

(b) The exclusive representative of members of the state highway patrol shall have the option of utilizing either the contractual grievance procedure or the legal remedies of this section, but in no event both. Notwithstanding the above, any employee may utilize the provisions of subdivisions 10 and 11.

(c) The commissioner, after having been informed by the exclusive representative that the employee against whom charges have been filed desires to utilize the grievance procedure of the labor agreement, may immediately suspend, demote or discharge the employee without the hearing required by clause (a).

Sec. 24. This act is effective July 1, 1975.

Approved June 4, 1975.

CHAPTER 432—H.F.No.235

[Coded in Part]

An act relating to the operation of government; providing for aids to education, tax levies, and the distribution of tax revenues; changing the funding of adult education, special education, post-secondary vocational-technical education, and community school education to a current funding basis; granting certain powers and duties to school districts, the commissioner of education, the state board of education, and the state board for vocational education; providing for changes in the maximum effort school aid law; providing a July 15 date for resignation of teachers; providing state aid for extraordinary tax delinquency in certain school districts; appropriating money; amending Minnesota Statutes 1974, Sections 3.924, by adding a subdivision; 3.9271, Subdivision 1; 120.03, Subdivision 3; 120.17, Subdivision 1, and by adding subdivisions; 120.76; 120.80, Subdivision 1; 121.21, Subdivisions 2, 4 and 6; 123.34, Subdivision 1; 123.80; 124.04; 124.11; 124.14, Subdivision 1; 124.17, Subdivisions 1 and 2; 124.18, Subdivision 2; 124.20; 124.212, Subdivisions 1, 2, 3a, 8a, 11, 12, and by adding subdivisions; 124.215, Subdivision 2a; 124.222, Subdivision 3, and by adding subdivisions; 124.223; 124.25; 124.26; 124.28, Subdivision 2; 124.30, Subdivisions 3 and 4, and by adding a subdivision; 124.32, Subdivisions 1 and 5, and by adding a subdivision; 124.38, Subdivisions 4, 5, 7 and 8; 124.42, Subdivisions 1, 2 and 4; 124.43, Subdivisions 1, 2, 3 and 4; 124.45; 124.57; 125.12, Subdivision 4; 128.04; 273.138, Subdivision 3; 275.125, Subdivisions 2a, 3, 4, 5, 6, 7, and by adding subdivisions; 275.48; 475.54, Subdivision 2; Chapter 124, by adding sections; Laws 1967, Chapter 822, Section 7, as amended; Laws 1969, Chapter 775, Section 4, Subdivision 2, as amended; Laws 1969, Chapter 1060, Section 7; Laws 1971, Chapter 722, Section 1; Laws 1973, Chapter 683, Section 26, Subdivision 17; Laws 1974, Chapter 521, Section 9; Laws 1974, Chapter 561, Section 7; Laws 1975, Chapter 13, Section 110, Subdivision 1, and by adding a subdivision; Laws 1975, Chapter 13, Section 111; repealing Minnesota Statutes 1974, Sections 121.21, Subdivisions 5, 7, 9 and 10; 121.211; 121.89; 124.212, Subdivisions 6a and 7a; 124.222, Subdivisions 1 and 2; 124.475; 124.50; 124.801; 124.802; 124.803; 124.804; 124.805;

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124.806; 190.31; Laws 1919, Chapter 271; Laws 1951, Chapter 659; Laws 1969, Chapter 945, Section 3; Laws 1969, Chapter 1060, Section 8; and Laws 1971, Chapter 966, Section 16.

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

Section 1. **EDUCATION; SCHOOL DISTRICTS; STATE AIDS.** Notwithstanding Laws 1974, Chapter 521, Section 33, districts qualifying for increased foundation aid calculated pursuant to the provisions of Laws 1974, Chapter 521, Section 18, shall be eligible to receive such foundation aid for the 1973-74 school year, and only pupil units in section 124.17, clauses (1) and (2) shall be used in computing adjusted maintenance cost per pupil unit for the 1973-1974 school year.

Sec. 2. Notwithstanding section 124.17, subdivision 2, pupils enrolled in the Minnesota National Guard junior enlistment program shall be construed to be in attendance for purposes of computing average daily membership during any period of the regular school year, but not to include summer school, during which the pupil is attending military active duty training pursuant to that program. During that period of military active duty training, the pupil shall earn all aid for the district of residence or attendance which would be otherwise earned by his presence. This section shall expire October 15, 1975.

Sec. 3. **[121.165] REPORTS BY THE COMMISSIONER.** The commissioner of education shall gather and report to the committees on education of the senate and house of representatives from presently available reports or from new reports it may require of school districts, the following types of information: the number of classroom teachers in every district at each training, experience and salary level; the ratio of pupils to full time equivalent certified classroom teachers in every district; and any other district staffing characteristics of fiscal import. This information shall be gathered in such a manner as to render it capable of district by district, regional and statewide comparison and analysis.

Sec. 4. **[124.241] STATE AID FOR EXTRAORDINARY TAX DELINQUENCY.** Subdivision 1. For any calendar year in which:

(1) a school district's tax delinquency, which for purposes of this section shall equal the difference between

(a) the amount the school district receives in real property tax proceeds of any kind, including interest, penalties and collections of delinquencies from previous years, resulting from levies certified pursuant to section 275.125, subdivision 2a, clause (1) or (2), and its predecessor and successor general school purpose levy authorization statutes, and

(b) the amount certified in October of the preceding calendar year

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pursuant to section 275.125, subdivision 2a, clause (1) or (2),

is greater than two and one half percent of the sum of the amounts authorized for the school district by Minnesota Statutes 1974, Section 275.125, Subdivision 2a, Clause (1) or (2), and section 28 of this act for the 1975-1976 school year, and the successor statutory provisions for succeeding school years;

(2) these receipts are less than this certified levy; and

(3) the maximum permissible amounts were certified in October of the preceding year pursuant to section 275.125, subdivision 2a, clause (1) or (2), and Minnesota Statutes 1974, Section 275.125, Subdivision 3, Clause (5), or its successor excess levy authorization statute;

the school district may apply to the commissioner of education within 30 days after the end of the calendar year and the commissioner shall pay aid to the school district by the following February 28, in the amount by which the tax delinquency exceeds the two and one half percent figure.

For purposes of the calculation of a district's tax delinquency in clause (1), if the assessed valuation of the school district was reduced after the taxes were spread by the county auditor in October of the preceding calendar year, the amount certified in October of the preceding calendar year shall be reduced by any difference between the amount certified and the amount of taxes collected upon such reduced valuation, for which the district is authorized to make an additional levy pursuant to section 275.48. If a district's adjusted assessed valuation is under contest and it is receiving foundation aid computed on the basis of the uncontested portion of its valuation, taxes levied against the contested portion of its valuation shall not be included in the amount certified in October of the preceding calendar year for purposes of the calculation of the tax delinquency in clause (1).

Subd. 2. If the school district has received aid pursuant to subdivision 1 and in any subsequent calendar year its tax delinquency is less than two and one half percent of the sum described in subdivision 1, clause (1), the foundation aid for the school district shall be reduced in the fiscal year which begins in that calendar year by the difference between such delinquency and two and one-half percent of such sum or the amount of state aid previously paid pursuant to subdivision 1 and still outstanding, whichever is lesser. Any reduction in state aid shall be applied to the state aid paid earliest in time pursuant to subdivision 1 and shall be made as equally as possible in the four aid installments commencing in February.

Subd. 3. Any aid so paid shall constitute an advance to the district without interest and in the fiscal year six years after the fiscal year in which state aid has been paid to the school district pursuant to subdivision 1, foundation aid for the school district shall be reduced by

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the amount of such state aid paid six years previous, to the extent the aid payment has not been offset by any prepayment made by the school district.

Subd. 4. The application, aid payments, and repayments made pursuant to this section shall be based upon the best information available, subject to correction by the department of education in the next succeeding year. The provisions of subdivision 1 shall expire June 30, 1981, but shall be effective with respect to real property taxes received in calendar year 1975 and thereafter.

Sec. 5. Minnesota Statutes 1974, Section 3.924, is amended by adding a subdivision to read:

Subd. 2. COMPENSATION. Members of the council on quality education shall be compensated at the rate of \$35 per day spent at council meetings or other meetings authorized by the council, plus expenses in the same manner and amount as received by state employees.

Sec. 6. Minnesota Statutes 1974, Section 3.9271, Subdivision 1, is amended to read:

3.9271 EARLY CHILDHOOD IDENTIFICATION AND EDUCATION PROGRAMS. Subdivision 1. For the ~~1974-75-1975-76~~ and 1976-1977 school year-years, the council on quality education shall make grants to no fewer than ~~six~~ ten pilot early childhood identification and education programs. Early childhood identification and education programs are programs for children before kindergarten and below age six which may include the following: identification of potential barriers to learning, education of parents on child development, libraries of educational materials, family services, education for parenthood programs in secondary schools, in-center activity, home-based programs, and referral services.

Notwithstanding section 3.926, subdivision 2, every early childhood identification and education program proposal shall be submitted to the council on quality education not less than six weeks before the planned commencement of the program. These programs or grants shall be as equally distributed as possible among districts in cities of the first class, in suburbs, and outside the seven county metropolitan area. Each pilot program shall serve one elementary school attendance area in the local school district.

The council on quality education shall prescribe the form and manner of application and shall determine the participating pilot programs. In the determination of pilot programs, programs shall be given preference for their ability to coordinate their services with existing programs and other governmental agencies. The council on quality education shall report on the programs annually to the committees on education of the senate and house of representatives.

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Sec. 7. Minnesota Statutes 1974, Section 120.03, Subdivision 3, is amended to read:

Subd. 3. Every child who by reason of an emotional disturbance, or a learning disability, or a special behavior problem needs special instruction and services, but who is educable, as determined by the standards of the state board is a handicapped child.

Sec. 8. Minnesota Statutes 1974, Section 120.17, Subdivision 1, is amended to read:

120.17 HANDICAPPED CHILDREN. Subdivision 1. **SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN OF SCHOOL AGE.** Every district and unorganized territory shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03, subdivisions 1, 2, and 3, and after July 1, 1972 programs shall be provided either within the district or in another district for trainable mentally retarded as defined in section 120.03, subdivision 4-4. When the provision of instruction, training, and services may result in hardship or injury to the child, the school board may appeal the mandatory provisions of Laws 1971, Chapter 689 to the commissioner of education who shall determine what provisions shall be made by the district for the education of the child. Through July 1, 1972 every district and unorganized territory may provide special training and services for school age residents of the district who are handicapped as set forth in section 120.03, subdivision 4. School age means the ages of four years to 21 years for children who are deaf, blind, crippled or have speech defects; and five years to 21 years for mentally retarded children; and shall not extend beyond secondary school or its equivalent. Every district and unorganized territory may provide special instruction and services for handicapped children who have not attained school age. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full sequence of programs for education, training and services for handicapped children as defined in section 120.03, subdivisions 1 to 3. A district that decides to maintain programs for trainable handicapped children is encouraged to cooperate with other districts to maintain a full sequence of programs.

Sec. 9. Minnesota Statutes 1974, Section 120.17, is amended by adding a subdivision to read:

Subd. 1a. School districts may provide special instruction and services through the school year in which the pupil reaches age 25 for trainable mentally retarded pupils as defined in section 120.03, subdivision 4, who have attended public school less than nine years prior to September, 1975.

Sec. 10. Minnesota Statutes 1974, Section 120.17, is amended by
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adding a subdivision to read:

Subd. 5a. Every district may provide summer programs for handicapped children living within the district, including nonresident children temporarily placed in the district pursuant to section 120.17, subdivisions 6 or 7. Prior to March 31, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to section 120.17, subdivisions 6 or 7, of its intention to provide these programs. Notwithstanding any contrary provisions in subdivisions 6 and 7, the school district providing the special instruction and services shall apply for all state aid for the summer program, including special state aid pursuant to section 124.32, foundation aid and transportation aid. For the purposes of computing foundation aid for these programs, all pupils enrolled in these programs shall be construed to be residents of the district providing the programs. The unreimbursed actual cost of providing the program for nonresident handicapped children may be billed to the district of the child's residence and shall be paid by the resident district. This section shall be effective March 1, 1976.

Sec. 11. Minnesota Statutes 1974, Section 120.76, is amended to read:

120.76 POST-SECONDARY INSTRUCTIONAL PROGRAMS. Sections 120.71 to 120.76 shall not be construed to prohibit a school board from charging reasonable fees for goods and services provided in connection with any post-secondary instructional program, including but not limited to vocational-technical, ~~adult veterans, continuing education, community services, evening school and general educational development programs~~ veteran farmer cooperative training, and community school programs, and continuing education and evening school programs other than those conducted pursuant to section 124.26.

Sec. 12. Minnesota Statutes 1974, Section 120.80, Subdivision 1, is amended to read:

120.80 EARLY GRADUATION. Subdivision 1. Notwithstanding any law to the contrary, any secondary school student who has completed all required courses may, with the approval of the student, his parent or guardian, and local school officials, graduate prior to the completion of the school year. All aid which such student, had he not graduated, would have earned for the district pursuant to section 124.212, plus that portion of the amount raised by the local tax levy which results from such transitional year students plus that portion of any excess levy allowable under section ~~275.125, subdivision 2, clause (6)-75, subdivision 6, of this act~~ shall continue to be earned by the district.

Sec. 13. Minnesota Statutes 1974, Section 121.21, Subdivision 2, is amended to read:

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Subd. 2. Upon receipt of such petition, the state board shall examine the petition and any supporting evidence which it may require. The state board ~~may shall~~ conduct hearings, and may investigate school records and such other facts relating to vocational-technical training as it may deem appropriate.

Sec. 14. Minnesota Statutes 1974, Section 121.21, Subdivision 4, is amended to read:

Subd. 4. If the petition is approved, the school shall be established by the district and classified by the state board as an area vocational-technical school and conducted under the general supervision of the state board in accordance with the rules and regulations of the state board. Notwithstanding the provisions of subdivision 3 and of this subdivision, after June 30, 1975 no area vocational-technical school shall be established unless specific legislation has authorized its establishment.

Sec. 15. Minnesota Statutes 1974, Section 121.21, Subdivision 6, is amended to read:

Subd. 6. The ~~commissioner, subject to approval by the state board~~ for vocational education shall make promulgate, pursuant to chapter 15, such rules and regulations governing the operation and maintenance of schools so classified as will afford the people of the state an equal opportunity to acquire public vocational and technical education.

The rules shall provide for, but are not limited to, the following:

(a) The area to be served by each school, which may include one or more districts or parts thereof, including unorganized territory ~~;~~;

(b) Curriculum and standards of instruction and scholarship ~~;~~;

(c) Attendance requirements, age limits of trainees, Minnesota non-resident attendance, tuition payments by non-residents, the determination of the actual costs of providing individual programs, and attendance for which no tuition shall be charged, all to be determined in accordance with the provisions of sections 63 to 67 of this act;

(d) The distribution and apportionment to the local districts of all funds, whether state or federal or other funds, which may be made available to the state board for vocational education for carrying out the purposes of post-secondary vocational-technical education as provided by this section; shall be apportioned and distributed by the state board for vocational education to the various local school districts as additional aid for use in helping such local school districts in defraying the cost involved in maintaining and operating approved vocational training courses or departments; subject to such reasonable rules and regulations as may be prescribed by the state board for vocational education and in accordance with law and the approved state plan for vo-

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cational education -;

(e) Transportation requirements and payment of aid therefor -;

(f) Attendance by graduates of secondary schools and by adults, for which no tuition shall be charged. If no tuition is charged for such non-resident student, the district maintaining the school shall be entitled to any aid calculated on a pupil basis for such student. Payment by the state board of tuition to school districts or post-secondary vocational-technical schools in another state; and

(g) General administrative matters.

Sec. 16. Minnesota Statutes 1974, Section 123.34, Subdivision 1, is amended to read:

123.34 OFFICERS OF INDEPENDENT SCHOOL DISTRICTS. Subdivision 1. Within ten days after the election of the first board in independent districts and annually thereafter on the first Saturday in July 1, or as soon thereafter as practicable, the board shall meet and organize by selecting a chairman, clerk, and a treasurer, who shall hold their offices for one year and until their successors are selected and qualify. The persons who perform the duties of the clerk and treasurer need not be members of the board and the board by resolution may combine the duties of the offices of clerk and treasurer in a single person in the office of business affairs. They may appoint a superintendent who shall be ex officio a member of the board, but not entitled to vote therein. In districts in which board members are elected at the general election in November, the annual meeting of the board shall be held on the first Monday of January or as soon thereafter as practicable.

Sec. 17. Minnesota Statutes 1974, Section 123.80, is amended to read:

123.80 SAFETY EDUCATION FOR TRANSPORTED STUDENTS. Subdivision 1. Not later than January 1, 1975 the state board of education shall provide by rule or regulation a program of safety education for students who are transported to school. Each district receiving aid under the provisions of section 124.222 shall implement the program for the school year beginning in September 1975. In drafting said regulations, the board shall give particular attention to procedures for loading, unloading, vehicle lane crossing and emergency evacuation procedures as they affect school buses.

Subd. 2. Not later than January 1, 1976, the state board of education shall promulgate rules which will assure the safe and efficient transportation of handicapped pupils who because of their special handicapping conditions require special transportation arrangements. In drafting these rules, the board shall give particular attention to standards for vehicles used in transporting handicapped pupils.

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equipment to assure the safety of these pupils, and the qualifications of the drivers and aides providing transportation services.

Sec. 18. Minnesota Statutes 1974, Section 124.04, is amended to read:

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 such that the sum of the levy and attached machinery aid for capital outlay purposes calculated pursuant to section 273.138, subdivision 3, clause (1), shall not exceed ~~\$66-\$70~~ per pupil unit or, in districts where the pupil unit count is increased pursuant to section 124.17, subdivision 1, clause (7), \$75 per pupil unit . No levy under this section shall 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 and provided further that any district which did not levy pursuant to this section in 1972 may certify a maximum levy of six mills not to exceed \$65 per pupil unit in 1974. The tax so levied shall be collected in the manner provided by law for the collection of school taxes. The proceeds of the tax may be used only to acquire land, improve and repair school sites ~~and~~, to equip, re-equip, repair and improve buildings and permanent attached fixtures , and to pay leasing fees for computers and computer services . 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 shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

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

Sec. 19. Minnesota Statutes 1974, Section 124.11, is amended to read:

124.11 DATES OF AID PAYMENTS. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each of the months from September through May based upon information available and the final distribution shall be made in the following August. Estimated post-secondary vocational foundation aid shall be paid to districts in 12 equal monthly payments beginning July 15, 1976. The estimated post-secondary vocational foundation aid shall be paid on the basis of the prior year's average daily membership except that the average daily membership and the payments based thereon may be adjusted in September, December, March and June to reflect any increases or de-

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creases in enrollment. The September payment in each fiscal year shall be increased or decreased to reflect any deficit or excess in post-secondary vocational foundation aid received in the prior fiscal year. If any school district is unable to borrow necessary funds for the operation of its facilities during any fiscal year, due to legal borrowing restrictions or the lack of reasonable credit facilities, the commissioner of finance and state treasurer may, upon certification of such conditions by the commissioner of administration, advance such education aids as may be required to such district, with the condition that such aids be discounted by an amount equal to six percent or the current yield on U.S. treasury bills on the date of such payment to a maturity approximating the date on which aids are to be paid, whichever rate is higher, pursuant to the terms of this section. The amount of such discount shall be determined by the commissioner of finance, with the six percent discount or the "bid" price quoted on treasury bills of an appropriate maturity calculated after consultation with the staff of the state board of investment.

Estimated elementary and secondary foundation aids shall be paid out on the basis of the prior year's pupil unit enrollment unless the October 1 enrollment is larger, in which case the October enrollment shall be used. Adjustment for final elementary and secondary final pupil unit figures shall be made in the August payment of aids.

Sec. 20. Minnesota Statutes 1974, Section 124.14, Subdivision 1, is amended to read:

124.14 DISTRIBUTION OF SCHOOL AIDS; APPROPRIATION. Subdivision 1. The state board shall supervise distribution of the school aids in accordance with law. It may make rules and regulations consistent with law for such distribution which will enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for such reports and accounts to it as will assure accurate and lawful apportionment of aids. It shall require that the pupil unit count of a minimum of 25 school districts be audited each fiscal year. The audits shall be conducted at random throughout the state with no prior notice to any district. Disparities between pupil unit counts reported by the school districts and those found by the auditors shall be reported to the commissioner who shall order an increase or reduction of foundation aids accordingly. A reduction of foundation aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district are open to inspection by the state auditor, or the state board.

Sec. 21. Minnesota Statutes 1974, 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

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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-~~any school shall be counted as secondary pupils.

(3) In area vocational-technical schools one and one-half pupil units. This clause shall expire June 30, 1976.

(4) To meet the problems of educational overburden caused by broken homes, poverty and low income, each pupil in clauses (1) and (2) from families receiving aid to families with dependent children or its successor program shall be counted as an additional five-tenths pupil unit. By May 1 of each year the department of public welfare is directed to furnish to the department of education, and to each school district to the extent the information pertains to it, 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 nine-five 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~~ one-tenth of a pupil unit; ~~for those districts where the number of such pupils is more than eight percent but not more than nine 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-~~ for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent for purposes of this clause, provided that in districts where the percent of concentration is less than six, no additional pupil units shall be counted under this clause for pupils from families receiving aid to dependent children or its successor program and provided further that no such pupil shall be counted as more than one and one-tenth additional pupil units pursuant to clauses

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(4) and (5) . Such ~~weighing-weighting~~ shall be in addition to the ~~weighing-weighting~~ 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. Each district receiving aids on account of both clauses (4) and (5) shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all such aids received.

(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 in a district with boundaries coterminous with the boundaries of a city of the first class and shall be increased by .6 times the difference between the actual pupil units for the two years in any other district .

(7) ~~Where the actual number of pupil units has increased from the prior year by more than three 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~~ In districts maintaining classified secondary schools where the actual number of pupil units has increased from the prior year by two percent or more, the additional pupil units over the prior year, as computed in clauses (1) and (2), shall be multiplied times one-tenth for each percent of increase over the prior year and a number of pupil units equal to the product shall be added to the other units for the district. The percent of increase shall be rounded up to the next whole percent for purposes of this clause, provided that in districts where the percent of increase is less than two, no additional pupil units shall be added to the other units for the district and provided further that the number of pupil units of increase over the prior year shall under no circumstances be multiplied by more than five-tenths .

(8) Only pupil units in clauses (1) and (2) shall be used in computing adjusted maintenance cost per pupil unit.

Sec. 22. Minnesota Statutes 1974, Section 124.17, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in grades kindergarten through twelve ; ~~for pupils in area vocational-technical schools~~ and for handicapped prekindergarten pupils shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school without a legally justifiable excuse for 15 consecutive school days shall be dropped from the

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roll and classified as withdrawn. Nothing in Extra Session Laws 1971, Chapter 31, shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days said schools are in session. For districts operating 12 months schools, days schools are in session shall mean the number of session days required by section 124.19, subdivision 1. The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which such pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil. ~~Foundation aid for each pupil in such shared time classes shall be paid at a rate proportionate to aid paid for other resident pupils of the district providing instruction.~~ Foundation aid for shared time pupils shall equal the amount which would accrue if shared time pupil units, counted pursuant to this section, were added to the district's total pupil units used in determining its foundation aid. A district shall not be entitled to transportation aid under section 124.22 for pupils enrolled on a shared time basis unless the statutes specifically provide for transportation aid to such student. This section of this act shall be effective July 1, 1975 as applied to shared time foundation aid and July 1, 1976 as applied to pupils in area vocational-technical schools.

Sec. 23. Minnesota Statutes 1974, Section 124.18, Subdivision 2, is amended to read:

Subd. 2. **TUITION.** Every district which provides instruction in other districts and which receives foundation program aid ; ~~and the county which pays tuition aid shall pay to the district furnishing this elementary and secondary or area vocational-technical school instruction on account of such instruction;~~ and the county which pays tuition aid shall pay to the district furnishing this the actual cost thereof chargeable to maintenance exclusive of transportation costs ~~or the legal maximum prescribed in section 124.211, subdivision 2, clause (1) .~~

There shall also be paid for capital outlay and debt service to the district providing such instruction \$10 per pupil unit in average daily ~~attendance-membership~~ for each non-resident pupil unit, except that every district educating non-resident pupils may charge and include in its tuition, for capital outlay and debt service, an amount per pupil unit in average daily ~~attendance-membership~~ based on the amount that the average expenditure for capital outlay and debt service determined by dividing such annual expenditure by the total number of pupil units in average daily ~~attendance-membership~~ in the district exceeds \$10 per pupil unit. If the district has no capital outlay or debt service the district receiving such funds may use them for any purpose for which it is authorized to spend money. Provided further that ; if a district ~~invests capital moneys to remodel existing facilities or to build new facilities for the primary purpose of providing-provides~~ instruction for ~~nonresident~~ handicapped and trainable children, tuition shall be as specified in Minnesota Statutes 1961, Sections Section 120.17 and 120.18 , Subdivision 4 such district may charge and include in its tuition for capital

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outlay and debt service an amount per pupil unit in average daily attendance determined by dividing such expenditure over a period of years mutually agreeable to the districts concerned, and by dividing each annual amount so determined by the total number of pupil units in average daily attendance enrolled in this area of handicap instruction in the district . . .

Sec. 24. Minnesota Statutes 1974, Section 124.20, is amended to read:

124.20 EDUCATION; STATE AID; SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES. ~~State~~ Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, and (2) inter-session classes of flexible school year programs and summer school classes in elementary and secondary schools, and (3) summer school instruction in ~~area vocational schools or~~ teachers college laboratory schools or in the university laboratory school, shall be paid at a proportionate rate for foundation aids paid during for the preceding regular school ~~term-year~~, provided that no district shall receive aid for programs under this section in an amount greater than its actual expenditures for these programs. Payments of aid for summer classes at a proportionate rate to foundation aid pursuant to this section in 1972 and preceding years are hereby sanctioned. The provision in this section for payment of aid for summer classes at a proportionate rate to foundation aid for the preceding school year shall apply to summer classes in 1973 and subsequent years.

Sec. 25. Minnesota Statutes 1974, Section 124.212, Subdivision 1, is amended to read:

124.212 FOUNDATION AID. Subdivision 1. The foundation aid program for school districts for school years ~~1973-1974-1975-1976 and 1974-1975-1976-1977~~ shall be governed by the terms and provisions of this section.

Sec. 26. Minnesota Statutes 1974, Section 124.212, Subdivision 2, is amended to read:

Subd. 2. Except as may otherwise be provided in this section, the following words and phrases when used in this section shall have the meanings herein ascribed to them.

(1) "Adjusted maintenance cost" means the state and local current expense for pupils in elementary and secondary schools, exclusive of transportation, veterans training program, community services, and after reduction for receipts from the sale of ~~other authorized~~ items sold to the individual pupil by the school such as lunches, ~~paper, workbooks, and other materials used in the instructional program~~ items of personal use, or other items specifically authorized by law or under the procedures set forth in sections 120.71 to 120.76, and after reduction

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for receipts from quasi-school activities when the school board has assumed direction and control of same. For purposes of determining the adjusted maintenance costs, the state department of education shall use only figures from the annual financial reports of the districts for the prior year and any supplementary documents received by it on or before August 1 of the current year ; ~~(November 1, in 1971 only)~~ . For any district which has not transmitted to the department of education before August 1, ~~(November 1, in 1971 only)~~ its annual financial report for the prior year, the figures from the most recent financial report of that district received on or before August 1, ~~(November 1, in 1971 only)~~ shall be used for purposes of calculating its certified levy and foundation aid. ~~In calculating the adjusted maintenance cost in 1970-1971, a district may include for calculating its certified levy and foundation aid under this article salaries paid in the 1971-1972 school year which are for services rendered in 1970-1971.~~

(2) "Adjusted assessed valuation" shall mean the assessed valuation of the taxable property notwithstanding the provisions of section 275.49 of the school district as adjusted by the equalization aid review committee.

Sec. 27. Minnesota Statutes 1974, Section 124.212, Subdivision 3a, is amended to read:

Subd. 3a. Notwithstanding any of the other provisions of this section, for the ~~1972-1974~~ 1975-1976 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 ~~1971-1974~~ , Section 275.125, Subdivision ~~2-2a~~ , Clause (2) and for the ~~1974-1976~~ 1976-1977 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 ~~1972-1975~~ by section 275.125, subdivision 2a, clause (1), 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 , except units computed in section 124.17, subdivision 1, clause (3) . For purposes of this computation pupil units used as a divisor shall include only those units identified in section 124.17, subdivision 1, clauses (1) ~~to (3)~~ and (2) .

Sec. 28. Minnesota Statutes 1974, Section 124.212, is amended by adding a subdivision to read:

Subd. 6b. For the 1975-1976 school year a district shall receive in foundation aid the lesser of (1) \$900 per pupil unit less 30 mills times the 1973 adjusted assessed valuation of the district, or (2) the amount

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that bears the same relation to the difference in (1) as the sum of the greater sum computed pursuant to Minnesota Statutes 1974, Section 124.212, Subdivision 7a, Clause (2), and the greater of (a) one half of the difference that results when such greater sum is subtracted from \$900, or (b) \$75, bears to \$900.

Sec. 29. Minnesota Statutes 1974, Section 124.212, is amended by adding a subdivision to read:

Subd. 7b. For the 1976-1977 school year a district shall receive in foundation aid the lesser of (1) \$960 per pupil unit less 29 mills times the 1974 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 28, clause (2), of this act, and the greater of (a) two thirds of the difference that results when such greater sum is subtracted from \$960, or (b) \$60, bears to \$960.

Sec. 30. Minnesota Statutes 1974, Section 124.212, Subdivision 8a, is amended 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 which received 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 275.125, subdivision 2a, to the total levy allowed by section 275.125, but not to exceed ~~35-45~~ 45 percent in ~~1973-1974-1975-1976~~ and ~~40-50~~ 50 percent in ~~1974-1975-1976-1977~~ of the previous year's payment. For districts which received payments under sections ~~294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67;~~ any law imposing a tax upon severed mineral values, or under any other distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; the foundation aid shall be reduced in the August adjustment payment by the previous fiscal year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125 for collection in the calendar year ending during the aforementioned fiscal year, but not to exceed 40 percent in the August 1975 adjustment, 45 percent in the August 1976 adjustment, and 50 percent in the August 1977 adjustment of the previous fiscal year's payment.

Sec. 31. Minnesota Statutes 1974, Section 124.212, Subdivision 11, is amended to read:

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Subd. 11. (a) The committee shall not increase the adjusted assessed valuation, exclusive of property valuation added, improved, reclassified, or reassessed since the prior assessment, of taxable property for 1962 or any subsequent year in any school district by more than eight percent over the certified valuation established for the year immediately preceding.

(b) Whenever the adjusted assessed valuation of any district is more than eight percent less than the adjusted assessed valuation of the preceding year, the state board of education may, upon application by the district prior to June 30 of such school year, authorize payment of additional foundation aid in the August adjustment following such school year in the amount of 30 mills times the difference in the said two successive adjusted assessed valuations.

(c)-(b) The sales ratio studies, or any part thereof, or any copy of the same, or records accumulated in preparation thereof, which are prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids pursuant to this section shall not be admissible in evidence in any proceeding, except actions for review of the determination of the school aids payable under this section.

Sec. 32. Minnesota Statutes 1974, Section 124.212, is amended by adding a subdivision to read:

Subd. 11a. If in any year the assessed value of any district is less than the assessed value of the immediate preceding year, the equalization aid review committee shall, upon notification by the county assessor prior to October 16 of that assessment year, redetermine for all purposes the adjusted assessed value of the immediate preceding year taking into account the decrease in assessed value. On or before November 1 of the assessment year, the equalization aid review committee shall file the redetermined adjusted assessed value with the commissioner of education who shall thereupon certify to the county auditors and school districts affected the redetermined adjusted assessed value and the appropriate levy limits of the school districts affected pursuant to section 75, subdivision 10, of this act. Notwithstanding section 275.07, the districts affected may certify the taxes voted to the county auditor on or before December 1.

Sec. 33. Minnesota Statutes 1974, Section 124.212, Subdivision 12, is amended to read:

Subd. 12. Should any district within 60 days after receipt of a copy of a report filed with the commissioner of education made pursuant to ~~subdivision 11~~ or notice of redetermination made pursuant to subdivision 12-10 or section 32 of this act, be of the opinion that the equalization aid review committee has made an error in the determination of the school district's market value, it may appeal from the report or portion thereof relating to the school district to the tax court, as

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provided in subdivisions ~~14 to 18~~ 13 to 18 .

Sec. 34. Minnesota Statutes 1974, Section 124.215, Subdivision 2a, is amended to read:

Subd. 2a. In addition to regular foundation aid payments, there shall be paid from the appropriation for foundation aid to any district whose schools are attended by children residing upon nontaxable land under the control of the armed forces of the United States, an amount equal to the number of pupil units represented by such children times the dollar amount derived by dividing the total levy of the district as spread upon the property of the district by the number of its other resident pupil units in average daily membership. In fiscal year 1976, the district shall receive 66 2/3 percent of the amount which it would otherwise be entitled to receive pursuant to this subdivision and in fiscal year 1977, 33 1/3 percent of such amount. This subdivision shall expire on June 30, 1977.

Sec. 35. Minnesota Statutes 1974, Section 124.222, is amended by adding a subdivision to read:

Subd. 1a. COMPUTATION. For the 1975-1976 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 1976 fiscal year times the number of eligible pupils transported during the 1976 fiscal year; or

(b) One hundred eighteen percent of the actual net operating cost per eligible pupil transported during the 1974 fiscal year, times the number of eligible pupils transported during the 1976 fiscal year;

(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 1975;

(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 12 1/2 percent per year of the cost of the fleet. The net cost after salvage of all equipment added to or installed in a school bus specifically to meet special needs of handicapped individuals shall be added to the remaining undepreciated value of that bus and depreciated over the remainder of the depreciation term for that bus.

Sec. 36. Minnesota Statutes 1974, Section 124.222, is amended by adding a subdivision to read:

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Subd. 1b. COMPUTATION. For the 1976-1977 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 1977 fiscal year times the number of eligible pupils transported during the 1977 fiscal year; or

(b) One hundred twenty-four percent of the actual net operating cost per eligible pupil transported during the 1974 fiscal year, times the number of eligible pupils transported during the 1977 fiscal year;

(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 1976;

(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 12 1/2 percent per year of the cost of the fleet. The net cost after salvage of all equipment added to or installed in a school bus specifically to meet special needs of handicapped individuals shall be added to the remaining undepreciated value of that bus and depreciated over the remainder of the depreciation term for that bus.

Sec. 37. Minnesota Statutes 1974, Section 124.222, is amended by adding a subdivision to read:

Subd. 2a. (1) In addition to the amounts authorized in section 35, of this act, if the actual net operating cost per eligible handicapped pupil transported during the 1976 fiscal year exceeds 128 percent of the actual net operating cost per eligible handicapped pupil transported during the 1974 fiscal year, the state shall pay to the district 80 percent of the cost for this handicapped transportation in excess of this 128 percent.

(2) In addition to the amounts authorized in section 36, of this act, actual net operating cost per eligible handicapped pupil transported during the 1977 fiscal year exceeds 134 percent of the actual net operating cost per eligible handicapped pupil transported during the 1974 fiscal year, the state shall pay to the district 80 percent of the costs for this handicapped transportation in excess of this 134 percent.

Sec. 38. Minnesota Statutes 1974, Section 124.222, Subdivision 3, is amended to read:

Subd. 3. PAYMENT SCHEDULE. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year

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program, 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.

Sec. 39. Minnesota Statutes 1974, Section 124.222, is amended by adding a subdivision to read:

Subd. 5. The commissioner shall study the need to adjust the base cost per eligible pupil transported in the 1974 fiscal year for purposes of payment of transportation aids in 1976 and 1977 fiscal years. The study shall be limited to adjustments needed as a consequence of alterations of district boundaries, changes in the ownership of the bus fleet, the use of other transportation facilities which receive public subsidy, changes in the number of school class shifts, and exceptional changes in the transportation of handicapped pupils. He shall report no later than January 15, 1976, to the committees on education of the senate and house of representatives his suggestions for these adjustments on a district by district basis and his calculation of the amount needed to fund these changes for the school years 1975-1976 and 1976-1977.

Sec. 40. Minnesota Statutes 1974, Section 124.223, is amended 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 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;~~

(2) Transportation to and from 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 and from a district having a classified secondary school at the expense of the district of the pupil's residence;

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

(4) Transportation or board and lodging of a handicapped pupil

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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;

~~(6) Transportation of resident handicapped persons who fulfill the eligibility requirements of section 252.23(1) to licensed daytime activity centers attended by these persons;~~

~~(6)-(5) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;~~

(6) Transportation for resident pupils to and from an instructional community-based employment station which is part of an approved occupational experience secondary vocational program;

(7) Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education;

~~(7)-(8) Services described in clauses (1) to ~~(6)-(7)~~ when provided in conjunction with a state board approved summer school program.~~

Sec. 41. Minnesota Statutes 1974, Section 124.25, is amended to read:

124.25 AID TO DISTRICTS EDUCATING PERSONS RESIDENT ON NONTAXABLE LAND. When elementary or secondary pupils living on land owned by the university of Minnesota as a research center or as a housing project located outside a city of the first class attend school in a district in which such research center or housing project is located, the state shall pay state aid to such district at the same rate per pupil unit in average daily membership exclusive of transportation as is paid by a district for the education of its residents in another district on a non-resident basis.

The state aid referred to in this section shall be paid from the special state aid fund based upon an annual application submitted to the commissioner. In fiscal year 1976, the state shall pay to the district 66 2/3 percent of the amount which it would otherwise be entitled to receive pursuant to this section and in fiscal year 1977, 33 1/3 percent of such amount. This section shall expire on June 30, 1977.

Sec. 42. Minnesota Statutes 1974, Section 124.26, is amended to read:

124.26 EDUCATION PROGRAMS FOR ADULTS. Subdivision 1. For evening schools and continuing education programs for adults established for persons over 16 years of age and not in attendance upon regular day schools, the state shall compensate any district maintaining such programs in accordance with requirements established by the state board from funds appropriated for that purpose, or such funds

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combined with federal funds insofar as federal funds are available. Beginning July 1, 1975, the state shall not reimburse expenditures from the 1974-75 school year programs, but shall pay aids for the 1975-76 school year programs and for each year thereafter on a current funding basis. The portion of such compensation from state appropriation shall ~~not exceed three-fourths~~ be 90 percent of the compensation paid each teacher for his services in such programs up to ~~\$5,300~~ \$8,000 per year based on the costs in that current year. All classes shall be tuition free when taught by teachers subsidized under this section; ~~but this and there shall not preclude charging a reasonable~~ be no charge for registration, fee and charging for necessary materials and supplies, or G.E.D. tests. Evening school and continuing education programs are defined as those public day or evening school programs which are established for persons over 16 years of age not in attendance at the full time elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalency certificate or for academic achievement at the secondary level.

Subd. 2. Each district providing evening school and continuing education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of evening school and continuing education programs. In no case shall a district pursuant to this section receive more than the actual cost of providing these programs.

Subd. 3. The state department of education shall reimburse each G.E.D. testing center the sum of \$10 for each battery of G.E.D. tests or \$2 for each individual test administered by that center.

Sec. 43. Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.271] COMMUNITY SCHOOL PROGRAMS AID. Subdivision 1. In fiscal year 1976, the state shall pay an amount which is equal to the greater of \$5,000 or 25 cents per capita to each school district which is operating a community school program in compliance with the rules and regulations established by the state board of education and which has levied in 1974 the maximum permissible amount for community services pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3, Clause (8), for use in the 1975-1976 school year. In fiscal year 1976, the state shall not reimburse school districts for past expenditures for salaries of community school directors and coordinators employed by the districts in the 1974-1975 school year.

Subd. 2. In fiscal year 1977 and each year thereafter, the state shall pay 50 cents per capita to each school district which is operating a community school program in compliance with the rules and regulations established by the state board and which has levied at least \$1 per capita for community services pursuant to section 75, subdivision 8, of this act, for use in that year.

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Subd. 3. The population of the district for purposes of this section is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Subd. 4. Each district providing community school programs pursuant to sections 121.85 to 121.88 shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these community school programs. All funds received pursuant to this section and to the levy authorized in section 75, subdivision 8, of this act shall be utilized solely for the purposes of community school programs.

Subd. 5. All community school programs aid shall be distributed by the state aids, statistics and research section of the state department of education. Aid shall be distributed prior to November 1, 1976 and each year thereafter.

Sec. 44. Minnesota Statutes 1974, Section 124.28, Subdivision 2, is amended to read:

Subd. 2. Any district entitled to a tax refund under the provisions of this section shall apply to the commissioner of ~~finance-education~~ on or before July 1 of each year for such a refund and the commissioner of ~~finance education~~ shall immediately secure the necessary information on the valuation of the railroad property located in such a district from the department of public service subject to taxation under the gross earnings tax act, except rolling stock and the main tracks, and the local school tax rate in such a district, and compute the amount of the refund. For the purposes of this section the railroad valuation shall be taken as of December 31 of the year preceding the application, the taxable valuation as of the first Monday of January of the year of the application, the tax rates of the year of the application and the enrollments as of June 1 of the year of application. The commissioner of ~~finance education~~ shall forthwith draw a warrant on the state treasurer for such a refund to be paid from the appropriation otherwise made for that purpose. Provided, however, that for refunds receivable during fiscal 1974 and thereafter, no school district qualifying for a refund under this section shall receive more money than would be produced by a tax rate of ~~53 1/3-160~~ mills applied to the railroad property assessed at 30 percent of its full value as reported by the department of public service; nor shall any school district receive a larger refund the second fiscal year of the biennium than it receives the first fiscal year of the biennium by reason of the school district raising its mill rate for school purposes by more than ~~1-6 2/3-five~~ mills. Provided further, that payments made pursuant to this section during fiscal 1974 and 1975 are hereby sanctioned and deemed to have been made in accordance with the intent of this section.

If the appropriation made for the purposes of this section is insufficient to pay all the school districts eligible for refund under this sec-

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tion the appropriation shall be prorated among the school districts entitled thereto.

Sec. 45. Minnesota Statutes 1974, Section 124.30, Subdivision 3, is amended to read:

Subd. 3. For purposes of this section, each county auditor shall ~~supply certify~~ to the commissioner of finance ~~plats with checkings thereon indicating the location and description of education such data as he may require concerning the~~ tax exempt lands situated within the districts of the county. Payment of aid without receipt of plats for fiscal year 1973 and subsequent years is hereby authorized.

Sec. 46. Minnesota Statutes 1974, Section 124.30, Subdivision 4, is amended to read:

Subd. 4. ~~There is hereby annually appropriated from the general fund \$260,000 to be distributed by the commissioner of finance under the terms of this section; and in the event that said sum-~~ If the amount appropriated shall be insufficient to pay the full amount to which said districts shall be entitled, the commissioner of finance education shall apportion said sum pro rata to each entitled district.

Sec. 47. Minnesota Statutes 1974, Section 124.30, is amended by adding a subdivision to read:

Subd. 5. In fiscal year 1976, each district shall receive 66 2/3 percent of the amount which it would otherwise be entitled to receive pursuant to this section and in fiscal year 1977, 33 1/3 percent of such amount. This section shall expire on June 30, 1977.

Sec. 48. Minnesota Statutes 1974, 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, ~~60-65~~ percent of the salary of essential personnel, but this amount shall not exceed ~~\$5,600~~ \$10,000 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, ~~60-65~~ percent of the salary of essential personnel, but this amount shall not exceed ~~\$5,600~~ \$10,000 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.

Sec. 49. Minnesota Statutes 1974, Section 124.32, is amended by adding a subdivision to read:

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Subd. 3a. The purpose of this subdivision is to change the method of funding of educational programs for handicapped children from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1976, the state shall not reimburse expenditures from the 1975-1976 school year programs, including 1976 summer school programs, but shall pay aids for the 1976-1977 school year programs and for each year thereafter on a current funding basis.

Sec. 50. Minnesota Statutes 1974, 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 ~~60-65~~ percent of instructional costs charged to the resident district, less the foundation aid per pupil unit payable to the resident district. Not more than ~~\$300,000~~ \$400,000 shall be spent annually for purposes of implementing this subdivision. If that amount does not suffice, the aid shall be pro rated 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.

(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. 51. Minnesota Statutes 1974, Section 124.38, Subdivision 4, is amended to read:

Subd. 4. "~~Sinking-Debt~~ service fund" means the aggregate of all funds maintained by a district which are appropriated to payment of principal of and interest on its debts as required by Minnesota Statutes, Chapter 475.

Sec. 52. Minnesota Statutes 1974, Section 124.38, Subdivision 5, is amended to read:

Subd. 5. "Debt service levy" means the levy for all ~~sinking-debt~~ service fund purposes in accordance with Minnesota Statutes, Chapter 475.

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Sec. 53. Minnesota Statutes 1974, Section 124.38, Subdivision 7, is amended to read:

Subd. 7. "Maximum effort debt service levy" means a levy in a total dollar amount computed as ~~2-1-20~~ mills on the ~~market-adjusted assessed~~ value; except that the maximum effort debt service levy of any school district having received a debt service or capital loan from the state before January 1, 1965, shall be computed as ~~1-36 2-3-4.10~~ mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967; and except that the maximum effort debt service levy of any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, shall be computed as 5 1/2 mills on the market value in each year, until and unless the district receives an additional loan; and except that the maximum effort debt service levy of any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975 shall be computed as 6.3 mills on market value in each year until and unless the district has received an additional loan.

Sec. 54. Minnesota Statutes 1974, Section 124.38, Subdivision 8, is amended to read:

Subd. 8. "Adjusted assessed valuation" means, as of any date, the valuation of all taxable property most recently determined by the equalization aid review committee in accordance with the provisions of 124.212. "Market value" means the value of all taxable property in the district on which its net debt limit is based as provided in section 475.53, subdivision 4.

Sec. 55. Minnesota Statutes 1974, Section 124.42, Subdivision 1, is amended to read:

124.42 DEBT SERVICE LOANS. Subdivision 1. Any school district in which the required levy for debt service in any year will exceed its maximum effort debt service levy by ten percent or by \$5,000, whichever is less, is qualified for a debt service loan hereunder in an amount not exceeding the amount applied for, and not exceeding one percent of the ~~sum of the net debt of the district and the aggregate amount of all state loans to the district outstanding on the date granted~~, and not exceeding the difference between the required and the maximum effort debt service levy in such year: Applications shall be filed with the committee in each calendar year up to and including September 15. The committee shall determine whether the applicant is entitled to such loan and the amount thereof, and on or before October 1 shall certify to each applicant district the amount granted and its due date. A copy of each such certificate shall be filed with the commissioner. Upon receipt by the commissioner of a copy of the committee's certificate that the loan is granted, the commissioner shall notify the county auditor or county auditors in which the district is located that

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the amount so certified is available and appropriated for payment of principal and interest on its outstanding bonds and such auditors shall reduce by that amount the taxes otherwise leviable as the district's debt service levy on the tax rolls for such year ; ~~which taxes shall nevertheless be increased by the amount necessary to pay interest on this and any other state loans; as herein provided~~ . Each debt service loan shall be for a term of 30 years, ~~prepayable at par at any time~~, and shall bear interest from its date at a rate determined by the commissioner of finance ; ~~not less-annually, at the multiple of one-tenth of one percent per annum next higher than the average annual rate payable on Minnesota state school loan bonds most recently issued prior to the disbursement of the loan to the district-from time to time outstanding~~ , but in no event less than 3 1/2 percent per annum on the principal amount from time to time remaining unpaid, payable on December 15 of the year next following that in which the loan is received and annually thereafter.

Sec. 56. Minnesota Statutes 1974, Section 124.42, Subdivision 2, is amended to read:

Subd. 2. Each debt service loan shall be evidenced by a note which shall be executed in behalf of the district by the signatures of its chairman or vice chairman and the school district clerk, shall be dated November 1 of the year in which executed, and shall state its principal amount, due date; interest rate, and that it is payable at the commissioner's office. It shall have printed thereon, or the commissioner shall attach thereto, a grill for entry of the date and amount of each payment and allocations of each payment to accrued interest or principal, and a certificate to be executed by the county auditor of each county in which any portion of the school district is situated, prior to the delivery of the note, stating that such county auditor has entered the debt service loan evidenced thereby in his bond register. Such notes shall be delivered to the committee not later than November 15 of the year in which executed. The secretary shall cause a record to be made and preserved showing the obligor district and the date ~~;~~and principal amount ; ~~and due date~~ of each note, and shall then deliver it to the commissioner who shall make suitable record thereof.

Sec. 57. Minnesota Statutes 1974, Section 124.42, Subdivision 4, is amended to read:

Subd. 4. Each district receiving a debt service loan shall levy ~~in that year for debt service its required debt service levy as reduced by the amount of the loan in that year and each year thereafter in which it shall not have received a debt service loan~~ , until all its debts to the fund are paid, ~~the district is hereby obligated to levy for debt service~~ (a) the amount of its maximum effort debt service levy, or (b) the amount of its required debt service levy less the amount of any debt service loan in that year , whichever is greater. Whenever the maximum effort debt service levy is greater the district shall remit to the commissioner, within ten days after its receipt of the last regular tax

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distribution in the year in which it is collected, that portion of the maximum effort debt service tax collections, including penalties and interest, which ~~exceeded~~exceeds the principal and interest payable on its bonded debt in the period for which the levy was made required debt service levy. In addition to the foregoing, the district shall levy in each year, commencing in the year a debt service loan is granted and continuing until the entire loan is paid, a sum sufficient to produce full payment of the interest payable in the ensuing year on its debt service note, and the proceeds of such levy shall in each year be remitted to the commissioner for payment of such interest. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the amount of the maximum effort debt service levy of the district for that year, and the additional amount necessary to be levied to produce a sum five percent in excess of the total amount of interest to become due in the ensuing year on all debt service notes and capital loans of the district; and said county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified. ~~If any interest is not paid when due, the commissioner shall add the amount thereof to the amount of interest so certified in the following year, with one year's interest on such amount at the rate borne by the loan.~~

Sec. 58. Minnesota Statutes 1974, Section 124.43, Subdivision 1, is amended to read:

124.43 **CAPITAL LOANS.** Subdivision 1. To the extent moneys are from time to time available hereunder, the committee is authorized, after review and recommendation by the state board of education, to effect capital loans to school districts. Proceeds of such loans shall be used only for sites for school ~~houses~~buildings and for acquiring, bettering, furnishing, or equipping school ~~houses~~buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted. Applications with the accompanying data specified in subdivision 2 shall be filed between October 1 of any year and June 1 next following. No application shall be approved unless the state board of education certifies that the loan is needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist; that such facilities could not be made available by consolidating the district with an adjacent district without substantially lowering the fiscal capacity of that district or so increasing its area that it would no longer be viable; and that existing institutions or facilities within the area could not be acquired or leased to provide the needed facilities safely and at a lower cost. The state board shall make recommendations to the committee. No loan shall be approved for any district exceeding an amount computed as follows:

- (1) The amount voted by the district under subdivision 2;
- (2) Plus the aggregate principal amount of general obligation

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bonds of the district outstanding on the date of approval, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4;

(3) Less the maximum net debt permissible for the district on the date of approval, under the limitation in section 475.53, subdivision 4; and

(4) Less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted, as estimated in accordance with subdivision 4, provided that the loan may be approved in an amount computed as provided in clauses (1) to (3), subject to subsequent reduction in accordance with this clause (4).

Sec. 59. Minnesota Statutes 1974, Section 124.43, Subdivision 2, is amended to read:

Subd. 2. The school board of any district desiring a loan shall adopt a resolution stating the amount proposed to be borrowed, the purpose for which the debt is to be incurred, and an estimate of the dates when the facilities for which the loan is requested will be contracted for and completed. The question of authorizing the borrowing shall then be submitted to the voters of the district at a regular or special election. The question submitted shall state the entire amount to be borrowed and that application will be made for a loan from the maximum effort school loan fund of such amount as may be available and allowable to the district and the remainder will be borrowed on bonds sold at a public sale within the limitations prescribed by law. A majority of those voting on the question shall be sufficient to authorize the district to effect the state loan and also to issue the bonds on public sale in accordance with chapter 475. Applications for loans shall be accompanied by (a) a copy of such resolution, (b) a certificate by the clerk showing the vote at the election, (c) a certificate by the clerk and treasurer showing the then outstanding indebtedness of the district, and (d) a certificate by the county auditor of each county in which a portion of the district lies showing the information in his official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's certificate shall show, as to each outstanding bond issue, the amount originally issued, the purpose for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications shall be in such form and accompanied by such additional data as the committee and state board of education shall prescribe, which may include a statement from the state department of education as to the district's need of the proposed schoolhouses in comparison with needs of other districts. When an application is received, the committee shall obtain from the commissioner of revenue, and from the public service commission when required, the information in their official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

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Sec. 60. Minnesota Statutes 1974, Section 124.43, Subdivision 3, is amended to read:

Subd. 3. The committee shall examine and consider all applications for capital loans which have been recommended by the state board of education, and if any applicant district is found not qualified it shall be promptly notified thereof. On January 1 and July 1 of each year, the committee shall make its determination on all pending applications which have been on file with it more than one month. If an applicant is qualified in the opinion of the committee and the aggregate of the amounts applied for does not exceed the amount available or which can be made available in the capital loan account, all loans so applied for shall be granted, subject to acceptance by the respective districts as specified below. If the aggregate exceeds the amount which is or can be made available, the committee shall allot the available amount among the qualified applicant districts, or any of them, according to the committee's judgment and discretion based upon their respective needs. The committee shall promptly certify to each qualified applicant district the amount, if any, of the capital loan granted to it, subject to adjustment under subdivision 1, clause (4).

Sec. 61. Minnesota Statutes 1974, Section 124.43, Subdivision 4, is amended to read:

Subd. 4. Each capital loan shall be ~~for a term of 30 years and~~ evidenced by a contract between the school district and the state acting through the committee. It shall obligate the state to pay to the district, out of the maximum effort school loan fund, an amount computed as provided in subdivision 1, upon receipt by the committee of a certified resolution of the school board reciting that contracts for construction of the facilities for which the loan is granted have been awarded and that bonds of the district have been issued and sold in the amount necessary to pay all costs thereof in excess of the amount of the loan, and estimating such costs. It shall obligate the district ~~on its full faith and credit~~ to repay the ~~entire principal of the state~~ loan out of the excesses of its maximum effort debt service levy over its required debt service levy, and also to pay including interest at a rate determined annually by the commissioner of finance, not less at the multiple of one-tenth of one percent per annum next higher than the average annual rate payable on Minnesota state school loan bonds most recently issued prior to the disbursement of the loan to the district, but in no event less than 3 1/2 percent per annum on the principal amount from time to time unpaid. The district shall each year, as long as it is indebted to the state, levy for debt service (a) the amount of its maximum effort debt service levy or (b) the amount of its required debt service levy, whichever is greater, except as such required debt service levy may be reduced by a loan under section 124.42. Whenever the maximum effort debt service levy is greater, the district shall remit to the commissioner within ten days after its receipt of the last regular tax distribution in each year, that portion of the debt service tax collections, including penalties and interest, which exceeded the required debt service levy.

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The commissioner shall supervise the collection of outstanding accounts due the fund and may, by notice to the proper county auditor require the maximum levy to be made as required hereunder. Interest on capital loans shall be paid on December 15 of the year next following that in which the loan is granted and annually thereafter. ~~In addition to the levies otherwise required by this subdivision, the district shall levy in each year, commencing in the year a capital loan is granted and continuing until the entire loan is paid, a sum sufficient to produce full payment of the interest payable in the ensuing year on its capital loan contract, and the proceeds of such levy shall in each year be remitted to the commissioner for payment of such interest. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the amount of the maximum effort debt service levy of the district for that year, and the additional amount necessary to be levied to produce a sum five percent in excess of the total amount of interest to become due in the ensuing year on all capital and debt service loans of the district, and said county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified. If any interest is not paid when due, the commissioner shall add the amount thereof to the amount of interest so certified in the following year, with one year's interest on such amount at the rate borne by the loan. In the event that any capital loan is not paid within 30 years after it is granted from maximum effort debt service levies in excess of required debt service levies, the liability of the school district thereon shall be satisfied and discharged and interest thereon shall cease. After a district's capital loan has been outstanding for 20 years, the district shall not issue bonds on the public market except for the purpose of refunding such a loan.~~

Sec. 62. Minnesota Statutes 1974, Section 124.45, is amended to read:

124.45 APPLICATIONS OF PAYMENT. The commissioner shall apply payments received from collections of maximum effort debt service levies in excess of required debt service levies of a district on its debt service notes and capital loan contracts as follows: First, to payment of interest accrued on its notes, if any; second, to interest on its contracts, if any; third, toward principal ~~on~~ of its notes, if any; and last, toward payment of principal of its contracts, if any. While more than one note or more than one contract is held, priority of application payment of interest shall be given to the one of earliest date of the ~~instrument~~, and after interest accrued on all notes is paid, similar priority shall be given in the application of any remaining amount to the payment of principal. In any year when the receipts from a district are not sufficient to pay the interest accrued on any of its notes or contracts, the deficiency shall be added to the principal, and the commissioner shall notify the district and each county auditor concerned of the new amount of principal of the note or contract.

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Sec. 63. Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.561] POST-SECONDARY VOCATIONAL-TECHNICAL EDUCATION FUNDING. Subdivision 1. PURPOSE. The purpose of sections 63 to 67 of this act is to change the funding of post-secondary vocational-technical education from reimbursement of past expenditures to a current funding process.

Subd. 2. CURRENT AID. Beginning July 1, 1975, the state board for vocational education shall not enter into agreements to pay reimbursements but shall be obligated for reimbursement payments incurred in fiscal year 1975. Beginning July 1, 1976, all post-secondary vocational foundation aid and post-secondary vocational categorical, capital expenditure and debt service aid shall be paid for the current fiscal year in accordance with sections 63 to 67 of this act.

Subd. 3. BUDGETS. Before January 1, 1976, and before January 1 of each year thereafter post-secondary vocational-technical school budgets for the following fiscal year shall be submitted to the state board for vocational education. The state board for vocational education shall approve the budgets for each district at a consolidated public hearing held pursuant to Minnesota Statutes, Chapter 15, which shall be held prior to June 1 of each year and which shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. The total amount of reimbursement payments approved for fiscal year 1975 payable in fiscal year 1976 shall not exceed by more than 14 percent the amount appropriated for post-secondary vocational-technical education for payment in fiscal year 1975. No district shall increase its operating deficit during fiscal year 1976 unless authorized to do so by the state board for vocational education. The state board for vocational education shall before September 1, 1975 promulgate rules and regulations which establish the approval criteria for budgets, including responsiveness to current and projected manpower needs of population groups to be served in the various geographic areas and communities of the state, particularly disadvantaged and handicapped persons; adequacy of evaluation of programs; and other criteria set forth in the state plan for vocational education. The commissioner, in cooperation with the department of finance, shall establish program budget standards by which area vocational-technical institutes shall submit financial requests.

Subd. 4: LOCAL DEFICITS. The commissioner with the approval of the state board for vocational education shall establish a uniform auditing procedure for post-secondary vocational-technical education. This procedure shall be used to determine the local operating deficit or surplus in each district as of July 1, 1975 and as of July 1 for each year thereafter. This deficit or surplus shall be certified to the commissioner before September 1, 1975 and September 1 of each year thereafter.

Sec. 64. Minnesota Statutes 1974, Chapter 124, is amended by

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adding a section to read:

[124.562] POST-SECONDARY VOCATIONAL FOUNDATION AID. Subdivision 1. For the 1976-77 school year a district shall receive post-secondary vocational foundation aid in the amount of \$2,000 times the number of post-secondary vocational-technical pupils in average daily membership, as defined in subdivision 2, less the sum of (1) any amounts received as tuition and fees for post-secondary vocational-technical pupils, (2) the amount raised by the minimum levy required in 1975 by section 76 of this act, and (3) any amounts received for post-secondary vocational programs as federal vocational categorical aid and as special grants from state allocations of federal vocational funds, unless these grants are used to fund additional services beyond the normal program.

Subd. 2. Membership for pupils in post-secondary vocational-technical schools shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that he has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school without a legally justifiable excuse for 15 consecutive school days shall be dropped from the roll and classified as withdrawn. No pupil who is counted in average daily membership pursuant to this section shall be counted in average daily membership in any district pursuant to section 124.17, subdivision 2. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in a post-secondary vocational-technical school in a district divided by 175. Average daily membership for pupils who are enrolled on a part time basis, but not including adult vocational pupils, shall equal (a) the sum for all pupils of the number of days of the school year each pupil is enrolled in a post-secondary vocational-technical school in the district times the number of hours per day each student is enrolled divided by the number of hours the school is in session per day (b) divided by 175. For a post-secondary vocational-technical school, the normal school year shall be at least the number of session days required by Minnesota Statutes, Section 124.19, Subdivision 1. In all post-secondary vocational-technical schools, the minimum length of the school day for each pupil, exclusive of the noon intermission, shall be six hours. Exceptions may be made by the local school administration for approved programs to meet individual student needs.

Subd. 3. All funds, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational-technical education shall be apportioned by the state board for vocational education to the various school districts in accordance with law and shall be distributed by the state aids, statistics and research section of the state department of education. All post-secondary vocational foundation and categorical aids shall be paid to the school district where the pupil is in at-

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tendance.

Subd. 4. Each district providing post-secondary vocational-technical education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these post-secondary vocational-technical education programs. All post-secondary vocational foundation and categorical aids and all funds received pursuant to the levy authorized by section 76 of this act, shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

Subd. 5. None of the provisions of Minnesota Statutes, Chapter 16, shall apply to appropriations enacted to carry out the provisions of this section.

Subd. 6. This section shall be effective July 1, 1976.

Sec. 65, Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.563] POST-SECONDARY VOCATIONAL CAPITAL AND EXPENDITURE CATEGORICAL AID. Subdivision 1. "Post-secondary vocational categorical aid" means all state and federal funds, exclusive of post-secondary vocational foundation, capital expenditure and debt service aid, apportioned by the state board for vocational education to local school districts for the purpose of assisting in the conduct of post-secondary vocational-technical training. No district shall qualify for post-secondary vocational categorical aid unless it has certified the minimum levy required by section 76 of this act. This aid shall be given to districts conducting high cost programs which require funds in addition to the post-secondary vocational foundation aid provided.

Subd. 2. "Post-secondary vocational capital expenditure aid" means state and federal funds exclusive of post-secondary vocational foundation, categorical and debt service aid, apportioned by the state board for vocational education to local school districts for the purpose of improving or repairing school sites or equipping, re-equipping, repairing or improving buildings and permanent attached fixtures, as necessary for the conduct of post-secondary vocational-technical training. No district shall qualify for post-secondary vocational capital expenditure aid unless it has certified the minimum levy required by section 76 of this act. Post-secondary vocational capital expenditure aid shall be utilized solely for the purposes enumerated in this subdivision.

Subd. 3. Post-secondary vocational categorical and capital expenditure aid shall be apportioned by the state board for vocational education at the consolidated public hearing held pursuant to section 63, subdivision 3, of this act. All post-secondary vocational categorical and capital expenditure aid approved at this public hearing shall be distributed to the districts on or before August 1, December 1, March 1 and

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June 1 of each year. Additional post-secondary vocational categorical and capital expenditure aid may be distributed on or before March 1 and June 1 if it is apportioned at a consolidated public hearing held in February pursuant to Minnesota Statutes, Chapter 15. On the date of each post-secondary vocational categorical and capital expenditure aid payment, the state board shall report to the appropriate committees of the legislature on the distribution of post-secondary vocational categorical and capital expenditure aid. The report shall include (a) the recipients of the aid; (b) the amounts distributed, and (c) the reasons for these distributions.

Subd. 4. This section shall be effective July 1, 1976.

Sec. 66. Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.564] POST-SECONDARY VOCATIONAL DEBT SERVICE AID. The state board for vocational education shall pay to qualifying districts post-secondary vocational debt service aid equal to the state portion of debt service costs. The state portion of debt service costs shall equal the amount necessary to make payments for bonds issued to finance post-secondary vocational facilities and for interest thereon multiplied by the average of the district's nonresident reimbursement percentage pursuant to Minnesota Statutes 1974, Section 121.21, subdivision 5, in fiscal years 1973, 1974 and 1975. The local portion of debt service costs shall equal the amount necessary to make these payments, less the state portion of debt service costs. No district shall qualify for this post-secondary vocational debt service aid unless it has certified a levy equal in amount to the local portion of debt service costs, pursuant to section 75, subdivision 4, of this act. Post-secondary vocational debt service aid shall be utilized solely for payments for bonds issued to finance post-secondary vocational facilities and for interest thereon, and these bond and interest payments shall be made solely with proceeds from this aid and the local debt service levy. In addition, the state board for vocational education shall pay to districts which expended cash balances to finance the construction of new post-secondary vocational facilities and which the state board prior to May 15, 1975 agreed to repay for these expenditures the amount of the repayment specified in the agreement. Funds received in repayment shall revert to the fund of origin in the district. This section shall be effective July 1, 1976.

Sec. 67. Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.565] POST-SECONDARY VOCATIONAL EDUCATION TUITION. Subdivision 1. Any Minnesota resident who is under 21 years of age may attend a post-secondary vocational-technical school without tuition, provided that the individual meets the entrance requirements for the training course in which enrollment is sought and the school has the room and the facility to receive him.

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Subd. 2. Any person who has attained his 21st birthday and who would, but for that fact, qualify under subdivision 1 to attend a post-secondary vocational-technical school without tuition, may attend the school without tuition subject to the other provisions of this subdivision, if he entered active military service in any branch of the armed forces of the United States before his 21st birthday, and who has then been separated or discharged from active military service under conditions other than dishonorable, and if he applies for admission to the school before his 29th birthday. Time after separation or discharge from military service spent as an in-patient in a hospital or similar institution for treatment of an illness or disability or in recovery from an illness or disability that prevents gainful occupation or study shall be added to the time allowed for application.

Subd. 3. Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil who does not come within the exemptions provided in subdivisions 1 and 2, shall be two dollars per day for each school day the pupil is enrolled.

Subd. 4. Unless covered by a higher education reciprocity agreement relating to nonresident tuition, entered into by the Minnesota higher education coordinating commission and approved by the state board for vocational education, tuition at a post-secondary vocational-technical school for a pupil who is not a resident of Minnesota shall be five dollars per day for each school day the pupil is enrolled.

Subd. 5. The state board for vocational education may pay a school district or post-secondary vocational-technical school in another state for tuition charges for Minnesota pupils who meet the qualifications of subdivisions 1 and 2 and who are enrolled in post-secondary vocational-technical schools in that state. This payment may not exceed the amount specified for post-secondary vocational foundation aid in section 64 of this act. This subdivision shall expire June 30, 1976.

Sec. 68. Minnesota Statutes 1974, Section 124.57, is amended to read:

124.57 AID FOR VOCATIONAL EDUCATION. Whenever any district shall have established a vocational school, department, or classes in accordance with the rules and regulations established by the state board adopted by that board, and the plan for vocational education, and approved by the United States office of education or other federal agency to which its functions are assigned, the state board shall reimburse such district or state tax supported institution for its expenditures for salaries and necessary travel of vocational teachers or other reimbursable expenditures from federal funds and may supplement such federal funds with such state aid as it may deem desirable under such rules as it may adopt, provided, however, that in the event of such funds not being sufficient to make such reimbursement in full, the state board shall prorate the respective amounts available to the various districts entitled to receive reimbursement. All instruction may

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be given at the place of the abode of the pupils, and adults may be given instruction in adjoining or nearby districts.

In like manner the state board shall have power to reimburse other governmental agencies for expenditures for salaries and necessary travel expenses of vocational teachers from federal funds, according to rules and regulations adopted by the state board.

When local districts desire but cannot provide vocational instruction for the related training required by apprentices and other learners in the trade, industrial, and distributive fields, the state board is empowered upon request of such local district or districts to employ itinerant vocational teachers to provide this service and pay the salary and necessary travel expense from authorized federal and state vocational aid funds under such rules as it may adopt. An itinerant vocational teacher in this section is defined as a vocational teacher employed to give part-time or periodic vocational instruction in one or more districts.

This section shall apply only to secondary and adult vocational education programs. Sections 63 to 67 of this act shall not apply to secondary and adult vocational education programs. This section of this act shall be effective July 1, 1976.

Sec. 69. [124.611] ELIGIBLE TEACHER PROGRAM. Subdivision 1. Any teacher who has been or will be placed on unrequested leave of absence pursuant to section 125.12, subdivision 6a or 6b, as a result of a discontinued position, lack of pupils or financial limitations, may apply by May 1, 1976, to the state board of education to be classified as an eligible teacher. The state board shall approve applications of teachers on unrequested leave of absence from districts which, according to criteria established by the state board, are experiencing cost limitations because of severely declining enrollments. By June 1, 1976, the state board shall issue a list of approved eligible teachers.

Subd. 2. Any district which has not placed or will not place any teachers on unrequested leave of absence pursuant to section 125.12, subdivision 6a or 6b, may petition the state board of education by July 1, 1976 to be eligible to receive aid for hiring an eligible teacher.

The state board of education shall approve or disapprove each petition by August 1, 1976, giving priority to districts which have a high proportion of inexperienced teachers, increasing enrollments and cost limitations which prevent the employment of experienced teachers. Eligible teacher aid shall be paid in the 1976-77 school year to the hiring school district in an amount equal to 80 percent of the difference between the B.A. minimum salary in the hiring district and the salary which the teacher would receive in that year in the hiring district based upon his training, credits and experience. In the 1977-78 school year the hiring district shall receive eligible teacher aid equal to 60 percent of the amount calculated in the first year; in the 1978-79 school

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year the hiring district shall receive eligible teacher aid equal to 40 percent of the amount calculated for the first year, and in the 1979-80 school year and thereafter such aids shall terminate.

Subd. 3. The state board shall approve petitions and pay aid pursuant to this section only to the extent that funds are available. The amount appropriated for this purpose shall not be pro-rated.

Sec. 70. Minnesota Statutes 1974, Section 125.12, Subdivision 4, is amended to read:

Subd. 4. TERMINATION OF CONTRACT AFTER PROBATIONARY PERIOD. A teacher who has completed his probationary period in any school district, and who has not been discharged or advised of a refusal to renew his contract pursuant to subdivision 3, shall have a continuing contract with such district. Thereafter, the teacher's contract shall remain in full force and effect, except as modified by mutual consent of the board and the teacher, until terminated by a majority roll call vote of the full membership of the board, upon one of the grounds specified in subdivisions 6 or 6a or 6b, or until the teacher is discharged pursuant to subdivision 8, or by the written resignation of the teacher submitted prior to April 1; provided, however, that if an agreement as to the terms and conditions of employment for the succeeding school year has not been adopted pursuant to the provisions of sections 179.61 to 179.77 prior to March 1, the teacher's right of resignation shall be extended to the 30th calendar day following the adoption of said contract in compliance with section 179.70, subdivision 2. Such written resignation by the teacher shall be effective as of June 30 if submitted prior to that date ~~or, if submitted thereafter, shall be effective August 15~~; and the teachers' right of resignation for the school year then beginning shall cease on ~~August~~ July 15. Before a teacher's contract is terminated by the board, the board shall notify the teacher in writing and state its ground for the proposed termination in reasonable detail together with a statement that the teacher may make a written request for a hearing before the board within 14 days after receipt of such notification. Within 14 days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. If no hearing is requested within such period, it shall be deemed acquiescence by the teacher to the board's action. Such termination shall take effect at the close of the school year in which the contract is terminated in the manner aforesaid. Such contract may be terminated at any time by mutual consent of the board and the teacher and this section shall not affect the powers of a board to suspend, discharge, or demote a teacher under and pursuant to other provisions of law.

Sec. 71. [126.151] **VOCATIONAL EDUCATION STUDENT ORGANIZATIONS.** Any pupil enrolled in a vocational-technical education program approved by the state board of education may belong to a vocational student organization which is operated as an integral part of the program. The commissioner of education may provide assistance

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and leadership to these organizations.

Sec. 72. Minnesota Statutes 1974, Section 128.04, is amended to read:

128.04 DUTIES OF BOARD. It shall be the duty of the board to furnish school facilities to every child of school age residing in any part of the county district, either by building school houses, leasing schoolrooms, transporting the children to the nearest school, boarding the children within convenient distance of school at the expense of the board, or otherwise, and to provide necessary supplies and text and library books.

The annual meeting as held in ~~ten or more townships independent~~ districts need not be held, but the clerk of the board shall publish once in a legal newspaper published in the county the annual report required by law to be made by the district treasurer.

When not otherwise provided in sections 128.01 to 128.06, the school board of any such county district shall have and exercise all of the powers and be subject to the same laws and regulations as boards of ~~ten or more townships independent~~ districts, and all laws applicable to ~~ten or more townships independent~~ districts ; ~~and all laws applicable to state aid for equalizing educational opportunities in unorganized territory shall apply to the county district including Laws 1921, Chapter 467 .~~

Sec. 73. Minnesota Statutes 1974, Section 273.138, Subdivision 3, is amended to read:

Subd. 3. Each school district shall receive reimbursement in 1974 and subsequent years in an amount equal to the product of its 1972 assessed value of real property exempted from taxation by section 272.02, subdivision 1 times the sum of its mill rates for the following levies:

- (1) A levy for capital outlay, pursuant to section 124.04;
- (2) A levy to pay the principal and interest on bonded indebtedness, including the levy to pay the principal and interest on bonds issued pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3 ~~(6)-(7)~~ (c);
- (3) A levy to pay the principal and interest on debt service loans, pursuant to section 124.42;
- (4) A levy to pay the principal and interest on capital loans, pursuant to section 124.43;
- (5) A levy to pay amounts required in support of a teacher retirement fund, pursuant to section 422.13;

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(6) A levy for additional maintenance cost in excess of 30 mills times the adjusted assessed valuation of the school district, pursuant to ~~section 275.125, subdivision 3~~ ~~(4)~~ section 75, subdivision 6, of this act.

For the purpose of this subdivision, a school district mill rate for any of the forementioned levies which was not applied to the total taxable value of such school district shall be added to the forementioned sum of mill rates as if it had been applied to the entire taxable value of the school district.

Sec. 74. Minnesota Statutes 1974, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. (1) In ~~1973-1975~~, a school district may levy for all general and special school purposes, an amount equal to the amount raised by the ~~1972-1974~~ adjusted assessed valuation of the district times the number of mills, not to exceed ~~30-29~~, that bears the same relation to ~~30-29~~, as the greater sum computed pursuant to section ~~124.212, subdivision 7a-29~~, clause (2), of this act, bears to ~~\$820-\$960~~.

(2) In ~~1974-1976~~, a school district may levy for all general and special school purposes, an amount equal to the amount raised by the ~~1973-1975~~ adjusted assessed valuation of the district times the number of mills, not to exceed ~~30-29~~, that bears the same relation to ~~30-29~~, as the sum of the greater sum computed pursuant to section ~~124.212, subdivision 7a-29~~, clause (2), of this act, and the greater of (a) one-half five sixths of the difference that results when such greater sum is subtracted from ~~\$875-\$1015~~, or (b) ~~\$50-\$55~~, bears to ~~\$875-\$1015~~.

(3) For any district levying less than the maximum levy allowable in clauses (1) and (2), beginning with the levy certified in 1976, payable in 1977, the foundation aid to the district for the 1977-78 and subsequent school years, calculated pursuant to section 124.212, shall be reduced by the amount of the difference between the actual levy and the maximum levy allowable under clauses (1) and (2). In the application of this clause, the maximum levy allowable under clauses (1) and (2) shall be reduced by any reduction of this levy which is required by section 75, subdivision 9 of this act or any other law.

~~(3)-(4)~~ 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 un-

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til 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. 75. Minnesota Statutes 1974, Section 275.125, Subdivision 3, is amended to read:

Subd. 3. In addition to the levy authorized by section 275.125, subdivision 2a, a qualifying district may levy additional amounts as follows: provided in subdivisions 3 to 14 of this section.

~~(1) Subd. 4.~~ The amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by clause (7)(C) of ~~this subdivision-section 275.125, subdivision 3, as it read in Minnesota Statutes 1974~~, 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 and the amounts necessary to pay the district's obligations under section 268.06, subdivision 25.

~~(2) Subd. 5.~~ 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-subdivision~~ 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; and provided further that beginning with the levy certified in 1974-1975, a district may levy for that portion of transportation costs approved by the commissioner as qualifying for aid-necessary because of extraordinary traffic hazards but for which no state aid is receivable for the current fiscal year pursuant to section 124.223, clause (1).

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(3) For purposes of the 1973 levy, collectible in 1974, any district which qualified for an extra levy under Minnesota Statutes 1971, Section 275.126, 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 1.0 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 275.126, Subdivision 3, Clause (3) but did not qualify for an extra levy under Minnesota Statutes 1971, Section 275.126, 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 275.126, Subdivision 3, Clause (3).

(4) In 1973 only, for a district which was authorized to levy pursuant to Minnesota Statutes 1971, Section 275.126, Subdivision 3, Clause (3), but which was not authorized to levy pursuant to Minnesota Statutes 1971, Section 275.126, Subdivision 3, Clause (4), an amount not to exceed the aggregate amount authorized by Minnesota Statutes 1971, Section 275.126, Subdivision 3, Clause (3).

(5) Subd. 6. For the 1974 levy, collectible in 1975,

(1) In 1975 any district ; in which the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership was greater than \$663 per pupil unit ; may levy an amount per pupil unit which is equal to or less than the difference between the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership and \$663 per pupil unit ; ~~reduced by two and one-half percent .~~ No district may levy under this clause an amount which exceeds the sum of the levy permitted under section 275.126, subdivision 3(3) and the amount raised by 2 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year. Provided, however, that a district with 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 1.9 mills times the adjusted assessed valuation of the district shall be allowed to levy 2.0 mills an amount per pupil unit which is equal to 2.0 mills times the 1974 adjusted assessed valuation of the district, divided by the number of pupil units in the district in 1975-1976 .

(2) In 1976, any district which qualified in 1975 for an extra levy under clause (1) shall be allowed to levy the same amount per pupil unit allowed by that clause.

(3) In 1977 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (2) shall be allowed to levy the same amount per pupil unit allowed by that clause, reduced by two and one-half percent each year.

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(4) For purposes of computing allowable levies under this subdivision, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (6) and (7). The provisions of this clause shall not affect or modify any district's 1970-1971 adjusted maintenance cost per pupil unit in average daily membership.

Subd. 7. (1) In addition to the excess levy authorized in subdivision 6, any district in Hennepin county or Ramsey county, other than a district with boundaries coterminous with the boundaries of a city of the first class, whose excess levy per pupil unit pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3, Clause (5), was among the lowest 20 percent of these levies in such districts shall be allowed in 1975 to make an excess levy if the district has had a decrease in actual pupil units for the previous three years. This additional permitted excess levy per pupil unit shall equal the difference between the excess levy per pupil unit for the district and the average excess levy per pupil unit for the districts in Hennepin and Ramsey counties, other than districts with boundaries coterminous with the boundaries of a city of the first class, allowed pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3, Clause (5), or 2.0 mills times the 1974 adjusted assessed valuation of the property in the district, whichever is less.

(2) In 1976 any district which in 1975 qualified for an additional levy under the provisions of clause (1) and which continues to decline in enrollment may levy that same amount per pupil unit plus an amount equal to 2.0 mills times the 1975 adjusted assessed valuation of the taxable property in the district.

(3) In 1977 and each year thereafter, any district which in 1976 qualified for an additional levy under the provisions of clause (2) and which continues to decline in enrollment may levy the same amount per pupil unit reduced by two and one-half percent each year.

(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 776 and 1060; shall be subject to the levy limitations imposed by those laws; as amended.

(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

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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) Subd. 8. In 1973-1975, and each year thereafter, for a district with a population of more than 15,000 persons 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 121.80, may levy an amount of money raised by the greater of (A) \$1 per capita, or (B) the number of EARC mills not to exceed the number of EARC mills necessary in 1973 to raise \$1 per capita in 1973. In 1975, and each year thereafter, a district with a population of fewer than 15,000 persons which has established a community school advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$2 per capita, or (B) the number of EARC mills not to exceed the number of EARC mills necessary in 1975 to raise \$2 per capita in 1975. These levies shall be used for community services including summer school, nonvocational adult programs, recreation programs, and programs contemplated by sections 121.85 to 121.80-121.88.

A district which provides 95 percent or more of the cost of the recreation program for the municipalities and townships in which the

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district or any part thereof is located may, with the approval of the commissioner, levy an additional amount, not to exceed one mill times the adjusted assessed valuation of the district for the preceding year, to be used for the costs of the recreation program.

A school district shall be authorized to make a levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education, certifying that members of the school board have met with members of the governing bodies of the county, municipality or township in which the school district, or any part thereof, is located, in order to discuss methods of increasing mutual cooperation between such bodies.

The population of the district for purposes of this ~~clause~~ subdivision 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)~~ Subd. 9. Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, shall reduce the permissible levies authorized by ~~this subdivision-subdivisions 3 to 14 of this section~~ 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.

Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; and 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; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by section 275.125 to be spread in the calendar year in which the deduction from foundation aid is made pursuant to section 124.212, subdivision 8a, by the portion of the previous fiscal year's payment which was not deducted from foundation aid in that calendar year pursuant to section 124.212, subdivision 8a.

~~(10)~~ Subd. 10. The commissioner shall certify to the county auditors the levy limits for all school districts headquartered in the respective counties together with adjustments for errors in levies not penalized pursuant to subdivision 4-15 as well as adjustments to final pupil unit counts.

A school district shall have the right to require the commissioner to review his certification and to present evidence in support of modifi-

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cation of his certification.

The county auditor shall reduce levies for any excess of levies over levy limitations pursuant to section 275.16. Such reduction in excess levies may at the discretion of the school district be spread over not to exceed two calendar years.

~~(11)~~ Subd. 11. The commissioner of education shall certify to the county auditors any underlevies made in 1971 and 1972 in the transportation levy amounts. The 1971 underlevies shall be determined to be (1) the actual net costs of reimbursable transportation as reported to the department of education for the 1972-1973 school year plus the amount expended by the district to acquire school buses in 1972-1973 used for reimbursable transportation, less (2) the 1971 certified transportation levy as amended and state aids received in 1972-1973 for transportation including depreciation. Underlevies in the 1972 transportation levy shall be computed in like manner using 1973-1974 costs and state aids received in the 1973-1974 school year. The 1974 levy shall be adjusted to correct for such underlevies, provided that upon written request of the affected school board to the commissioner, the adjustment shall be prorated in the 1974 and 1975 transportation levies. No district may levy under this clause in any year an amount which exceeds the amount raised by a levy of two mills times the previous year's adjusted assessed valuation of the taxable property of the district.

~~(12)~~ Subd. 12. When a district finds it economically advantageous to rent or lease existing school buildings for instructional purposes, and the proceeds of the levy permitted under section 124.04 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this clause shall contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this clause shall include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and regulations of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner shall not authorize a levy under this clause in an amount greater than the cost to the district of renting or leasing a school building for approved purposes.

Sec. 76. Minnesota Statutes 1974, Section 275.125, is amended by adding a subdivision to read:

Subd. 13. Districts maintaining a post-secondary vocational-technical school shall levy for post-secondary vocational-technical purposes as follows:

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(1) For districts in cities of the first class, a minimum of one-half mill up to a maximum of one mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(2) For districts formed pursuant to Laws 1967, Chapter 822, as amended, and Laws 1969, Chapters 775 and 1060 as amended, a minimum of one-half mill up to a maximum of one mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(3) For other districts maintaining post-secondary vocational schools, a minimum of one mill up to a maximum of three mills, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

Sec. 77. Minnesota Statutes 1974, Section 275.125, is amended by adding a subdivision to read:

Subd. 14. Districts maintaining a post-secondary vocational-technical school may levy additional amounts as follows:

(1) A district maintaining a post-secondary vocational-technical school shall assume responsibility for a local share of the district post-secondary vocational deficit. The local share shall be 30 percent, or 15 percent in Independent School District Nos. 595 and 793, of the district post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education pursuant to section 63, subdivision 4 of this act.

(2) For the purpose of eliminating the local share of its post-secondary vocational deficit, a district may petition the commissioner of education for authority to make an additional levy. Before such a levy may be made, it must be approved by the commissioner. The approval shall specify the years in which the additional levy may be made and shall specify its dollar amount. No levy so approved shall be made in more than four successive years, beginning with the levy certified in 1975, and shall not annually exceed .25 mills in a district in a city of the first class, 1.5 mills in districts formed pursuant to Laws 1969, Chapter 1060, as amended; Laws 1969, Chapter 775, as amended; or Laws 1967, Chapter 822, as amended, or three mills in any other district maintaining a post-secondary vocational-technical school times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. Under no circumstances may a district levy a total amount greater than the local share of its post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education.

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(3) If the additional levy allowed in clause (2) of this subdivision would be insufficient to eliminate the local share of the district's post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education, it may petition the commissioner of education for authority to issue general obligation bonds in an amount sufficient to meet the deficiency. Before the bonds may be issued, they must be authorized by the commissioner. The authorization shall specify a term not to exceed seven years and the amount of the bond issue provided that the levy authorization to pay the principal and interest on the bonds may not annually exceed .25 mills in a district in a city of the first class, .5 mills in districts formed pursuant to Laws 1969, Chapter 1060, as amended; Laws 1969, Chapter 775, as amended; or Laws 1967, Chapter 822, as amended, or six mills in any other district maintaining a post-secondary vocational-technical school times the 1974 adjusted assessed valuation of the district as determined by the equalization aid review committee; provided, however, that the mill limitation is subject to the provisions of Minnesota Statutes, Section 475.74. The bonds authorized by this section shall be sold and issued pursuant to the provisions of Minnesota Statutes, Chapter 475, except as otherwise provided herein. The bonds shall not be included in computing any debt limitation for a district and no election shall be required for their sale and issuance.

(4) A district may not be authorized an additional levy under both clauses (2) and (3) of this subdivision.

(5) The state shall assume responsibility for 70 percent, or in Independent School District Nos. 595 and 793 for 85 percent, of a district's post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education. The state portion of the deficit shall be paid to each district in fiscal years 1977 and 1978 in two equal payments, provided that the levy for the district's portion of the deficit has been approved by the commissioner and the required portion for the 1975 levy has been certified to the county auditor.

Sec. 78, Minnesota Statutes 1974, Section 275.125, Subdivision 4, is amended to read:

Subd. 4-15 . Any district which in any year levies an amount which is greater than the amount allowed by ~~subdivisions 2 and 3-sections 74 to 77 of this act~~ , shall lose an amount of state foundation aid equal to one-half of the excess in the levy, provided that any levy which is found to be excessive as a result of a decision of the tax court or a redetermination by the equalization aid review committee under section 124.212, subdivisions 11 to ~~20-18~~ , shall not be compensated for in the next levy of the district. The amount of aid lost shall be deducted from the aid which would otherwise have been received for the school year which commences in the calendar year during which the excessive levy is being collected. Any foundation aid so withheld shall be withheld in accordance with the procedures specified in section 124.15. A levy made in 1971 prior to the effective date of Extra Session

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Laws 1971, Chapter 31, Article 20 shall be reviewed, and may be modified, by the appropriate authority of the district for the purpose of reducing such levy to conform to the limitation imposed by Extra Session Laws 1971, Chapter 31, Article 20. Any reduction in such levy made prior to December 15, 1971 shall be given the same effect as though such reduction had been made prior to the expiration of the time allowed by law for making the levy.

Sec. 79. Minnesota Statutes 1974, Section 275.125, Subdivision 5, is amended to read:

Subd. ~~5-16~~ . For the purposes of this section, the number ~~by~~-of pupil units in average daily membership shall be computed in accordance with section 124.17, provided that the district may use an estimated average daily membership for the current school year. Any district which increased its pupil units, exclusive of consolidation, or merger of districts, or change of definition of pupil units by more than five percent from one year to another may use an estimated pupil unit count for the next succeeding school year for determining a levy certified in the current year. If as a result of such estimate the levy is different from the amount that could actually have been levied under this section had such levy been based upon the pupil units computed under section 124.17 for that school year, then in that event the authorized levy for the following year shall be adjusted for the difference.

Sec. 80. Minnesota Statutes 1974, Section 275.125, Subdivision 6, is amended to read:

Subd. ~~6-17~~ . Notwithstanding any other charter provision, general or special laws to the contrary, every school district in the state shall abide by the terms and provisions of this section.

Sec. 81. Minnesota Statutes 1974, Section 275.125, Subdivision 7, is amended to read:

Subd. ~~7-18~~ . By November 1 of each year each district shall submit to the commissioner of education a certificate of compliance with the levy limitations of this section. The commissioner of education shall prescribe the form of this certificate.

Sec. 82. Minnesota Statutes 1974, Section 275.48, is amended to read:

275.48 ADDITIONAL TAX LEVIES IN CERTAIN MUNICIPALITIES. Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any city, township or school district for any taxable year is reduced after the taxes for such year have been spread by the county auditor and whenever the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon such reduced valuations and does not produce the full amount of taxes as actually levied and certified for such taxable

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year upon the original assessed valuations, such city, township or school district may include in its tax levy made following final determination and notice of such reduction in assessed valuation, an amount equal to the difference between the total amount of taxes actually levied and certified for such taxable year upon the original assessed valuation, not exceeding the maximum amount which could be raised upon such assessed valuation as reduced, within existing mill limitations, if any, and the amount of taxes collected for such taxable year upon such reduced valuations.

The amount of taxes so included shall be levied separately and shall be levied in addition to all limitations permitted by section 275.11, as other applicable laws limiting levies in cities, towns or school districts imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind . .

Sec. 83. Minnesota Statutes 1974, Section 475.54, Subdivision 2, is amended to read:

Subd. 2. A serial maturity schedule conforming to subdivision 1 may be established for each new issue of obligations of a municipality, or the governing body may in its discretion adjust such schedule so that the combined maturities of the new issue and any other designated issue or issues will conform to subdivision 1, provided that all such issues are general obligations or all are payable from a common fund. Notwithstanding the provisions of any other general or special law, any school district having an outstanding state loan or loans, if it issues and sells bonds on the public market for any purpose other than refunding such loans, or refunding outstanding bonds as provided in this subdivision shall adjust the schedule of the maturities thereof so that the total amount of principal and interest to become due on these bonds and on all other bonds of the school district, during each of the 30 fiscal or calendar years next following, will be as nearly equal as practicable, provided that the annual amounts of maturing principal may be fixed at multiples of \$5,000. A school district which has an outstanding state loan or loans may refund outstanding bonds, provided that the school loan committee established in section 124.41 approves such refunding. The committee shall approve refunding outstanding bonds only if such refunding results in lower annual debt service payments than the district made prior to the refunding.

Sec. 84. Laws 1967, Chapter 822, Section 7, as amended by Laws 1969, Chapter 945; Section 2, is amended to read:

Sec. 7. TAX LEVIES. ~~If so provided in the agreement,~~ The joint school board ~~may shall~~ each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational-technical schools, certify to each participating school district ~~a the tax levy which shall never in any year exceed four mills on each dollar of assessed valuation of all taxable property specified in section 76, clause (2) of this act .~~ Additional tax levies

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may be certified which shall not in any year exceed ~~two~~ .6 mills on each dollar of adjusted assessed valuation for expenses for ~~the following: special education and .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education; and driving of motor vehicles.~~ Of the amount so levied, however, not to exceed one half of one mill shall be for the driving of motor vehicles; it being contemplated that 50 percent of the cost thereof be paid by the student. Each participating school district shall include such tax ~~levy~~ levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such ~~levy~~ levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under Minnesota Statutes, Section ~~275.12-275.125~~ 275.125. The board may, any time after such ~~levy~~ has levies ~~have~~ been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such ~~levy~~ levies, but in aggregate amounts such as will not exceed the portion of the ~~levy~~ levies which ~~is~~ are then not collected and not delinquent.

Sec. 85. Laws 1969, Chapter 775, Section 4, Subdivision 2, as amended by Laws 1971, Chapter 267, Section 3, is amended to read:

Subd. 2. The intermediate school board ~~may~~ shall in each year for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred certify to each county auditor of each county in which said intermediate school district shall lie, as a single taxing district, ~~a~~ the tax levy which shall never in any year exceed five mills, exclusive of debt service, on each dollar of assessed valuation of all taxable property within said intermediate school district ~~specified in section 76, clause (2) of this act.~~ Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Said annual tax ~~levy~~ levies shall be certified pursuant to Minnesota Statutes ~~1060~~ 1060, Section 124.02. Upon such certification the county auditor or auditors and other appropriate county officials shall levy and collect such levies and remit the proceeds of collection thereof to the intermediate school district as in the case with independent school districts. Such ~~levy~~ levies shall not be included in computing the limitations, if any, upon the levy of the intermediate district or any of the participating districts under Minnesota Statutes ~~1067~~ 1067, Section ~~275.12-275.125~~ 275.125. After such levies have been certified to the appropriate county officials the intermediate school board may issue and sell by negotiation or at public sale its certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amount such as will not exceed the portion of such tax levy which is then not collected and not delinquent.

Sec. 86. Laws 1969, Chapter 1060, Section 7, is amended to read:

Sec. 7. TAX LEVIES. ~~If so provided in the agreement;~~ The joint Changes or additions indicated by underline deletions by ~~strikeout~~

school board ~~may~~shall each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational-technical schools, certify to each participating school district ~~a~~the tax levy ~~which shall never in any year exceed four mills on each dollar of assessed valuation of all taxable property specified in Section 76, clause (2) of this act. Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include such tax ~~levy~~levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such ~~levy~~levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under Minnesota Statutes, Section ~~275.12~~275.125. The board may, any time after such ~~levy~~levies ~~has~~have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such ~~levy~~levies, but in aggregate amounts such as will not exceed the portion of the ~~levy~~levies which ~~is~~are then not collected and not delinquent.~~

Sec. 87. Laws 1971, Chapter 722, Section 1, is amended to read:

Section 1. **SPECIAL SCHOOL DISTRICT NO. 1; TAX LEVY.** To provide moneys to pay any administrative, operational, planning or capital expenses of an area vocational-technical school established pursuant to the provisions of Minnesota Statutes, Section 121.21, the board of directors of special school district No. 1 of Minneapolis ~~may~~shall levy ~~annually upon all taxable property in the district a~~the tax specified in section 76, clause (1) of this act in excess of the limitation contained in Minnesota Statutes, Section 275.12.

Sec. 88. Laws 1973, Chapter 683, Section 26, Subdivision 17, is amended to read:

Subd. 17. The provisions of this section shall expire July 1, ~~1977~~1979. 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.

Sec. 89. Laws 1974, Chapter 521, Section 9, is amended to read:

Sec. 9. Notwithstanding any law to the contrary, in Independent School Districts No. 93 and No. 99 where the adjusted assessed valuation is under contest in a Minnesota court as of February 1, 1974, foundation aid payments for the 1972-73 and 1973-74 school years and for

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any future school years until such time as the valuation is finally decided shall be made on the basis of the uncontested portion of the valuation of these districts. If as a result of the pending litigation these districts experience an increase in the adjusted assessed value as determined by the equalization aid review committee and recover tax revenues in excess of those which would have been raised on the uncontested adjusted assessed value as determined by the equalization aid review committee, any excess in foundation aid payments which resulted from the use of this uncontested adjusted assessed value in the aid determination shall be returned to the state by these districts.

Sec. 90. Laws 1974, Chapter 561, Section 7, is amended to read:

Sec. 7. EFFECTIVE DATE. This act shall be effective on July 1-August 25, 1975.

Sec. 91. Laws 1975, Chapter 13, Section 110, Subdivision 1, is amended to read:

Sec. 110. [473.633] SCHOOL DISTRICTS, AID TO. Subdivision 1. **ALLOCATION FROM PROCEEDS OF INCOME TAXES.** ~~Allocation from proceeds of income taxes:~~ When the properties of any school district in this state are detached from such school district because they comprise a part of or are located on a major airport or if such properties are once detached or subsequently reattached to said district by resolution pursuant to Extra Session Laws, 1971, Chapter 31, such district shall receive annually an allocation from the proceeds of income taxes in the amount that would be produced by a tax on such detached properties at the current tax rate for school purposes in the school district. In fiscal year 1976, the district shall receive 66 2/3 percent of the amount that would be produced by a tax on such detached properties at the current tax rate for school purposes in the school district, and in fiscal year 1977, 33 1/3 percent of such amount.

Sec. 92. Laws 1975, Chapter 13, Section 110, is amended by adding a subdivision to read:

Subd. 6. This section shall expire on June 30, 1977.

Sec. 93. Laws 1975, Chapter 13, Section 111, is amended to read:

Sec. 111. [473.635] APPROPRIATION IN LIEU OF TAXES ON AIRPORT PROPERTY. In fiscal year 1976, there is hereby appropriated annually to Independent School District No. 16 of Anoka county the sum of \$15,000-\$10,000, of which \$0,750-65 percent of this amount is appropriated from the state airports account within the special revenue fund in the state treasury and \$5,250-35 percent of this amount is appropriated from the general fund in the state treasury, all as payment in lieu of taxes upon real property owned by the Minneapolis-St. Paul metropolitan airports commission. In fiscal year 1977, there is appropriated \$5,000 to Independent School District No. 16 with the same

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percentages appropriated from the same funds. This section shall expire June 30, 1977.

Sec. 94. There is appropriated to the department of education from the general fund in the state treasury the sum of \$190,000 to be paid to Independent School District 381. If as a result of any litigation Independent School District No. 381 recovers tax revenues raised in 1973 on that portion of Independent School District No. 381 which is situated outside of Lake county, the amount recovered shall be paid to the state by Independent School District No. 381.

Sec. 95. **APPROPRIATIONS.** Subdivision 1. SHARED TIME REIMBURSEMENT AID. The sum of \$170,000 is appropriated to the department of education from the general fund in the state treasury for payment of a deficiency in funds available for reimbursement aids to school districts for shared time instructional programs for the biennium ending June 30, 1975.

Subd. 2. REPORTING SYSTEM AIDS. The sum of \$10,200 is appropriated to the department of education for the fiscal year ending June 30, 1975 to complete the implementation of Laws 1973, Chapter 683, Section 22.

Sec. 96. **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:

	<u>For the year ending June 30</u>	
	<u>1976</u>	<u>1977</u>
(1) <u>Foundation Aid</u>	<u>\$600,400,000</u>	<u>\$613,000,000</u>
<u>The appropriation in (1) includes not to exceed \$300,000 in 1976 for emergency aid. The appropriation in (1) also includes \$400,000 for 1976 to be expended pursuant to Laws 1965, Chapter 719, as amended, and if the appropriation for this purpose is insufficient, the aid shall be prorated among all qualifying districts.</u>		
(2) <u>Transportation Aid</u>	<u>62,310,000</u>	<u>67,173,000</u>
<u>The appropriation in (2) includes not to exceed \$125,000 in each year indicated for transportation aid</u>		

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pursuant to section 40, clause (6) of this act. The appropriation in (2) also includes \$125,000 for 1976 and \$150,000 for 1977 for transportation aid pursuant to section 40, clause (7) of this act. The appropriation in (2) also includes \$200,000 for 1976 and \$300,000 for 1977 for transportation aid pursuant to section 37 of this act. If the appropriation for any of these purposes in either year is insufficient, the aid for that purpose shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriation for that purpose.

(3) <u>Special Education Aid</u>	\$ <u>38,600,000</u>	\$ <u>46,750,000</u>
(4) <u>Secondary Vocational Aid</u>	\$ <u>13,700,000</u>	\$ <u>16,300,000</u>
(5) <u>Adult Vocational Aid</u>	\$ <u>3,625,000</u>	\$ <u>4,375,000</u>
(6) <u>Veteran Farmer Cooperative Training Programs</u>	\$ <u>950,000</u>	\$ <u>1,050,000</u>
(7) <u>Post-Secondary Vocational Foundation Aid</u>	\$ <u>0</u>	\$ <u>50,800,000</u>
(8) <u>Post-Secondary Vocational Categorical Aid</u>	\$ <u>36,500,000</u>	\$ <u>10,800,000</u>
(9) <u>Post-Secondary Vocational Debt Service Aid</u>	\$ <u>0</u>	\$ <u>7,000,000</u>
(10) <u>Post-Secondary Vocational Capital Expenditure Aid</u>	\$ <u>0</u>	\$ <u>6,000,000</u>
(11) <u>Post-Secondary Vocational Deficit Payment</u>	\$ <u>0</u>	\$ <u>1,600,000</u>
(12) <u>Post-Secondary Vocational Construction</u>	\$ <u>17,000,000</u>	\$ <u>0</u>
<u>The appropriation in</u>		

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(12) shall be expended for post-secondary vocational construction in the following school districts: Special School District No. 1; Independent School District No. 11; Dakota County Area Vocational-Technical Institute District No. 917; Independent School District Nos. 423; 701; 535; 583; and 206. If a law enacted at the 1975 session identified as House File No. 1810 or any other law enacted at this session provides any funds for post-secondary vocational construction or for vocational-technical building bonds, the amount of the funds provided in that law shall be subtracted from the appropriation in (12).

<u>(13) Adult Education Aid</u>	\$	<u>306,000</u>	\$	<u>324,000</u>
<u>(14) Eligible Teacher Program</u>	\$	<u>0</u>	\$	<u>150,000</u>
<u>(15) G.E.D. Reimbursement Aid</u>	\$	<u>60,000</u>	\$	<u>60,000</u>

If the appropriation for this purpose in either year is insufficient, the reimbursement shall be prorated among all qualifying testing centers.

<u>(16) Council on quality education</u>	\$	<u>500,000</u>	\$	<u>500,000</u>
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The appropriation in (16) shall be used for funding no fewer than ten early childhood identification and education programs pursuant to sections 3.9271 to 3.9275. No more than \$30,000 may be expended each year for dissemination of

information and administration of these programs by the council on quality education, of which no more than \$15,000 may be expended each year for evaluation of these programs.

(17) <u>Community Education Aid</u>	\$	<u>1,200,000</u>	\$	<u>1,600,000</u>
(18) <u>Flexible School Year Planning Grants</u>	\$	<u>100,000</u>		
<u>The appropriation in (18) may be used by the state board of education as planning grants for school districts which intend to begin operation of flexible school year programs pursuant to sections 120.59 to 120.67, after July 1, 1975.</u>				
<u>Any unexpended balance remaining from the appropriations in (1) to (18) for 1976 shall not cancel but shall be available for the second year of the biennium, unless otherwise provided in (1) to (18).</u>				
(19) <u>Extraordinary Tax Delinquency Advances to School Districts</u>	\$	<u>70,000</u>	\$	<u>95,000</u>
(20) <u>For Gross Earnings Aid pursuant to Section 124.28</u>	\$	<u>800,000</u>	\$	<u>700,000</u>
(21) <u>Exempt Land Special School Aid pursuant to Section 124.30</u>	\$	<u>267,000</u>	\$	<u>133,000</u>
(22) <u>For Aid to School Districts pursuant to Laws 1975, Chapter 13, Section 110</u>	\$	<u>96,670</u>	\$	<u>48,330</u>
(23) <u>School Aid - Counties A/C of Non Tax Areas</u>	\$	<u>32,000</u>	\$	<u>16,000</u>
<u>The amount appropriated in (23) shall be</u>				

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expended in 1976 and 1977, as provided in Laws 1971, Chapter 966, Section 16, for 1971 and 1972.

If any appropriation made in (19) to (23) in either year is insufficient, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriation for that purpose.

None of the amounts appropriated in (1) to (23) of this section shall be expended for a purpose other than the purpose indicated, unless otherwise provided in (1) to (23).

Sec. 97. REPEALER. Laws 1919, Chapter 271; Laws 1951, Chapter 659; Minnesota Statutes 1974, Sections 121.21, Subdivisions 7, 9 and 10; 121.211; 121.89; 124.212, Subdivisions 6a and 7a; 124.222, Subdivisions 1 and 2; 124.475; and 190.31, are repealed.

Sec. 98. REPEALER. Laws 1969, Chapter 945, Section 3; Laws 1969, Chapter 1060, Section 8; Minnesota Statutes 1974, Sections 121.21, Subdivision 5; 124.50; 124.801; 124.802; 124.803; 124.804; 124.805; and 124.806, are repealed. This section shall be effective June 30, 1976.

Sec. 99. REPEALER. Laws 1971, Chapter 966, Section 16, is repealed. This section shall be effective June 30, 1977.

Sec. 100. EFFECTIVE DATE. Sections 1, 2, 16, 24, 44, 45, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 70, 71, 83, 89, 90, 94 and 95 shall be effective the day following final enactment. Section 19 shall be effective July 1, 1976.

Approved June 4, 1975.

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