rail transport of oil and other hazardous substances; establishing railroad training requirements; expanding training requirements to emergency managers and incident response teams; requiring incident reports; amending data provisions; modifying assessment of railroads; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 115E.042, subdivisions 2, 3, 4, 5, 6; 219.015, subdivision 2; 219.1651; 299A.55; proposing coding for new law in Minnesota Statutes, chapter 219.

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy.

Joy introduced:

H. F. No. 3191, A bill for an act relating to capital investment; appropriating money for improvements of 5th Street and 8th Street in the city of Hawley; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Gomez introduced:

H. F. No. 3192, A bill for an act relating to taxation; individual income; modifying the starting point for the fourth tier income tax rate; amending Minnesota Statutes 2022, section 290.06, subdivisions 2c, as amended, 2d.

The bill was read for the first time and referred to the Committee on Taxes.

Noor introduced:

H. F. No. 3193, A bill for an act relating to taxation; sales and use; clarifying the taxation of transfers of prewritten computer software; modifying the exemption for qualified data centers; amending Minnesota Statutes 2022, sections 297A.61, subdivision 3; 297A.68, subdivision 42.

The bill was read for the first time and referred to the Committee on Taxes.

Tabke introduced:

H. F. No. 3194, A bill for an act relating to workforce development; establishing a Shakopee area workforce development scholarship pilot program; appropriating money.

The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy.

Frazier and Agbaje introduced:

H. F. No. 3195, A bill for an act relating to state government; appropriating money to construct the John Francis Wheaton Memorial.

The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy.

Frazier, Agbaje, Hollins, Richardson, Hassan and Clardy introduced:

H. F. No. 3196, A bill for an act relating to state government; establishing a Minnesota Center for American Descendants of Slavery; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 138.

The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy.

Koegel introduced:

H. F. No. 3197, A bill for an act relating to state government; adding requirements for procurement of electric vehicles; proposing coding for new law in Minnesota Statutes, chapter 16C.

The bill was read for the first time and referred to the Committee on Sustainable Infrastructure Policy.

Lee, F., introduced:

H. F. No. 3198, A bill for an act relating to capital investment; appropriating money for a year-round indoor public market in North Minneapolis.

The bill was read for the first time and referred to the Committee on Capital Investment.

Pursell introduced:

H. F. No. 3199, A bill for an act relating to capital investment; appropriating money for the Mill Towns State Trail; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1213.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1213, A bill for an act relating to labor; modifying certain exclusions to the definition of public employee; amending Minnesota Statutes 2022, section 179A.03, subdivision 14.

The bill was read for the first time.

Wolgammott moved that S. F. No. 1213 and H. F. No. 1161, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

H. F. No. 1581, A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2022, sections 3.8854; 13.46, subdivision 7; 16A.151, subdivision 2; 17.81, subdivision 3; 62A.307, subdivision 2; 62A.3091, subdivision 2; 62J.581, subdivision 1; 62M.02, subdivision 4; 62U.03, subdivisions 2, 3; 84.83, subdivision 3; 85.34, subdivision 3; 86A.05, subdivisions 2, 4, 9, 11, 12; 86A.21; 92.70, subdivision 3; 93.52; 103A.43; 103B.211, subdivision 1; 103F.405, subdivision 1; 103F.511, subdivision 10; 103F.705; 103F.711, subdivision 6; 103F.715; 103G.005, subdivision 19; 115.55, subdivision 1; 115A.192, subdivision 1; 115A.33; 115A.38, subdivision 1; 115A.39; 115A.54, subdivision 2a; 115A.918, subdivision 2; 116.07, subdivision 4a; 116D.04, subdivision 5a; 119B.011, subdivision 20; 119B.03, subdivision 3; 119B.13, subdivisions 3a, 6; 122A.20, subdivision 2; 124D.19, subdivision 3; 124D.68, subdivision 3; 125A.02, subdivision 1; 144.55, subdivision 2; 144.608, subdivision 1; 144A.471, subdivision 7; 147A.09, subdivision 2; 147D.27, subdivision 6; 148.211, subdivision 1a; 148.724, subdivision 1; 148B.06, subdivision 2; 148B.5301, subdivision 1; 148E.130, subdivision 1a; 160.10, subdivision 8; 161.14, subdivision 89; 167.60; 168.013, subdivisions 1a, 1e, 3, 18, 23; 168.04, subdivision 2; 168.1253, subdivision 2; 168.1256, subdivision 1; 168.1296, subdivision 1; 168.187, subdivisions 2, 7, 9, 10, 11, 12, 27; 168.61, subdivision 2; 168A.09, subdivision 1; 168A.24, subdivision 2; 168B.09, subdivision 2; 169.09, subdivision 13; 169.223, subdivision 4; 169.4581; 169.64, subdivision 9; 169.751; 169A.25, subdivision 1; 169A.26, subdivision 1; 169A.27, subdivision 1; 169A.28, subdivision 2; 169A.46, subdivision 1; 171.0701, subdivisions 1, 1a; 171.0705, subdivisions 2, 3, 4, 5, 7, 8; 171.26, subdivision 1; 173.02, subdivision 6; 173.13, subdivision 6; 174.03, subdivision 3; 174.30, subdivision 3; 174.75, subdivision 3; 174.84, subdivision 1; 176.101, subdivision 4; 214.40, subdivision 1; 219.073; 219.165; 219.18; 219.501, subdivision 1; 219.551, subdivision 6; 219.561, subdivision 1; 221.031, subdivision 9; 221.0314, subdivision 3a; 221.221, subdivision 2; 221.81, subdivision 3e; 245.4661, subdivisions 2, 6; 245.4885, subdivision 1a; 245.814, subdivision 1; 245.91, subdivision 5; 245A.02, subdivision 5a; 245A.04, subdivision 7; 245A.14, subdivision 4; 245A.16, subdivision 1; 245A.52, subdivision 1; 245C.04, subdivision 10; 245D.03, subdivision 1; 245I.02, subdivision 5; 245I.04, subdivision 5; 246.18, subdivision 2a; 254A.19, subdivision 4; 254B.04, subdivision 1; 254B.09, subdivision 2; 256.0112, subdivision 7; 256.975, subdivision 10; 256B.04, subdivision 1b; 256B.0575, subdivision 2; 256B.0625, subdivisions 17, 57; 256B.0671; 256B.0943, subdivision 1; 256B.0947, subdivision 3a; 256B.4912, subdivision 4; 256B.50, subdivision 1; 256B.76, subdivision 1; 256G.08, subdivision 1; 256J.54, subdivision 1; 256L.07, subdivision 4; 268.136, subdivision 3; 272.02, subdivisions 49, 102, 103; 273.1387, subdivision 2; 273.165, subdivision 1; 290.067, subdivision 1; 290.0671, subdivision 1; 290.0677, subdivisions 1, 2; 290.068, subdivision 3; 290.9705, subdivision 3; 297A.70, subdivision 2; 297A.71, subdivision 44; 297B.10; 297B.12; 297E.021, subdivision 3; 297F.01, subdivision 22b; 297I.20, subdivision 1; 327C.015, subdivision 11; 349.12, subdivision 25; 352.91, subdivision 3f; 360.013, subdivision 50; 360.0161, subdivision 2; 360.061, subdivision 1; 360.067, subdivision 4; 360.511, subdivision 24; 383B.058; 402.02, subdivision 2; 403.03, subdivision 2; 403.11, subdivisions 1, 6; 403.15, subdivision 3; 403.161, subdivision 7; 473H.02, subdivision 4; 477C.03, subdivision 3; 504B.371, subdivision 7; 507.24, subdivision 2; 609.035, subdivision 2; 626.892,

subdivision 7; repealing Minnesota Statutes 2022, sections 13.461, subdivision 4; 13.7191, subdivision 16; 147D.27, subdivision 5; 160.165, subdivision 3; 165.14; 168.013, subdivision 16; 168.271, subdivision 2; 174.285, subdivision 7; 219.662, subdivision 2; 256B.051, subdivision 7; 256B.439, subdivision 3b; 290.068, subdivisions 6a, 7; 295.50, subdivision 10b; 297B.04; 297B.05; 299F.851, subdivision 7; Laws 2021, chapter 30, article 17, section 16; Minnesota Rules, parts 5530.1000; 7805.0300; 8810.4100.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Hassan	Kotzya-Witthuhn	Newton	Schomacker
Agbaje	Davis	Heintzeman	Kozlowski	Niska	Schultz
Anderson, P. E.	Demuth	Hemmingsen-Jaeger	Kraft	Noor	Sencer-Mura
Anderson, P. H.	Dotseth	Her	Kresha	Norris	Skraba
Backer	Edelson	Hicks	Lee, F.	Novotny	Smith
Bahner	Elkins	Hill	Lee, K.	O'Driscoll	Stephenson
Bakeberg	Engen	Hollins	Liebling	Olson, B.	Swedzinski
Baker	Feist	Hornstein	Lillie	Olson, L.	Tabke
Becker-Finn	Finke	Howard	Lislegard	Pelowski	Torkelson
Bennett	Fischer	Hudella	Long	Pérez-Vega	Urdahl
Berg	Fogelman	Hudson	McDonald	Perryman	Vang
Bierman	Franson	Huot	Mekeland	Petersburg	West
Brand	Frederick	Hussein	Moller	Pfarr	Wiener
Burkel	Freiberg	Igo	Mueller	Pinto	Witte
Carroll	Gillman	Jacob	Murphy	Pryor	Wolgamott
Cha	Gomez	Johnson	Myers	Pursell	Xiong
Clardy	Greenman	Jordan	Nadeau	Quam	Youakim
Coulter	Grossell	Joy	Nash	Rehm	Zeleznikar
Curran	Hansen, R.	Keeler	Nelson, M.	Reyer	
Daniels	Hanson, J.	Klevorn	Nelson, N.	Richardson	
Daudt	Harder	Knudsen	Neu Brindley	Robbins	

The bill was passed and its title agreed to.

S. F. No. 1816, A bill for an act relating to state government; providing deficiency funding for the Office of Administrative Hearings; appropriating money.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Acomb	Backer	Becker-Finn	Brand	Clardy	Daudt
Agbaje	Bahner	Bennett	Burkel	Coulter	Davids
Anderson, P. E.	Bakeberg	Berg	Carroll	Curran	Davis
Anderson, P. H.	Baker	Bierman	Cha	Daniels	Demuth

Dotseth	Hassan	Joy	Mueller	Perryman	Swedzinski
Edelson	Heintzeman	Keeler	Murphy	Petersburg	Tabke
Elkins	Hemmingsen-Jaeger	Klevorn	Myers	Pfarr	Torkelson
Engen	Her	Knudsen	Nadeau	Pinto	Urdahl
Feist	Hicks	Kotyza-Witthuhn	Nash	Pryor	Vang
Finke	Hill	Kozlowski	Nelson, M.	Pursell	West
Fischer	Hollins	Kraft	Nelson, N.	Quam	Wiener
Fogelman	Hornstein	Kresha	Newton	Rehm	Witte
Frederick	Howard	Lee, F.	Niska	Reyer	Wolgamott
Freiberg	Hudella	Lee, K.	Noor	Richardson	Xiong
Gillman	Hudson	Liebling	Norris	Robbins	Youakim
Gomez	Huot	Lillie	Novotny	Schomacker	Zeleznikar
Greenman	Hussein	Lislegard	O'Driscoll	Schultz	
Grossell	Igo	Long	Olson, B.	Sencer-Mura	
Hansen, R.	Jacob	McDonald	Olson, L.	Skraba	
Hanson, J.	Johnson	Mekeland	Pelowski	Smith	
Harder	Jordan	Moller	Pérez-Vega	Stephenson	

Those who voted in the negative were:

Franson Neu Brindley

The bill was passed and its title agreed to.

CONSENT CALENDAR

H. F. No. 1486, A bill for an act relating to human services; allowing supervised practice of alcohol and drug counseling by former students for limited time; modifying HIV training requirements in substance use disorder treatment programs; modifying withdrawal management license requirements; modifying substance use disorder treatment client record documentation requirements; amending Minnesota Statutes 2022, sections 148F.11, by adding a subdivision; 245A.19; 245F.04, subdivision 1; 245G.06, subdivision 2b.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Burkel	Elkins	Hansen, R.	Hudson	Kraft
Agbaje	Carroll	Engen	Hanson, J.	Huot	Kresha
Anderson, P. E.	Cha	Feist	Harder	Hussein	Lee, F.
Anderson, P. H.	Clardy	Finke	Hassan	Igo	Lee, K.
Backer	Coulter	Fischer	Heintzeman	Jacob	Liebling
Bahner	Curran	Fogelman	Hemmingsen-Jaeger	Johnson	Lillie
Bakeberg	Daniels	Franson	Her	Jordan	Lislegard
Baker	Daudt	Frederick	Hicks	Joy	Long
Becker-Finn	Davids	Freiberg	Hill	Keeler	McDonald
Bennett	Davis	Gillman	Hollins	Klevorn	Mekeland
Berg	Demuth	Gomez	Hornstein	Knudsen	Moller
Bierman	Dotseth	Greenman	Howard	Kotyza-Witthuhn	Mueller
Brand	Edelson	Grossell	Hudella	Kozlowski	Murphy

Myers	Noor	Perryman	Reyer	Stephenson	Witte
Nadeau	Norris	Petersburg	Richardson	Swedzinski	Wolgamott
Nash	Novotny	Pfarr	Robbins	Tabke	Xiong
Nelson, M.	O'Driscoll	Pinto	Schomacker	Torkelson	Youakim
Nelson, N.	Olson, B.	Pryor	Schultz	Urdahl	Zeleznikar
Neu Brindley	Olson, L.	Pursell	Sencer-Mura	Vang	
Newton	Pelowski	Quam	Skraba	West	
Niska	Pérez-Vega	Rehm	Smith	Wiener	

The bill was passed and its title agreed to.

H. F. No. 1182, A bill for an act relating to public safety; modifying the grounds required for a peace officer to use deadly force; amending Minnesota Statutes 2022, section 609.066, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Hassan	Koegel	Neu Brindley	Robbins
Agbaje	Davis	Heintzeman	Kotyza-Witthuhn	Newton	Schomacker
Anderson, P. E.	Demuth	Hemmingsen-Jaeger	Kozlowski	Niska	Schultz
Anderson, P. H.	Dotseth	Her	Kraft	Noor	Sencer-Mura
Backer	Edelson	Hicks	Kresha	Norris	Skraba
Bahner	Elkins	Hill	Lee, F.	Novotny	Smith
Bakeberg	Engen	Hollins	Lee, K.	O'Driscoll	Stephenson
Baker	Feist	Hornstein	Liebling	Olson, B.	Swedzinski
Becker-Finn	Finke	Howard	Lillie	Olson, L.	Tabke
Bennett	Fischer	Hudella	Lislegard	Pelowski	Torkelson
Berg	Fogelman	Hudson	Long	Pérez-Vega	Urdahl
Bierman	Franson	Huot	McDonald	Perryman	Vang
Brand	Frederick	Hussein	Mekeland	Petersburg	West
Burkel	Freiberg	Igo	Moller	Pfarr	Wiener
Carroll	Gillman	Jacob	Mueller	Pinto	Witte
Cha	Gomez	Johnson	Murphy	Pryor	Wolgamott
Clardy	Greenman	Jordan	Myers	Pursell	Xiong
Coulter	Grossell	Joy	Nadeau	Quam	Youakim
Curran	Hansen, R.	Keeler	Nash	Rehm	Zeleznikar
Daniels	Hanson, J.	Klevorn	Nelson, M.	Reyer	
Daudt	Harder	Knudsen	Nelson, N.	Richardson	

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Lislegard moved that the name of West be added as an author on H. F. No. 10. The motion prevailed.

Richardson moved that the name of Pursell be added as an author on H. F. No. 53. The motion prevailed.

Her moved that the name of Freiberg be added as an author on H. F. No. 601. The motion prevailed.

Finke moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 716. The motion prevailed.

Edelson moved that the name of Burkel be added as an author on H. F. No. 733. The motion prevailed.

Hicks moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 813. The motion prevailed.

Huot moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 1038. The motion prevailed.

Reyer moved that the name of Hicks be added as an author on H. F. No. 1176. The motion prevailed.

Agbaje moved that the name of Hussein be added as an author on H. F. No. 1215. The motion prevailed.

Pelowski moved that the name of Davids be added as an author on H. F. No. 1278. The motion prevailed.

Wolgammott moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 1340. The motion prevailed.

Stephenson moved that the name of Edelson be added as an author on H. F. No. 1370. The motion prevailed.

Finke moved that the name of Kraft be added as an author on H. F. No. 1655. The motion prevailed.

Edelson moved that the name of Bahner be added as an author on H. F. No. 1706. The motion prevailed.

Jacob moved that the name of Murphy be added as an author on H. F. No. 1708. The motion prevailed.

Hollins moved that the name of Pursell be added as an author on H. F. No. 1872. The motion prevailed.

Gomez moved that the name of Olson, L., be added as an author on H. F. No. 2041. The motion prevailed.

Bierman moved that the name of Hussein be added as an author on H. F. No. 2077. The motion prevailed.

Fischer moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 2225. The motion prevailed.

Hassan moved that the name of Sencer-Mura be added as an author on H. F. No. 2276. The motion prevailed.

Greenman moved that the name of Freiberg be added as an author on H. F. No. 2336. The motion prevailed.

Finke moved that the names of Hussein and Olson, L., be added as authors on H. F. No. 2355. The motion prevailed.

Elkins moved that the name of Kraft be added as an author on H. F. No. 2428. The motion prevailed.

Curran moved that the name of Kraft be added as an author on H. F. No. 2462. The motion prevailed.

Her moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 2485. The motion prevailed.

Hanson, J., moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 2502. The motion prevailed.

Finke moved that the name of Olson, L., be added as an author on H. F. No. 2568. The motion prevailed.

Moller moved that the name of Myers be added as an author on H. F. No. 2609. The motion prevailed.

Pursell moved that the name of Kozlowski be added as an author on H. F. No. 2791. The motion prevailed.

Lillie moved that the name of Kozlowski be added as an author on H. F. No. 2844. The motion prevailed.

Lee, K., moved that the name of Xiong be added as an author on H. F. No. 2978. The motion prevailed.

Hassan moved that the name of Xiong be added as an author on H. F. No. 3028. The motion prevailed.

Cha moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 3029. The motion prevailed.

Sencer-Mura moved that the name of Elkins be added as an author on H. F. No. 3041. The motion prevailed.

Her moved that the names of Urdahl and Davids be added as authors on H. F. No. 3100. The motion prevailed.

Hollins moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 3138. The motion prevailed.

Hansen, R., moved that the name of Hudella be added as an author on H. F. No. 3163. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 10:10 a.m., Tuesday, April 4, 2023. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and Speaker pro tempore Wolgamott declared the House stands adjourned until 10:10 a.m., Tuesday, April 4, 2023.

PATRICK D. MURPHY, Chief Clerk, House of Representatives