

HF934 – HOUSE OMNIBUS EDUCATION BILL

THE BIG PICTURE - HOUSE

The House bill appropriates \$14.158 billion for the FY12-FY13 biennium – not including shifts, the general fund appropriation is \$14.300 billion for the FY12-FY13 biennium. The House increases the formula allowance while eliminating integration aid, eliminating the special education growth factor for the FY12-FY13 biennium, and de-linking compensatory and sparsity revenue. The House also makes policy changes in teacher evaluation and tenure, collective bargaining, and includes vouchers for students in the cities of the first class.

MDE Commissioner Cassellius testified and raised many concerns about the House bill. She stated she hopes they can find common ground but the House proposal makes it difficult. She argued the bill lacks a coherent focus and a common sense approach to closing the achievement gap, has sections that are inconsistent with each other and that it creates winners and losers.

FUNDING CHANGES

Formula allowance: The basic formula allowance is increased by \$31 per pupil in FY12, \$55 per pupil in FY13 and \$40 per pupil in FY14.

Aid payment shifts: The aid payment shift is set at 70/30.

Special education: The special education growth factors are removed both years of the next biennium resulting in a reduction in the special education appropriation of \$264 million.

Integration revenue: Almost all of the statutes and rules related to the Integration Revenue Program are repealed and replaced with a new Innovation revenue program. Minneapolis and St. Paul lose their integration aid and keep only 30% of their total integration revenue through a levy. Duluth integration aid is reduced to \$129 per pupil. Districts that received integration revenue previously will continue to receive up to \$129 per pupil in innovation revenue.

Vouchers: Establishes a voucher program for students attending persistently low-performing schools in the cities of the first class whose family income is less than 175% of the federal poverty level. As a result, the general education appropriation is reduced \$15.8 million and approximately the same amount is appropriated for the voucher program. This loss of pupil counts will also impact district levies that are tied to pupil counts.

Compensatory revenue: Compensatory is delinked from the basic formula allowance for FY12 and later. The compensatory pilot projects are continued and establishes a new one-time compensatory grant. The 20 largest school districts in the state that receive lower amounts of compensatory concentration revenue would receive enhanced compensatory revenue.

Sparsity revenue: De-links sparsity revenue from the basic formula for FY12 and later.

Extended time revenue: Extended time revenue is increased and is tied to the formula allowance of \$5,124 formula amount.

Small school revenue: Establishes a small schools revenue program for FY13 and later for school districts and charters with less than 1,000 pupil units.

Alternative facilities: Alternative facilities aid is repealed

Maximum effort school loan: Authorizes a school district that received a capitol loan prior to January 1, 1997 to repay the outstanding principal on its loan prior to July 1, 2012 and discharge its maximum effort capitol loan obligation to the state of Minnesota.

Operating capitol revenue: Lowers the operating capitol levy by \$16 million by increasing the equalizing factor beginning in FY13. Extends the uses of operating capitol revenue to include costs associated with leasing vehicles and closing a school.

Adult Basic Education: The growth factor in the Adult Basic Education Program is eliminated.

Early childhood scholarships: Provides \$6 million for continuing the early childhood scholarships in St. Paul, Minneapolis, Wayzata, and Blue Earth and Nicollet counties.

MDE budget: The MDE budget is reduced by \$11.2 million for the next biennium.

POLICY PROPOSALS

Student instruction hours: Changes the current statute which requires as many schools days as was in the school calendar of a district in 1996-97 to a required minimum number of hours of instruction for a student. The minimum hours of instruction are as follows: 425 hours for a kindergarten student without a disability, 935 hours for a student in grades 1-6 and 1,020 hours for students in grades 7-12.

Early graduation: An early graduation achievement scholarship program is established. Students who graduate early will be eligible for a scholarship that can be used at an accredited higher education institution. Students entering into military service are also eligible for the scholarship

Principal and teacher evaluations: Establishes a principal and teacher evaluation framework.

QComp: Revises the Q Comp program so that it is tied to the new teacher evaluation framework.

Grading schools: Creates a new A – F school grading system which is based on the Florida model of education reforms.

MOE of safe schools levy: Repeals the maintenance of effort requirement associated with the safe schools levy.

Academic standards rulemaking. - Prohibits the commissioner from adopting revised and realigned academic standards and graduation requirements without receiving legislative authority. Postpones for 1 year the review of state academic standards and graduation requirements in social studies.

Math GRAD test: The math GRAD requirement goes back to being effective for students who were enrolled in 8th grade in the 2008-09 school year.

High school assessment system: Directs the commissioner to establish a high school assessment system for students entering 8th grade in the 2012-13 school year and later. Many of the recommendations follow the CCRPI framework that was developed 2 years ago.

Collective bargaining: Makes several changes to collective bargaining.

- Makes teachers essential employees and removes the right to strike.
- Establishes a Qualified Economic Offer system that prohibits teachers from striking over economic issues if the school board offers a contract that includes a percentage increase in compensation at least equal to the district's biennial percentage increase in basic revenue.
- Allows contract negotiations to only take place during the 3 month period preceding September 1 when school is not in session. If an agreement is not reached during the odd numbered year, negotiations must be suspended until the following summer when school is not in session. If an agreement is not reached, employee compensation must be according to the terms of the collective bargaining agreement in effect in the preceding cycle. If an agreement is not reached in the even numbered year, the school board must submit the matter to an arbitrator selected by the Bureau of Mediation Services who must determine the matter based on a final offer, total package submitted from each party.
- Prohibits teachers from requesting interest arbitration.
- Repeals January 15th contract deadline penalty.
- Gives school boards the authority to determine the number and identity of vendors for 403(b) plans.

Teacher probationary and tenure status: Makes changes aligned with the proposed teacher assessment and evaluation system.

- Makes only the first 90 days of a teacher's first year of employment at will.
- Directs a school board to decide whether or not to renew a probationary teacher based on the teacher's professional growth plan, the teacher's appraisal results, performance effectiveness rating, and other locally selected criteria.
- Teachers who satisfactorily complete a probationary period have a renewable 5-year contract.
- Allows a superintendent to exempt from the unrequested leave of absence provisions those teachers who, in the superintendent's judgment, are able to provide instruction that similarly licensed teachers cannot provide or whose subject area license meets unmet district needs for student instruction.

Special education: Several policy changes are included.

- Requires the commissioner to adopt new rules related to special education after receiving specific legislative authority to do so.
- A school district is not required to provide educational services to non-resident students from another state who do not have an individual education plan and do not have a tuition agreement.
- Reforms the 3rd party reimbursement system.

State short-term borrowing: Repeals 127A.46 which allows the state to delay school aid payments in lieu of short-term borrowing.

Fund transfers: Fund transfers must be approved by the commissioner in FY 12 and FY 13 if the transfer does not increase state aid obligations to the district or result in additional property tax authority. This does not apply to transfers from the community education or food service fund.

Community education director: Allows a school district with fewer than 10,000 (current law is 2,000) to employ a person without a community education director license. This person must have a principal or superintendent's license.

Click [here](#) for the House bill language.

Click [here](#) for the House bill summary.

Click [here](#) for the House district runs.

Click [here](#) for the House appropriations spreadsheet.

Click [here](#) for the House levy spreadsheet.

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THE BIG PICTURE - SENATE

Senate: The Senate bill appropriates \$14.158 billion for the FY12-FY13 biennium – not including shifts, the general fund appropriation is \$14.286 billion for the FY12-FY13 biennium. The Senate increases the formula allowance while eliminating integration aid, reducing the special education growth factor for the FY12-FY13 biennium, and de-linking compensatory and sparsity revenue. The House also makes policy changes in teacher evaluation and tenure, collective bargaining, and includes a statewide school district employee freeze.

FUNDING CHANGES

Formula allowance: The basic formula allowance is increased by \$50 per pupil in FY12, \$50 per pupil in FY13 and later.

Aid payment shift: The aid payment shift is set at 70/30.

Special education: The special education growth factor is reduced from 1.046 to 1.0 resulting in a reduction in the special education appropriation of \$228 million.

Integration revenue: Repeals all the statutes and rules related to the Integration Revenue Program and shifts this funding to a literacy program.

Compensatory revenue: Compensatory is delinked from the basic formula allowance for FY11 and later. The compensatory pilot projects are continued.

Sparsity revenue: De-links elementary, secondary, and transportation sparsity revenue from the basic formula for FY12 and later.

Operating capitol revenue: Continues for two years, the \$51 transfer to the general fund. Extends the uses of operating capitol revenue to include costs associated with leasing vehicles.

Career and technical education: Increases the career and technical education levy to the greater of \$80 times the district's average daily membership in grades 9-12, or 35%, instead of 25% of approved expenditures.

Adult Basic Education: The growth factor in the Adult Basic Education Program is reduced from 1.03 to 1.02.

MDE budget: Makes a small reduction to the agency appropriation.

POLICY PROPOSALS

Early graduation: An early graduation achievement scholarship program is established. Students who graduate early will be eligible for a scholarship that can be used at an accredited higher education institution. Students entering into military service are also eligible for the scholarship

MOE of safe schools levy: Repeals the maintenance of effort requirement associated with the safe schools levy.

Staff development: Repeals the staff development program and the staff development reserve requirement.

Academic standards. - Prohibits the commissioner from adopting the common core standards.

Collective bargaining: Makes several changes to collective bargaining.

- Establishes a Qualified Economic Offer system that prohibits teachers from striking over economic issues if the school board offers a contract that includes a percentage increase in compensation at least equal to the district's biennial percentage increase in basic revenue.
- Implements a statewide school district employee salary freeze.
- Repeals January 15th contract deadline penalty.

Teacher salaries: Requires that at least 50% of a teacher's salary increase be based on the teacher's performance using student achievement gains.

Teacher probationary and tenure status: Makes several changes to teacher tenure.

- Directs a school board to decide whether or not to renew a probationary teacher based on the teacher's professional growth plan, the teacher's appraisal results, performance effectiveness rating, and other locally selected criteria.
- Provides for teacher tenure with 5-year renewable contracts.
- Allows a superintendent to exempt from the unrequested leave of absence provisions those teachers who, in the superintendent's judgment, are able to provide instruction that similarly licensed teachers cannot provide or whose subject area license meets unmet district needs for student instruction.

Teacher dismissal: Reduces the timelines for immediate dismissal and further clarifies the process and hearing and determination by an arbitrator.

- Makes only the first 90 days of a teacher's first year of employment at will.

Charter schools: Removes the grandfather clause for charter school building lease aid and makes a charter school in its first year of operation ineligible for charter school lease aid.

Career and technical education: Requires a student to complete a credit in chemistry, physics or career and technical education.

Health and Safety revenue program: Streamlines the health and safety revenue program.

Fund transfers: Allows a number of fund transfers for specific school districts.

Click [here](#) for the Senate bill language.

Click here for the Senate bill summary.

Click here for the Senate district runs.

Click here for the Senate appropriations spreadsheet.

Click here for the Senate levy spreadsheet.