



Minnesota State Colleges & Universities

Mandates and Curiosities

Mandates and Curiosities 2011 Session

This publication is designed to highlight and explain legislation that affects the Minnesota State Colleges and Universities system. All relevant bills are included with a summary. Readers are cautioned against relying on summaries alone. When a detailed understanding of a new law is required, refer directly to the actual law.

1. Alternative Teacher Licensure Bill Summary
Chapter 5
2. Income Tax Federal Conformity Bill Summary
Chapter 8
3. Emergency Medical Technician – Community Paramedic Bill Summary
Chapter 12
4. Agriculture Omnibus Finance Bill Summary
Chapter 14
5. Executive Branch Agency Retained Savings Program Bill Summary
Chapter 24
6. Elevator Compliance Bill Summary
Chapter 26
7. Charter School Authorizer Bill Summary
Chapter 27
8. Omnibus Liquor Bill Summary
Chapter 55
9. Governor’s Workforce Development Council Public Library Advisor Bill Summary
Chapter 74
10. Student Records and Data Bill Summary
Chapter 93
11. Omnibus Tax Policy Bill Summary
Chapter 112
12. Environment Omnibus Finance Bill Summary
Special Session Chapter 2
13. Jobs and Economic Development Omnibus Finance Bill Summary
Special Session Chapter 4

14. Higher Education Omnibus Finance Bill Summary
Special Session Chapter 5
15. Omnibus Tax Bill Summary
Special Session Chapter 7
16. Omnibus Pension Bill Summary
Special Session Chapter 8
17. Omnibus Health and Human Services Bill Summary
Special Session Chapter 9
18. State Government Omnibus Finance Bill Summary
Special Session Chapter 10
19. K-12 Education Omnibus Finance Bill Summary
Special Session Chapter 11
20. Omnibus Bonding Bill Summary
Special Session Chapter 12

ALTERNATIVE TEACHER LICENSURE BILL**S.F. 40 (Chapter 5)**

SUMMARY: The alternative teacher licensure bill establishes an alternative teacher preparation program that allows eligible individuals to acquire a two-year limited-term teaching license and prepare for a standard Minnesota teaching license. The Board of Teaching is to approve qualified alternative teacher preparation programs. The seven state universities in the Minnesota State Colleges and Universities system all provide teacher preparation programs.

Section***Alternative Teacher Licensure Bill***

- 1 License and rules.** This section requires teacher preparation programs, including alternative teacher preparation programs, to include a content-specific, Board of Teaching approved, performance-based assessment that measures teacher candidates in three areas: planning for instruction and assessment; engaging students and supporting learning; and assessing student learning.

This section is effective the day following final enactment and applies to individuals who complete a teacher preparation program by the end of the 2013-2014 school year or later.

- 2 Highly qualified teacher defined.** This section defines "highly qualified" teacher to include teachers holding a valid teaching license under the section establishing an alternative teacher preparation program, among other licensed teachers.
- 3 Preparation equivalency.** This section directs the Board of Teaching to establish criteria and streamlined procedures to recognize the experience and professional credentials of a person holding an out-of-state diploma or degree from an accredited out-of-state teacher training program and to allow that person to demonstrate to the board his or her qualifications for receiving a Minnesota teaching license based on board-adopted performance measures.
- 4 Alternative teacher preparation program and limited-term teacher license.**
 - Subd. 1. Requirements.** In order to improve academic excellence, improve ethnic and cultural diversity in the classroom, and close the achievement gap, the Board of Teaching is required to approve qualified alternative teacher preparation programs that offer teacher candidates a two-year limited term license in anticipation of acquiring a standard license. Language allows a school district or charter school that forms a partnership with either a college or university with a board-approved teacher preparation program or with a nonprofit corporation formed under

chapter 317A for an education-related purpose with a board-approved teacher preparation program, or a board-approved district-based program to participate in a program under this section. This section also requires a teacher candidate under this program to have a bachelor's degree with a 3.0 or higher grade point average unless waived, pass the reading, writing, and math basic skills exam, and obtain qualifying scores on the board's content area and pedagogy exams. Language directs the Board of Teaching to issue a two-year limited-term license to a person who enrolls in an alternative teacher preparation program.

Subd. 2. Characteristics. This section requires an alternative teacher preparation program to include: a minimum 200-hour instructional phase; a research-based and results-oriented focus on best teaching practices to increase student proficiency and growth; strategies to combine pedagogy and best teaching practices; assessment, supervision, and evaluation of teacher candidates to identify their needs and provide them with support; professional learning opportunities; and a requirement that teacher candidates demonstrate satisfactory progress toward acquiring a standard teaching license.

Subd. 3. Program approval; disapproval. This section directs the Board of Teaching to approve alternative teacher preparation programs based on board criteria that reflect best practices for alternative teacher preparation programs. Language requires the board to allow teacher candidates to demonstrate mastery of pedagogy through nontraditional means.

Subd. 4. Employment conditions. This section allows, where applicable, teacher candidates to be represented by the exclusive representative of the teachers and to be included in the collective bargaining agreement. Language prohibits a collective bargaining agreement from preventing or restricting or otherwise interfering with a school district's ability to employ a teacher prepared under this section.

Subd. 5. Approval for standard license. This section directs a local site team to evaluate the performance of the teacher candidate using Board of Teaching adopted performance measures, state standards of effective teaching practice, and subject matter content standards. An evaluation recommending whether or not to issue the teacher candidate a standard license is to be submitted to the Board of Teaching.

Subd. 6. Applicants trained in other states. This section allows a person who successfully completes another state's alternative teacher preparation program to apply to the Board of Teaching for a standard Minnesota teaching license.

Subd. 7. Standard license. This section directs the Board of Teaching to issue a standard license to an otherwise qualified successful teacher candidate who passes the basic skills, content knowledge, and pedagogy

exams and is recommended for licensure, or for a candidate trained in another state, who demonstrates to the board his or her qualifications for receiving a Minnesota teaching license.

Subd. 8. Highly qualified teacher. This section states that a person with a valid limited-term license under this section is considered a highly qualified teacher and the teacher of record.

Subd. 9 Reports. This section directs the Board of Teaching to submit interim and final reports regarding this program to the education committees of the Legislature.

This section is effective for the 2011-2012 school year and later.

- 5 Repealer.** This section repeals the current M.S. 122A.24, governing alternative teacher licensure.

INCOME TAX FEDERAL CONFORMITY BILL
H.F. 79 (Chapter 8)

SUMMARY: This bill conforms Minnesota's individual income tax and corporate franchise tax to most federal changes enacted since March 18, 2010, for tax year 2010 only, including extending the higher education tuition deduction. Another federal change for tax year 2010 is extending the income exclusion for health insurance to benefits for adult children up to and including age 26, effective for plan years beginning on or after September 23, 2010. Under prior federal law, the exclusion was limited to coverage for dependents who were under age 19, students under age 24, or permanently and totally disabled adult dependents.

Section *Income Tax Federal Conformity Bill*

1 Internal revenue code. This section adopts federal tax administrative provisions made since March 18, 2010 for tax year 2010 only. This section is effective the day following final enactment.

2 Net income. This section adopts all the federal changes to taxable income when the federal changes became effective, for tax year 2010 only with two exceptions. Changes for tax year 2010 includes The Health Care and Education Reconciliation Act of 2010 which made the following major changes that affect tax year 2010; extending the income exclusion for health insurance to benefits for adult children up to and including age 26; and allowing for an income exclusion for state loan forgiveness programs for health care professionals intended to increase the availability of health professionals in underserved areas.

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 made changes that affect tax year 2010 including extending the teacher classroom expense deduction up to \$250 to tax years 2010 and 2011; and extending the higher education tuition expense deduction to tax years 2010 and 2011, which applies to up to \$4,000 of qualifying expenses for taxpayers with adjusted gross income up to \$65,000 (\$130,000 for married joint filers), and up to \$2,000 of qualifying expenses for taxpayers with adjusted gross income between \$65,000 and \$80,000 (\$130,000 to \$160,000 for married joint filers).

3 Additions to federal taxable income. This section conforms Minnesota's income tax to the federal teacher classroom expense and higher education tuition deductions for tax year 2010 only, by limiting the addition to taxable income for these items to tax years other than 2010.

7 Corrected form W-2 not required. This section provides that employers are not required to issue corrected 2010 W-2's to employees if they have already issued W-2's for 2010 that show the value of health insurance

2011 ♦ MANDATES AND CURIOSITIES ♦ 2011

coverage provided to adult children under age 27 that was included in state taxable income under prior law. This section is effective the day following final enactment.

**EMERGENCY MEDICAL TECHNICIAN – COMMUNITY PARAMEDIC BILL
S.F. 119 (Chapter 12)**

SUMMARY: This bill allows for the certification of community paramedics by the Emergency Medical Services Regulatory Board. Language in the bill requires completion of a community paramedic training program from an approved or accredited college or university in order to be eligible for certification by the Emergency Medical Services Regulatory Board as a community paramedic.

Section *Emergency Medical Technician – Community Paramedic Bill*

- 1 Emergency medical technician-community paramedic or EMT-CP.**
This section defines community paramedic (EMT-CP) as a person certified as a paramedic (EMT-P) and who meets the additional requirements for certification as a community paramedic.

- 2 Community paramedics.** This section, among other things, amends M.S.144E.28, by adding language that says to be eligible for certification by the Emergency Medical Services Regulatory Board as a community paramedic, an individual needs to be currently certified as a paramedic, have two years full-time experience as a paramedic or its part-time equivalent, complete a community paramedic training program from an approved or accredited college or university; and complete a board-approved application form.

**EXECUTIVE BRANCH AGENCY RETAINED SAVINGS PROGRAM BILL
H.F. 299 (Chapter 24)**

SUMMARY: This bill establishes the State Agency Value Initiative, or SAVI, under which 50 percent of an agency's unspent funds at the end of a biennium may be carried forward into the next biennium to be spent on projects approved by a peer review panel within the agency. The Minnesota State Colleges and Universities system may participate in this program.

Section *Executive Branch Agency Retained Savings Program Bill*

1 **SAVI Program.**

Subd. 1. Program established. This section establishes the SAVI program to encourage state agencies to identify cost-effective and efficiency measures. Language allows for all state agencies, including Minnesota State Colleges and Universities to participate.

Subd. 2. Retained savings. This section provides that upon approval of the Commissioner of Management and Budget, 50 percent of unspent agency funds may be carried forward and retained by the agency to fund specific agency proposals or projects. Project expenditures must not create future obligations beyond the amounts available from the retained savings. Provides that this section supersedes section 16A.28 (the current law which provides that unspent appropriations lapse at the end of a biennium), but this section does not restrict authority granted by other law to carry forward money for a different period or different purposes.

Subd. 3. Special peer review panel; review process. This section requires a participating agency to organize a peer review panel that will determine which projects receive funding. The panel must be balanced between department employees credited with cost-savings initiatives and department managers.

Subd. 4. SAVI-dedicated account. This section provides that agency savings will be deposited in a SAVI account in the special revenue fund. Appropriates money in the account to the participating agency for purposes authorized by this section.

Subd. 5. Expiration. This section expires June 30, 2018.

Effective Date. This section is effective June 30, 2013, and first applies to funds to be carried forward from the biennium ending June 30, 2013, to the biennium beginning July 1, 2013.

2 **Lapse.** This section amends the current law governing lapse of appropriations at the end of a biennium, to reference the carry-forward authority under the SAVI program.

ELEVATOR COMPLIANCE BILL
H.F. 664 (Chapter 26)

SUMMARY: The elevator compliance bill modifies the compliance timeline for building code requirements related to elevators.

Section

Elevator Compliance Bill

- 1 Elevators, entrances sealed.** This section modifies the requirement that elevators not meeting building code requirements be taken out of service until modifications to bring the device into compliance with code requirements are completed. A new compliance timeline is established in section 2.

- 2 Timeline for compliance with elevator code changes affecting existing elevators and related devices.** This section provides an alternative compliance timeline for elevators that have a current law compliance deadline of January 29, 2012, or later. Owners of elevators that were notified of compliance issues before the effective date of this section, must submit a compliance plan for their devices by December 30, 2011. Owners not notified before the effective date of this section must submit a compliance plan by December 30, 2011, or within 60 days of notification, whichever is later. Any plan submitted under this section has to result in code compliance by the later date of January 29, 2012, or within three years after submission of the compliance plan.

CHARTER SCHOOL AUTHORIZER BILL
H.F. 1092 (Chapter 27)

SUMMARY: This bill extends the date one year by which current charter school sponsors have to be approved as authorizers. There are institutions within the Minnesota State Colleges and Universities system that act as charter school sponsors.

Section

Charter School Authorizer Bill

- 2 Authorizer.** This section extends the date of June 30, 2011 by one year to June 30, 2012 for an authorizer that chartered a school before August 1, 2009, for approval to continue as an authorizer. An authorizer that fails to submit a timely application is ineligible to charter a school.

Effective date. This section is effective the day following final enactment.

OMNIBUS LIQUOR BILL
H.F. 1326 (Chapter 55)

SUMMARY: This bill includes many provisions regarding liquor and liquor licenses, including removing the language that prohibits liquor to be sold within 1,500 feet of a state university.

Section

Omnibus Liquor Bill

- 12 Licenses prohibited in certain areas.** This section removes the prohibition to issue liquor licenses to sell intoxicating liquor within 1,500 feet of a state university with certain exceptions. This section is effective the day following final enactment.

**GOVERNOR'S WORKFORCE DEVELOPMENT COUNCIL PUBLIC LIBRARY
ADVISOR BILL**

H.F. 844 (Chapter 74)

SUMMARY: This bill adds a public library advisor, appointed by the governor, to serve as a non-voting advisor to the Governor's Workforce Development Council, or GWDC. The Chancellor of the Board of Trustees of the Minnesota State Colleges and Universities is a member of the GWDC representing the education sector.

Section *Governor's Workforce Development Council Public Library Advisor Bill*

1 **Membership.** This section adds one individual representing public libraries to serve as a non-voting advisor to the Governor's Workforce Development Council. The individual is to be appointed by the governor.

Effective date. This section is effective the day following final enactment.

STUDENT RECORDS AND DATA BILL

S.F. 799 (Chapter 93)

SUMMARY: This bill exempts postsecondary institutions that provide student data to the Office of Higher Education, the Department of Education, or other state agencies from liability related to the use, destruction, or disclosure of the data by any of the public agencies or individuals having access to the data.

Section

Student Records and Data Bill

- 1 Student records and data.** This section states that when a non-public higher education institution provides the Minnesota Office of Higher Education student data or records pursuant to section 136A.05, subdivision 1; 136A.121, subdivision 18; or 136A.1701, subdivision 11, higher education institutions are not liable for a breach of confidentiality, disclosure, use, retention, or destruction of the student data or records, if the breach, disclosure, use, retention, or destruction results from actions or omissions of the Office of Higher Education or anyone who was provided access to the data or records by the Office of Higher Education.

OMNIBUS TAX POLICY BILL
H.F. 1219 (Chapter 112)

SUMMARY: The Legislature passed, and the governor signed, a tax policy bill during the regular session. The bill contains many items pertaining to tax policy and technical changes, but there is one provision specifically in the bill that relates to the definition of “intern” at an accredited higher education institution as noted below.

ARTICLE 11
Miscellaneous

Section

- 2** **Definitions.** This section defines “intern” for the small business investment tax credit program to mean a student or recent graduate (within six months) of an accredited higher education institution employed on a temporary basis (less than nine months duration) that provides training and experience in the primary business activity of the business. This section is effective retroactively from January 1, 2011.

ENVIRONMENT OMNIBUS FINANCE BILL

Special Session S.F. 3 (Chapter 2)

SUMMARY: The original environment omnibus finance bill was vetoed by Gov. Mark Dayton along with the other finance bills at the end of the regular session. The only finance bill Gov. Dayton signed during the regular session was the agriculture bill. After an agreement was reached between legislative leaders and the governor, a special session was called on July 19, 2011. The Legislature passed the finance bills, including the environment omnibus finance bill, which Gov. Dayton signed on July 20.

Included in the bill for the Minnesota State Colleges and Universities is \$60,000 each year of the biennium of funding from the environment and natural resources trust fund to Central Lakes College in cooperation with the University of Minnesota as indicated in detail below.

ARTICLE 3

Environment and Natural Resource Trust Fund Appropriations

Section

2 Minnesota Resources

Subd. 6. Aquatic and Terrestrial Invasive Species.

(c) Evaluation of Switchgrass as Biofuel Crop. This section appropriates \$60,000 each year of the biennium from the environment and natural resources trust fund to Central Lakes College in cooperation with the University of Minnesota to determine the invasion risk of selectively bred native grasses for biofuel production and develop strategies to minimize the invasion potential and impacts on biodiversity. The project must be completed and the final products delivered by June 30, 2014.

JOBS AND ECONOMIC DEVELOPMENT OMNIBUS FINANCE BILL
Special Session S.F. 2 (Chapter 4)

SUMMARY: The original jobs and economic development omnibus finance bill was vetoed by Gov. Mark Dayton along with the other finance bills at the end of the regular session. The only finance bill Gov. Dayton signed during the regular session was the agriculture bill. After an agreement was reached between legislative leaders and the governor, a special session was called on July 19, 2011. The Legislature passed the finance bills, including the jobs and economic development bill, which Gov. Dayton signed on July 20. The provisions with an impact on the Minnesota State Colleges and Universities system are summarized below.

ARTICLE 1

Jobs, Economic Development, and Housing Appropriations

Section

3 Department of Employment and Economic Development
Subd. 2. Business and Community Development.

(c) This section appropriates \$150,000 each year from the general fund for a grant to WomenVenture for women's business development programs and for programs that encourage and assist women to enter nontraditional careers in the trades; manual and technical occupations; science, technology, engineering, and mathematics-related occupations; and green jobs. This appropriation may be matched dollar for dollar with any resources available from the federal government for these purposes with priority given to initiatives that have a goal of increasing by at least ten percent the number of women in occupations where women currently comprise less than 25 percent of the workforce.

(e) This section appropriates \$356,000 of one-time funds the first year of the biennium for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. The funds may be used to create, recruit, retain, and expand biobusiness activity in Minnesota; implement the destination 2025 statewide plan; update a statewide assessment of the bioscience industry and the competitive position of Minnesota-based bioscience businesses relative to other states and other nations; and develop and implement business and scenario-planning models to create, recruit, retain, and expand biobusiness activity in Minnesota. The BioBusiness Alliance is to report to the Legislature by February 15 each year on the use of the funds.

(g) This section appropriate \$100,000 of one-time funds the first year from the workforce development fund for a grant to the Rural Policy and Development Center at St. Peter, Minnesota. The grant is to be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota

communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

Subdivision 3. Workforce Development

(a) This section appropriates \$4,196,000 each year for the Minnesota job skills partnership program.

5 Department of Labor and Industry

Subdivision 3. Labor Standards and Apprenticeship.

(b) This section appropriates \$150,000 each year from the workforce development fund for prevailing wage enforcement.

ARTICLE 3

Labor and Industry

21 Bond and insurance exemption. This section provides that an individual who is either a licensed plumber or who has completed approved pipe laying training, employed by a person in compliance with bond and insurance requirements, does not personally need to meet those requirements.

22 Registration; supervision; records. This section clarifies that individuals that have completed pipe laying training do not have to register as unlicensed persons. This provision also provides clarification of registered unlicensed individuals.

31-47 These sections are technical in nature and provide for consistent continuing education requirements by non-departmental entities for trades regulated under Chapter 326B – Construction Codes and Licensing.

ARTICLE 4

Effective Date

1 Effective date; relationship to other appropriations. This section states that unless otherwise specified, the provisions in this bill are effective retroactively from July 1, 2011, and supersedes and replaces funding authorized by order of the Second Judicial District Court.

HIGHER EDUCATION OMNIBUS FINANCE BILL
Special Session H.F. 4 (Chapter 5)

SUMMARY: The original higher education omnibus finance bill was vetoed by Gov. Mark Dayton along with the other finance bills at the end of the regular session. The only finance bill Gov. Dayton signed during the regular session was the agriculture bill. After an agreement was reached between legislative leaders and the governor, a special session was called on July 19, 2011. The Legislature passed the finance bills, including the higher education bill, which Gov. Dayton signed on July 20.

The bill provides for funding for the Minnesota State Colleges and Universities, the University of Minnesota and the Minnesota Office of Higher Education for the 2012-2013 biennium. The bill also includes other statutory and language changes that affect higher education as summarized below.

ARTICLE 1
Higher Education Appropriations

Section

- 1 Summary of appropriations.** This section summarizes higher education appropriations by fund and agency.
- 2 Higher education appropriations.** This section provides that appropriations are for fiscal years 2012 and 2013 from the general fund or another specified fund.
- 3 Minnesota Office of Higher Education**
Subdivision 1. Total appropriation. Appropriates \$190.8 million for fiscal year 2011 and \$190.6 million for fiscal year 2012.

Subd. 2. State grants. Appropriates \$154.6 million in fiscal year 2012 and \$154.6 million in fiscal year 2013 with authority to carry forward or back either year's appropriation.

This subdivision also maintains the tuition and fee maximums of \$10,488 in each year for students in four-year programs and \$5,808 for students in two-year programs.

This subdivision also maintains the living and miscellaneous allowance to \$7,000 each year.

Subd. 3. Safety officers' survivors. Appropriates \$100,000 each year for educational grants for dependent children and spouses of public safety officers killed in the line of duty.

Subd. 4. Child care grants. Appropriates \$6.684 million each year for child care grants.

Subd. 5. State work study. Appropriates \$14.502 million each year for state work study.

Subd. 6. Indian scholarships. Appropriates \$1.85 million each year for the Indian Scholarship program.

Subd. 7. Intervention for College Attendance Program Grants. Appropriates \$671,000 each year, of which up to \$50,000 each year may be used for administrative expenses, to the ICAP grant program.

Subd. 8. Midwest Higher Education Compact. Appropriates \$95,000 each year for dues to MHEC.

Subd. 9. United Family Medicine Residency Program. Appropriates \$351,000 in fiscal year 2012 and \$351,000 in fiscal year 2013 for a grant for up to 18 residents in family practice to prepare doctors for family care medicine in underserved areas.

Subd. 10. Interstate tuition reciprocity. Appropriates \$3.15 million each year to meet reciprocity contract obligations.

Subd. 11. Minnesota College Savings Plan. Appropriates \$350,000 in fiscal year 2012 only for the college savings plan.

Subd. 12. MnLINK Gateway and Minitex. Appropriates \$5.065 million each year for MnLINK, the Minnesota Library Information Network and Minitex, a publicly supported network of academic, public, state government, and special libraries working to improve library service.

Subd. 13. Student and parent information. Appropriates \$122,000 each year for the program.

Subd. 14. Get Ready. Appropriates \$180,000 each year for the program.

Subd. 15. Minnesota Minority Partnership. Appropriates \$45,000 each year for the program.

Subd. 16. Agency Administration. Appropriates \$2.494 million in fiscal year 2012 and \$2.493 million in fiscal year 2013 for Office of Higher Education administration.

Subd. 17. Balances forward. This subdivision provides that balances in this section do not cancel, but are available in the second year.

Subd. 18. Transfers. This subdivision authorizes the transfer of unencumbered funds from other programs to financial aid programs and the reciprocity program. A transfer requires prior written notice to the higher education legislative chairs.

4 Board of Trustees of the Minnesota State Colleges and Universities

Subdivision 1. Total appropriation. Appropriates \$545.366 million in fiscal year 2012 and \$545.365 million in fiscal year 2013. tuition.

Subd. 2. Central Office and Shared Services Unit. Of the \$545.3 million appropriation, this subdivision appropriates \$33,074,000 each year for the Office of the Chancellor and the Shared Services Division.

Subd. 3. Operations and maintenance. Of the \$545.3 million appropriation, this subdivision appropriates \$508.177 million in fiscal year 2012 and \$508.176 million in fiscal year 2013 for operations and maintenance at the campuses.

- Of the \$508 million, \$102,000 each year is for the Cook County Higher Education Board to provide educational programs and academic support services.
- One percent of the fiscal year 2013 appropriation is contingent on the system achieving three of five specified performance goals; 1) increase by at least seven percent, compared to fiscal year 2009, graduates or degrees, diplomas and certificates conferred; 2) increase by at least ten percent, compared to fiscal year 2010, the number of students of color; 3) increase by at least fifteen percent, compared to fiscal year 2010, the full year equivalent enrollment of students taking online or blended courses or the number of online and blended sections; 4) increase by at least one percent the fall 2011 persistence and completion rate for fall 2010 entering students compared to the fall 2010 rate for fall 2009 entering students; and 5) decrease by at least two percent, compared to calendar year 2009, total energy consumption per square foot.

By October 1, 2011, the Board of Trustees and the Minnesota Office of Higher Education must agree on specific numerical indicators and definitions for each of the five goals that will be used to demonstrate the Minnesota State Colleges and Universities' attainment of each goal.

On or before April 1, 2012, the Board of Trustees must report to the legislative committees with primary jurisdiction over higher education finance and policy the progress of the Minnesota State Colleges and Universities toward attaining the above goals.

Subd. 4. Learning Network of Minnesota. Appropriates \$4.115 million each year for the Learning Network of Minnesota program to be administered by the Minnesota State Colleges and Universities.

Subd. 5. Education Priorities. This subdivision directs the Board of Trustees to place the highest priority on meeting the needs of Minnesota employers for a skilled workforce. The board must focus on the efficient delivery of higher education, eliminate duplication throughout the system, and streamline the operation of the system to provide an education that prepares students for the workforce needs of Minnesota.

- 7 Tuition limitation at state colleges.** This section sets the maximum annual increase for tuition for Minnesota undergraduate resident students for the fiscal year ending June 30, 2013, at four percent each year for colleges of the Minnesota State Colleges and Universities.
- 8 Effective date; relationship to other appropriations.** This section, unless otherwise specified, makes this article effective retroactively from July 1, 2011 and supersedes and replaces funding authorized by order of the Second Judicial District Court.

ARTICLE 2

Related Higher Education Provisions

- 1 Senior citizen.** This section sets the age of eligibility for the senior citizen higher education program at 62 years, reversing the 2010 change in law to increase the age of eligibility to 65. The program provides a tuition benefit to seniors who enroll at public postsecondary institutions on a space-available basis. This section is effective for terms beginning after August 15, 2011.
- 2 Cost of attendance.** This section sets a statutory amount for the tuition and fee maximum used to calculate the state grant award if a maximum is not set in law. The statutory maximum is the highest tuition and fee amount charged by a public two-year institution for two-year programs and the highest amount charged by a public four-year institution for four-year programs. As under current law, an amount set in law supersedes the statutory maximum. This section is effective retroactively from July 1, 2011.
- 3 Self loan revenue bonds annual certificate of need.** This section makes technical and clarifying changes in the process to ensure payment of bonds for student loans. This section is effective retroactively from July 1, 2011.
- 4 Undergraduate tuition guarantee plan.** This section encourages the Minnesota State Colleges and Universities Board of Trustees to offer an optional tuition plan for Minnesota resident students pursuing two-year and four-year degrees that meets the goal of holding tuition constant at the rate

charged in the first semester. The plan must offer stable tuition for the years that are necessary to complete the degree, after which tuition may increase to the rate charged new enrolling students. Students on active military duty are exempt from the time limit while on active duty. This section is effective retroactively from July 1, 2011.

- 5-11 Minnesota college savings plan matching grant.** Sections 5-11 eliminate the statutory requirements that provide a state-funded matching grant for low- and middle-income families who participate in the Minnesota college savings plan established under section 529 of the Internal Revenue Code. These sections are effective July 1, 2012.
- 13 Study of graduate education in for-profit sector.** This section requires the Office of Higher Education, or OHE, to study the for-profit graduate education sector in Minnesota. The study is to include the rights and responsibilities of their graduate students; policies on students' intellectual property rights; and policies and guidelines on academic freedom of inquiry and dispute resolution. OHE must report findings and recommendations for improving graduate education in the for-profit education sector to the Legislature by Jan. 15, 2013.
- 14 Credit transfer within Minnesota State Colleges and Universities.** This section requires the Board of Trustees to report progress on credit transfers, information on transfers, and a study of effective transfer mechanisms in a report to the Legislature already required in Law 2012, Chapter 364, Sec. 38.
- 15 Repealer.** This section repeals the following statutes; M.S.135A.26 - the requirement for public institutions to sell American-made clothing and apparel in their bookstores to the extent possible; M.S.181.986 – the requirement that public employers purchase or require employees to furnish uniform or protective accessories that are not made in America; M.S.136G.11, subs. 1-10 – the matching grant program that is part of the Minnesota College Savings plan; and Law 2009, Chapter 95, Art. 2, Sec. 39 – requirement to provide one-time Achieve grants to students who were eligible before Jan. 1, 2009 and have not yet been awarded the grant. All repealers are effective retroactively from July 1, 2011.

OMNIBUS TAX BILL

Special Session H.F. 20 (Chapter 7)

SUMMARY: While the tax bill contains many items pertaining to state taxation, there are provisions in the bill of particular interest to Minnesota State Colleges and Universities system as summarized below, including the use of local sales tax revenues to fund higher education facilities in Rochester and the Southwest Regional Amateur Sports Center in Marshall.

ARTICLE 2
Federal Update

Section

- 2** **Net income.** This section adopts the federal changes, with certain exceptions, to taxable income effective when the federal changes became effective. The federal Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 enacted Dec. 17, 2010, made changes that includes extending the higher education tuition expense deduction to tax years 2010 and 2011. The deduction applies to up to \$4,000 of qualifying expenses for taxpayers with adjusted gross income up to \$65,000 (\$130,000 for married joint filers) and up to \$2,000 of qualifying expenses for taxpayers with adjusted gross income over \$65,000 but less than \$80,000 (\$130,000 to \$160,000 for married joint filers).

ARTICLE 3
Sales and Use Taxes

- 8** **Resold admission tickets.** This section eliminates double taxation on resold tickets of admission by allowing a ticket reseller to claim a refund or give the ticket purchaser a credit for any sales tax paid on the original ticket sale. Language limits the credit to the lesser of (1) the tax paid at the time of the original ticket sales, or (2) the tax charged by the reseller. The provision requires the reseller to charge the sales tax on the full price of the ticket resale if the sales tax was not paid on the original ticket sale, and requires the ticket reseller to maintain records necessary to document the price and tax paid by the ticket reseller when they purchase a ticket and when they resell a ticket. For purposes of this subdivision, "ticket reseller" means a person who purchases admission tickets to a sporting event, theater, musical performance, or place of public entertainment or amusement of any kind Effective after September 30, 2011.

ARTICLE 4

Local Taxes

- 5 Use of revenues.** This section allows the City of Rochester to use its local sales tax revenues to fund additional projects including \$26.5 million for higher education facilities.
- 6 Bonding authority.** This section allows the City of Rochester to hold the election to issue bonds for the projects in section 5 at the same time they hold the election for the extension of the local sales tax. The amount of the bonds is limited to \$139.5 million plus associated bond costs.
- 7 Termination of taxes.** This section allows the City of Rochester to extend the current tax beyond the date necessary to raise sufficient funds for current authorized projects. The tax is extended to December 31, 2012, so it does not expire before the required referendum is held at the 2012 general election. If the tax extension is approved by the voters, the tax is extended until sufficient revenues are raised to fund the additional \$139.5 million in projects plus associated bond costs.
- 14 City of Marshall; sales and use tax.** This section allows the City of Marshall to impose a 1/2 of one percent sales tax in the city for the indicated projects if approved by voters at a general election held in the next two years. The city is required to present separate ballot questions for the two authorized projects; new and existing facilities of the Minnesota Emergency Response and Industry Training Center and new facilities of the Southwest Minnesota Regional Amateur Sports Center.

Language allows the city to issue up to \$17.29 million in bonds for the projects listed above. The local sales tax ends at the earlier of 15 years, or when revenues raised are sufficient to pay for the projects, including all associated bond costs. The city may choose to end the taxes at an earlier date.

ARTICLE 9

Science and Technology Program

- 2 Definitions.** This section defines college or university as a private or public education institution that grants academic degrees and conducts research and development in science and technology.

This section also defines commercialized research project as research conducted in a college or university or at a nonprofit research institution or by a qualified science and technology company that has shown advanced commercial potential in the form of licenses, patents, or similar and for which a qualified science and technology company is being or has been formed.

- 5 **Commercialized research program.** This section authorizes the authority to establish a commercialized research program to encourage the creation of science and technology jobs. This program can provide grants of up to \$250,000 per project for research projects to assist in the commercialization of science and technology, developed by a college, university, or nonprofit organization and transferred to a qualified science and technology company; and projects developed directly by a qualified science and technology company. The program is subject to the following limits; the authority must establish written criteria for the award and use of the grants; the recipient (college, university, nonprofit organization, or private company) must provide matching funds; and recipients must report to the authority on the uses and outcomes of the grant within one year.

- 6 **Federal research and development support program.** This section provides the authority to establish a federal research and development support program to increase and coordinate efforts to obtain federal funding for research of primary benefit to qualified science and technology companies, colleges and universities, and nonprofit research organizations.

- 7 **Industry innovation and competitiveness program.** This section authorizes the authority to create an industry technology and competitiveness program to provide matching funds to help start-up qualified science and technology companies; fund efforts to retain engineering, science, and technical jobs in Minnesota; and fund science and technology industry growth clusters. The program is subject to the following limits; the authority must establish written criteria for the award and use of the grants; the recipient (college, university, nonprofit organization, or private company) must provide matching funds; and recipients must report to the authority on the uses and outcomes of the grant within one year.

- 8 **Minnesota Science and Technology Authority; powers under fund.** This section provides that the authority has all of the powers necessary to carry out its purposes, including the power to make grants and loans and to pay for reasonable administrative expenses, including staff and professional fees. Administrative costs are limited to five percent of the first \$5,000,000 in the fund and two percent of any balance in excess of \$5,000,000.

In making grants, the authority is directed to give priority to qualified science and technology businesses that have "demonstrable economic benefits to the state" by creating jobs, attracting federal money, or creating new businesses. In making grants to colleges, universities, and nonprofit research organizations, the authority is to give priority to proposals that promote collaboration with private businesses; attract new research entities, talent, or resources to Minnesota; or attract significant researchers and resources from outside of Minnesota.

Interest charged on the loans and other revenues from the fund's transactions, including required repayments, go back to the corpus of the fund.

- 9 Repayment.** This section requires the recipient of an award, grant, loan, or other financial assistance to repay all or part of it, if the recipient moves out of Minnesota or ceases operation in the state within four years after it received the grant. If the relocation or closing occurs within three years of receipt, the entire amount must be repaid. Relocations or cessation of operation that occur after three years and before four years require repayment of 75 percent of the amount.
- 10 Expiration.** This section provides the law expires when the Minnesota Science and Technology Authority expires by law (June 20, 2018). Any unused money in the fund would be returned to the general fund.
- 11 Appropriation.** This section appropriates \$500,000 from the general fund to the Minnesota science and technology fund for fiscal year 2012. This appropriation carries over to fiscal year 2013, and up to \$107,000 of it may be used for administrative expenses of the authority, notwithstanding the percentage limits on administrative expenditures in section 8.
- 12 Effective date.** This article is effective the day following final enactment.

OMNIBUS PENSION BILL

Special Session H.F. 14 (Chapter 8)

SUMMARY: The omnibus pension bill, which passed during the special session, contains various provisions related to pension of an administrative nature, as well as provisions with some policy substance. Minnesota State Colleges and Universities administers all or part of several pension programs, and employees participate in seven plans, including deferred compensation and tax sheltered annuity programs. Those provisions that affect the Minnesota State Colleges and Universities system are summarized below, including making the default coverage for any new Minnesota State Colleges and Universities eligible system employees the Teachers Retirement Association, or TRA, rather than the Higher Education Individual Retirement Account Plan, or IRAP if the employee has any service in a plan included in the combined service annuity portability provision and adds a notification provision requiring notice and counseling by they system before any coverage election deadline.

ARTICLE 2

Teacher Retirement Coverage

Section

- 12 Eligibility.** This section applies to the Minnesota State Colleges and Universities system and revises the eligibility in the individual retirement account statute, M.S.354B.21 to accommodate the coverage default provision change in Sections 14 and 15 below.
- 13 Required notice; counseling.** This section adds a new subdivision to the individual retirement account statute, requiring benefit counseling by the Minnesota State Colleges and Universities at least 90 days before the end of the benefit coverage election period.
- 14 Coverage; election.** This section applies to the Minnesota State Colleges and Universities system and modifies the election provision to accommodate the coverage default provision change in Section 15 below.
- 15 Default coverage.** This section applies to the Minnesota State Colleges and Universities system and sets the default retirement plan coverage most likely to be appropriate based on prior employment.
- 16 Plan coverage and election; certain past service technical college faculty.** This section applies to the Minnesota State Colleges and Universities system and clarifies the retention of prior defined benefit retirement plan coverage for pre-1995 or pre-1997 hires.
- 17 Payment for certain prior uncovered service.** This section applies to the Minnesota State Colleges and Universities system and adds a reference to

eligible unclassified administrators the authority to purchase prior uncovered service.

- 18 Continuation of coverage.** This section applies to the Minnesota State Colleges and Universities system and adds a reference to eligible unclassified administrators the authority to the continuation of coverage provision.
- 19 Coverage; certain part-time employees.** This section applies to the Minnesota State Colleges and Universities system and clarifies coverage for certain part-time system employees.
- 22 Repealer.** This section applies to the Minnesota State Colleges and Universities system and repeals an obsolete 1995 technical college employee provision and an obsolete pre-2004 contribution transfer provision.

ARTICLE 3

Actuarial Assumption Update

- 1 Interest and salary assumptions.** This section applies to various retirement plans and replaces the current salary increase and payroll growth actuarial assumptions with the new assumptions recommended in the quadrennial experience studies.

OMNIBUS HEALTH AND HUMAN SERVICES BILL
Special Session H.F. 25 (Chapter 9)

SUMMARY: The original health and human services omnibus finance bill was vetoed by Gov. Mark Dayton along with the other finance bills at the end of the regular session. The only finance bill Gov. Dayton signed during the regular session was the agriculture bill. After an agreement was reached between legislative leaders and the governor, a special session was called on July 19, 2011. The Legislature passed the finance bills, including the health and human services bill, which Gov. Dayton signed on July 20. The provision with an impact on the Minnesota State Colleges and Universities system regarding critical access dental providers is summarized below.

ARTICLE 6
Health Care

Section

- 68 Critical access dental providers.** This section eliminates critical access dental provider eligibility for a dental clinic "associated with an oral health or dental education program" operated by the University of Minnesota or the Minnesota State Colleges and Universities. Language requires a dental clinic to be owned and operated by these entities in order to qualify as a critical access dental provider. This section is effective September 1, 2011.

STATE GOVERNMENT OMNIBUS FINANCE BILL
Special Session S.F. 12 (Chapter 10)

SUMMARY: The original state government finance bill was vetoed by Gov. Mark Dayton along with the other finance bills at the end of the regular session. The only finance bill Gov. Dayton signed during the regular session was the agriculture bill. After an agreement was reached between legislative leaders and the governor, a special session was called on July 19, 2011. The Legislature passed the finance bills, including the state government bill, which Gov. Dayton signed on July 20. The state government bill affects a wide variety of state organizations and agencies, including the Minnesota State Colleges and Universities system. Changes that affect the system are summarized below.

ARTICLE 2

Military Affairs and Veterans Affairs

Section

3 Veterans Affairs

Subd. 2. Veterans Services. This section appropriates \$945,000 each year of the biennium for the higher education veterans assistance program under M.S.197.585.

This section also appropriates \$100,000 each year of the biennium for the costs of administering the Minnesota GI Bill program under M.S.197.791.

- 5 Repealer.** This section repeals M.S.197.585, Subd. 5 effective the day following final enactment. Subd. 5 provided for the higher education veterans assistance program to expire at the end of the first fiscal year in which the number of veterans enrolled in Minnesota public institutions of higher education is fewer than 4,000, but no later than June 30, 2011.

ARTICLE 3

State Government Operations

- 24 Billing procedures.** This section authorizes Minnesota Management and Budget to bill up to \$10 million each fiscal year (instead of \$7.52 million) for statewide systems services provided to state agencies, including the Minnesota State Colleges and Universities. Services include the state accounting system, payroll system, human resources systems, procurement system and related information access systems. This section is effective July 1, 2013.
- 25 Employee gainsharing system.** This section requires the Commissioner of Minnesota Management and Budget to establish a program to provide one-time bonus compensation to state employees for efforts made to reduce the costs of operating state government or for ways of providing better or more efficient state services. The maximum award to an

employee or group of employees is 10 percent of the documented savings in the first year in which savings are realized up to \$10,000 per individual and \$25,000 per group. The award must be paid from the appropriation to which the savings accrue.

27 Pay-For-Performance Program

Subd. 1. Pilot program established. This section directs the Commissioner of Minnesota Management and Budget to set up a pilot program to demonstrate the feasibility and desirability of using state appropriation bonds to pay for services based on performance and outcomes.

Subd. 2. Oversight committee. This section directs the Commissioner of Minnesota Management and Budget to appoint an oversight committee to develop the program. Language designates the commissioners of the departments of human services, employment and economic development and administration to serve on the committee. The Commissioner is also directed to appoint someone from a non-profit organization that has participated in a pay-for-performance program and anyone else the commissioner determines would be helpful.

Subd. 3. Contracts. This section directs the Commissioner of Minnesota Management and Budget and the commissioner of the state agency with a service selected to be provided through the pilot program to contract with the selected provider. Language provides for the contract to be paid from appropriation bond proceeds.

Subd. 4. Return on investment calculation. This section directs the Commissioner of Minnesota Management and Budget, in consultation with the oversight committee, to establish a method and determine the data required for calculating the state's return on investment. Language states that a positive return on investment will cover the state's costs in financing and administering the pilot program through documented increases in state tax revenue or cost avoidance.

Subd. 5. Report to governor and legislature. This section requires a report on the program by January 15 of each year following a year in which the pilot program is operating.

28 Minnesota Pay-For-Performance Program; appropriation bonds. This section authorizes appropriation bonds to be sold to pay for the pilot program contract obligations. Language limits the amount of bonds issued and outstanding to \$10 million. Language also requires that during the upcoming biennium, bonds may be issued only to the extent that program savings will exceed debt service payments on the bonds.

36 Use of carryforward. This section allows the Legislative Auditor to use carry-forward money for audits of Legacy Funds and for Minnesota State

Colleges and Universities audits.

- 37 **State building efficiency.** This section requires the Commissioner of Administration to issue an RFP to provide recommendations for efficiencies in state building management. Language specifies a proof of concept phase, and specifies conditions under which the Commissioner must enter into a contract.
- 38 **Fleet management improvements.** This section requires the Commissioner of Administration to issue an RFP to provide recommendations for improvements in the state vehicle fleet. Language specifies a proof of concept phase, and specifies conditions under which the Commissioner must enter into a contract.
- 39 **State employee efficient use of health care incentive program.** This section authorizes Minnesota Management and Budget to develop and implement a program that creates an incentive for efficient use by state employees of the State Employee Group Insurance Program, or SEGIP.
- 40 **State employee group insurance plan dependent eligibility verification audit services.** This section requires the Minnesota Management and Budget Commissioner to enter into a contract to provide dependent eligibility verification audit services for the state employee insurance program.
- 41 **Strategic sourcing request for proposals.** This section requires the Commissioner of Administration to enter into a contract to provide recommendations for efficiencies in strategic sourcing. Language requires a progress report to the Legislature by January 15, 2012.
- 42 **State job classifications.** This section requires the Commissioner of Minnesota Management and Budget to report to the Legislature on a process to redesign and consolidate the job classification plan for executive branch employees, with a goal of assigning all classified positions to no more than 50 job families.
- 44 **Performance appraisal system report.** This section requires Minnesota Management and Budget to report to the Legislature by January 15, 2012 on a plan from redesign and implementation of the performance appraisal system for executive branch employees.
- 45 **Service credit and credited salary.** This section provides that state employees who were laid off during the government shutdown receive service credit and credited salary in their pension plan for the period of state government shutdown.
- 46 **FTE Report.** This section requires Minnesota Management and Budget to report to the Legislature on the reduction in the number of full-time

2011 ♦ MANDATES AND CURIOSITIES ♦ 2011

equivalent executive branch employees as of June 30, 2012 and June 30, 2013, compared to the number of full-time equivalent employees on June 30, 2011.

K-12 EDUCATION OMNIBUS FINANCE BILL

Special Session H.F. 26 (Chapter 11)

SUMMARY: The original K-12 education finance bill was vetoed by Gov. Mark Dayton along with the other finance bills at the end of the regular session. The only finance bill Gov. Dayton signed during the regular session was the agriculture bill. After an agreement was reached between legislative leaders and the governor, a special session was called on July 19, 2011. The Legislature passed the finance bills, including the K-12 education bill, which Gov. Dayton signed on July 20.

The K-12 education omnibus finance bill provides funding for the Minnesota Department of Education as well as makes changes to K-12 education policy. Many of the policy changes made to the K-12 community affect higher education. Those changes that affect the Minnesota State Colleges and Universities are summarized below.

ARTICLE 1
General Education

Section

- 4** **Early graduation.** This section redirects early graduation savings from a school district to the early graduation achievement scholarship program for participating students (current law allows a school district to continue to count a student who graduates early in its enrollment for the full school year).
- 5** **Early graduation achievement scholarship program.** This section creates the early graduation achievement scholarship program and qualifies a student who graduates early for a scholarship of up to \$7,500. The provision allows the student to use the scholarship at any accredited higher education institution. Language creates a process for the Commissioner of Education to verify the student's enrollment in a higher education institution.
- 22** **Annual general education aid appropriation.** This section includes the early graduation achievement scholarship and military service award payments in the general education aid open and standing appropriation.
- 36** **Appropriations**
Subd. 3 Enrollment options transportation. This section appropriates \$31,000 in fiscal year 2012 and \$32,000 in fiscal year 2013 for transportation of pupils attending postsecondary institutions or for pupils attending non-resident districts.

ARTICLE 2
Education Excellence

- 2 Revisions and reviews required.** This section allows public high school students who graduate in the 2014-2015 school year or later to satisfactorily complete a career and technical credit as an alternative to completing a chemistry or physics credit required for graduation. This section is effective immediately.
- 10 License and rules.** This section directs the Board of Teaching to grant initial teaching licenses based on professional competencies aligned with the board's licensing system and students' learning needs. Language directs the board to include the licenses in its differentiated licensing system.
- 11 Highly qualified teacher defined.** This section removes outdated language on the HOUSSE, or High Objective Uniform State Standard of Evaluation, process and updates current language.
- 12 Probationary period.** This section requires a school board to adopt a plan for at least three written periodic evaluations of probationary teachers throughout a school year. The provision requires the first evaluation to occur within the first 90 days of teaching service. Language requires a probationary teacher to complete 120 days of teaching service each year during the probationary period.
- 13 Mentoring for probationary teachers.** This section requires a school board and the exclusive representative of the teachers to develop a probationary teacher peer review process that is consistent with the annual teacher evaluation process. This section is effective for the 2014-2015 school year and later.
- 14 Development, evaluation, and peer coaching for continuing contract teachers.** This section allows a school board and the exclusive representative of the teachers to develop through joint agreement a teacher evaluation and peer review process, premised on the content of this section, for probationary and continuing contract teachers. If no agreement is reached, then the school board and the exclusive representative of the teachers must implement the plan the commissioner develops under this section.

The provision establishes an annual teacher evaluation process that provides probationary teacher evaluations; establishes a three-year professional review cycle and includes at least one summative evaluation performed by a trained evaluator; is based on professional teaching standards; is coordinated with staff development activities; allows time for

peer coaching and teacher evaluation; allows mentoring and induction programs; allows teachers to develop and present a portfolio; requires agreed upon teacher value-added assessment models and state and local measures of student growth, the data from which provide the basis for 35 percent of teacher evaluation results; uses longitudinal data on student engagement and connection and other student outcome measures; requires qualified and trained evaluators to perform summative assessments; gives support to improve the performance of teachers not meeting professional teaching standards; and establishes discipline for a poorly performing teacher who fails to improve. Defines individual teacher data as personnel data.

And the provision directs the department, in consultation with teachers and administrators and other education stakeholders to create and publish a teacher evaluation process that complies with the requirements of this section and applies to all teachers without an annual teacher evaluation agreement under paragraph This section is effective for the 2014-2015 school year and later.

- 20** **Grounds for discharge of demotion.** This section makes inefficiency in teaching or managing a school, consistent with the requirements for an annual teacher evaluation, a ground for discharging or demoting a teacher. This section is applicable to collective bargaining agreements ratified after September 1, 2014.
- 25** **Authorization; notification.** This section allows ninth and tenth grade students to enroll in college in the school's classes if, after all the 11th and 12th grade students have applied, more students are needed to offer the course.
- 26** **Dissemination of information; notification of intent to enroll.** This section directs school districts to provide information on postsecondary enrollment options to students in eighth and ninth grade in addition to tenth and eleventh grades.
- 27** **Limit on participation.** This section limits the number of academic years ninth and tenth grade students may enroll in postsecondary courses for secondary credit.
- 28** **Eligibility.** This section expands eligibility for concurrent enrollment program aid to include rigorous career and technical education programs.
- 29** **Charter schools**
Subd. 1. Purposes. This section states that the section is not intended to keep open a school that a school board closes, and allows a school board to endorse or authorize the establishing of a charter school to replace the

closed school. Language requires charter applicants under this circumstance to demonstrate to the authorizer that the proposed charter is substantially different from the closed school and satisfies the requirements of this subdivision regarding its purpose. The provision requires a school board that both closes a school and authorizes a charter to document to the education commissioner that the proposed charter is substantially different from the closed school.

Subd. 3. Authorizer. This section strikes a definition of “affidavit” that describes the substance of a form an authorizer must submit to the commissioner before a charter school may organize an affiliated non-profit building corporation. The provision also strikes the requirement that a charitable organization report a year-end fund balance of at least \$2,000,000 to be eligible to serve as a charter school authorizer, and adds a requirement that a charitable organization must have been operating continuously for at least five years before it authorizes a charter school. The provision strikes the limit on the number of permitted single purpose authorizers.

The commissioner is required to approve or disapprove an eligible authorizer’s application for approval as an authorizer within 45 business days instead of 60 business days. If the commissioner disapproves an authorizer’s application, language requires the commissioner to provide the applicant with written notice of the specific deficiencies and gives the applicant 20 business days to mitigate the deficiencies and provides the commissioner a further 15 business days to make a final decision.

The provision strikes several requirements addressed elsewhere for what an authorizer must include in its application to the commissioner for approval as an authorizer. Language is added that requires the authorizer applicant to include a description of the authorizer’s criteria and process for granting expanded applications.

In a circumstance where an authorizer’s governing board votes to withdraw as an approved authorizer for a reason unrelated to the grounds for terminating a charter school contract under subdivision 23 of this charter school section, language requires the authorizer to notify the commissioner and all its chartered schools by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year. The provision allows the commissioner to approve the transfer of a charter school to a new authorizer after a new authorizer submits an affidavit to the commissioner. The provision allows the commissioner to assist a charter school in acquiring a new authorizer in a case where the commissioner terminates a contract between an authorizer and a charter school after finding that the authorizer failed to comply with statutory requirements governing charter school authorizers.

Subd. 4. Formation of school. This section strikes language allowing a charter school to be organized and operated as a cooperative under chapter 308A, and strikes language allowing a charter school to be organized and operated as a cooperative under chapter 308A. The provision also requires school board elections to be held during the school year, which excludes days when the school is closed for holidays or vacations, and clarifies that the parent member of the school board of directors must not be a school employee. Language allows the chief financial officer and chief administrator of a charter school to serve as ex officio nonvoting board members only and precludes charter school employees from serving on a charter school board unless they serve in their capacity as a licensed teacher employed at the school or as a licensed teacher providing instruction at the school under a contract between a cooperative and the charter school.

This section provides an authorizer to submit a supplemental affidavit to the commissioner before the authorizer may permit a charter school board of directors to expand to additional sites or add additional grades. The provision requires the supplemental affidavit to document the need for the expansion and projected enrollment, the longitudinal data on students' improved academic performance and growth that warrants the expansion, the financing available and sought for this purpose, and the governance and management structures to implement the expansion.

The section also gives the authorizer 20 business days to mitigate any deficiencies identified by the commissioner. Language prohibits an individual with whom a charter school contracts from serving on the charter school board of directors.

Subd. 6. Charter school contract. This section adds to the terms of a charter school contract a requirement that the charter school operator agree to indemnify and hold harmless the commissioner and the authorizer and their officers, agents, and employees from any suit, claim, or liability arising from operating the charter school. Language requires an auditor to provide financial services to a charter school to agree to make information about a charter school's financial audit available to the commissioner upon request.

Subd. 9. Admissions requirements. This section allows a charter school to give enrollment preference to the children of the school's staff instead of the school's teachers.

Subd. 17a. Affiliated nonprofit building corporation. This section strikes the requirement that the charter of a school operating for at least five school years must have been renewed for a five-year term before the charter school organizes an affiliated nonprofit building corporation to

renovate or purchase an existing facility to serve as a school.

Subd. 23. Causes for nonrenewal or termination of charter school contract. This section requires a charter school authorizer to notify a charter school board of directors within 60 business days of its intent to not renew or terminate the charter contract. The provision clarifies that an informal hearing is available before the authorizer acts to renew or not renew a charter contract.

This section allows a transfer of authorizers when an authorizer and a charter school board of directors mutually agree to terminate or not renew a charter contract. Language requires the proposed authorizer to identify any outstanding issues and have the charter school agree to resolve those issues before the commissioner determines whether to approve a transfer of authorizers. After providing reasonable notice and an opportunity for a public hearing, language allows the commissioner to terminate a charter school contract if the commissioner establishes that the charter school failed to meet state pupil performance requirements, among other grounds. Language strikes the commissioner’s obligation to provide information about other eligible authorizers to a charter school when the commissioner terminates the charter contract of an authorizer that fails to fulfill statutory requirements.

Subd. 25. Extent of specific legal authority. This section requires a charter school to assume full liability for its activities and to indemnify and hold harmless the commissioner and authorizer and their officers, agents, and employees from any suit, claim, or liability arising from operating the charter school.

48 Tiered licensure advisory task force. This section directs the Board of Teaching and the Education Commissioner to convene and facilitate an advisory task force to develop recommendations for a statewide tiered licensure system premised on: research-based professional competencies; ongoing teacher professional growth; an assessment system for evaluating teachers’ performance aligned with value-added measures of student outcomes; an expectation that teachers progress through various stages of teaching practice; and a periodic evaluation of the licensing structure. The provision encourages the task force to consider the “Model Core Teaching Standards” draft, lists advisory task force members, directs the education commissioner to assist the task force upon request, establishes the terms under which task force members serve, and directs the board of teaching and the education commissioner to submit a report to the Legislature by February 15, 2012. The task force expires on February 16, 2012.

50 Appropriations

Subd. 8. American Indian teacher preparation grants. This section

appropriates \$190,000 each year of the biennium for joint grants to assist American Indian people to become teachers.

Subd. 12. Examination fees; teacher training and support programs.

This section appropriates \$4.5 million each year of the biennium for students' advanced placement and international baccalaureate examination fees, and the training and related costs for teachers and other interested educators.

Subd. 13 Concurrent enrollment programs. This section appropriates \$2 million each year of the biennium for concurrent enrollment programs.

ARTICLE 6

Libraries

2 Appropriations

Subd. 4. Electronic library for Minnesota. This section appropriates \$900,000 each year of the biennium 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.

ARTICLE 13

Effective Date

1 Effective date; relationship to other appropriations. This section states that unless otherwise specified, this bill is effective retroactively from July 1, 2011 and supersedes and replaces funding authorized by order of the Second Judicial District Court.

OMNIBUS BONDING BILL
Special Session H.F. 23 (Chapter 12)

SUMMARY: The omnibus bonding bill contains language to fund construction of state financed facilities, as well as remodeling and renovation of existing buildings. The 2011 Legislature passed a \$531 million capital investment bill during the special session. Included in the bill is \$131.586 million for the Minnesota State Colleges and Universities system, of which \$30 million is for HEAPR, higher education asset preservation and replacement.

Section	<i>Omnibus Bonding Bill</i>	
3	Minnesota State Colleges and Universities	
	Subd. 1. Total Appropriation	\$131,586,000
	Subd. 2. Higher Education Asset Preservation and Replacement	\$30,000,000
	Subd. 3. Anoka-Ramsey Community College, Coon Rapids	\$5,357,000
	Complete design, and renovate, furnish, and equip the Fine Arts classroom and lab building.	
	Subd. 4. Hennepin Technical College, Brooklyn Park and Eden Prairie	\$10,566,000
	Renovate, furnish and equip existing space at the Brooklyn Park and Eden Prairie campuses for a Library and Learning Resource Center and student services with an addition and new entrances at both campuses.	
	Subd. 5. Metropolitan State University	\$3,444,000
	Design and acquire land for a Science Education Center.	
	Subd. 6. Minnesota State University Moorhead	\$14,901,000
	Complete design and renovate, furnish and equip Livingston Lord Library.	
	Subd. 7. Normandale Community College	\$21,984,000
	Design, construct, furnish and equip a new building for classrooms and offices and to design, construct, furnish and equip the renovation of the Student Services Building.	
	Subd. 8. Mesabi Range Community and Technical College, Virginia	\$3,000,000
	Pre-design, design, construct, furnish and equip an addition to and renovation of existing space for the Iron Range engineering program, including laboratory spaces, other learning spaces, and improvements to the entrance, and to acquire a privately owned housing facility on the campus.	
	Subd. 9. St. Cloud State University	\$42,334,000
	Complete design, and construct, furnish and equip an Integrated Science and Engineering Laboratory Facility.	

Subd. 10. Debt service. The Board of Trustees is required to pay the debt service on one-third of the principal amount on the projects authorized in this section with the exception of higher education asset preservation and replacement.

Subd. 11. Unspent appropriations. Upon substantial completion of a project authorized in this section, any remaining funding may be used for HEAPR at the same campus as the project for which the original appropriation was made. The Board of Trustees is to report to the Legislature of any such action by February 1 of each even-numbered year.

50 Effective date. Except as otherwise provided, this bill is effective the day following final enactment.