

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1475

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Introduction and first reading
Referred to E-12 Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education; creating financial incentives for school districts to help
1.3 students and families understand state standards and encourage MCA and MTAS
1.4 testing participation; amending Minnesota Statutes 2016, sections 120B.31,
1.5 subdivision 4a; 126C.13, subdivision 4; proposing coding for new law in Minnesota
1.6 Statutes, chapter 120B.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2016, section 120B.31, subdivision 4a, is amended to read:

1.9 Subd. 4a. **Student participation.** The commissioner shall create and publish a form for
1.10 parents and guardians to complete if they refuse to have their student participate in state or
1.11 locally required standardized testing. The form must state why there are state academic
1.12 standards, indicate which tests are aligned with state standards, and what consequences, if
1.13 any, including the incentives under section 120B.361, the school or student may face if a
1.14 student does not participate in state or locally required standardized testing. This form must
1.15 ask parents to indicate a reason for their refusal.

1.16 Sec. 2. **[120B.361] STATEWIDE TESTING PARTICIPATION INCENTIVES.**

1.17 Subdivision 1. **Purpose.** To help improve student and family understanding of state
1.18 standards and statewide testing required under section 120B.30, the financial incentives
1.19 provided in this section shall apply to all school districts and charter schools that receive
1.20 general education aid under section 126C.10, subdivision 2.

1.21 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
1.22 meanings given.

2.1 (b) "All-grades participation rate" means the average of: (1) the percentage of all students
2.2 enrolled in grades 3 to 8 and 11 and who participated in MCA and MTAS math testing in
2.3 the previous school year, as reported by the commissioner in compliance with Public Law
2.4 114-95, section 1111; and (2) the percentage of all students enrolled in grades 3 to 8 and
2.5 10 and who participated in MCA and MTAS reading testing in the previous school year, as
2.6 reported by the commissioner in compliance with Public Law 114-95, section 1111.

2.7 (c) "Formula allowance increase" means the greater of zero or the difference between
2.8 the basic revenue formula allowance under section 126C.10, subdivision 2, for the next
2.9 fiscal year less the basic revenue formula allowance under section 126C.10, subdivision 2,
2.10 for the current fiscal year.

2.11 (d) "Grades 3 to 8 participation rate" means the average of: (1) the percentage of all
2.12 students enrolled in grades 3 to 8 and who participated in MCA and MTAS math testing in
2.13 the previous school year, as reported by the commissioner in compliance with Public Law
2.14 114-95, section 1111; and (2) the percentage of all students enrolled in grades 3 to 8 and
2.15 who participated in MCA and MTAS reading testing in the previous school year, as reported
2.16 by the commissioner in compliance with Public Law 114-95, section 1111.

2.17 (e) "High school participation rate" means the average of: (1) the percentage of all
2.18 students enrolled in grade 10 and who participated in MCA and MTAS reading testing in
2.19 the previous school year, as reported by the commissioner in compliance with Public Law
2.20 114-95, section 1111; and (2) the percentage of all students enrolled in grade 11 and who
2.21 participated in MCA and MTAS math testing in the previous school year, as reported by
2.22 the commissioner in compliance with Public Law 114-95, section 1111.

2.23 (f) "Minnesota Comprehensive Assessments," "MCA testing," "Minnesota Test of
2.24 Academic Skills," or "MTAS testing" means the statewide testing system under section
2.25 120B.30.

2.26 Subd. 3. **Participation incentives.** (a) Each year, in confirming the amount of the formula
2.27 allowance increase a district or charter school will receive for the next fiscal year, the
2.28 department must take into account the district's MCA and MTAS testing participation rates
2.29 under this subdivision.

2.30 (b) If a district's or charter school's grades 3 to 8 participation rate and high school
2.31 participation rate are both greater than or equal to 95 percent, the district or charter school
2.32 will receive 100 percent of the formula allowance under section 126C.10, subdivision 2.

2.33 (c) If a district's or charter school's grades 3 to 8 participation rate or high school
2.34 participation rate or both are less than 95 percent, for the next fiscal year only, the district

3.1 will receive a percentage of the formula allowance increase equal to the all-grades
 3.2 participation rate.

3.3 (d) The base formula allowance for a district or charter school that was determined by
 3.4 the commissioner under paragraph (c) to receive less than 100 percent of the formula
 3.5 allowance increase in a previous year but improved MCA and MTAS testing participation
 3.6 in a subsequent year such that it is determined by the commissioner under paragraph (b) to
 3.7 receive 100 percent of the formula allowance under section 126C.10, subdivision 2, is the
 3.8 formula allowance under section 126C.10, subdivision 2.

3.9 Subd. 4. **Exceptions.** (a) If a district or charter school is determined by the commissioner
 3.10 under subdivision 3 to receive less than 100 percent of the formula allowance increase for
 3.11 the next fiscal year, the district or charter school may apply to the commissioner for a waiver
 3.12 of the reduction by demonstrating it made significant efforts in the preceding school year
 3.13 to inform staff and students' families of the value of state standards and of participating in
 3.14 MCA and MTAS testing.

3.15 (b) If a district or charter school is determined by the commissioner under subdivision
 3.16 3 to receive less than 100 percent of the formula allowance increase for the next fiscal year,
 3.17 the district or charter school may use a two-year average of the grades 3 to 8 or high school
 3.18 participation rate, whichever fell below 95 percent, for purposes of calculating the amount
 3.19 of the formula allowance increase it will receive in the next fiscal year.

3.20 Sec. 3. Minnesota Statutes 2016, section 126C.13, subdivision 4, is amended to read:

3.21 Subd. 4. **General education aid.** For fiscal year 2015 and later, a district's general
 3.22 education aid equals:

3.23 (1) general education revenue, excluding operating capital revenue, equity revenue, local
 3.24 optional revenue, and transition revenue, minus the student achievement levy, multiplied
 3.25 times the ratio of the actual amount of student achievement levy levied to the permitted
 3.26 student achievement levy; plus

3.27 (2) operating capital aid under section 126C.10, subdivision 13b; plus

3.28 (3) equity aid under section 126C.10, subdivision 30; plus

3.29 (4) transition aid under section 126C.10, subdivision 33; plus

3.30 (5) shared time aid under section 126C.10, subdivision 7; plus

3.31 (6) referendum aid under section 126C.17, subdivisions 7 and 7a; plus

3.32 (7) online learning aid under section 124D.096; plus

- 4.1 (8) local optional aid according to section 126C.10, subdivision 2d, paragraph (d); minus
- 4.2 (9) statewide testing participation incentives under section 120B.361, subdivision 3,
- 4.3 paragraph (c).