

to participate in the work-study program, the amount of awards to be made under the work-study program, the amount and nature of service which the student is required to perform under the program, the method of payment of awards and accounting for funds, the nature and amount of supervision required by the college and employing agency and any other matters relating to the program as necessary.

Sec. 5. [136A.235] The total amount of all payments to the student under the work-study program shall be exempt from state income tax.

Sec. 6. There is hereby appropriated from the general fund in the state treasury to the higher education coordinating commission the sum of \$15,000 for the biennium for administration of the work-study program authorized by this act.

Approved May 24, 1973.

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## CHAPTER 683—S.F.No.1626

[Coded in Part]

*An act relating to operation of government; providing for aids to education, tax levies, and the distribution of tax revenues; authorizing an experimental school in independent school district No. 309 and the issuance of bonds by independent school district No. 625; appropriating money; amending Minnesota Statutes 1971, Chapter 124, by adding sections; Sections 120.17, Subdivision 7, and by adding a subdivision; 124.04; 124.17, Subdivision 1; 124.212, Subdivisions 1, 4, and 10, and by adding subdivisions; 124.28, Subdivision 3; 124.32, Subdivisions 1 and 5, and by adding a subdivision; 275.125, Subdivision 3 and by adding subdivisions; 276.11; and 360.133, Subdivision 2; repealing Minnesota Statutes 1971, Sections 120.17, Subdivision 8; 124.212, Subdivisions 3, 6, 7 and 8; 124.22; 124.31; 124.32, Subdivision 3; 275.125, Subdivision 2; and 360.133, Subdivision 3.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1971, Section 120.17, Subdivision 7, is amended to read:

Subd. 7. **EDUCATION; STATE AIDS; PLACEMENT IN STATE INSTITUTION; RESPONSIBILITY.** Responsibility for special instruction and services for a handicapped child placed in a

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state institution on a temporary basis shall be determined in the following manner:

(a) The legal residence of such child shall be the school district in which his parent resides, if living, or his guardian ~~if neither parent is living within the state or the district designated by the commissioner of education if neither parent or guardian is living within the state;~~

(b) When the educational needs of such child can be met through the institutional program, the costs for such instruction shall be paid by the department to which the institution is assigned;

(c) When it is determined that such child can benefit from public school enrollment, provision for such instruction shall be made in the following manner:

(1) Determination of eligibility for special instruction and services shall be made by the commissioner of education and the commissioner of the department responsible for the institution;

(2) The school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the child's district of residence for the actual cost of providing the program;

(3) The district of the child's residence shall pay the tuition and other program costs including the unreimbursed transportation costs and may claim foundation aid for the child. Special transportation shall be provided by the district providing the education program and the state shall reimburse such district within the limits provided by law.

Sec. 2. Minnesota Statutes 1971, Section 120.17, is amended by adding a subdivision to read:

**Subd. 8a. RESIDENCE OF CHILD UNDER SPECIAL CONDITIONS.** The legal residence of a handicapped child placed in a foster facility for care and treatment when: (1) parental rights have been terminated by court order; (2) parent or guardian is not living within the state; or (3) no other school district residence can be established, shall be the school district in which the child resides. The school board of the district of residence shall provide the same educational program for such child as it provides for all resident handicapped children in the district.

Sec. 3. Minnesota Statutes 1971, Section 124.04, is amended to read:

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**124.04 CAPITAL EXPENDITURE TAXING AUTHORITY.** In addition to the tax levy prescribed by law for general and special school purposes, the board of any district may levy annually an ~~amount equal to eight not to exceed \$65 per pupil unit and not to exceed 10 mills~~ on each dollar of assessed valuation of the taxable property in the district as adjusted for the preceding year by the equalization aid review committee notwithstanding the provisions of sections 272.64 and 275.49, provided that said levy may not exceed by more than two mills (three mills if the district adds units pursuant to section 124.17, subdivision 1, clause (7)) the levy under this section in the previous year. The tax so levied shall be collected in the manner provided by law for the collection of ~~other~~ school taxes. The proceeds of the tax may be used only to acquire land, improve and repair school sites and to ~~erect~~, equip, ~~re-equip~~, repair and improve buildings and permanent attached fixtures, ~~and~~. Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The board ~~may~~ shall establish a fund in which the proceeds of this tax ~~may~~ shall be accumulated until expended ~~by the board~~.

The proceeds of the tax shall not be used for custodial or other maintenance services.

Sec. 4. Minnesota Statutes 1971, Section 124.17, Subdivision 1, is amended to read:

**124.17 DEFINITION OF PUPIL UNITS.** Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In an elementary school, for kindergarten and for handicapped pre-kindergarten pupils as defined in section 120.03, and enrolled in one-half day sessions throughout the school year or the equivalent thereof, approved by the commissioner of education, one-half pupil unit and other elementary pupils, one pupil unit.

(2) In secondary schools, pupils in junior high school or a six-year school and all other pupils in secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of a middle school shall be counted as secondary pupils.

(3) In area vocational-technical schools one and one-half pupil units.

(4) To meet the problems of educational overburden caused by broken homes, poverty and low income, each pupil from families receiving aid to families with dependent children or its successor program shall be counted as an additional five-tenths pupil unit. The department of public welfare is directed to furnish to the

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department of education that information concerning children from families with dependent children which is necessary to calculate pupil units. Additional aids to a district for such pupils may be distributed on a delayed basis until the department of education publicly certifies that the information needed for paying such aids is available on such a timely basis that such aids may be paid concurrently with other foundation aids.

(5) In every district where the number of pupils from families receiving aid to families with dependent children or its successor program exceeds ten percent of the total actual pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional 35/100 of a pupil unit; for those districts where the number of such pupils is more than eight percent but not more than ten percent of the total pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional two-tenths of a pupil unit and for those districts where the number of such pupils is at least five percent but not more than eight percent of the total pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional one-tenth of a pupil unit. Such weighing shall be in addition to the weighing provided in clauses (1), (2), (3), and (4) of this section. School districts are encouraged to allocate a major portion of the aids that they receive on account of clauses (4) and (5) to primary grade programs and services, particularly to programs and services that involve participation of parents.

(5) (6) Where the total pupil units of a district are used as a multiplier in determining foundation aids and spending and levy limitations and where the actual number of pupil units has decreased from the prior year, the number of pupil units for such district shall equal the average of actual pupil units for the prior and current years.

(7) Where the actual number of pupil units has increased from the prior year by more than four percent, a number of pupil units equal to one fourth of the difference between the units as computed in clauses (1) and (2) for the two years shall be added to the other units for the district.

(8) This adjustment shall not be made Only pupil units in clauses (1), (2) and (3) shall be used in computing adjusted maintenance cost per pupil unit.

Sec. 5. Minnesota Statutes 1971, Section 124.212, Subdivision 1, is amended to read:

124.212 FOUNDATION AID. Subdivision 1. The foundation aid program for school districts for fiscal school years 1972-1973-

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1974 and ~~1973~~ 1974-1975 shall be governed by the terms and provisions of this section.

Sec. 6. Minnesota Statutes 1971, Section 124.212, is amended by adding a subdivision to read:

Subd. 3a. AID GUARANTY. Notwithstanding any of the other provisions of this section, for the 1973-1974 school year neither the sum nor the sum per pupil unit of the aggregate foundation aid earned by a district maintaining a classified secondary school and the amount raised by the maximum levy authorized by Minnesota Statutes 1971, Section 275.125, Subdivision 2, Clause (2) and for the 1974-1975 school year neither the sum nor the sum per pupil unit of the aggregate foundation aid earned by such a district and the amount raised by the maximum levy authorized for 1973 by section 18(1) of this act, shall be less than the sum or the sum per pupil unit respectively of the aggregate foundation aid earned for the 1972-1973 school year, any payments earned for 1972-1973 which but for the operation of Minnesota Statutes 1971, Section 124.212, Subdivision 3, would not have been earned, and the amount raised by the levy authorized by Minnesota Statutes 1971, Section 275.125, Subdivision 2, Clause (1). Aggregate foundation aid includes foundation aid for all pupil units. For purposes of this computation pupil units used as a divisor shall include only those units identified in clauses (1), (2) and (3) of subdivision 1 of section 124.17.

Sec. 7. Minnesota Statutes 1971, Section 124.212, Subdivision 4, is amended to read:

Subd. 4. Notwithstanding any of the other provisions of this section, foundation aids computed under subdivisions 6 and 7 shall be reduced by the amount of moneys received by the district from the permanent school fund and shall be further reduced by the amount of sales tax per capita payments made to the district pursuant to sections 297A.57 and 297A.55. The amount of money received by a school district as income from the permanent school fund for any year, shall be deducted from the foundation aid earned by the district for the same year including aid earned pursuant to section 6 of this act or from aid earned from other state sources.

Sec. 8. Minnesota Statutes 1971, Section 124.212, is amended by adding a subdivision to read:

Subd. 6a. For the 1973-1974 school year a district shall receive in foundation aid the lesser of (1) \$788 per pupil unit less 30 mills times the 1971 adjusted assessed valuation of the district, or (2) the amount that bears the same relation to the difference in (1) as the sum of the 1970-1971 adjusted maintenance cost per pupil unit

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increased by \$87, and the greater of (a) one-sixth of the difference that results when the adjusted maintenance cost per pupil unit, so increased, is subtracted from \$788, or (b) \$38, bears to \$788.

Sec. 9. Minnesota Statutes 1971, Section 124.212, is amended by adding a subdivision to read:

Subd. 7a. For the 1974-1975 school year a district shall receive in foundation aid, the lesser of: (1) \$820 per pupil unit less 30 mills times the 1972 adjusted assessed valuation of the district, or (2) the amount that bears the same relation to the difference in (1) as the sum of the greater sum computed pursuant to section 8, clause (2) of this act, and the greater of (a) one-third of the difference that results when such greater sum is subtracted from \$820, or (b) \$32, bears to \$820.

Sec. 10. Minnesota Statutes 1971, Section 124.212, is amended by adding a subdivision to read:

Subd. 8a. Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district. For districts receiving payments under sections 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 294.21 to 294.28; 124.215, subdivision 2a; 124.25; 124.30; 360.133; 360.135; and 124.28; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; the foundation aid shall be reduced by: The previous year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 18 of this act to the total levy allowed by section 275.125, but not to exceed 35 percent in 1973-1974 and 40 percent in 1974-1975 of the previous year's payment.

Sec. 11. Minnesota Statutes 1971, Chapter 124, is amended by adding a section to read:

[124.222] TRANSPORTATION AID ENTITLEMENT. Subdivision 1. COMPUTATION. For the 1974-1975 school year the state shall pay to each school district for all school transportation and related services for which the district is authorized by law to receive state aid: (1) The lesser product of either

(a) The actual net operating cost per eligible pupil transported during the 1975 fiscal year times the number of eligible pupils transported during the 1975 fiscal year; or

(b) 110 percent of the actual net operating cost per eligible pupil transported during the year ending June 30, 1973, times the number of eligible pupils transported during the 1975 fiscal year;

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(2) Minus the amount raised by a levy of one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy collected in calendar year 1974;

(3) Plus, the amount of depreciation for one year on the school bus fleet computed by the department of education on a straight line basis at the rate of ten percent per year of the net cost of the fleet.

Subd. 2. Notwithstanding subdivision 1, for the 1974-1975 school year the state shall pay to school districts having boundaries coterminous with the boundaries of a city of the first class for all school transportation and related services for which a district is authorized by law to receive state aid: Eighty percent of the lesser product computed pursuant to clause (1) of subdivision 1, plus 80 percent of the amount computed pursuant to clause (3) of subdivision 1.

Subd. 3. PAYMENT SCHEDULE. The state shall pay to each school district 30 percent of its estimated school transportation aid entitlement for the 1975 fiscal year on or before each of the following dates: September 30, December 31, and March 31. The actual balance due the district shall be paid on or before August 31 of the following fiscal year.

Subd. 4. SPECIAL PAYMENT. In addition to other payments authorized by law, on or before August 31 in fiscal year 1975 only, the state shall pay to each school district ten percent of the amount paid to the district in fiscal year 1974 for school transportation services provided in fiscal year 1973.

Sec. 12. Minnesota Statutes 1971, Chapter 124, is amended by adding a section to read:

[124.223] TRANSPORTATION AID AUTHORIZATION. For the 1974-1975 school year and thereafter, school transportation and related services for which state transportation aid is authorized are:

(1) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by Minnesota Statutes, Sections 123.76 to 123.79 with respect to private school pupils; provided that state transportation aid is authorized in an amount not to exceed \$700,000 annually for the transportation of any elementary pupil, if the commissioner determines that the transportation is necessary because of extraordinary traffic hazards;

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(2) Transportation to or board and lodging in another district of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) Transportation for residents to a state board approved secondary vocational center;

(4) Transportation or board and lodging of a handicapped pupil when he cannot be transported on a regular school bus, and the conveying of handicapped pupils between home and school and within the school plant;

(5) Transportation of resident handicapped children to licensed daytime activity centers attended by the children;

(6) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(7) Services described in clauses (1) to (6) when provided in conjunction with a state board approved summer school program.

Sec. 13. Minnesota Statutes 1971, Section 124.28, Subdivision 3, is amended to read:

Subd. 3. For the purpose of determining the applicability of this section to any district in fiscal 1974 and subsequent years, the valuation of taxable property shall be the ~~1969~~ adjusted value of such property as determined by the equalization aid review committee and used in calculating foundation aid for the corresponding school year, exclusive of class 2 personal property and personal property exempt from taxation by Extra Session Laws 1967, Chapter 32, and the valuation of the exempt property shall be the full value of the exempt property as reported annually by the department of public service. For the purpose of determining refunds the valuations of the taxable property shall be taken at 30 percent of the valuations as adjusted by the equalization aid review committee and the valuation of the exempt property shall be taken at 30 percent of its full value. The eligibility of a school district under this section is determined by adding the adjusted taxable valuation of the taxable property of the district as determined by the equalization aid review committee to the full value of the exempt property as reported by the department of public service; then by dividing the amount of the exempt property by the total of such taxable property and exempt property; if the result is 20 percent or more the school district is eligible, otherwise not, unless it qualifies temporarily under subdivision 1 or the following paragraph.

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Any district disqualified from receiving refunds because this subdivision as amended substitutes a more recent adjusted assessed valuation for the 1969 adjusted assessed valuation previously specified, shall nevertheless continue to receive such refunds for three additional years, but the net amounts due prior to any required proration shall be reduced by 25 percent the first year, by 50 percent the second year, and by 75 percent the third year.

Sec. 14. Minnesota Statutes 1971, Section 124.32, Subdivision 1, is amended to read:

**124.32 HANDICAPPED CHILDREN.** Subdivision 1. The state shall pay to any district and unorganized territory; (a) for the employment in its educational program for handicapped children, 60 percent of the salary of essential personnel, but this amount shall not exceed ~~\$5,300~~ \$5,600 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, including but not limited to summer school; (b) for the employment of an individual jointly with another district or districts or unorganized territory in its educational program for handicapped children, 60 percent of the salary of essential personnel, but this amount shall not exceed ~~\$5,300~~ \$5,600 per annum for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time including but not limited to summer school.

Sec. 15. Minnesota Statutes 1971, Section 124.32, Subdivision 5, is amended to read:

Subd. 5. When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay to the resident district not to exceed 60 percent of instructional costs charged to the resident district, less the foundation aid per pupil unit payable to the resident district. Not more than ~~\$125,000~~ \$300,000 shall be spent annually for purposes of implementing this subdivision. If that amount does not suffice, the aid shall be prorated among all qualifying districts.

The following types of facilities may be approved by the commissioner:

(a) A residential facility operated by a public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children, either within or outside of the state, or, a state residential school outside of the state.

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(b) A private, nonsectarian residential facility designed to provide educational services for handicapped children either within or outside of the state.

(c) A state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

Sec. 16. Minnesota Statutes 1971, Section 124.32, is amended by adding a subdivision to read:

Subd. 6. The state shall reimburse each district or unorganized territory the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by sections 1 or 2 of this act, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following such procedure as requested by the commissioner of education a district or unorganized territory providing instruction and services for such handicapped child may bill the state the actual cost incurred in providing said services including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of foundation aid, special education aid, transportation aid, and any other aid earned in behalf of such child, such action pursuant to limits set forth in Minnesota Statutes, Section 124.32, Subdivision 4.

Sec. 17. Minnesota Statutes 1971, Chapter 124, is amended by adding a section to read:

**[124.781] LIMITATION ON TAX ANTICIPATION BORROWING.** Except as approved by the commissioner, a district may not issue certificates of indebtedness pursuant to sections 124.71 to 124.78, for a larger proportion of its total anticipated tax or aid revenues than it borrowed against such revenues which were received in calendar 1973 with respect to tax revenues and in the 1972-1973 school year with respect to aid revenues.

Sec. 18. Minnesota Statutes 1971, Section 275.125, is amended by adding a subdivision to read:

Subd. 2a. (1) In 1973, a school district may levy for all general and special school purposes, an amount equal to the amount raised by the 1972 adjusted assessed valuation of the district times the number of mills, not to exceed 30, that bears the same relation to 30, as the greater sum computed pursuant to section 9, clause (2) of this act, bears to \$820.

(2) In 1974, a school district may levy for all general and special school purposes, an amount equal to the amount raised by

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the 1973 adjusted assessed valuation of the district times the number of mills, not to exceed 30, that bears the same relation to 30, as the sum of the greater sum computed pursuant to section 9, clause (2) of this act, and the greater of (a) one-half of the difference that results when such greater sum is subtracted from \$860, or (b) \$40, bears to \$860.

(3) The levy authorized by clauses (1) or (2) may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held in a single school year. The question on the ballot shall be whether a specific millage which will yield a specific amount based on the most recent assessed valuation may be added to that authorized by clauses (1) or (2). If approved, the amount provided by the millage applied to each year's assessed valuation shall be authorized for certification until revoked by the voters of the district at a subsequent referendum, which may be called by the school board and which shall be called by the school board upon the written petition of qualified voters of the district unless the petition for revocation is submitted in the same year in which a levy has been increased by the voters pursuant to this clause. A petition authorized by this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or 10 percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board unless the petition for revocation is submitted in the same year in which a levy has been increased by the voters pursuant to this clause. Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

Sec. 19. Minnesota Statutes 1971, Section 275.125, Subdivision 3, is amended to read:

Subd. 3. In addition to the levy prescribed authorized by subdivision 2 section 18 of this act, each a qualifying district may levy additional amounts as follows:

(1) The amounts necessary to make payments for bonds issued and for interest thereon, and for repayment of debt service loans and capital loans, the amount authorized for capital outlay including the bonds and interest thereon, issued as authorized by clause (7)(C) of this subdivision, and for repayment of debt service loans and capital loans, the amount authorized for capital expenditures pursuant to section 124.04 and the amount authorized for liabilities of dissolved districts pursuant to section 122.45.

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~~(2) An amount necessary to pay the estimated actual transportation costs of the district for the following school year less estimated state transportation reimbursement for the current year. The money raised by this additional levy may be used only for costs incurred in transportation which is partially reimbursable under sections 124.22 and 124.32.~~

(2) For school transportation services, an amount not to exceed the amount raised by a levy of one mill times the adjusted assessed valuation of the taxable property of the district for the preceding year; provided that in 1973 and thereafter a district having boundaries coterminous with the boundaries of a city of the first class may levy an amount not to exceed 20 percent of its costs for transportation and related services for which state aid is authorized for the 1974-1975 school year and thereafter, and provided further that a district may levy under this clause for the annual cash payments to be made for the purchase of buses, but only for that portion of the payments not offset by state transportation aid received on account of depreciation.

~~(3) For purposes of the 1971 levy, collectible in 1972, any district, in which the sum of \$87 per pupil unit in average daily membership and the difference between the reimbursement entitlement per pupil unit in average daily membership for 1970-1971 school year programs for handicapped children and the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership is greater than \$750 per pupil unit, may levy an amount per pupil unit which is equal to or less than the difference between said sum and \$750 per pupil unit. A district which is located in a city of the first class may not qualify for an additional levy that exceeds 1.5 mills times the adjusted assessed valuation of the district.~~

~~(4) For purposes of the 1972 levy collectible in 1973, any district, which qualified for an additional levy under subparagraph (3) of this subdivision, and in which the sum of the additional amount per pupil unit authorized by subparagraph (3) and \$750 per pupil unit is greater than \$788 per pupil unit may levy an additional amount per pupil unit which is equal to or less than \$38 per pupil unit plus the difference between said sum and \$788 per pupil unit. A district which is located in a city of the first class may not qualify for an additional levy that exceeds 1.5 mills times the adjusted assessed valuation of the district.~~

~~(5) Each district which maintains a post-secondary area vocational technical school shall report to the commissioner of education the receipts and expenditures of the district for the area vocational technical school by September of the fiscal year ending in the preceding June. The commissioner shall prescribe the form of the report.~~

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~~Each district or county maintaining a post secondary area vocational technical school may levy an additional levy exclusively for this school, but such levy in a district within a city of the first class may not exceed .5 mills times the adjusted assessed valuation of the district as determined by the equalization aid review committee for the year prior to the certification of the levy.~~

(3) For purposes of the 1973 levy, collectible in 1974, any district which qualified for an extra levy under Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (4), shall be allowed to levy the same amount per pupil unit allowed by that clause. Provided, however, that a district having boundaries coterminous with the boundaries of a city of the first class which was affected by the limitation of an extra levy not to exceed 1.5 mills times the adjusted assessed valuation of the district shall be allowed to levy 1.9 mills. For purposes of the 1973 levy, collectible in 1974, any district which qualified for an extra levy in 1971, collectible in 1972, under Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (3) but did not qualify for an extra levy under Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (4) in 1972, collectible in 1973, shall be allowed to levy the amount per pupil unit it was qualified to levy under Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (3).

(4) In 1973 only, for a district which was authorized to levy pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (3), but which was not authorized to levy pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (4), an amount not to exceed the aggregate amount authorized by Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (3).

(5) A district which qualified for a levy under clause (3) above shall be allowed to levy that same amount per pupil unit in 1974 reduced by two and one-half percent. The per pupil amount of the reduction shall be rounded down to the dollar. Provided, however, that a district within a city of the first class which was affected by the limitation of an extra levy not to exceed 1.9 mills times the adjusted assessed valuation of the district shall be allowed to levy the 1.9 mills.

(6) For districts in cities of the first class, maintaining post secondary vocational schools, one half mills times the adjusted assessed valuation of the taxable property of the district for the preceding year; and for other districts maintaining post secondary vocational schools, three mills times the adjusted assessed valuation of the taxable property of the district for the preceding year, provided that districts formed pursuant to Laws 1967, Chapter 822, and Laws 1969, Chapters 775 and 1060, shall be subject to the levy limitations imposed by those laws, as amended.

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(6) (7) (A) In order that the transition from existing patterns of financing public schools to the system prescribed in Extra Session Laws 1971, Chapter 31, Article 20 may be made in an orderly fashion, a district may levy an additional levy under the terms of this section.

(B) If that part of the levy certified by the school district in 1970, received in 1971, plus so much of the levy, allowed under subdivisions 2 and 3, sections 1 to 5 of this act, to be certified in 1971, received in 1972, as will be received between July 1, 1971 and June 30, 1972, and when added to all other state aids, local funds available and net existing local debts, exclusive of bonded debt and existing capital loans will not be sufficient to allow a district to spend an amount per pupil unit sufficient to raise its 1970-1971 adjusted maintenance cost per pupil unit by \$42 it may petition the commissioner of education for authority to levy an additional levy. Before such a levy can be made, the commissioner must authorize such a levy. Such authorization shall specify the amount of the levy, provided that such levy may not exceed .5 mills in a city of the first class or 1.5 mills in any other district times the 1970 adjusted assessed valuation of the district as determined by the equalization aid review committee.

(C) If the additional levy allowed in (B) is insufficient to raise the adjusted maintenance cost of a district to \$42 above its costs in 1970-1971 it may petition the commissioner of education for authority to issue general obligation bonds of an amount sufficient to meet the deficiency. The commissioner must authorize such a bond issue. The authorization shall specify the amount of the bond issue provided that the levy authorization to pay the principal and interest on the bonds may not exceed .5 mills in a district within a city of the first class, or 1.5 mills in any other district, times the 1970 adjusted assessed valuation of the district as determined by the equalization aid review committee. The bonds authorized by this section shall be sold and issued pursuant to the provisions of chapter 475, except as otherwise provided herein. Such bonds shall not be included in computing any debt limitation for a district and no election shall be required for their sale and issuance.

A district may not be authorized an additional levy under both (B) and (C) of this section.

(8) In 1973, and each year thereafter, for a district which has established a community school advisory council pursuant to section 121.88, whether or not the district receives reimbursement from the state pursuant to section 121.89, an amount of money raised by the greater of (A) \$1 per capita, or (B) the number of mills not to exceed the number of mills necessary in 1973 to raise \$1 per capita in 1973 for community services including summer school, nonvocational adult programs, recreation programs, and programs contemplated by sections 121.85 to 121.89.

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The population of the district for purposes of this clause is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

(9) Districts which receive payments which result in deductions from foundation aid pursuant to section 10 of this act, shall reduce the permissible levies authorized by this subdivision by 25 percent in 1973, 50 percent in 1974, 75 percent in 1975, and 100 percent for each year thereafter of that portion of the previous year's payment not deducted from foundation aid on account of the payment, unless such a levy reduction is otherwise required by law. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies.

(10) The commissioner shall certify to the county auditors any errors made in 1971 and 1972 in general and special purpose levy amounts. The county auditor is authorized to adjust the 1973 levy to correct for the errors.

Sec. 20. Minnesota Statutes 1971, Section 275.125, is amended by adding a subdivision to read:

Subd. 3a. Independent School District No. 625 is authorized to issue general obligation bonds in the amount of \$13,000,000. Such bonds shall be sold and issued pursuant to the provisions of Minnesota Statutes, Chapter 475, except as provided herein. Such bonds shall be used for the construction and betterment of two senior high schools and shall not be included in computing any debt limitation for a district and no election shall be required for their sale and issuance.

Sec. 21. Minnesota Statutes 1971, Section 360.133, Subdivision 2, is amended to read:

Subd. 2. **VALUATION OF PROPERTIES.** For the purposes of determining the amount of this refund, the value of such properties shall be set at 30 percent of their full and true value except that in no case shall the assessed value of said properties for this purpose exceed such an amount as when added to the assessed value of all other property in the school district exceed \$2,600 \$6,500 per resident pupil unit.

Sec. 22. The state board of education shall summarize and disseminate to boards of education, individual school faculty groups, individual school and school district parent organizations, the legislature and the governor, from presently available reports or from new reports it may require of school districts, the following types of information: individual elementary and secondary and area vocational technical school district costs, student enrollments, staff-

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ing and staffing ratios, district capital and operating debt or surplus, per pupil per mile costs of transportation, and other school district fiscal and demographic characteristics of importance.

The state board of education shall submit a report on or before November 15, 1974, to the house appropriations committee and senate finance committee detailing a plan for a fiscal accounting and reporting system of program expenditures for each elementary, secondary and area vocational technical school building and school district in the state and additional information as listed above with procedures to summarize this material for regional and state description and comparison.

**Sec. 23. RETARDED; INDETERMINATE RESIDENCY; AID 1972-73.** A district which provides educational services in 1972-1973 to trainable mentally retarded children residing in a state hospital mental retardation unit or other licensed residential facility, other than a group or foster home, and for which children parental rights have been legally terminated, or for which children no district of residency has been established, shall receive \$550 per child served in that year.

**Sec. 24. [124.571] VOCATIONAL REIMBURSEMENT CEILING.** Notwithstanding any reimbursement formula which is inconsistent with this section, for secondary, post-secondary and adult vocational programs, with the exception of obligations for veteran farmer cooperative training programs for which a separate appropriation is made, provided in fiscal year 1974 to be reimbursed in fiscal year 1975, the state shall not be obligated to reimburse in fiscal year 1975, or any other fiscal year, any amounts in excess of the appropriations made for fiscal year 1975 in this act for those purposes.

**Sec. 25. [124.806] OPTIONAL AID ENTITLEMENT.** Notwithstanding any other provisions of law, any school district which has received aid pursuant to Minnesota Statutes, Section 124.802, for the preceding eight years shall be entitled to receive in any school year commencing after July 1, 1973, the greater of the aid under section 124.802 or the average of the aid received during the preceding eight years. This section shall not apply to a district in which the average of the aids received during the eight preceding years exceeds \$90,000.

**Sec. 26. EXPERIMENTAL SCHOOL. Subdivision 1.** It is the intention of the legislature of the state of Minnesota to establish an experimental educational program to be situated in Independent School District No. 309 on the land comprising former Independent School District No. 25, which was dissolved and attached to Independent School District No. 309 by an order of the county board of Becker county dated June 23, 1970, which is on file and of

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record in the office of the county auditor of Becker county. Such experimental school shall be established as set forth in this section.

Subd. 2. Notwithstanding any statute, rule or regulation of the state board of education to the contrary, the school board of Independent School District No. 309 shall, in accordance with subdivisions 1 to 17, and within 30 days subsequent to the election specified in subdivision 3, transfer all of its jurisdiction, authority and liability for the pupils attending the experimental public school situated on the land comprising former Independent School District No. 25 to an incorporated Indian Education Committee which is eligible to receive federal aid to Indians pursuant to section 124.64. Thereafter, the care, management and control of the experimental school shall be vested in such committee.

Subd. 3. Upon approval of this section by the governing body of Independent School District No. 309, the chairman of the board shall determine a date not less than 20 nor more than 45 days from the date of approval of this section and a place located within the boundaries of former Independent School District No. 25 as set out in subdivision 1 for holding a meeting to organize the experimental school committee. He shall cause ten days posted notice of the meeting to be given in the experimental school area. The chairman of the board shall call the meeting to order and act as temporary chairman of the meeting until the officers of the experimental school committee have been elected. At the meeting, a chairman shall be elected to hold office until July 1 following the next annual election; the treasurer until one year from such date; and the clerk until two years from such date. Thereafter, the term of office for an officer of the committee shall be three years and until his successor qualifies.

Subsequent elections of committee officers shall be held in accordance with the applicable provisions of section 123.11.

Any qualified voter residing on the land comprising former Independent School District No. 25 as set out in subdivision 1 shall be entitled to vote at such election.

Subd. 4. Nothing contained in this section shall be construed to prohibit any qualified voter residing in the area comprising former Independent School District No. 25 from participating in the elections of Independent School District No. 309.

Subd. 5. The treasurer of such committee shall give a corporate surety bond to the state in an amount sufficient to protect the interest of the district as set by the board of Independent School District No. 309. Except as expressly provided in this subdivision, the provisions of section 123.34, subdivision 6 shall apply.

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Subd. 6. The committee shall superintend and manage the experimental school; adopt, modify, or repeal rules for its organization, government and instruction and for the keeping of registers; and prescribe textbooks and courses of study, provided, that such courses of study shall meet the standards for similar courses of study available in the public schools of this state.

Subd. 7. (a) The board of District No. 309 shall transfer to the committee all state aids, grants, and refunds earned and received by reason of the pupils actually attending the experimental school established by this section.

(b) The board of District No. 309 shall transfer to the committee, to the extent permissible, any federal aids or grants to which such district may be eligible or entitled by reason of the population in the experimental school area, the pupils actually attending the experimental school, the program of the experimental school, the boundaries of the experimental school or for any reason related thereto.

Subd. 8. Nothing contained in this section shall be construed to authorize the committee to issue bonds, levy taxes, or borrow funds in its behalf.

Subd. 9. The committee shall cause an audit to be made annually of all accounts of the experimental school which shall be completed within one year following the year for which the audit is made. In all respects, the committee shall be subject to the provisions of Minnesota Statutes, Chapter 215.

Subd. 10. The committee shall employ necessary teachers in accordance with section 125.12 and may employ other necessary personnel. Teachers employed by the committee subsequent to the effective date of the transfer specified in subdivision 2 shall be employees of the experimental school and shall constitute an "appropriate unit" or "unit" for the purposes of sections 179.61 to 179.77, notwithstanding the provisions of section 179.63, subdivision 17.

Teachers employed by the board of District No. 309 and assigned by the board to the school designated as the experimental school by this section shall remain employees of the board.

The committee shall have the authority to employ instructors in the area of Indian culture. Notwithstanding the provisions of Minnesota Statutes, Chapter 125, or any rule or regulation of the state board relating to certification requirements, said instructors need not be certified by the state board. For all other purposes, said instructors shall be deemed to be "teachers" as defined by section 125.03, subdivision 1.

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Subd. 11. The committee may procure the insurance specified in sections 123.35, subdivision 13, and 123.41. The committee shall purchase insurance to the extent required by Minnesota Statutes, Chapter 466 and shall not be liable beyond the extent provided by section 466.12, subdivision 3a. The term "average number of pupils" as set out in section 466.12, subdivision 3a shall mean, for the purposes of this section, the average number of pupils attending the experimental school.

Subd. 12. Except as otherwise provided by this section, the care, management, and operation of the experimental school by the committee shall be governed in accordance with the provisions of the education code, as defined by section 120.01, and any other statutes affecting public school districts.

Unless otherwise provided in this section, the committee shall operate pursuant to statutes governing independent school districts.

Subd. 13. Nothing contained in this section shall be construed to prohibit any pupil residing on land within the defined boundaries of the experimental school as set out in subdivision 1 from attending any other school within District No. 309. Nor shall anything contained in this section be construed to prohibit any pupil residing in District No. 309 from attending the experimental school established by this section.

Subd. 14. To the extent permitted by statute, the board of Independent School District No. 309 shall remain responsible for providing transportation for District No. 309.

Subd. 15. All legally valid and enforceable claims and contract obligations entered into by the board of District No. 309 prior to the effective date of the transfer to the committee specified in subdivision 2, shall remain the obligations of District No. 309.

Subd. 16. The subdivisions of this section shall be construed to be severable. In the event a particular provision may be determined to be invalid, such determination shall not affect any other subdivision of this section.

Subd. 17. The provisions of this section shall expire July 1, 1977. At any time the experimental school may be terminated upon unanimous vote of the officers of the committee and 30 days notice to the board of District No. 309, whereupon the board of District No. 309 shall resume the care, management and control of the entire district on July 1 following. Prior to December 1 of each year the committee shall submit to the legislature a report of the experimental school established by this section. Such report shall document the success or failure of the experimental school.

Subd. 18. This section is effective upon its approval by the governing body of Independent School District No. 309, and the

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Pine Point Indian Education Advisory Committee, and upon compliance with the provisions of Minnesota Statutes, Section 645.021.

Sec. 27. Minnesota Statutes 1971, Section 124.212, Subdivision 10, is amended to read:

Subd. 10. The equalization aid review committee, consisting of the commissioner of education, the commissioner of administration, and the commissioner of taxation, is hereby continued and permanently established. The duty of this committee shall be to review the assessed valuation of the districts of the state. When such reviews disclose reasonable evidence that the assessed valuation of any district furnished by any county auditor is not based upon the market value of taxable property in such district, then said committee shall call upon the department of taxation to ascertain the market value of such property, and adjust such values as required by law to determine the adjusted assessed valuation. The department of taxation shall take such steps as it may consider necessary in the performance of that duty and may incur such expense as is necessary therefor. The commissioner of taxation is authorized to reimburse any county or governmental official for services performed at his request in ascertaining such adjusted valuation. On or before ~~May 15~~ May 1, annually, the department of taxation shall submit its report on the assessed values established by the previous year's assessment to said committee for approval or rejection and, if approved, such report shall be filed not later than the following July 1 with the commissioner of education and each county auditor for those school districts for which he has the responsibility for determination of mill rates. A copy of the adjusted assessed value so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which such district is located.

Sec. 28. **APPROPRIATION.** There is appropriated from the general fund of the state treasury to the department of education the following sums for the years and purposes indicated:

	For the year ending	
	June 30 <u>1974</u>	<u>1975</u>
(1) <u>Foundation Aid</u>	<u>\$541,000,000</u>	<u>\$497,500,000</u>

The appropriations in (1) include \$750,000 for 1974, and \$700,000 for 1975 to be expended pursuant to Laws 1965, Chapter 719, as amended. If the appropriation for this purpose in either year is insufficient, the aids shall be prorated among all qualifying districts. The

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appropriation in (1) also includes \$500,000 in each indicated year for shared time aid, and not to exceed \$500,000 in 1974 for emergency aid.

(2) <u>Transportation Aid</u>	<u>\$38,000,000</u>	<u>\$51,000,000</u>
<u>The amount appropriated in (2) for 1974 may be paid for transportation reimbursement obligations incurred by the state before July 1, 1973, pursuant to Minnesota Statutes 1971.</u>		
(3) <u>Special Education Aid</u>	<u>\$25,700,000</u>	<u>\$27,700,000</u>
(4) <u>Secondary Vocational Aid</u>	<u>\$10,300,000</u>	<u>\$10,400,000</u>
(5) <u>Post-Secondary Voc. Aid</u>	<u>\$30,100,000</u>	<u>\$34,100,000</u>
(6) <u>Adult Vocational Aid</u>	<u>\$2,700,000</u>	<u>\$2,800,000</u>
(7) <u>Vocational Construction</u>	<u>\$ 750,000</u>	
<u>Any unexpended balance remaining from the appropriations in (1) through (7) for 1974, shall not cancel but shall be available for the second year of the biennium, unless otherwise provided in (1) through (7).</u>		
(8) <u>For Gross Earnings Aid Pursuant to Minnesota Statutes, Section 124.28.</u>	<u>\$ 900,000</u>	<u>\$ 900,000</u>
(9) <u>Exempt Land Special School Aid Pursuant to Minnesota Statutes, Section 124.30.</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>
(10) <u>For Aid to School Districts Pursuant to Minnesota Statutes, Section 360.133.</u>	<u>\$ 145,000</u>	<u>\$ 145,000</u>
(11) <u>School Aid - Counties A/C of Non Tax Areas</u>	<u>\$ 48,000</u>	<u>\$ 48,000</u>

The amount appropriated in (11) shall be expended in 1974 and 1975, as provided in Laws 1971, Chapter 966, Section 16 for 1971 and 1972. If the appropriations made in (8) through (11) in either year are insufficient, the aids shall be prorated among all qualifying recipients.

None of the amounts appropriated in (1) through (11) above shall be expended for a purpose other than the purpose indicated, unless otherwise provided in (1) through (11).

**Changes or additions indicated by underline, deletions by ~~strikeout~~.**

Sec. 29. Minnesota Statutes 1971, Section 276.11, is amended to read:

**276.11 WHEN TREASURER SHALL PAY FUNDS.** As soon as practical after each settlement in February, May, and October the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, village, or school district, on the warrant of the county auditor, all moneys received by him arising from taxes levied and collected belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. He shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, village, or school district to which such payment was made, who shall preserve the same in his office. The county treasurer is authorized and directed to make such partial payments of amounts collected periodically in advance of final settlements as may be practicable. Accompanying each payment to the state treasurer or treasurer of any town, city, village, or school district shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of such taxes and any penalties thereon. ~~If The county treasurer fails to shall~~ pay over such moneys to the state or to a municipal corporation or other body within ~~90~~ 45 days after settlement, ~~interest shall thereafter accrue at the rate of 3½ percent per year provided, however, that after 30 days interest shall accrue to the credit of and shall be paid to the state, municipal corporation or other body.~~ Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 30. Minnesota Statutes 1971, Sections 120.17, Subdivision 8; 124.212, Subdivisions 3, 6, 7, and 8; 124.22; 124.31; 124.32, Subdivision 3; 275.125, Subdivision 2; and 360.133, Subdivision 3, are repealed.

Approved May 24, 1973.

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## CHAPTER 684—S.F.No.1702

[Coded in Part]

*An act relating to the establishment of a riding and hiking trail from Plymouth Village, Hennepin county; authorizing the acquisition of interests in land, and the development, maintenance, and operation of the trail; amending Minnesota Statutes 1971,*

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