

and recommend changes in policies and services to home staff, other residents, and outside representatives of his choice, free from restraint, interference, coercion, discrimination, or reprisal, including retaliatory eviction. A resident of the home may not be denied any tenant rights available to him under chapter 566, including the right to recover possession of the premises.

**Subd. 2. RETALIATION PROHIBITED.** The administrator may not retaliate against any resident who exercises his right to voice grievances by evicting the resident. There shall be a rebuttable presumption that any eviction within 45 days of the exercise by a resident of his right to voice grievances is retaliatory.

Approved June 14, 1983

## CHAPTER 314 — H.F.No. 92

*An act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, tax levies, and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, the state board for vocational education, and the higher education coordinating board; modifying certain components of foundation aid; providing for revenue equity; modifying the computation of the transportation aid, summer school, and community education aids and levies; providing funding for AVTT's; providing incentives for school districts to use technology in education; modifying certain provisions relating to teacher mobility programs; modifying certain duties of the council on quality education; appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 120.0751, subdivision 3; 120.17, subdivision 3; 121.15; 121.503; 121.505; 121.904, subdivision 4a, as amended; 121.908; 121.911, by adding a subdivision; 121.912, subdivision 3, and by adding a subdivision; 121.936, by adding a subdivision; 122.23, subdivisions 2 and 3; 122.41; 122.43; 122.44; 122.531, subdivision 2, and by adding subdivisions; 123.32, by adding a subdivision; 123.33, subdivisions 10 and 14; 123.34, subdivision 9; 123.351, subdivision 4; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.39, subdivision 4; 123.702, subdivision 1a; 123.705; 123.741, subdivision 1; 123.933, subdivision 3; 124.14, subdivision 1; 124.15, subdivision 5; 124.155, subdivision 2, as amended; 124.17, subdivision 2d; 124.19, subdivision 3; 124.201, subdivisions 2 and 3, and by adding subdivisions; 124.2122, subdivisions 1 and 2; 124.2124, subdivision 1; 124.2126, subdivision 3; 124.2127, subdivision 1; 124.2132, subdivisions 1 and 4; 124.214, subdivision 2; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3, and by adding a subdivision; 124.26, subdivision 1; 124.271, subdivisions 2a, 6, and by adding subdivisions; 124.273, subdivision 4; 124.32, subdivisions 3a, 5, and 5a; 124.43, subdivision 1; 124.572, subdivision 2; 124.646, subdivision 1; 125.05, by adding a subdivision; 125.12, subdivisions 6a, 6b, and by adding a subdivision; 125.17, subdivisions 1 and 11; 125.60, subdivisions 2, 3, and 7; 125.611, subdivisions 8 and 9; 126.54, subdivision 1; 129B.01, subdivision 2; 129B.02; 129B.04; 129B.05; 129B.09, subdivisions 1 and 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12;*

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134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 136A.02, subdivision 1; 275.125, subdivisions 2d, 2e, 2i, 4, 5, 5b, 8, 9, 11a, 11b, and by adding subdivisions; 354.094, subdivisions 1, 1a, and by adding a subdivision; 354.66, subdivisions 4, 9, and by adding a subdivision; 354A.091, subdivisions 1, 1a, and by adding a subdivision; 354A.094, subdivisions 4, 9, and by adding a subdivision; 375.335; 466.06; 475.61, subdivision 3; and 648.39, subdivision 1; Laws 1967, chapter 822; Laws 1969, chapters 775, section 3, subdivision 2, as amended; and 1060; Laws 1974, chapter 237, section 1; Laws 1981, chapter 358, article VII, section 29, as amended; and Laws 1982, chapter 548, article III, sections 27 and 28; proposing new law coded in Minnesota Statutes, chapters 3; 120; 121; 122; 124; 125; 126; 129B; and 134; proposing new law coded as Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1982, sections 122.542; 122.90; 124.11, subdivisions 1 and 2c; 124.2123; 124.2124; 124.2125; 124.2128; 124.24; 124.251; 124.26, subdivision 4; 124.271, subdivision 5; 124.273, subdivision 1 and 2; 124.32, subdivisions 1 and 9; 124.561; 124.562; 124.5621; 124.5622; 124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.611; 129B.09, subdivision 5; 134.03; 134.06; 134.16; 134.19; 134.352; 275.125, subdivisions 6b, 6c, 6d, 7a, and 7c; and 375.33.

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

#### ARTICLE 1 FOUNDATION AID

Section 1. Minnesota Statutes 1982, section 124.2122, subdivision 1, is amended to read:

Subdivision 1. **FORMULA ALLOWANCE.** "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. ~~The formula allowance shall be \$1,333 for foundation aid for the 1981-1982 school year.~~ The formula allowance shall be \$1,346 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year. The formula allowance shall be \$1,475 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year. The formula allowance shall be \$1,475 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year.

Sec. 2. Minnesota Statutes 1982, section 124.2122, subdivision 2, is amended to read:

Subd. 2. **BASIC MAINTENANCE MILL RATE.** "Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of the basic maintenance levy for use in that school year. ~~The basic maintenance mill rate shall be .021 for the 1980 payable 1981 levy and for foundation aid for the 1981-1982 school year.~~ The basic maintenance mill rate shall be .024 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year. The basic maintenance mill rate shall be .024 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year. ~~A district may levy less than 24 mills. If a district levies at least 95 percent of an amount equal to 23 mills times the adjusted assessed valuation of the district,~~

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basic foundation aid shall be computed as though the district had levied 24 mills times the adjusted assessed valuation of the district. The basic maintenance mill rate shall be .024 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year.

Sec. 3. Minnesota Statutes 1982, section 124.2124, subdivision 1, is amended to read:

Subdivision 1. **REPLACEMENT COMPONENTS.** (a) A district's "fluctuating enrollment replacement component" shall equal the amount of additional foundation aid or basic maintenance levy revenue the district would have received for the 1980-1981 school year if declining or growing enrollment pupil units had been used in the computation of basic foundation aid for 1980-1981 pursuant to Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (1) or of the 1979 basic maintenance levy limitation pursuant to Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 2b or 2c.

(b) Beginning with the aid and levy revenue for the 1983-1984 school year, in any district where the actual number of pupil units increased from the 1979-1980 school year to the 1980-1981 school year, the district's "recomputed fluctuating enrollment replacement component" shall equal the amount of additional foundation aid or basic maintenance levy revenue the district would have received for the 1980-1981 school year if the district had qualified for the greater of either the 1980-1981 declining enrollment pupil units or the 1980-1981 growing enrollment pupil units to be used in the computation of basic foundation aid for 1980-1981 pursuant to Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (1) or of the 1979 basic maintenance levy limitation pursuant to Minnesota Statutes 1979 Supplement, Section 275.125, Subdivision 2b or 2c.

(c) A district's "sparsity replacement component" shall equal the amount of additional aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, Section 124.224 had been effective for 1980-1981. Beginning with the 1983-1984 school year, for elementary districts, the component shall equal the amount of additional aid the district would have received for the 1980-1981 school year if pupils attending secondary school in another district had attended a secondary school in the district in which they reside.

(d) A district's "basic replacement entitlement" shall equal the sum of (1) the greater of (i) its fluctuating enrollment replacement component, or (ii) its recomputed fluctuating enrollment replacement component, and (2) its sparsity replacement component; divided by its total pupil units in 1980-1981.

(e) "Replacement inflator" for any school year means the ratio of the foundation aid formula allowance for that school year to \$1,265. However, for the 1981-1982 school year the replacement inflator shall equal 107 percent, and for the 1982-1983 school year the replacement inflator shall equal 112 percent.

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(f) A district's "replacement allowance" for each school year shall equal its basic replacement entitlement times the replacement inflator for that school year.

(g) A district's "replacement levy limitation" means its levy limitation computed pursuant to section 275.125, subdivision 6c.

Sec. 4. Minnesota Statutes 1982, section 124.2126, subdivision 3, is amended to read:

Subd. 3. **MINIMUM AID.** A qualifying district's minimum aid for each school year shall equal its minimum guarantee for that school year, minus the sum of:

(1) The amount of the district's state school agricultural tax credit aid for that school year;

(2) The amount by which property taxes of the district for use in that school year are reduced by the homestead credit provisions in section 273.13, subdivisions 6, 7, and 14a;

(3) The amount by which property taxes of the district for use in that school year are reduced by the taconite homestead credit provisions in section 273.135;

(4) The amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138, subdivision 6;

(5) The amount by which property taxes of the district for use in that school year are reduced by the state paid wetlands credit provisions in section 273.115;

(6) The amount by which property taxes of the district for use in that school year are reduced by the state paid native prairie credit provisions in section 273.116; and

(7) The amount by which property taxes of the district for use in that school year are reduced by the credit for reduced assessment provisions in section 273.139;

(8) The amount by which property taxes of the district for use in that school year are reduced by the state reimbursed disaster or emergency reassessment provisions in section 273.123; and

(9) The amount by which property taxes of the district for use in that school year are reduced by the metropolitan agricultural preserve provisions in section 473H.10.

Sec. 5. Minnesota Statutes 1982, section 124.2127, subdivision 1, is amended to read:

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Subdivision 1. **DEFINITION; FOUNDATION AID.** Shared time pupils are defined as those pupils who attend public school programs for part of the regular school day and who otherwise fulfill the requirements of section 120.10 by attendance at a nonpublic school.

(a) The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which the pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil.

(b) Foundation aid for shared time pupils shall equal the amount which would accrue if shared time pupil units, counted pursuant to section 124.17, subdivision 1, clauses (1) and (2), were added to the district's total pupil units used in determining its foundation aid formula allowance times the full-time equivalent actual pupil units for shared time pupils. Foundation aid for shared time pupils shall be in addition to any other aid to which the district is otherwise entitled and shared time average daily membership shall not be used in the computation of pupil units under section 124.17, subdivision 1, for any purpose other than the computation of shared time foundation aid pursuant to this subdivision.

(c) Foundation aid for shared time pupils shall be paid to the district of the pupil's residence. If a pupil attends shared time classes in another district, the resident district shall pay to the district of attendance an amount of tuition equal to the ratio in clause (a) times the amount of tuition which would be charged and paid for a nonresident public school pupil in a similar circumstance. The district of residence shall not be obligated for tuition except by previous agreement.

(d) Notwithstanding the provisions of clause (c), the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid shall be paid to the district of attendance and, upon agreement, the district of attendance may bill the resident district for any unreimbursed education costs, but not for unreimbursed transportation costs. The agreement may, however, provide for the resident district to pay the cost of any of the particular transportation categories specified in section 124.225, subdivision 1, and in this case, aid for those categories shall be paid to the district of residence rather than to the district of attendance.

(e) Minutes of enrollment in a public school during which a nonpublic school pupil receives services pursuant to section 123.935 shall not be used in the computation of shared time foundation aid pursuant to this subdivision.

Sec. 6. Minnesota Statutes 1982, section 124.2132, subdivision 4, is amended to read:

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Subd. 4. **COUNTY APPORTIONMENT DEDUCTION.** (4) The amount of money apportioned to a school district for each school year pursuant to section 124.10, subdivision 2, which exceeds the amount apportioned to that district pursuant to section 124.10, subdivision 2 for the 1976-1977 school year, shall be deducted from the foundation aid earned by that district for the same year.

(2) In addition to the deduction in clause (1), five-sixths of the amount apportioned pursuant to section 124.10, subdivision 2, shall be deducted from foundation aid for the 1981-1982 school year, but this deduction shall not exceed five-sixths of the amount apportioned for the 1976-1977 school year.

(3) In the 1982-1983 school year and Each school year thereafter, the entire amount of money apportioned to a school district for that year pursuant to section 124.10, subdivision 2, shall be deducted from the foundation aid earned by that district for the same year.

**Sec. 7. [124.2138] REVENUE EQUITY AID SUBTRACTION.**

Subdivision 1. BASIC MAINTENANCE LEVY EQUITY. (1) In any year when the amount of the maximum levy limitation for any district under section 275.125, subdivision 2a, exceeds the district's basic foundation revenue for the corresponding fiscal year, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b). However, the aid authorized in sections 124.2137 and 124.646 shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) the sum of the amount of the district's maximum levy limitation under section 275.125, subdivision 2a, plus the amount of any reductions to that levy limitation pursuant to section 275.125, subdivisions 2e and 9, and

(b) the district's basic foundation revenue.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); for fiscal year 1987, the amount of the deduction shall be one-half of the difference between clauses (a) and (b); for fiscal year 1988, the amount shall be two-thirds of the difference between clauses (a) and (b); and for fiscal year 1989, the amount of the deduction shall be five-sixths of the difference between clauses (a) and (b).

Subd. 2. **TRANSPORTATION LEVY EQUITY.** (1) In any fiscal year in which the transportation levy in a district attributable to that fiscal year of 1.75 mills times the adjusted assessed valuation of the district exceeds the

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transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), to the extent that those special state aids and state payments have not been reduced pursuant to subdivision 1 of this section. However, aid authorized in sections 124.2137 and 124.646 shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) 1.75 mills times the adjusted assessed valuation of the district for the levy attributable to that fiscal year, and

(b) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); for fiscal year 1987, the amount of the deduction shall be one-half of the difference between clause (a) and (b); for fiscal year 1988, the amount of the deduction shall be two-thirds of the difference between clauses (a) and (b); and for fiscal year 1989, the amount of the deduction shall be five-sixths of the difference between clauses (a) and (b).

Subd. 3. In any fiscal year in which the state payments on behalf of a district authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), are reduced under this section, the commissioner of education shall certify the amounts of the required reductions to the district. The district shall pay employer contributions in the amount of the reduction of these payments to the commissioner, which amount shall be placed in the general fund.

#### Sec. 8. [124A.01] FOUNDATION AID COMPONENTS.

Foundation aid shall equal the sum of the following:

- (a) basic aid;
- (b) cost differential tier aid;
- (c) second tier aid;
- (d) third tier aid;
- (e) fourth tier aid;
- (f) fifth tier aid;

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(g) minimum aid; and

(h) shared time pupil aid.

**Sec. 9. [124A.02] DEFINITIONS.**

Subdivision 1. APPLICABILITY. For the purpose of this chapter, the following terms have the meaning given them.

Subd. 2. ACTUAL LEVY. "Actual levy" means the amount a district reports, according to section 275.125, subdivision 18, to the department of education that it has levied for each tier.

Subd. 3. PERMITTED LEVY. "Permitted levy" means the amount a district is permitted to levy for each tier, as determined by the department of education according to section 275.125, subdivisions 7d and 7e.

Subd. 4. TRAINING AND EXPERIENCE INDEX. "Training and experience index" means a measure of a district's teacher training and experience relative to the education and experience of teachers in the state. The measure shall be determined pursuant to section 10 and according to a method published in the Minnesota Code of Administrative Rules. The published method shall include the data used and a reasonably detailed description of the steps in the method. The method shall not be subject to the provisions of chapter 14. At least biennially, the department shall recompute the index using complete new data.

**Sec. 10. [124A.04] TRAINING AND EXPERIENCE INDEX.**

The training and experience index shall be constructed in the following manner:

(a) The department shall construct a matrix which classifies teachers by the extent of training received in accredited institutions of higher education, and by the years of experience which the district takes into account in determining each teacher's salary.

(b) For all teachers in the state, the average salary per full-time-equivalent shall be computed for each cell of the matrix.

(c) For each cell of the matrix, the ratio of the average salary in that cell to the average salary in the cell for teachers with no prior years of experience and only a bachelor's degree shall be computed. The department shall use statistical methods to ensure continuously increasing ratios as cells are higher in training or experience.

(d) The index for each district shall be equal to the weighted average of the ratios assigned to the full-time-equivalent teachers in each district.

**Sec. 11. [124A.06] COST DIFFERENTIAL TIER AID.**

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



**Subdivision 1. COST DIFFERENTIAL TIER ALLOWANCE.** “Cost differential tier allowance” means the amount of revenue per actual pupil unit used to compute the cost differential tier aid for a school year and levy for use in the same school year. A district’s cost differential tier allowance shall be the result of the following computation:

(a) Divide the amount of aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, section 124.224, as amended by section 3 of this article, had been effective for the 1980-1981 school year by the actual pupil units in the district in the 1980-1981 school year.

(b) Divide the formula allowance for the school year by \$1265.

(c) Multiply the result in clause (a) by the result in clause (b).

(d) Subtract 1.25 from the training and experience index, and multiply the difference by \$300.

(e) Select the greater of the result in clause (d) or zero.

(f) Add the results of clauses (c) and (e).

**Subd. 2. COST DIFFERENTIAL TIER REVENUE.** A district’s cost differential tier revenue for each school year shall equal the cost differential tier allowance times the actual pupil units for that school year.

**Subd. 3. COST DIFFERENTIAL TIER AID.** A district’s cost differential tier aid shall be the result of the following computation:

(1) Subtract the amount of the cost differential tier levy from the amount of the cost differential tier revenue.

(2) Divide the actual cost differential tier levy by the permitted cost differential tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

**Sec. 12. [124A.08] SECOND TIER AID WITH 100 PERCENT EQUALIZING FACTOR.**

**Subdivision 1. SECOND TIER ALLOWANCE.** “Second tier allowance” means the amount of revenue per actual pupil unit used to compute the second tier aid for a particular school year and the corresponding levy for that school year. The second tier allowance is \$150.

**Subd. 2. SECOND TIER REVENUE.** A district’s second tier revenue for each school year shall equal the second tier allowance times its actual pupil units for that school year.

**Subd. 3. SECOND TIER AID.** A district’s second tier aid shall be the result of the following computation:

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(1) Subtract the amount of the second tier levy from the amount of the second tier revenue.

(2) Divide the actual second tier levy by the permitted second tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

**Sec. 13. [124A.10] THIRD TIER AID WITH 75 PERCENT EQUALIZING FACTOR.**

**Subdivision 1. THIRD TIER ALLOWANCE.** “Third tier allowance” means the amount of revenue per actual pupil unit used to compute the third tier aid for a particular school year and the corresponding levy for that school year. The third tier allowance is \$100.

**Subd. 2. THIRD TIER REVENUE.** A district's third tier revenue for each school year shall equal the third tier allowance times its actual pupil units for that school year.

**Subd. 3. THIRD TIER AID.** A district's third tier aid shall be the result of the following computation:

(1) Subtract the amount of the third tier levy from the amount of the third tier revenue.

(2) Divide the actual third tier levy by the permitted third tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

**Sec. 14. [124A.12] FOURTH TIER AID WITH 50 PERCENT EQUALIZING FACTOR.**

**Subdivision 1. FOURTH TIER ALLOWANCE.** “Fourth tier allowance” means the amount of revenue per actual pupil unit used to compute the fourth tier aid for a particular school year and the corresponding levy for that school year. The fourth tier allowance is \$100.

**Subd. 2. FOURTH TIER REVENUE.** A district's fourth tier revenue for each school year shall equal the fourth tier allowance times its actual pupil units for that school year.

**Subd. 3. FOURTH TIER AID.** A district's fourth tier aid shall be the result of the following computation:

(1) Subtract the amount of the fourth tier levy from the amount of the fourth tier revenue.

(2) Divide the actual fourth tier levy by the permitted fourth tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

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**Sec. 15. [124A.14] FIFTH TIER AID WITH 50 PERCENT EQUALIZING FACTOR.**

Subdivision 1. FIFTH TIER ALLOWANCE. "Fifth tier allowance" means the amount of revenue per actual pupil unit used to compute the fifth tier aid for a particular school year and the corresponding levy for that school year. The fifth tier allowance shall equal the result of the following computation:

(a) Determine the revenue the district would have received for the 1984-1985 school year from grandfather revenue, replacement revenue, and low fund balance revenue, if the provisions of Minnesota Statutes 1982, sections 124.2123, 124.2124, and 124.2128 had been effective for the 1984-1985 school year.

(b) Determine the discretionary revenue the district would have received for the 1984-1985 school year if the provisions of Minnesota Statutes 1982, section 124.2125 had been effective for the 1984-1985 school year. Assume the district had been entitled to and had levied the maximum allowable under section 275.125, subdivisions 7a, and no aid or levy reductions were made according to section 275.125, subdivision 7c.

(c) Determine the amount of revenue equal to \$25 times the total pupil units in the 1984-1985 school year.

(d) Add the results in clauses (a), (b), and (c).

(e) Determine the estimated revenue the district would receive for the 1984-1985 school year from the first to fourth tier revenue for the 1984-1985 school year.

(f) Subtract the result of clause (e) from the result of clause (d).

(g) Divide the amount in clause (f) by the 1984-1985 actual pupil units.

Subd. 2. FIFTH TIER REVENUE. A district's fifth tier revenue for each school year shall equal the fifth tier allowance times its actual pupil units for that school year.

Subd. 3. FIFTH TIER AID. A district's fifth tier aid shall be the result of the following computation:

(1) Subtract the amount of the fifth tier levy from the amount of the fifth tier revenue.

(2) Divide the actual fifth tier levy by the permitted fifth tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

**Sec. 16. [124A.16] COMMENCEMENT OF TIER REVENUE.**

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Subdivision 1. TOTAL TIER ALLOWANCE. "Total tier allowance" shall mean the sum of the allowances from the tiers specified in sections 11, 12, 13, 14, and 15.

Subd. 2. PREVIOUS FORMULA AMOUNT. "Previous formula amount" shall mean the revenue per actual pupil unit from the previous formula as specified in section 15, subdivision 1, clauses (a) and (b).

Subd. 3. MINIMUM INCREASE. "Minimum increase" shall mean the amount equal to \$25 times the total pupil units in the 1984-1985 school year, divided by the actual pupil units in the 1984-1985 school year.

Subd. 4. The total revenue per actual pupil unit permitted from the tiers specified in sections 11, 12, 13, 14, and 15 shall equal the sum of the previous formula amount plus the greater of:

(a) the minimum increase; or

(b) 25 percent of the difference between the total tier allowance and the previous formula amount in the 1984-1985 school year, 50 percent of the difference in the 1985-1986 school year, 75 percent of the difference in the 1986-1987 school year, or 100 percent of the difference in the 1987-1988 school year and subsequent school years.

Subd. 5. The revenue permitted by this section shall be accorded to the lowest numbered tiers, beginning with the cost differential tier.

Subd. 6. The permitted total revenue per actual pupil unit specified in subdivision 4 shall be determined prior to the reduction according to section 275.125, subdivision 7e.

Sec. 17. Minnesota Statutes 1982, section 124.2132, subdivision 1, is amended to read:

**Subdivision 1. UNDERLEVIES.** A district's basic foundation, grandfather, replacement, discretionary or low fund balance aid, as applicable, for any school year when the actual amount of the corresponding levy for use in that year is less than the permitted amount, shall be reduced by a percentage equal to the difference between the actual amount and the permitted amount, divided by the permitted amount. This provision shall apply to basic foundation aid only for a school year when the actual amount of the basic maintenance levy for use in that year is less than 95 percent of the permitted amount.

Sec. 18. Minnesota Statutes 1982, section 275.125, subdivision 2e, is amended to read:

**Subd. 2e. BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.** (1) In any year when the amount of the maximum levy limitation under subdivision 2a for any district, exceeds the product of the district's foundation aid formula allowance for the year in which the levy is recognized as

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revenue times the estimated number of actual and AFDC pupil units for that district for that school year, the levy limitation for that district under subdivision 2a shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, Section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 2a:

(a) the sum of

(i) the product of the district's foundation aid formula allowance for the school year in which the levy is recognized as revenue, times the estimated number of actual and AFDC pupil units for that district for that school year, plus

(ii) the amount of special state aids of chapter 124 receivable for the same school year, excluding aid authorized in sections 124.2137 and 124.646, plus

(iii) the amount of state payments on behalf of the district for the same school year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124.2132, subdivision 4 in the school year in which the levy is recognized as revenue.

(1) However, for fiscal year 1985, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by one-sixth; for fiscal year 1986, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by one-third; for fiscal year 1987, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by one-half; for fiscal year 1988, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by two-thirds; and for fiscal year 1989, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by five-sixths.

(2) A levy made by a district pursuant to this subdivision shall be construed to be the levy made by that district pursuant to subdivision 2a, for purposes of statutory cross-reference.

Sec. 19. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

**Subd. 7d. TIER LEVIES. (1) COST DIFFERENTIAL TIER LEVY.** In 1983 and each year thereafter, a district may levy for its cost differential tier revenue an amount not to exceed the lesser of its cost differential tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

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(ii) Divide the result in clause (i) by the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's cost differential tier revenue for the school year to which the levy is attributable.

**(2) SECOND TIER LEVY.** In 1983 and each year thereafter, a district may levy for its second tier revenue an amount not to exceed the lesser of its second tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's second tier revenue for the school year to which the levy is attributable.

**(3) THIRD TIER LEVY.** In 1983 and each year thereafter, a district may levy for its third tier revenue an amount not to exceed the lesser of its third tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 75 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's third tier revenue for the school year to which the levy is attributable.

**(4) FOURTH TIER LEVY.** In 1983 and each year thereafter, a district may levy for its fourth tier revenue an amount not to exceed the lesser of its fourth tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 50 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the fourth tier revenue for the school year to which the levy is attributable.

**(5) FIFTH TIER LEVY.** In 1983 and each year thereafter, a district may levy for its fifth tier revenue an amount not to exceed the lesser of its fifth tier revenue or the result of the following computation:

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(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 50 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the fifth tier revenue for the school year to which the levy is attributable.

Sec. 20. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 7e. SECOND TIER LEVY FUND BALANCE. Beginning with the 1983 payable 1984 levy, for a district where the net unappropriated operating fund balance as of the June 30 before the levy is certified exceeds \$500 per total pupil unit in the year when the levy is certified, the second tier levy shall be reduced by the amount of the excess times the lesser of (a) one, or (b) the ratio of the district's EARC valuation for the preceding year per total pupil unit in the school year for which the levy is attributable, to the equalizing factor. Beginning with the 1984-1985 school year, the second tier aid for the year when that levy is used shall be reduced by any amount of the excess which is not subtracted from the levy.

Sec. 21. Minnesota Statutes 1982, section 275.125, subdivision 9, is amended to read:

Subd. 9. **LEVY REDUCTIONS; TACONITE.** (1) Reductions in levies pursuant to subdivision 10 of this section, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 477A.15; 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, or recognized revenue pursuant to section 477A.15; 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 this section by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times the ratio of the maximum levy allowed the district under

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subdivision 2a, to the total levy allowed the district under this section in the year in which the levy is certified.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to subdivision 2a, to an amount less than the amount raised by a levy of ~~ten~~ 12.5 mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to subdivision 2d shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision. ~~The amount of any levy authorized by subdivision 7a shall not be reduced pursuant to this subdivision.~~

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by subdivision 11a, and the community service levy authorized by subdivision 8, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to subdivision 11a and for community services pursuant to subdivision 8. The reduction of the capital expenditure levy and the community services levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.2132, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amount ~~on the designated date: on or before~~ by March 15 of each year, ~~100 percent of~~ the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section ~~124.2128~~ 124.2132, subdivision 5, which is in excess of the foundation aid earned for that fiscal year. The commissioner of finance shall deposit any amounts received pursuant to this clause in the taconite property tax relief fund in the state treasury, established pursuant to section 16A.70 for purposes of paying the taconite homestead credit as provided in section 273.135.

#### Sec. 22. INSTRUCTION TO THE REVISOR.

In the next method of updating Minnesota Statutes, the revisor of statutes, in consultation with the education staff of house research and senate research and counsel, is requested to codify the appropriate provisions of this act, appropriate parts of section 275.125, and the sections of chapter 124 relating to foundation aids in a chapter of Minnesota Statutes.

#### Sec. 23. REPEALER.

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



Subdivision 1. Minnesota Statutes 1982, sections 124.11, subdivision 1 and 275.125, subdivisions 6b, 6c, 6d, 7a, and 7c are repealed.

Subd. 2. Minnesota Statutes 1982, sections 124.2123; 124.2124; 124.2125; and 124.2128 are repealed.

Subd. 3. EFFECT. The repeal of these sections shall not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids attributable to the 1983-1984 school year and payable in fiscal year 1985 pursuant to the sections repealed.

**Sec. 24. APPROPRIATION.**

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. FOUNDATION AID. For foundation aid there is appropriated:

\$585,027,000.....1984,

\$555,591,000.....1985.

The appropriation for 1984 includes \$84,895,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$500,132,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$89,315,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$466,276,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 3. CANCELLATION. Any unexpended balance remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

**Sec. 25. EFFECTIVE DATE.**

Sections 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, and 23, subdivision 2, are effective July 1, 1984.

**ARTICLE 2 TRANSPORTATION AID**

Section 1. Minnesota Statutes 1982, section 123.37, subdivision 1b, is amended to read:

Subd. 1b. **TRANSPORTATION; FUEL.** Notwithstanding the provisions of subdivision 1 or section 471.345, a contract for the transportation of

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school children, or a contract for the purchase, by ~~June 30, 1983,~~ of petroleum heating fuel or fuel for ~~district owned~~ vehicles may be made by direct negotiation, by obtaining two or more written quotations for the service when possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. If a contract is made by direct negotiation, ~~negotiations~~ all quotations shall be ~~open to the public~~ information. If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of subdivision 1 except as otherwise provided in this subdivision.

Notwithstanding the provisions of subdivision 1 or section 574.26, a performance bond shall be required of a contractor on a contract for the transportation of school children only when and in the amount deemed necessary by and at the discretion of the school board.

Sec. 2. Minnesota Statutes 1982, section 124.225, is amended to read:

**124.225 TRANSPORTATION AID ENTITLEMENT.**

Subdivision 1. **DEFINITIONS.** For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in clause (e)(1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of .33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) beginning in fiscal year 1984, an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982 for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

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(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education, and adjusted pursuant to subdivision 7a.

(d) "Aid entitlement per FTE" means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) "Transportation category" means a category of transportation service provided to pupils. Each category includes transportation provided during the regular school year and in conjunction with a state board approved summer school program. For purposes of this section, transportation categories are as follows:

(1) Regular transportation is transportation services provided under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);

(2) During-day transportation is transportation services between schools provided under section 124.223, clause (1), and transportation services provided under section 124.223, clauses (3) and (9), and transportation services provided under section 124.223, clause (6), excluding transportation provided for pupils attending shared time special education classes;

(3) Handicapped transportation is transportation services for pupils attending shared time special education classes provided under section 124.223, clause (6), and transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

(4) Board and lodging is services provided, in lieu of transportation, under section 124.223, clauses (4) and (5);

(5) To and from board and lodging facility transportation is transportation services to and from board and lodging facilities provided under section 124.223, clauses (4) and (7);

(6) Nonpublic health, guidance and counseling transportation is transportation services provided under section 124.223, clause (10);

(7) Nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (9), and (10).

(f) "Pupil weighting factor" means the ratio of the actual district average cost per FTE in a particular transportation category in the base year to the actual district average cost per FTE in the regular transportation category in the base year.

(g) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

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(h) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(i) "Percent excess handicapped FTE's transported" means the result of the following computation for the current year:

one, minus the product of

(1) the ratio of the number of FTE pupils transported in the handicapped category in the state to the number of FTE pupils transported in the handicapped category in the district; times

(2) the ratio of the number of FTE pupils transported in the regular category in the district to the number of FTE pupils transported in the regular category in the state.

(j) "Current year" means the school year for which aid will be paid.

(k) "Base year" means the second school year preceding the school year for which aid will be paid.

(l) "Base cost" means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation.

(m) "Predicted base cost" means the base cost as predicted by subdivision 3.

Subd. 1a. **WEIGHTING FACTORS.** For each school year, in computing transportation aid, the department of education shall establish as needed the pupil weighting factors for each transportation category for each district using transportation cost data for the second prior school year. The department shall use the statewide pupil weighting factor for any transportation category for which a district had no experience during the second prior school year.

Subd. 3. **FORMULA.** For each school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. The department of education shall conduct multiple regression analysis using the terms specified in subdivision 4a, for the 1982-1983 and 1983-1984 school years, and using the terms specified in subdivision 4b for the 1984-1985 school year and each school year thereafter to predict the base cost for each district. Each year a formula shall be derived based upon the regression analysis, but excluding the ~~factors~~ factor described in subdivision 4a, ~~clauses (8), clause (9), and (10),~~ except that in the 1982-1983 formula for the 1983-1984 school year, these clauses shall not be excluded. This Each year the formula shall be used to determine a predicted base cost for each district. The amount

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determined for each district shall be adjusted according to the provisions of subdivisions 7a and 7b.

Subd. 4a. **FORMULA TERMS, 1983-1984.** To predict the base cost for each district pursuant to subdivision 3 for the 1983-1984 school year, the multiple regression formula shall use the following terms for each district:

- (1) The district's average daily membership;
- (2) The reciprocal of the district's average daily membership;
- (3) The logarithm of the number of authorized FTE's per square mile transported by the district in the regular transportation category;
- ~~(4) The percentage of the district's square mile area which is classified by the commissioner of energy, planning and development as water-covered, marshland, or extractive;~~
- ~~(5)~~ (4) The district's administrative overhead for transportation per authorized FTE transported in the regular transportation category;
- ~~(6)~~ (5) The number of schools to which pupils are transported in the regular transportation category, either within or outside the district, divided by the number of authorized FTE's transported in the regular transportation category;
- ~~(7)~~ (6) Whether the district is non-rural, based upon criteria established by the department of education;
- ~~(8)~~ (7) Whether the district contracts for bus service, or transports pupils only on district-owned buses;
- (9) (8) The percentage of all regular transportation category bus routes using buses that are not owned by the district, if that percentage is not 100 percent;
- ~~(10)~~ (9) Whether the district operates a special bus to transport pupils to home from school who are involved in after-school activities.

Subd. 4b. **FORMULA TERMS, 1984-1985 AND AFTER.** To predict the logarithm of the base cost for each district pursuant to subdivision 3 for the 1984-1985 school year and each year thereafter, the multiple regression formula shall use the following terms for each district:

- (1) The logarithm of the lesser of (a) the number of authorized FTE's per square mile transported by the district in the regular transportation category, or (b) 200;
- (2) Whether the district is non-rural, based upon criteria established by the department of education; and

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

(3) The logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

Subd. 7a. **BASE YEAR SOFTENING FORMULA.** (1) ~~Each district's predicted base cost determined for each school year according to subdivision 3 shall be averaged with the base cost for that district for that year to determine the district's adjusted authorized predicted cost per FTE for that year.~~

(2) Notwithstanding clause (1), For fiscal year 1983, the each district's predicted base cost determined according to subdivision 3 shall be adjusted as provided in this clause to determine adjusted authorized predicted cost per FTE for the base school year.

(a) If the predicted base cost exceeds the base cost, the predicted base cost shall be decreased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

(b) If the predicted base cost is less than the base cost, the predicted base cost shall be increased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

(2) For fiscal year 1984 and each year thereafter, each district's predicted base cost determined for each school year according to subdivision 3 shall be adjusted as provided in this clause to determine the district's adjusted authorized predicted cost per FTE for that year.

(a) If the base cost of the district is within five percent of the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to the base cost.

(b) If the base cost of the district is more than five percent greater than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 105 percent of the predicted base cost, plus 40 percent of the difference between (i) the base cost, and (ii) 105 percent of the predicted base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be less than 80 percent of base cost.

(c) If the base cost of the district is more than five percent less than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 95 percent of the predicted base cost, minus 40 percent of the difference between (i) 95 percent of predicted base cost, and (ii) the base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be more than 120 percent of base cost.

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Subd. 7b. **INFLATION FACTORS.** The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 22 percent to determine the district's aid entitlement per FTE for the 1982-1983 school year, by 11.7 percent to determine the district's aid entitlement per FTE for the 1983-1984 school year, and by 10.3 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year.

Subd. 8a. **AID.** For the 1982-1983 and 1983-1984 school years, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its excess handicapped transportation aid pursuant to subdivision 8c, its handicapped board and lodging aid pursuant to subdivision 8d, its to and from board and lodging aid pursuant to subdivision 8e, its nonpublic support services transportation aid pursuant to subdivision 8f, its during-day transportation aid pursuant to subdivision 8g, and its closed-school transportation aid pursuant to subdivision 8h, minus the amount raised by two mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. For the 1983-1984 school year transportation aid for a district which contracted for pupil transportation services in the 1981-1982 school year shall be reduced by an amount equal to \$18 times the number of FTE pupils transported on contracted school buses in the base year in the regular transportation category. A district may levy less than the amount raised by two mills. Transportation aid shall be computed as if the district had levied the amount raised by two mills. If the total appropriation for transportation aid in any fiscal year after 1982 is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion. Aid for the 1982-1983 and 1983-1984 school years shall also be reduced by the following amount: the product of

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year, times

(c) the district's aid entitlement per FTE determined according to subdivision 7b, times the ratio of average daily membership used in subdivision 8b.

For the 1984-1985 school year and thereafter, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services and reduction pursuant to subdivision 8k, minus the amount raised by 1.75 mills times the adjusted assessed valuation which is used to

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compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 1.75 mills. Transportation aid shall be computed as if the district had levied the amount raised by 1.75 mills.

If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion.

Subd. 8b. **BASIC AID COMPUTATION.** For the 1982-1983 and 1983-1984 school years, a district's basic transportation aid pursuant to this section for the school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b times the total number of authorized weighted FTE's transported in the regular and handicapped transportation categories in the district in the base year times the ratio of average daily membership in the district in the current year to the average daily membership in the district in the base year.

For the 1984-1985 school year and thereafter, a district's basic transportation aid pursuant to this section for each school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b times the total number of authorized FTE's transported in the regular and handicapped categories category in the district in the current school year.

Subd. 8c. **EXCESS HANDICAPPED AID.** (a) For each the 1982-1983 and 1983-1984 school year years, the state shall pay aid for the excess costs of providing transportation for handicapped students as provided in this subdivision to a district where, in the current school year, the ratio of FTE's transported in the handicapped category to the total number of FTE's transported in the regular transportation category exceeds the same ratio for the state as a whole.

(b) This aid shall equal:

the product of the percent excess handicapped FTE's transported, times the difference between

(1) the district's actual cost for transportation of all pupils in the handicapped category in the current year, and

(2) the product of

(i) the district's aid entitlement per FTE determined according to subdivision 7b, times

(ii) the number of FTE's transported in the handicapped category in the district in the current year.

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~~Provided that for the 1982-1983 and 1983-1984 school years, the number in (2)(ii) above shall be replaced by the following computation: the product of the number of FTE's transported in the handicapped category in the district in the base year, times its pupil weighting factor for the handicapped category, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year.~~

Excess handicapped transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8d. **HANDICAPPED BOARD AND LODGING AID.** For board and lodging of handicapped pupils, each district shall receive aid equal to the product of the number of FTE pupils boarded and lodged in the current year in the district in this transportation category, times the average of

(a) the state average board and lodging cost per FTE pupil boarded and lodged in the base year, times the inflation factor for that year prescribed in subdivision 7b; and

(b) the district's actual cost per FTE pupil boarded and lodged in the current year.

Aid for board and lodging of handicapped pupils authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8e. **TO AND FROM BOARD AND LODGING.** For transportation of handicapped pupils to and from board and lodging facilities, the state shall pay aid to each district for each year equal to the lesser of

(a) the sum of the distance in miles from the home of each pupil transported in this category to the board and lodging facility, times 36, times 24 cents; or

(b) the average of the amount in (a) and the district's actual cost for all transportation in this category in the current year.

Aid for transportation of handicapped pupils to and from board and lodging facilities authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8f. **NONPUBLIC SUPPORT SERVICES AID.** For the 1982-1983 and 1983-1984 school years, a district's nonpublic support services transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the nonpublic support services transportation category, times the number of FTE pupils transported in the nonpublic support services category in the district in the base year, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year. ~~For the 1984-1985 school year and thereafter, a district's nonpublic support services transportation~~

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aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the nonpublic support services transportation category, times the number of FTE's transported in that category in the current year.

Nonpublic support services aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8g. **DURING-DAY TRANSPORTATION AID.** For the 1982-1983 and 1983-1984 school years, a district's during-day transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the during-day transportation category, times the number of FTE's transported in the during-day transportation category in the base year, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year. For the 1984-1985 school year and thereafter, a district's during-day transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the during-day transportation category, times the number of FTE's transported in the during-day transportation category in the current year.

During-day transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8h. **CLOSED-SCHOOL TRANSPORTATION AID.** For the 1982-1983 and 1983-1984 school years, a district's closed-school transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times the number of authorized FTE's transported in the regular category in the current school year who were not transported in the base year and would not have been transported in the current year but for school closings or altered school attendance boundaries. The total amount of transportation aid computed pursuant to this subdivision in each year shall not exceed \$2,000,000. If this amount is insufficient to pay each qualifying district its full amount of aid pursuant to this subdivision, this amount shall be prorated among all qualifying districts in proportion to each district's number of FTE's for whom aid is claimed under this subdivision.

Closed-school transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8i. **NONREGULAR TRANSPORTATION AID.** For the 1984-1985 school year and each year thereafter, a district's nonregular transportation aid shall be determined pursuant to this subdivision. Nonregular transportation aid shall equal (a) 20 percent of the first \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 40 percent of the next \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 60 percent of the actual cost in the current year

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for nonregular transportation services per total pupil unit which exceeds \$20, times (b) the number of total pupil units in the district in the current year.

**Subd. 8j. NONREGULAR TRANSPORTATION LEVY EQUALIZATION AID.** For the 1984-1985 school year and each year thereafter, a district's nonregular transportation levy equalization aid shall be determined pursuant to this subdivision.

(a) Unreimbursed nonregular transportation revenue shall equal the actual cost in the current year for nonregular transportation services, minus the district's nonregular transportation aid computed pursuant to subdivision 8i.

(b) The nonregular transportation levy is the levy authorized by section 275.125, subdivision 5c.

(c) Nonregular transportation levy equalization aid for a district shall equal the product of (1) its unreimbursed nonregular transportation revenue, minus the nonregular transportation levy limitation for that year, times (2) the ratio of the district's actual nonregular transportation levy to its nonregular transportation levy limitation.

**Subd. 8k. CONTRACTED SERVICES AID REDUCTION.** For the 1984-1985 school year and each year thereafter, each district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category. The department of education shall compute this subtraction by conducting the multiple regression analysis specified in subdivision 3 and computing the district's aid under two circumstances, once including the coefficient of the factor specified in subdivision 4b, clause (3), and once excluding the coefficient of that factor. The aid subtraction shall equal the difference between the district's aid computed under these two circumstances.

**Subd. 9. DISTRICT REPORTS.** Each district shall report data to the department as required by the department to implement the transportation aid formula. If a district's final transportation aid payment is adjusted after the final aid payment has been made to all districts, the adjustment shall be made by increasing or decreasing the district's aid for the next fiscal year.

**Subd. 10. DEPRECIATION.** Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, clause (b)(4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus

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reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

(1) the district's total transportation aid without the reduction pursuant to subdivision 8a, plus

(2) for fiscal years 1983 and 1984, an amount equal to two mills times the adjusted assessed valuation of the district which is used to compute the levy limitation for the levy attributable to that year, or for fiscal year 1985 and thereafter 1.75 mills times the adjusted assessed valuation of the district for the preceding year. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

**Subd. 11. PAYMENT SCHEDULE THROUGH 1982.** Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, for fiscal years through 1982, the state shall pay to each school district 30 percent of its estimated school transportation aid for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

**Subd. 12. PAYMENT SCHEDULE.** Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in fiscal year 1983, the state shall pay each school district its estimated school transportation aid for the fiscal year according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following fiscal year.

Sec. 3. Minnesota Statutes 1982, section 275.125, subdivision 5, is amended to read:

**Subd. 5. BASIC TRANSPORTATION LEVY.** For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of two 1.75 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year. A district may also levy under this subdivision for the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in the school year when the levy is recognized as revenue. A district which contracts for pupil transportation services may also levy an amount equal to \$18 times the number of FTE pupils transported on contracted school buses in the preceding school year in the regular transportation category, which

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shall be placed in the transportation fund and used for any lawful purpose. A district may levy an amount equal to the estimated cost, in the school year beginning in the year in which the levy is certified, of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended. A district may also levy for transportation costs or other related services which are necessary because of extraordinary traffic hazards for the next school year. Levies authorized by this subdivision shall be computed according to procedures established by the commissioner.

Sec. 4. Minnesota Statutes 1982, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. **TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.** In any fiscal year in which years 1983 and 1984 if the transportation levy in a district attributable to that each fiscal year of two mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, the district's transportation levy limitation shall be adjusted as provided in this subdivision. In the year following that each of those fiscal year years, the district's transportation levy shall be reduced by an amount equal to the difference between (1) two mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

In fiscal year 1985 and each fiscal year thereafter, if the basic transportation levy in a district attributable to a particular fiscal year of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) 1.75 mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special state aids pursuant to article 1, section 7, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

For the levies certified in 1983 and 1984, the following additional amount shall be subtracted:

the product of

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended, times

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(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year, times

(c) the district's aid entitlement per FTE determined according to section 124.225, subdivision 7b, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year.

Sec. 5. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 5c. NONREGULAR TRANSPORTATION LEVY. A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall not exceed the product of:

(a) the district's unreimbursed nonregular transportation revenue determined pursuant to section 124.225, subdivision 8j, clause (a), times

(b) the lesser of

(i) one, or

(ii) the ratio of the district's adjusted assessed valuation for the preceding year per total pupil unit in the school year to which the levy is attributable, to the equalizing factor for the school year to which the levy is attributable.

Sec. 6. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 5d. EXCESS TRANSPORTATION LEVY. A school district may also make an excess transportation levy pursuant to this clause, which shall be the sum of:

(a) the district's actual cost in the school year after the year in which the excess transportation levy is certified for transportation to and from school of secondary pupils who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended, plus

(b) the district's actual cost in the school year after the year in which the excess transportation levy is certified for transportation costs or other related services which are necessary because of extraordinary traffic hazards; plus

(c) the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in the school year beginning in the calendar year following the calendar year the levy is certified; plus

(d) an amount equal to the aid subtraction computed pursuant to section 124.225, subdivision 8k, for the school year beginning in the year the levy is

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certified; except that for the 1983 payable 1984 levy, this amount shall be based upon the aid subtraction for the 1984-1985 school year. These amounts shall be placed in the transportation fund and used for any lawful purpose.

Levies authorized by this subdivision shall be computed according to procedures established by the commissioner.

#### Sec. 7. **ADDITIONAL TRANSPORTATION LEVIES, 1983.**

Subdivision 1. SECONDARY PUPIL TRANSPORTATION. In 1983 only, a district may levy an amount equal to the estimated cost, in the school year beginning in the year in which the levy is certified, of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended.

Subd. 2. UNDERLEVY MAKEUP. Any district which in 1982 levied less than the maximum amount the district was permitted to levy pursuant to Minnesota Statutes 1982, section 275.125, subdivision 5, for the estimated cost of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended, or which in 1982 levied less than \$18 times the number of FTE pupils transported on contracted school buses in the preceding school year in the regular transportation category, may make an additional transportation levy in 1983. The additional levy in 1983 shall not exceed the amount by which the district's actual levy in 1982 under those provisions was less than the maximum amount the district was permitted to levy under those provisions.

#### Sec. 8. **APPROPRIATIONS.**

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. TRANSPORTATION AID. For transportation aid there is appropriated:

\$84,820,000.....1984,

\$89,652,000.....1985.

(a) The appropriation for 1984 includes \$13,471,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$71,349,000 for fiscal year 1984 payable in fiscal year 1984.

(b) The appropriation for 1985 includes \$12,591,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$77,061,000 for fiscal year 1985 payable in fiscal year 1985.

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(c) The appropriations are based on aid entitlements of \$83,940,000 for fiscal year 1984 and \$90,660,000 for fiscal year 1985.

Subd. 3. CANCELLATION. Any unexpended balance remaining from the appropriation in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for any purposes indicated is insufficient, the aid for that year shall be prorated among all qualifying districts in the manner prescribed in Minnesota Statutes, section 124.225, subdivision 8a.

### ARTICLE 3 SPECIAL EDUCATION

Section 1. Minnesota Statutes 1982, section 120.17, subdivision 3, is amended to read:

**Subd. 3. RULES OF THE STATE BOARD.** The state board shall promulgate rules relative to qualifications of essential personnel, courses of study or training, methods of instruction and training, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation and any other rules and standards it deems necessary, for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 2. Minnesota Statutes 1982, section 124.17, subdivision 2d, is amended to read:

**Subd. 2d. SUMMER SCHOOL MEMBERSHIP.** In summer school or inter-session classes of flexible school year programs, membership for pupils shall mean the number of full-time equivalent pupils in the program. This number shall equal the sum for all pupils of the number of classroom hours in the programs for which each pupil is enrolled divided by 1050. However, the number of hours for an individual pupil may not exceed 120 or average more than six per day unless a district obtains approval from the commissioner of education. Membership in summer school or intersession classes of flexible school year programs shall not include a handicapped pupil whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment.

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



Sec. 3. Minnesota Statutes 1982, section 124.201, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** For the purposes of computing foundation aid for handicapped pupils enrolled in summer school and inter-session classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer school pupil units" means full-time equivalent pupil units for summer school classes and inter-session classes of flexible school year programs computed under the provisions of section 124.17. Only pupils who are handicapped and who are appropriately served at levels 4, 5, or 6 of the continuum of placement model described in ~~5 MCAR 1.0120 B.11.~~ state board rules shall be included in the computation of summer school pupil units.

(2) "Summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year.

(3) "Summer school aid" means aid for summer school and inter-session classes of flexible school year programs.

Sec. 4. Minnesota Statutes 1982, section 124.201, subdivision 3, is amended to read:

Subd. 3. **AID FOR 1982 SUMMER SCHOOL AID.** Each year in fiscal year 1983 a district shall receive summer school aid for the 1982 summer school session equal to the difference between:

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy pursuant to section 275.125, subdivision 2i certified in the calendar year when the summer school program is offered; times

(b) the district's summer school revenue allowance; and

(2) the levy certified by the district pursuant to section 275.125, subdivision 2i in the calendar year when the summer school program is offered.

Sec. 5. Minnesota Statutes 1982, section 124.201, is amended by adding a subdivision to read:

Subd. 4. **AID FOR 1983 SUMMER SCHOOL SESSION.** In fiscal year 1984 a district shall receive summer school aid for the 1983 summer school session equal to the difference between:

(1) the product of

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(a) the ratio of the district's actual levy to its permitted levy pursuant to section 14, clause (a), of this article certified in calendar year 1983; times

(b) the district's summer school revenue allowance; and

(2) the levy certified by the district pursuant to section 15, clause (a), of this article in calendar year 1983.

Sec. 6. Minnesota Statutes 1982, section 124.201, is amended by adding a subdivision to read:

Subd. 5. SUMMER SCHOOL AID. In fiscal year 1985 and each year thereafter, a district shall receive summer school aid equal to the difference between:

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy, pursuant to section 15 of this article, certified in the calendar year before the summer school program is offered; times

(b) the district's summer school revenue allowance; and

(2) the levy certified by the district pursuant to section 15 of this article in the calendar year before the summer school program is offered.

Sec. 7. Minnesota Statutes 1982, section 124.201, is amended by adding a subdivision to read:

Subd. 6. AID ADJUSTMENT. The department of education shall adjust the aid paid each year to reflect adjustments which were made or could have been made to the levy because of a difference between estimated and actual pupil membership. The department shall also adjust levy limitations for districts where actual pupil membership differs from estimated pupil membership.

Sec. 8. Minnesota Statutes 1982, section 124.273, subdivision 4, is amended to read:

Subd. 4. APPLICATION DATES. (a) A district wishing to receive aid pursuant to this section shall submit an application by October 15, February 15, and June 15 of each year. Aid paid pursuant to this section shall be based on the number of pupils of limited English proficiency enrolled in the district at the time the district submits its first application or the number of additional such pupils enrolled at the time subsequent applications are submitted. A district shall submit an initial application for aid by October 15 and shall submit an amended application by February 15 or by June 15 if the number of enrolled pupils of limited English proficiency has changed since filing a previous application. Districts which do not submit an initial application by October 15 but enroll pupils of limited English proficiency after that date may submit an initial application by February 15 or by June 15. A final report with actual salary and

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enrollment information shall be submitted by August 15 for calculation of the final payment.

(b) All applications shall be submitted to the department in the manner prescribed by the commissioner. Each application shall include (1) the number of pupils or additional pupils enrolled who meet the criteria in section 126.262, subdivision 2; (2) the number, dates of hire, full time equivalency, and salaries of essential licensed personnel or additional essential licensed personnel employed in the district's educational program for pupils of limited English proficiency who meet the criteria in section 126.262, subdivision 3; and (3) any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section and may share essential instructional personnel employed in educational programs for pupils of limited English proficiency.

Sec. 9. Minnesota Statutes 1982, section 124.32, subdivision 3a, is amended to read:

Subd. 3a. **CURRENT FUNDING.** Unless otherwise specified, the aids provided for educational programs for handicapped children shall be paid on a current funding basis.

Sec. 10. Minnesota Statutes 1982, section 124.32, subdivision 5, is amended to read:

Subd. 5. **RESIDENTIAL AID.** 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 aid to the resident district under the provisions of this subdivision. Except for the ~~1982-1983~~ 1981-1982 regular school year, the aid shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. Except for ~~1983~~ 1982 summer school programs, the aid for summer school programs for each handicapped child placed in a residential facility shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child. Aid for these programs shall be paid on a reimbursement basis by October 31 following completion of the program. No aid shall be paid pursuant to this subdivision for tuition charged a resident district pursuant to section 120.17, subdivision 7a, for a child placed at the Minnesota school for the deaf or the Minnesota braille and sight-saving school.

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

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

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

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

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

Sec. 11. Minnesota Statutes 1982, section 124.32, subdivision 5a, is amended to read:

Subd. 5a. ~~1982-1983~~ 1981-1982 **RESIDENTIAL AID.** The aid for the ~~1982-1983~~ 1981-1982 school year shall be paid according to subdivision 5, except that for the regular ~~1982-1983~~ 1981-1982 school year the aid shall be an amount not to exceed 35.7 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. For summer school programs in ~~1983~~ 1982, the aid for each handicapped child placed in a residential facility shall be an amount not to exceed 35.7 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child.

Sec. 12. Minnesota Statutes 1982, section 126.54, subdivision 1, is amended to read:

Subdivision 1. **GRANTS; PROCEDURES.** For fiscal years ~~1982 and 1983, 1984, and 1985~~ the state board of education shall make grants to no fewer than six school year American Indian language and culture education programs. At least three programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 13. Minnesota Statutes 1982, section 275.125, subdivision 2i, is amended to read:

Subd. 2i. **1982 HANDICAPPED SUMMER SCHOOL LEVY.** A district may levy for the 1982 summer school programs for handicapped pupils an amount equal to the following product:

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

(1) The district's summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2) for the calendar year when the levy is certified 1982 session, times

(2) the lesser of:

(a) one, or

(b) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the third preceding year by the total pupil units in the district in the preceding regular school year, to

(ii) the equalizing factor for the preceding regular school year.

Sec. 14. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 2j. **[1983 LEVY FOR 1983 AND 1984 HANDICAPPED SUMMER SCHOOL.]** (a) In 1983 a district may levy for the 1983 summer school program for handicapped pupils an amount equal to the following product:

(1) the district's summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2) for the 1983 session, times

(2) the lesser of:

(i) one, or

(ii) the ratio of

(A) the quotient derived by dividing the 1980 adjusted assessed valuation of the district by the total pupil units in the district in the 1982-1983 school year, to

(B) the equalizing factor for the 1982-1983 school year.

(b) In addition, in 1983 a district may levy for the 1984 summer school program for handicapped pupils an amount equal to the following product:

(1) the district's estimated summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2), times

(2) the lesser of

(i) one, or

(ii) the ratio of

(A) the quotient derived by dividing the 1981 adjusted assessed valuation of the district by the number of total pupil units in the district in the 1983-1984 school year, to

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

(B) the equalizing factor for the 1983-1984 school year.

Sec. 15. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 2k. HANDICAPPED SUMMER SCHOOL LEVY. In 1984 and each year thereafter, a district may levy for summer school programs for handicapped pupils an amount equal to the following product:

(a) The district's estimated summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2) for the summer school session to be held in the calendar year after the calendar year when the levy is certified, times

(b) the lesser of

(1) one, or

(2) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the second preceding year by the total pupil units in the district in the current school year, to

(ii) the equalizing factor for the current regular school year.

Sec. 16. Laws 1982, chapter 548, article 3, section 27, is amended to read:

#### Sec. 27. SUPERVISION.

For the 1982-1983 and 1983-1984 school year years, the rules on supervisory personnel of 5 MCAR 1.0122 D., D.1., D.2., D.3., and D.4. are suspended.

By February 1, 1983, the department of education shall report to the education committees of the legislature regarding the need to reinstate the rules or its recommendations for alternative rules for supervisory personnel.

Sec. 17. Laws 1982, chapter 548, article 3, section 28, is amended to read:

#### Sec. 28. STUDENT TO STAFF RATIOS; 1982-1983 AND 1983-1984 SCHOOL YEAR YEARS.

For the 1982-1983 and 1983-1984 school year years, a school district may increase the student to staff ratios established pursuant to 5 MCAR 1.0122 C. by an amount not to exceed 20 percent. By February 1, 1983, the department shall report to the education committees of the legislature regarding recommendations on promulgating new student to staff rules which provide greater flexibility to school districts and which have cost containment features, including incentives for cooperation among school districts.

#### Sec. 18. REPEALER.

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

Minnesota Statutes 1982, sections 124.273, subdivisions 1 and 2; and 124.32, subdivisions 1 and 9 are repealed.

**Sec. 19. APPROPRIATIONS.**

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. SPECIAL EDUCATION AID. For special education aid there is appropriated:

\$116,905,000.....1984,

\$123,266,000.....1985.

The appropriation for 1984 includes \$15,148,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$101,757,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$17,957,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$105,309,000 for aid for fiscal year 1985, payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$119,714,000 for fiscal year 1984 and \$123,893,000 for fiscal year 1985.

Subd. 3. SUMMER SCHOOL FOUNDATION AID. For aid pursuant to section 124.201, subdivision 3, for special education summer school programs there is appropriated:

\$ 621,000.....1984,

\$ 749,000.....1985.

The appropriation for 1984 is for 1983 summer school programs.

The appropriation for 1985 is for 1984 summer school programs.

Subd. 4. SUMMER SCHOOL SPECIAL EDUCATION AID. For special education aid for summer school programs there is appropriated:

\$4,257,000.....1984,

\$4,922,000.....1985.

The appropriation for 1984 is for 1983 summer school programs.

The appropriation for 1985 is for 1984 summer school programs.

Subd. 5. RESIDENTIAL FACILITIES AID. For aid pursuant to section 124.32, subdivision 5, there is appropriated:

\$1,139,000.....1984,

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

\$1,185,000.....1985.

**Subd. 6. LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.** For aid to educational programs for pupils of limited English proficiency pursuant to section 124.273 there is appropriated:

\$2,860,000.....1984,

\$3,079,000.....1985.

The appropriation for 1984 includes \$380,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$2,480,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$438,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$2,641,000 for aid for fiscal year 1985, payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$2,918,000 for fiscal year 1984 and \$3,107,000 for fiscal year 1985.

**Subd. 7. AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM AID.** For grants to American Indian language and culture education programs pursuant to section 126.54, subdivision 1, there is appropriated:

\$538,000.....1984,

\$565,000.....1985.

The appropriation for 1984 includes \$73,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$465,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$82,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$483,000 for aid for fiscal year 1985, payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$547,000 for fiscal year 1984 and \$568,000 for fiscal year 1985.

**Subd. 8. HEARING IMPAIRED SUPPORT SERVICES AID.** For payment of support services for hearing impaired persons pursuant to section 121.201 there is appropriated:

\$42,000.....1984,

\$37,000.....1985.

The appropriations are based on aid entitlements of \$42,000 for fiscal year 1984 and \$43,000 for fiscal year 1985.

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



Subd. 9. CANCELLATION. Any unexpended balances remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Subd. 10. PRORATION. If the appropriation amount in subdivisions 2, 3, 4, 5, or 6 of this section attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

**Sec. 20. EFFECTIVE DATE.**

Sections 1, 2, 9, 10, and 11 of this article are effective the day following final enactment.

**ARTICLE 4  
COMMUNITY AND ADULT EDUCATION**

Section 1. Minnesota Statutes 1982, section 124.26, subdivision 1, is amended to read:

Subdivision 1. COMPENSATION. 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 combined with federal funds insofar as federal funds are available. The state shall pay these aids on a current funding basis. Except for the 1982-1983 school year, the portion of the compensation from state appropriation aid shall be 90 percent of the compensation paid each teacher for services in the programs up to \$8,000 per year based on the costs as approved in that the current year application. Aid may also be paid for an alternative method of providing programs if the method is determined by the commissioner of education to be cost-effective. Not more than two and one-half percent of the amount appropriated for evening schools and continuing education programs may be for alternative programs. All classes shall be tuition free when taught by teachers subsidized under this section, and there shall be No charge for registration, materials and supplies may be made except a security deposit for the return of materials, supplies, and equipment. 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.

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

Sec. 2. Minnesota Statutes 1982, section 124.271, subdivision 2a, is amended to read:

Subd. 2a. **AID; 1984.** (1) Beginning in fiscal year 1984, each district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied pursuant to section 275.125, subdivision 8, shall receive in state aid the greater of the following:

(a) \$5 per capita minus the amount raised by .9 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year; or

(b) ~~75~~ 25 cents per capita; or

(c) \$7,000.

However ~~the amount of aid shall not exceed the amount certified, for any district which qualifies for aid under clause (c) and which does not certify the maximum permissible levy pursuant to section 275.125, subdivision 8, the aid shall be reduced by multiplying the aid amount by the ratio of the district's actual levy to its maximum permissible levy.~~ For purposes of computing the aid limitation pursuant to this subdivision, the amount certified pursuant to section 275.125, subdivision 8, shall not reflect reductions pursuant to section 275.125, subdivision 9.

(2) In addition to the amount in clause (1), in fiscal year 1984 a district which made a levy for community education programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 25 cents per capita.

Sec. 3. Minnesota Statutes 1982, section 124.271, is amended by adding a subdivision to read:

Subd. 2b. AID; 1985 AND AFTER. (1) In fiscal year 1985 and each fiscal year thereafter, each district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid in an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

(i) \$7,000, or

(ii) \$5 times the population of the district.

(2) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, clause (4), the district's community education aid under clause (1) of this subdivision shall

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be reduced by multiplying the aid amount computed pursuant to clause (1) of this subdivision by the ratio of the district's actual levy under section 275.125, subdivision 8, clause (4), to its maximum permissible levy under section 275.125, subdivision 8, clause (4). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause (4), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

(3) In addition to the amount in clause (1), in fiscal year 1985 and each fiscal year thereafter a district which makes a levy for community education programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 50 cents per capita.

Sec. 4. Minnesota Statutes 1982, section 124.271, is amended by adding a subdivision to read:

**Subd. 2c. EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.** Districts which did not offer early childhood and family education programs funded by the council on quality education during the 1982-1983 school year may use the aid received pursuant to subdivision 2a, clause (2) or subdivision 2b, clause (3) for community education programs in early childhood and family education, or for any other community education program. Districts which offered early childhood and family education programs funded by the council on quality education during the 1982-1983 school year shall use the aid received pursuant to subdivision 2a, clause (2) or subdivision 2b, clause (3) to continue the existing early childhood and family education programs through the 1983-1984 and 1984-1985 school years. Beginning with the 1985-1986 school year and each year thereafter, any district which receives aid pursuant to subdivision 2b, clause (3) may use the aid for community education programs in early childhood and family education, or for any other community education program.

Sec. 5. Minnesota Statutes 1982, section 124.271, subdivision 6, is amended to read:

**Subd. 6. PAYMENT SCHEDULE.** Starting in fiscal Each fiscal year 1983, the state shall pay to each school district 85 percent of its community education program aid for the current fiscal year by November 1. The final aid distribution to each district shall be made by November 1 of the following fiscal year. All community education program aid shall be distributed by the state aids section of the department of education.

Sec. 6. Minnesota Statutes 275.125, subdivision 8, is amended to read:

**Subd. 8. COMMUNITY EDUCATION LEVY.** (1) In 1981 a district which has established a community education advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$3.40 per capita, or (B) 110 percent of the amount certified pursuant to this subdivision

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in 1980. These levies shall be used for community services including nonvocational adult programs, recreation and leisure time activity programs, and programs contemplated by sections 121.85 to 121.88. For purposes of computing the levy limitation pursuant to this subdivision, the amount certified pursuant to this subdivision in 1980 shall not reflect reductions pursuant to subdivision 9.

~~(2)~~ Except as provided in clauses ~~(3)~~ (2) and ~~(4)~~, (3), in 1982, and Each year thereafter, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .9 mill times the most recent adjusted assessed valuation of the district, but no more than \$5 times the population of the district. This amount shall be reduced to ~~\$4.25~~ \$4.75 per capita for districts which will qualify for aid in fiscal year 1984 equal to ~~75~~ 25 cents per capita pursuant to section 124.271, subdivision 2a, clause (1)(b).

~~(3)~~ (2) In 1982 districts which received total revenue in fiscal year 1983 from community education aid and levy in excess of \$5 times the population of the district, may levy the amount of the fiscal year 1983 revenue less \$5 times the population of the district in addition to the amount in clause ~~(2)~~ (1).

~~(4)~~ (3) In 1982 districts which will qualify for aid pursuant to section 124.271, subdivision 2a, clause (1)(c) may levy the greater of the following:

(a) \$5 per capita minus \$7,000; or

(b) the amount of their fiscal year 1983 revenue from community education aid and levy minus \$7,000.

(4) In 1983 and each year thereafter, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

(a) \$5 times the population of the district, or

(b) \$7,000.

(5) In addition to the levy authorized in clause (4), in 1983 a district may levy an additional amount for community education programs equal to the difference obtained by subtracting

(a) the sum in fiscal year 1984 of

(i) the district's estimated maximum permissible revenue from community education aid under section 124.271, subdivision 2a, clause (1), and

(ii) the community education levy authorized in clause (4) of this subdivision, from

(b) the sum in fiscal year 1983 of

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(i) the district's maximum permissible revenue from community education aid under section 124.271, subdivision 2, excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm), and Laws 1982, Third Special Session chapter 1, article 3, section 6, and

(ii) the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduction in the levy pursuant to subdivision 9.

(6) In 1984 and each year thereafter, in addition to the levy authorized in clause (4), a district may levy an amount equal to the amount the district was entitled to levy pursuant to clause (5) in 1983.

(5) (7) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.88. A school district may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

(6) (8) The population of the district for purposes of this 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.

#### Sec. 7. LEVY ADJUSTMENT.

The commissioner shall adjust the 1982 payable 1983 community education levy limitations for school districts according to the provisions of this section. The adjustment shall be a positive or negative amount equal to the difference between the amount the district levied pursuant to section 275.125, subdivision 8, and the amount the district would have certified if the provisions in this article amending section 275.125, subdivision 8 with respect to the 1982 payable 1983 levy had been in effect at the time the 1982 payable 1983 levy was made. The adjustment shall be added to or subtracted from the district's levy limitation for 1983 taxes payable in 1984.

#### Sec. 8. EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.

In those districts which provided early childhood and family education programs funded by the council on quality education during the 1982-1983 school

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year, the citizens advisory council for community education, in consultation with the director of the district's early childhood and family education program, shall develop a plan for offering the programs through the community education program. In those districts which did not provide early childhood and family education programs funded by the council on quality education during the 1982-1983 school year, the citizen's advisory council is encouraged to develop a plan for offering early childhood and family education programs through the community education program.

**Sec. 9. STAFF COMPLEMENT; TRANSFER.** The commissioner of education may transfer one staff complement, together with administrative costs, from the staff of the council on quality education to the division of instruction for the purpose of providing technical assistance to districts offering early childhood and family education programs through the district's community education program.

**Sec. 10. REPEALER.**

Minnesota Statutes 1982, sections 124.26, subdivision 4, and 124.271, subdivision 5, are repealed.

**Sec. 11. APPROPRIATIONS.**

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. ADULT EDUCATION AID. For adult education aid pursuant to section 124.26 there is appropriated:

\$1,359,000.....1984,

\$1,427,000.....1985.

The amount appropriated for fiscal year 1984 includes \$185,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$1,174,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The amount appropriated for fiscal year 1985 includes \$207,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$1,220,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$1,381,000 for fiscal year 1984 and \$1,436,000 for fiscal year 1985.

Subd. 3. COMMUNITY EDUCATION AID. For community education aid pursuant to section 124.271 there is appropriated:

\$3,946,000.....1984,

\$3,201,000.....1985.

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

The amount appropriated for fiscal year 1984 includes \$494,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$3,452,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The amount appropriated for fiscal year 1985 includes \$610,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$2,591,000 for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$4,062,000 for fiscal year 1984 and \$3,414,000 for fiscal year 1985.

Subd. 4. CANCELLATION AND PRORATION. Any unexpended balance remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

## ARTICLE 5 VOCATIONAL EDUCATION

Section 1. Minnesota Statutes 1982, section 121.912, is amended by adding a subdivision to read:

Subd. 1a. AVTIS Money shall not be transferred from the post-secondary general fund to any other operating or nonoperating fund.

### Sec. 2. [124.5611] AVTI FUNDING.

Beginning with aids for the 1983-1984 school year, post-secondary vocational aids for AVTI's shall be paid for the current fiscal year according to sections 3 to 11 of this article, and 124.564.

### Sec. 3. [124.5612] AVTI AID DEFINITIONS.

Subdivision 1. APPLICABILITY. Beginning with aids for the 1983-1984 school year, for the purposes of sections 3 to 11 of this article, 124.564, and 124.565, the following terms have the meanings given them.

Subd. 2. ADM. "ADM" means average daily membership computed according to section 9 of this article.

Subd. 3. AVTI. "AVTI" means a post-secondary area vocational technical institute.

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

**Subd. 4. COMPONENT ACTIVITIES.** “Component activities” means regular instruction, special needs instruction, research, instructional administration, media/library, pupil personnel services, health services, director’s office, instructional services, fixed costs, work study/financial aid, physical plant, and repair and betterment.

**Subd. 5. INSTRUCTIONAL AID.** “Instructional aid” means state money, exclusive of repair and betterment aid and debt service aid, allocated by the state board for vocational education to districts for post-secondary vocational technical education instructional costs.

**Subd. 6. INSTRUCTIONAL COSTS.** “Instructional costs” means expenditures in the following categories: licensed and nonlicensed staff salaries; licensed and nonlicensed staff fringe benefits, excluding teachers’ retirement and teachers’ social security; staff travel for instructional, administrative, and professional development purposes; purchased services; other expenditures, detailed according to UFARS; supplies and materials; supplies for resale; rents and leases; acquisition or purchase of equipment and machinery; and betterment of equipment and machinery.

**Subd. 7. PROGRAM.** “Program” means a post-secondary vocational technical occupational program as classified with a six-digit number by the United States department of education.

**Subd. 8. REPAIR AND BETTERMENT AID.** “Repair and betterment aid” means state money, exclusive of instructional aid and debt service aid, allocated by the state board for vocational education to districts. The aid is to reconstruct, improve, remodel, and repair existing AVTI buildings and grounds, as necessary to conduct post-secondary vocational technical education.

**Subd. 9. UFARS.** “UFARS” means the uniform financial accounting and reporting system.

**Sec. 4. [124.5613] PROGRAMS OF STUDY.**

**Subdivision 1. BOARD DUTIES.** The state board for vocational education shall approve, disapprove, and coordinate post-secondary vocational education programs. After consultation with the affected school boards, the state board may add, eliminate, transfer, or change programs as it determines advisable.

**Subd. 2. PROGRAM ELIMINATION.** In the absence of compelling reasons to do otherwise, the state board shall eliminate a program if:

(a) fewer than 51 percent of the students are employed in positions closely related to their training within one year of completing their educational objectives; or

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(b) the ADM to teacher ratio is significantly below 12 to 1 for a health program or 17 to 1 for a nonhealth program.

Subd. 3. IN-SERVICE TRAINING. The state board may provide for in-service training for AVTI instructors.

**Sec. 5. [124.5614] PROCESS FOR AID ALLOCATION.**

Subdivision 1. BUDGET SUBMISSION. Before January 1 of each year, each AVTI shall submit an instructional aid budget for the following fiscal year. The instructional aid budget shall detail estimated instructional costs in each expenditure category for each program and component activity of the AVTI's operations. The instructional aid budget shall include estimated revenues from sale of supplies and services, sale of equipment and other capital goods, and other revenues, detailed according to UFARS.

Subd. 2. RECOMMENDED ALLOCATIONS. After reviewing each budget, the department of education shall recommend aid allocations for the following fiscal year in each expenditure category for each program and component activity.

The department shall recommend instructional aid allocations sufficient to maintain or improve special needs instruction.

Notwithstanding any laws or rules to the contrary, the recommendations for allocations of instructional aid, to the extent possible, shall be based on average systemwide ADM to teacher ratios of 12 to 1 for health programs and 17 to 1 for nonhealth programs.

The annual student placement rate of each program shall be taken into consideration by the department in recommending instructional aid allocations.

Each AVTI's tuition revenues in the fiscal year for which aid is allocated shall be taken into consideration by the department in recommending instructional aid allocations.

Each AVTI's unappropriated capital balance of the equipment account in the capital expenditure fund, as of June 30 of the fiscal year during which allocations are made, shall be taken into consideration by the department in recommending instructional aid allocations for the purposes listed in section 6, subdivision 3, clauses (a), (b), (c), and (d) of this article. In recommending instructional aid allocations for all other purposes, the department shall take into consideration each AVTI's net positive unappropriated general fund balance, as of June 30 of the fiscal year during which allocations are made, which exceeds ten percent of the AVTI's operating expenditures, as defined by UFARS, for the fiscal year during which allocations are made.

Each AVTI's actual expenditures which exceed the amounts originally budgeted for expenditure during the fourth quarter of the fiscal year in which

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aids are allocated shall be taken into consideration by the department in recommending instructional aid allocations.

Allocations of repair and betterment aid shall be recommended for each project proposed by an AVTI. In recommending repair and betterment aid allocations, the department shall take into consideration each AVTI's net positive unappropriated capital balance of the repair and betterment account of the capital expenditure fund, as of June 30 of the fiscal year during which allocations are made.

Subd. 3. HEARING. The aid allocations recommended by the department of education shall be taken to a public hearing held by the state board for vocational education with at least six board members present. The hearing shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. Notice of the hearing shall be given at least 20 days prior to the date set for the hearing. The notice shall be published in the State Register and mailed to each district submitting a budget, and other interested persons and organizations who register their names with the commissioner of education for that purpose. The department of education shall make available at least one free copy of the recommended allocations to the education committees of the legislature and to any person requesting it. An audio magnetic recording device shall be used to keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, if the request is in writing and the requester pays the cost of preparing the transcript.

Subd. 4. HEARING REPORT. After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the final proposed allocations of aids. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the final proposed allocations. The report shall be available to all affected districts upon request for at least 15 days before the state board takes final action allocating aids.

Subd. 5. MODIFICATIONS TO REPORT. Any district which is adversely affected by the final proposed allocations of aids may request and shall be given an opportunity to be heard in support of modification of the proposed final allocation of aids at the meeting at which the state board takes final action allocating aids. The state board may place reasonable restrictions on the length of time allowed for testimony.

Subd. 6. FINAL ALLOCATION. By June 1, after hearing modification requests, if any, the state board shall take final action to allocate aids. Allocations of instructional aid shall be detailed in each expenditure category for each program and component activity. The total allocation of instructional aid for each AVTI shall specify the amounts of any fund balances and tuition revenues taken into consideration. Allocations of repair and betterment aid shall be

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detailed for each project. The total allocation of repair and betterment aid for each AVTI shall specify the amount of any fund balance taken into consideration.

Subd. 7. SUBSEQUENT ALLOCATION. The state board may withhold up to one percent of the post-secondary vocational instructional aid appropriation for subsequent allocation. The amount withheld and any additional state and federal money available for post-secondary vocational education shall be allocated, no later than February 15 of the fiscal year for which the aid is allocated, at a public hearing held according to subdivisions 3, 4, and 5.

**Sec. 6. [124.5615] USE OF AID.**

Subdivision 1. AID AND TUITION. All AVTI aids and all tuition authorized by section 124.565 shall be used solely for the purposes of post-secondary vocational technical education.

Subd. 2. ACCOUNTING. Each district providing post-secondary vocational technical education shall maintain, in accordance with section 121.908, separate revenue, expenditure, asset and liability accounts for post-secondary vocational technical education within funds separate from all other district funds.

Subd. 3. INSTRUCTIONAL AID. Instructional aid allocated for the following purposes shall be placed in the equipment account of the capital expenditure fund:

- (a) acquisition or purchase of equipment or machinery;
- (b) betterment of equipment or machinery;
- (c) paying leasing fees for computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment; and
- (d) renting or leasing buildings for school purposes.

Aid allocated for these purposes shall be used solely for these purposes.

All other instructional aid which is allocated shall be placed in the general fund and shall not be transferred to any other fund. The school board shall authorize and approve actual expenditures of the aid allocated.

Subd. 4. SPECIAL NEEDS. Aid allocated for special needs instruction shall be used solely for that purpose.

Subd. 5. REPAIR AND BETTERMENT AID. The final allocation of repair and betterment aid by the state board does not constitute approval of a project for the purposes of section 121.21, subdivision 4a. The aid shall be placed in the repair and betterment account of the capital expenditure fund and used solely for the purposes enumerated in section 3, subdivision 8 of this article. The school board shall authorize and approve actual expenditures of the aid allocated, except that expenditures which exceed \$5,000 shall receive prior approval by the commissioner of education. The process in section 5 of this

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article shall not constitute approval for this purpose. Use of the aid shall be governed by the provisions of section 121.21, subdivision 4a.

**Sec. 7. [124.5616] DISTRIBUTION OF MONEY.**

All money, 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 allocated by the state board for vocational education to districts in accordance with law and shall be distributed by the state aids section of the department of education.

**Sec. 8. [124.5617] CERTAIN EQUIPMENT EXPENDITURES.**

Expenditures for the purposes in section 6, subdivision 3, clauses (a), (b), (c), and (d) of this article which exceed \$6,000 shall receive prior approval by the commissioner of education. The process in section 5 shall not constitute approval for this purpose.

**Sec. 9. [124.5618] AVERAGE DAILY MEMBERSHIP.**

Subdivision 1. MEMBERSHIP. Membership for pupils in AVTI's shall mean the number of pupils on the current roll of the school, counted from the date of entry until the date of withdrawal.

Subd. 2. WITHDRAWAL. The date of withdrawal shall mean the date a pupil completes the program and permanently leaves the AVTI. A pupil who has been absent for 15 consecutive school days shall be determined to have permanently left the school. A pupil who permanently leaves the school on or before the 15th day of a quarter shall be determined not to have entered during that quarter. For a pupil who permanently leaves after the 15th school day of a quarter without completing the program, the date of withdrawal shall be the earliest of the following:

(a) the date the pupil is scheduled to complete the program;

(b) the date the AVTI fills the vacancy created by leaving; or

(c) the last day of the quarter during which the pupil permanently leaves the AVTI.

Subd. 3. COMPUTATION. Average daily membership for pupils enrolled in an AVTI shall equal the quotient obtained by dividing

(a) the product of

(1) the sum for all pupils of the number of days of the school year each pupil is enrolled in an AVTI, counted from the date of entry until the date of withdrawal, times

(2) the quotient obtained by dividing

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

- (i) the number of hours per day each pupil is enrolled, by
- (ii) six; by
- (b) 175.

The number of hours counted for any pupil in any one program shall not exceed the number of hours approved by the state board for vocational education for completion of the program. However, a district may count additional hours for membership, if necessary for a pupil who is identified by the district as handicapped or disadvantaged, to complete the program. For disadvantaged students, these additional hours shall not exceed ten percent of the approved number of hours for the program. Adult vocational pupils shall not be counted for the purposes of this section. Additional hours counted shall be reported to the commissioner.

Subd. 4. CHEMICAL ABUSE TREATMENT. A pupil who is absent from an AVTI to participate in a chemical abuse treatment program and who is on the roll of the AVTI according to the provisions of section 10 of this article may be counted in average daily membership during that time for not more than 30 consecutive school days. If a returning pupil needs additional hours to complete the educational program, the AVTI may count the lesser of the following additional hours for membership:

- (a) the number of hours the pupil was counted while participating in the treatment program; or
- (b) 30 times the number of hours per day the pupil is enrolled.

**Sec. 10. [124.5619] ABSENCE FOR CHEMICAL ABUSE TREATMENT.**

If a pupil is absent from an AVTI to participate in a chemical abuse treatment program licensed by the state, the pupil may request the AVTI to remain on the roll in the educational program in which the pupil is enrolled. The AVTI shall grant a request it receives from the pupil.

**Sec. 11. [124.5628] LENGTH OF SCHOOL YEAR AND DAY.**

For an AVTI, the normal school year shall be at least 175 session days. In all AVTI's, the length of the school day for each pupil, exclusive of the noon intermission, shall be at least six hours. Exceptions may be made by the district for approved AVTI programs provided on a part-time or extended day basis to meet the needs of individual students or classes. These exceptions are authorized only for programs originally provided on a full-time basis.

Sec. 12. Minnesota Statutes 1982, section 124.572, subdivision 2, is amended to read:

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

Subd. 2. **ADULT VOCATIONAL AID.** Except for the 1982-1983 school year, the state shall pay to any district or cooperative vocational center 75 percent of the salaries paid to essential, licensed personnel or personnel exempt from licensure pursuant to section 125.031 in that school year for services rendered in that district's or center's adult vocational education programs. Notwithstanding any law or any licensure requirements to the contrary, the portion of a community education director's salary attributable to services rendered for the district's or center's adult vocational education program shall qualify for aid according to this subdivision. In addition, the state shall pay 50 percent of the costs of necessary travel between instructional sites by adult vocational education teachers. The commissioner may withhold all or any portion of this aid for an adult vocational education program which receives moneys from any other source, and in no event shall a district or center receive a total amount of state aid for salaries and travel pursuant to this section which, when added to moneys from other sources, will provide the program an amount for salaries and travel which exceeds 100 percent of the amount of its expenditures for salaries and travel in the program.

**Sec. 13. [125.055] TEMPORARY LICENSURE RULES.**

The state board for vocational education may adopt temporary licensure rules, according to sections 14.29 to 14.36, when necessary to implement entirely new programs for emerging occupations which will promote economic development in Minnesota. The state board shall notify the education committees of the legislature of each program for which it intends to adopt temporary licensure rules.

**Sec. 14. RATIO AND PLACEMENT REPORT.**

By December 1, 1983, the state board for vocational education shall report to the legislature on programs which fall below the annual student placement rates or the ADM to teacher ratios as provided in section 4 of this article. This report shall contain the number of these programs, the actions taken by the state board pursuant to section 4 of this article, and, in the event that a program is not eliminated, the cost to the state of retaining it. By November 1, 1983, this report shall be given to the higher education coordinating board for review and comment.

**Sec. 15. REPORT ON PROJECTED FIXED ASSETS NEEDS.**

By December 1, 1983, the commissioner of education shall develop a report on a five year projection of the replacement needs of fixed assets property for each of the AVTIs. The report shall be submitted to the education committees of the legislature and to the local directors of the AVTIs.

**Sec. 16. ADULT VOCATIONAL REPORT.**

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

By December 1, 1983, the state board shall report to the education committees of the legislature on the feasibility of funding adult vocational education programs with full-time instructors in the same manner as post-secondary vocational education programs.

**Sec. 17. REPEALER.**

Subdivision 1. Minnesota Statutes 1982, sections 124.561 and 124.5621 are repealed.

Subd. 2. Minnesota Statutes 1982, sections 124.11, subdivision 2c, 124.562, 124.5622, 124.5623, 124.5624, 124.5625, 124.5626, and 124.5627 are repealed.

Subd. 3. The repeal of the sections in subdivisions 1 and 2 shall not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids attributable to the 1982-1983 school year payable in fiscal year 1984 pursuant to the sections repealed.

**Sec. 18. APPROPRIATIONS.**

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

**Subd. 2. POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID.** For post-secondary vocational instructional aid there is appropriated:

\$85,635,000.....1984,

\$92,248,000.....1985.

The appropriation for 1984 includes \$7,890,000 for aid for fiscal year 1983 payable in fiscal year 1984, pursuant to section 124.5621, and \$77,745,000 for aid for fiscal year 1984 payable in fiscal year 1984, pursuant to section 5 of this article.

The appropriation for 1984 is based on the assumption that the state will spend for this purpose an amount at least equal to \$5,700,000 in fiscal year 1984 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1985 includes \$13,720,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$78,528,000 for aid for fiscal year 1985 payable in fiscal year 1985, pursuant to section 5 of this article.

The appropriation for 1985 is based on the assumption that the state will spend for this purpose an amount at least equal to \$5,700,000 in fiscal year 1985 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

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

The appropriations are based on aid entitlements of \$91,465,000 for fiscal year 1984 and \$92,386,000 for fiscal year 1985.

Subd. 3. POST-SECONDARY VOCATIONAL SUPPLY AID. For post-secondary vocational supply aid there is appropriated:

\$2,370,000.....1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 4. POST-SECONDARY VOCATIONAL SUPPORT SERVICES AID. For post-secondary vocational support services aid there is appropriated:

\$2,428,000.....1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 5. POST-SECONDARY VOCATIONAL EQUIPMENT AID. For post-secondary vocational equipment aid there is appropriated:

\$1,458,000.....1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 6. POST-SECONDARY VOCATIONAL DEBT SERVICE AID. For post-secondary vocational debt service aid there is appropriated:

\$6,987,000.....1984,

\$6,715,000.....1985.

Subd. 7. ADULT VOCATIONAL EDUCATION AID. For adult vocational education aid there is appropriated:

\$7,732,000.....1984,

\$8,122,000.....1985.

The appropriation for 1984 includes \$1,055,000 for aid for fiscal year 1983 payable in fiscal year 1984. This amount also includes \$6,677,000 for aid for fiscal year 1984.

The appropriation for 1985 includes \$1,178,000 for aid for fiscal year 1984 payable in fiscal year 1985. This amount also includes \$6,944,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$7,855,000 for fiscal year 1984 and \$8,170,000 for fiscal year 1985.

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**Subd. 8. VETERAN FARMER COOPERATIVE TRAINING PROGRAMS.** For veteran farmer cooperative training programs there is appropriated:

\$392,000.....1984,

\$320,000.....1985.

**Subd. 9. DULUTH AND GRAND RAPIDS LOGGING PROGRAM.** For the logging business management program operated by the adult extension department of the Duluth area vocational-technical institute and the Grand Rapids school district, there is appropriated in addition to the aid provided according to subdivision 8:

\$30,000.....1984,

\$30,000.....1985.

**Subd. 10. SECONDARY VOCATIONAL EDUCATION AID.** For secondary vocational education aid pursuant to section 124.573 there is appropriated:

\$20,378,000.....1984,

\$20,037,000.....1985.

The appropriation for 1984 includes \$2,935,000 for aid for fiscal year 1983 payable in fiscal year 1984. This amount also includes \$17,443,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$3,078,000 for aid for fiscal year 1984 payable in fiscal year 1985. This amount also includes \$16,959,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$20,521,000 for fiscal year 1984 and \$19,952,000 for fiscal year 1985.

For the purposes of this subdivision, money appropriated for secondary vocational education programs may not be expended for the purpose of discontinuing or converting existing senior secondary industrial arts education programs.

**Subd. 11. AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.** For secondary vocational programs for handicapped children pursuant to section 124.574 there is appropriated:

\$2,564,000.....1984,

\$2,695,000.....1985.

The appropriation for 1984 includes \$348,000 for aid for fiscal year 1983 payable in fiscal year 1984. This amount also includes \$2,216,000 for aid for

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fiscal year 1984 payable in fiscal year 1984. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1984 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1985 includes \$391,000 for aid for fiscal year 1984 payable in fiscal year 1985. This amount also includes \$2,304,000 for aid for fiscal year 1985 payable in fiscal year 1985. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1985 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriations are based on aid entitlements of \$2,607,000 for fiscal year 1984 and \$2,710,000 for fiscal year 1985.

Subd. 12. CANCELLATION; PRORATION. Any unexpended balance remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amounts attributable to either year for any purpose indicated are insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

#### Sec. 19. EFFECTIVE DATE.

Sections 1, 2, 3, 4, 5, 6, 8, 13, and 17, subdivision 1 are effective the day following final enactment.

### ARTICLE 6

#### OTHER AIDS AND LEVIES

##### Section 1. [121.151] STANDARDS FOR REMOVAL OF HAZARDOUS SUBSTANCES.

Prior to using the revenue obtained according to sections 123.36, subdivision 13, 124.245, subdivisions 1b and 1c, and 275.125, subdivisions 11b and 11c, a school district shall obtain approval from the department of education for its method of removal or encapsulation of asbestos or cleanup or disposal of polychlorinated biphenyls. The department of education shall consult with the pollution control agency, health department, environmental protection agency, or other appropriate governmental agency in approving or disapproving a district's method. If the pollution control agency or other appropriate governmental agency adopts rules establishing standards for asbestos removal or encapsulation or cleanup or disposal of polychlorinated biphenyls, the department of education

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shall approve only those district methods which are in compliance with the adopted rules.

Sec. 2. Minnesota Statutes 1982, section 121.911, is amended by adding a subdivision to read:

**Subd. 5. DEFICIT FOR CAPITAL PROJECTS.** Upon approval by the commissioner of education, a district may incur a deficit in the capital expenditure fund for a period not to exceed three years to provide money for capital projects. A description of the project and a financial plan to recover the deficit shall be approved by the commissioner prior to the initiation of the project.

Sec. 3. Minnesota Statutes 1982, section 121.912, subdivision 3, is amended to read:

**Subd. 3. DEFICITS; EXCEPTION.** For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund for a period past the end of the current fiscal year which is covered by moneys in an operating fund. However, a deficit in the capital expenditure fund pursuant to section 121.911, subdivision 5, shall not constitute a permanent transfer.

Sec. 4. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

**Subd. 8. INTERDISTRICT COOPERATION LEVY AND AID.** Any districts which consolidate pursuant to section 122.23 and which were eligible to make the levy and receive aid pursuant to the provisions of sections 16 and 25 of this article prior to the effective date of the consolidation, shall continue to remain eligible to apply for interdistrict cooperation aid and levy after the effective date of the consolidation.

Sec. 5. Minnesota Statutes 1982, section 123.36, subdivision 13, is amended to read:

**Subd. 13. PROCEEDS OF SALE OR EXCHANGE.** Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision.

(1) In districts with outstanding bonds, the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for outstanding bonds which is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property which is sold.

(2) After satisfying the requirements of clause (1), a district with outstanding bonds may deposit proceeds of the sale or exchange in its capital expenditure fund if the amount deposited is used for the following:

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(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F; ~~or~~

(d) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation, if the method for asbestos removal or encapsulation is approved by the department of education;

(e) for expenditures for the cleanup of polychlorinated biphenyls, if the method for cleanup is approved by the department of education;

(f) for capital expenditures to renovate and improve school buildings in which enrollment has increased as a result of closing schools in the district; or

(g) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in clauses (a), (b) and, (c), (d), and (e) shall be deducted from the levy limitation computed for the levy authorized in section 275.125, subdivision 11b in the first year after the deposit and from levy limitations computed for this levy in succeeding years until the entire amount is deducted.

(3) In a district with outstanding bonds, the amount of the proceeds of the sale or exchange remaining after the application of clauses (1) and (2), which is sufficient to meet when due that percentage of the principal and interest payments for the district's outstanding bonds which is not governed by clause (1), shall be deposited in the debt retirement fund.

(4) Any proceeds of the sale or exchange remaining in districts with outstanding bonds after the application of clauses (1), (2), and (3), and all proceeds of the sale or exchange in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(5) Notwithstanding clauses (2) and (3), a district with outstanding bonds may deposit in its capital expenditure fund and use for any lawful capital expenditure without the reduction of any levy limitation the same percentage of the proceeds of the sale or exchange of a building or property as the percentage of the initial cost of purchasing or constructing the building or property which was paid using revenue from the capital expenditure fund.

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(6) Every district which sells or exchanges a building or property shall report to the commissioner in the form and at the time he prescribes on the disposition of the proceeds of the sale or exchange.

Sec. 6. Minnesota Statutes 1982, section 123.36, is amended by adding a subdivision to read:

Subd. 14. ASBESTOS REMOVAL AND POLYCHLORINATED BIPHENYLS CLEANUP. Notwithstanding any law to the contrary, school districts may, without an election, enter into contracts extending beyond the end of the fiscal year to pay the costs of removal or encapsulation of asbestos or cleanup of polychlorinated biphenyls found in school buildings or on school property.

Sec. 7. Minnesota Statutes 1982, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. **COMPONENTS.** A screening program shall include at least the following components to the extent the school board determines they are financially feasible: developmental assessments, hearing and vision screening, review of health history and immunization status, and assessments of height, and weight and blood pressure. All screening components shall be consistent with the standards of the state commissioner of health for early and periodic screening programs. No child shall be required to submit to any component of this screening program to be eligible for any other component. No screening program shall provide laboratory tests, a health history or a physical examination to any child who has been provided with those laboratory tests or a health history or physical examination within the previous 12 months. The school district shall request the results of any laboratory test, health history or physical examination within the 12 months preceding a scheduled screening clinic. A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, and laboratory tests. State aid shall not be paid for additional components.

Sec. 8. Minnesota Statutes 1982, section 123.705, is amended to read:

123.705 **STATE HEALTH SCREENING AID.**

Subdivision 1. AID AMOUNTS. The department of education shall pay each school district for the cost of screening services provided pursuant to sections 123.701 to 123.705. The payment shall not exceed \$28 per child screened in fiscal year 1982 and \$15 per child screened in fiscal year 1983, \$15 per child screened in fiscal year 1984, and \$15.60 per child screened in fiscal year 1985. Any district may request and receive an advance payment equal to 50 percent of its estimated payment for screening eligible children.

Subd. 2. PAYMENT SCHEDULE. For the 1982-1983 and 1983-1984 school years, 85 percent of a district's health screening aid for each school year shall be distributed prior to November 30 of that school year. The final aid

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distribution to each district shall be made prior to November 30 of the following school year.

Sec. 9. Minnesota Statutes 1982, section 123.933, subdivision 3, is amended to read:

Subd. 3. **COST OF TEXTBOOKS; LIMITATION.** (a) The cost per pupil of the textbooks, individualized instructional materials and standardized tests provided for in this section for each school year shall not exceed the statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department of education by March 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the foundation aid formula allowance, pursuant to section 124.2122, subdivision 1, from the second preceding school year to the current school year.

(c) The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional materials and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

(d) For the 1982-1983 school year, 85 percent of a district's nonpublic pupil aid shall be distributed prior to December 31 of that school year. The final aid distribution to each district shall be made prior to December 31 of the following school year.

Sec. 10. Minnesota Statutes 1982, section 124.155, subdivision 2, as amended by Laws 1982, Third Special Session chapter 1, article 3, section 3, is amended to read:

Subd. 2. **SUBTRACTION FROM AIDS.** The amount specified in Laws 1981, Third Special Session chapter 2, article 4, section 3, subdivision 2, as amended by Laws 1982, chapter 548, article 7, section 7, as further amended by Laws 1982, Third Special Session chapter 1, article 3, section 4 of this act shall be subtracted from the following state aids and credits in the order listed in fiscal year 1983. The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) Foundation aid as authorized in section 124.212, subdivision 1;
- (b) Secondary vocational aid authorized in section 124.573;

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- (c) Special education aid authorized in section 124.32;
- (d) Secondary vocational aid for handicapped children authorized in section 124.574;
- (e) Gifted and talented aid authorized in section 124.247;
- (f) Aid for pupils of limited English proficiency authorized in section 124.273;
- ~~(g)~~ Aid for improved learning programs authorized in section 124.251;
- ~~(h)~~ (g) Aid for chemical use programs authorized in section 124.246;
- ~~(i)~~ (h) Transportation aid authorized in section 124.225;
- ~~(j)~~ (i) Community education programs aid authorized in section 124.271;
- ~~(k)~~ (j) Adult education aid authorized in section 124.26;
- ~~(l)~~ (k) Capital expenditure equalization aid authorized in section 124.245;
- ~~(m)~~ (l) Homestead credit authorized in section 273.13, subdivisions 6, 7, and 14a;
- ~~(n)~~ (m) Reduced assessment credit authorized in section 273.139;
- ~~(o)~~ (n) Wetlands credit authorized in section 273.115;
- ~~(p)~~ (o) Native prairie credit authorized in section 273.116; and
- ~~(q)~~ (p) Attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the reductions from state aids and credits specified in Laws 1981, Third Special Session chapter 2, article 4, section 3, subdivision 2, as amended by Laws 1982, chapter 548, article 7, section 7, as further amended by article III, section 4 of this act, and the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible and in such a manner that will minimize the impact of Laws 1981, Third Special Session chapter 2, article 4, as amended, on the cash flow needs of the school districts.

Sec. 11. Minnesota Statutes 1982, section 124.214, subdivision 2, is amended to read:

Subd. 2. **ABATEMENTS.** Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that 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~~ the changed valuations, the county auditor shall, prior to February 1 of each year, certify to

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the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. In August of each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of (1) the net revenue loss as certified by the county auditor, times (2) the ratio of the sum of the amounts of the district's levy limitations in the preceding October pursuant to section 275.125, ~~subdivision subdivisions~~ subdivisions 2a, and subdivisions 2i, 2j, 2k, 5, 5c, 6c, and 7a to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. If the district is entitled to aid pursuant to section 124.2123, the levy limitation pursuant to section 275.125, subdivision 6b, shall be included in the computation of the ratio. If the district is entitled to aid pursuant to section 124.2128, the levy limitation pursuant to section 275.125, subdivision 6d, shall be included in the computation of the ratio. For purposes of this computation, the district's levy limitation pursuant to section 275.125, subdivision 5, shall not include the amounts authorized to be levied for bus purchases or because of extraordinary traffic hazards. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

Sec. 12. Minnesota Statutes 1982, section 124.245, is amended by adding a subdivision to read:

Subd. 1c. HAZARDOUS SUBSTANCE COMPUTATION. For the 1984-1985 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must levy the maximum permissible amount pursuant to section 275.125, subdivision 11c for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11c may be used.

Sec. 13. Minnesota Statutes 1982, section 124.246, subdivision 2, is amended to read:

Subd. 2. AID. Except for the 1982-1983 school year, An eligible district shall receive \$1 \$1.04 in fiscal year 1984 and \$1.08 in fiscal year 1985 for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational-technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than \$1,000 \$1,040 in fiscal year 1984 and \$1,080 in fiscal year 1985.

Sec. 14. Minnesota Statutes 1982, section 124.247, subdivision 3, is amended to read:

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Subd. 3. **AID.** A district which establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to \$16.25, in the 1981-1982 school year, and \$16.18 in the 1982-1983 school year, \$18.25 in the 1983-1984 school year, and \$19.00 in the 1984-1985 school year, times the number of gifted and talented students in the district. No more than five percent of the students enrolled in the district shall be counted as gifted and talented for the purpose of aid computations pursuant to this subdivision. No more than five percent of the moneys received by a district pursuant to this subdivision may be expended for the purpose of administration of the program for gifted and talented students.

Sec. 15. Minnesota Statutes 1982, section 124.247, is amended by adding a subdivision to read:

Subd. 6. PAYMENT SCHEDULE. For the 1982-1983 school year, 85 percent of a district's gifted and talented program aid for each school year shall be distributed prior to November 30 of that school year. The final aid distribution to each district shall be made prior to November 30 of the following school year.

Sec. 16. [124.272] **INTERDISTRICT COOPERATION AID.**

Subdivision 1. LIMITATION. This section shall not apply to Special School District No. 1, Independent School Districts Nos. 11, 625, and 709, or to school districts which are members of Intermediate School Districts Nos. 287, 916, and 917.

Subd. 2. ELIGIBLE DISTRICTS. A district shall be eligible for inter-district cooperation aid if it has entered into a cooperation agreement and if it has a cooperation plan approved by the commissioner of education.

Subd. 3. COOPERATION PLAN. To receive aid or to levy pursuant to section 25 of this article a district shall submit to the commissioner of education an application for aid by August 15. The application shall contain the following:

(a) a three-year plan to improve the district curriculum, which gives priority to offering of any of the following: a three-year mathematics sequence in grades 10 through 12, a three-year science sequence in grades 10 through 12, a two-year foreign language sequence, elementary and secondary courses in computer usage, or other programs recommended by the state board;

(b) an assurance that the proposed curriculum in clause (a) has been developed in conjunction with the planning, evaluation, and reporting process of section 123.741;

(c) a copy of the cooperation agreement;

(d) a description of the proposed increase in curriculum offerings resulting from the agreement;

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(e) the estimated instructional cost of the cooperation plan for the following fiscal year; and

(f) other information required by the commissioner.

**Subd. 4. DEFINITION.** (a) A district's "interdistrict cooperation revenue" shall equal the lesser of: (1) \$50 times the actual pupil units for that school year; (2) the estimated cost to the district of the interdistrict cooperation program for the school year to which the levy is attributable; or (3) \$50,000.

(b) A district's "interdistrict cooperation levy limitation" means its levy limitation computed according to section 25 of this article.

**Subd. 5. COOPERATION AID.** A district's interdistrict cooperation aid for any school year shall equal:

(a) the difference between its interdistrict cooperation revenue and its interdistrict cooperation levy limitation for the levy for that school year, multiplied by

(b) the ratio of the amount actually levied to the amount of its interdistrict cooperation levy limitation.

**Subd. 6. APPROVAL WITH APPROPRIATION.** The commissioner may approve applications for aid within the limitation of the appropriation. Approval shall be based on criteria established by the state board of education.

**Subd. 7. REPORT.** By December 1, 1985, and each year thereafter, the department of education shall report to the education committees of the legislature about the interdistrict cooperation agreements and whether the provisions of this section have increased educational opportunities in those districts.

Sec. 17. Minnesota Statutes 1982, section 124.646, subdivision 1, is amended to read:

Subdivision 1. **SCHOOL LUNCH AID COMPUTATION.** (a) For the 1981-1982 1983-1984 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of ~~5.5~~ 7.5 cents for each full paid student lunch served to students in the district.

(b) For the ~~1982-1983~~ 1984-1985 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of ~~5.9~~ 7.5 cents for each full paid student lunch served to students in the district.

Sec. 18. **[126.025] CARDIOPULMONARY RESUSCITATION INSTRUCTION.**

**Subdivision 1. AUTHORIZATION.** Pupils attending public senior high schools may receive a course of instruction in the techniques of cardiopulmonary resuscitation, sufficient to enable the pupils to give emergency assistance to victims of cardiac arrest. The instruction may be offered as a separate course or

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as part of another course. The instruction shall be given by a person certified as a cardiopulmonary resuscitation instructor by either the American Red Cross or the American Heart Association, but that person need not be a licensed teacher. Districts are encouraged to use equipment, teaching materials, and training courses provided by public or private agencies, educational cooperative service units, or organizations such as the American Red Cross, American Heart Association.

Subd. 2. ASSISTANCE. The department of education shall provide technical assistance to educational cooperative service units and school districts to implement the provisions of subdivision 1.

**Sec. 19. [129B.17] AUTHORIZATION.**

The department of education shall prescribe the form and manner of application for recipients of comprehensive arts in education planning grants. The state board of education shall award grants in consultation with the Minnesota alliance for arts in education and the Minnesota state arts board.

**Sec. 20. [129B.18] PROGRAM ACCOUNTS.**

A district receiving a comprehensive arts in education planning grant shall establish and maintain a separate account for the receipt and disbursement of all funds relating to the program, and the funds shall be spent only for the purpose of arts education programs.

**Sec. 21. [129B.19] ADDITIONAL FUNDING.**

A district receiving a comprehensive arts in education planning grant may receive funds for the program from private sources and from other governmental agencies, including any state or federal funds available for arts education.

**Sec. 22. [129B.20] CRITERIA FOR GRANT APPROVAL.**

Up to 30 grants of \$1,000 each may be approved for programs which include:

(1) a needs assessment of arts education and planning in the school district;

(2) creation of a community-based arts education team of eight individuals from the school district and the community whose function will be to promote comprehensive arts education in the school district;

(3) participation by members of the arts education team in training offered by the department of education; and

(4) establishment of an evaluation component.

**Sec. 23. [129B.21] DEPARTMENT RESPONSIBILITY.**

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The department of education shall:

(1) provide training and assistance to the arts education teams in the school districts;

(2) provide consultation and technical assistance to districts which receive arts in education planning grants; and

(3) submit a report to the education committees of the senate and house of representatives by January 1, 1985. The report shall include the status and implementation of comprehensive arts in education planning grants and the department's plans to promote arts education in the schools.

Sec. 24. Minnesota Statutes 1982, section 275.125, subdivision 4, is amended to read:

Subd. 4. **MISCELLANEOUS LEVY AUTHORIZATIONS.** A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by section 275.125, subdivision 3, clause (7) (C), as it read in Minnesota Statutes 1974; the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; and the amounts necessary to pay the district's obligations under section 122.533; and the amounts necessary to pay the district's insurance premium costs under section 466.06.

Sec. 25. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 8a. INTERDISTRICT COOPERATION LEVY. Each year, a district which is eligible for aid pursuant to section 16, subdivision 2 of this article, may levy the amount of the estimated instructional costs of the interdistrict cooperation plan for the year to which the levy is attributable, but not more than \$50 times the actual pupil units for that school year. No levy under this subdivision shall exceed one mill times the adjusted assessed valuation of the district for the preceding year. The proceeds of the levy may only be used to pay for instructional costs incurred in providing the program offerings resulting from the cooperation plan.

Sec. 26. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 9b. OPERATING DEBT LEVY. (1) In 1983 and each year thereafter, a district may make an additional levy to eliminate a deficit in the net

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unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. However, the total amount of this levy for all years it is made shall not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according to Laws 1981, Third Special Session chapter 2, article 2 and Laws 1982, Third Special Session chapter 1, article 3, sections 6 and 7, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which levies pursuant to this subdivision shall certify the maximum levy allowable under section 271.125, subdivision 2a or 2e in that same year.

Sec. 27. Minnesota Statutes 1982, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. **CAPITAL EXPENDITURE LEVY.** (a) Each year a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit, or \$95 per pupil unit in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year. No levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the tax may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as required pursuant to section 116J.24, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, such as those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. The proceeds of the tax may also

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

be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10. The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors.

(c) Subject to the commissioner's approval, the tax proceeds may also be used to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

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

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and ~~subdivision~~ subdivisions 11b and 11c, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, section 124.17, subdivision 1, clauses (4) and (5) for 1980-1981.

Sec. 28. Minnesota Statutes 1982, section 275.125, subdivision 11b, is amended to read:

**Subd. 11b. SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.** ~~In 1981 and each year thereafter,~~ In addition to the levy authorized in subdivision 11a, each year a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will

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amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F<sub>1</sub>;

(d) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation;

(e) for expenditures for the cleanup and disposal of polychlorinated biphenyls.

Sec. 29. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

**Subd. 11c. HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY.** In 1983 and each year thereafter, in addition to the levy authorized in subdivisions 11a and 11b, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this subdivision shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for expenditures necessary for the removal or encapsulation of asbestos or the cleanup and disposal of polychlorinated biphenyls found in school buildings or property.

Sec. 30. Minnesota Statutes 1982, section 466.06, is amended to read:

**466.06 LIABILITY INSURANCE.**

The governing body of any municipality may procure insurance against liability of the municipality and its officers, employees, and agents for damages resulting from its torts and those of its officers, employees, and agents, including torts specified in section 466.03 for which the municipality is immune from liability; ~~and such.~~ The insurance may provide protection in excess of the limit of liability imposed by section 466.04. If the municipality has the authority to levy taxes, the premium costs for such insurance may be levied in excess of any per capita or millage tax limitation imposed by statute or charter; provided, a school district may not levy for premium costs pursuant to this section. Any independent board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly procure liability insurance with respect to the field of its operation. The procurement of such insurance constitutes a waiver of the defense of governmental immunity to the extent of the liability stated in the policy but has no effect on the liability of the municipality beyond the coverage so provided.

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

**Sec. 31. [275.128] EXPENSES FOR ASBESTOS AND POLYCHLORINATED BIPHENYLS.**

Notwithstanding any law to the contrary, a district that incurred expenses for removal of asbestos, asbestos encapsulation, or cleanup or disposal of polychlorinated biphenyls may use the revenue authorized by sections 5, 12, 28, and 29 of this article to meet contractual obligations or to reimburse the fund from which expenses were paid, regardless of when the authorized revenue was received by the district.

**Sec. 32. EDUCATION DISTRICTS; STUDY.**

By February 1, 1984, the state board and commissioner of education shall report to the education committees of the legislature on the feasibility of establishing education districts which meet the following criteria:

(a) extend, combine, or expand educational and curriculum opportunities;

(b) maximize the use of instructional and administrative personnel;

(c) improve efficiency and cost effectiveness; and

(d) operate programs pursuant to sections 121.85 to 121.88, 121.501 to 121.507, 124.247, and 129B.06 to 129B.09.

**Sec. 33. REPEALER.**

Minnesota Statutes 1982, sections 124.24 and 129B.09, subdivision 5, are repealed.

**Sec. 34. APPROPRIATION.**

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. HEALTH AND DEVELOPMENTAL SCREENING PROGRAMS. For health and developmental screening programs pursuant to sections 123.701 to 123.705 there is appropriated:

\$729,000.....1984,

\$794,000.....1985.

The appropriation for fiscal year 1984 includes \$103,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$626,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$111,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$683,000 for aid for fiscal year 1985 payable in fiscal year 1985.

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



The appropriations are based on aid entitlements of \$737,000 for fiscal year 1984 and \$804,000 for fiscal year 1985.

Subd. 3. ABATEMENT AID. For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated:

\$2,150,000.....1984,

\$2,250,000.....1985.

Subd. 4. CAPITAL EXPENDITURE EQUALIZATION AID. For capital expenditure equalization aid pursuant to section 124.245, subdivision 1, there is appropriated:

\$313,000.....1984,

\$224,000.....1985.

The appropriation for fiscal year 1984 includes \$58,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$255,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$45,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$179,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$300,000 for fiscal year 1984 and \$211,000 for fiscal year 1985.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for special purpose capital expenditure equalization aid pursuant to section 124.245, subdivision 1a.

Subd. 5. SPECIAL PURPOSE CAPITAL EXPENDITURE EQUALIZATION AID. For special purpose capital expenditure equalization aid pursuant to section 124.245, subdivision 1a, there is appropriated:

\$52,000.....1984,

\$46,000.....1985.

The appropriation for fiscal year 1984 includes \$9,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$43,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$8,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$38,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$51,000 for fiscal year 1984 and \$45,000 for fiscal year 1985.

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

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

**Subd. 6. HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE EQUALIZATION AID.** For hazardous substance capital expenditure equalization aid pursuant to section 124.245, subdivision 1c, there is appropriated:

\$38,000.....1985.

The appropriation for fiscal year 1985 includes \$38,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$45,000 for fiscal year 1985.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

**Subd. 7. EDUCATIONAL COOPERATIVE SERVICE UNITS.** For educational cooperative service units, there is appropriated:

\$695,000.....1984,

\$591,000.....1985.

The appropriations are based on aid entitlements of \$695,000 for fiscal year 1984 and \$695,000 for fiscal year 1985.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$63,180 per ECSU for each fiscal year; however, the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight shall receive \$126,360 for each fiscal year for general operations.

**Subd. 8. SCHOOL LUNCH AND FOOD STORAGE AID.** For school lunch aid pursuant to section 124.646 and for food storage and transportation costs for USDA donated commodities there is appropriated:

\$4,625,000.....1984,

\$4,625,000.....1985.

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of fully paid lunches served during that school year in order to meet the state revenue matching requirement of the USDA National School Lunch Program.

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

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

Subd. 9. INTERDISTRICT COOPERATION AID. For aid for inter-district cooperation programs pursuant to section 16 of this article there is appropriated:

\$850,000.....1985.

The appropriation is based on aid entitlement of \$1,000,000 for fiscal year 1985.

Subd. 10. GIFTED AND TALENTED STUDENTS. For programs for the gifted and talented pursuant to section 124.247 there is appropriated:

\$625,000.....1984,

\$659,000.....1985.

The appropriation for aid for fiscal year 1984 includes \$80,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$545,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$96,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$563,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$641,000 for fiscal year 1984 and \$662,000 for fiscal year 1985.

Subd. 11. NONPUBLIC AIDS. For programs for nonpublic educational aid pursuant to sections 123.931 to 123.947 there is appropriated:

\$6,020,000.....1984,

\$6,645,000.....1985.

The appropriation for aid for fiscal year 1984 includes \$629,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$5,391,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$951,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$5,694,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$6,342,000 for fiscal year 1984 and \$6,699,000 for fiscal year 1985.

Subd. 12. INDIAN EDUCATION. (a) For certain Indian education programs there is appropriated:

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

\$156,000.....1984,

\$138,000.....1985.

The appropriations are based on aid entitlements of \$156,000 for fiscal year 1984 and \$163,000 for fiscal year 1985.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner shall not approve the payment of any amount to a school district pursuant to this subdivision unless that school district is in compliance with all applicable laws of this state.

Up to the following amounts may be distributed to the following school districts for fiscal year 1984: \$49,600 to Independent School District No. 309-Pine Point School; \$8,750 to Independent School District No. 166; \$13,500 to Independent School District No. 432; \$12,700 to Independent School District No. 435; \$38,100 to Independent School District No. 707; and \$35,350 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

Up to the following amounts may be distributed to the following school districts for fiscal year 1985: \$52,100 to Independent School District No. 309-Pine Point School; \$9,200 to Independent School District No. 166; \$14,200 to Independent School District No. 432; \$13,350 to Independent School District No. 435; \$40,050 to Independent School District No. 707; and \$37,100 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

These appropriations are available only if there will not be available for the districts enumerated in this subdivision for the applicable school year any operation support funds from the federal bureau of Indian affairs pursuant to the Johnson-O'Malley Act, Public Law 73-167 or 25 Code of Federal Regulations 273.31, or equivalent money from the same or another source.

(b) Before a district can receive moneys pursuant to this subdivision, the district must submit to the commissioner of education evidence that it has:

(i) Complied with the Uniform Financial Accounting and Reporting Standards Act, sections 121.90 to 121.917. For each school year, compliance with section 121.908, subdivision 3a, shall require the school district to prepare one budget including the amount available to the district pursuant to this subdivision and one budget which does not include these moneys. The budget of that school district for the 1985-1986 school year prepared according to section 121.908, subdivision 3a, shall be submitted to the commissioner of education at

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

the same time as 1984-1985 budgets and shall not include any moneys appropriated in this subdivision;

(ii) Conducted a special education needs assessment and prepared a proposed service delivery plan according to Minnesota Statutes, sections 120.03 and 120.17; Public Law 94-142, an act of the 94th Congress of the United States cited as the "Education for All Handicapped Children Act of 1975"; and applicable state board of education rules; and

(iii) Compiled accurate daily pupil attendance records.

(c) Prior to approving payment of any amount to a school district pursuant to this subdivision, the commissioner shall review and evaluate each affected district's compliance with clause (b) and any other applicable laws, and each affected district's need for the moneys. Each affected district's net unappropriated fund balance in all operating funds as of June 30 of the previous school year shall be taken into consideration.

Subd. 13. CHEMICAL USE PROGRAMS. For aid for chemical dependency programs authorized pursuant to section 124.246 there is appropriated:

\$ 965,000.....1984,

\$1,005,000.....1985.

The appropriation for fiscal year 1984 includes \$135,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$830,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$146,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$859,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$977,000 for fiscal year 1984 and \$1,011,000 for fiscal year 1985.

Subd. 14. ARTS PLANNING GRANTS. For Minnesota comprehensive arts in education planning grants, there is appropriated from the general fund to the department of education the sum indicated for the fiscal year ending June 30 in the year designated:

\$125,000.....1984.

Any unexpended balance remaining from the appropriation in this subdivision shall not cancel but shall be available for the second year of the biennium.

Subd. 15. CARDIOPULMONARY RESUSCITATION INSTRUCTION. There is appropriated from the general fund to the department of education the sum of \$34,000 for fiscal year 1984 for educational cooperative service units to purchase equipment needed for instruction in cardiopulmonary resuscitation. The equipment shall be available for use by school districts.

Changes or additions are indicated by underline, deletions by strikeout.

Funds from this appropriation shall be transmitted to ECSU boards of directors. The department of education shall issue grants to ECSUs based on the following criteria: the number of school districts in the ECSU, the number of students served by the ECSU, and other resources available to the ECSU. The sums appropriated are available until expended.

Subd. 16. PINE POINT SCHOOL. There is appropriated from the general fund to the department of education for Independent School District No. 309, Pine Point School, the sum of \$33,000 for payment of an outstanding judgment related to unemployment compensation. The sum shall be available until June 30, 1985.

Subd. 17. MAXIMUM EFFORT SCHOOL LOAN FUND. There is appropriated from the general fund to the maximum effort school loan fund the sum of \$2,719,000 for the fiscal year ending June 30, 1984, and \$3,672,000 for the fiscal year ending June 30, 1985. Any unexpended balance of this appropriation for fiscal year 1984 shall not cancel but shall be available for the second year of the biennium.

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to section 124.46, subdivision 3. Notwithstanding the provisions of section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel and revert to the general fund.

Subd. 18. CANCELLATION AND PRORATION. Except as provided in subdivisions 4, 5, and 6, any unexpended balance remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. Except as provided in subdivisions 4 and 5, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

**Sec. 35. EFFECTIVE DATE.**

Section 6 is effective the day following final enactment.

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

**ARTICLE 7**  
**MISCELLANEOUS**

**Section 1. [3.865] LEGISLATIVE COMMISSION ON PUBLIC EDUCATION.**

Subdivision 1. ESTABLISHMENT. There is established a legislative commission on public education. The commission shall study issues relating to elementary and secondary education, including at least the following:

(a) education policy development and planning and recommendations for change to make education more effective;

(b) current and alternative financing formulas for education and recommendations for changes in the use of public money to fund education;

(c) current school district organization and administration and recommendations for more efficient use of available resources;

(d) current technology and alternative education delivery systems for Minnesota; and

(e) teacher preparation, certification, salaries, employment policies, and retention.

Subd. 2. MEMBERSHIP AND TERMS. The commission shall consist of 12 members. Six members shall be from the senate, including members of the minority caucus, and shall be appointed by the subcommittee on committees of the committee on rules and administration. Six members shall be from the house of representatives, including members of the minority caucus, and shall be appointed by the speaker. The chairs of the senate education committee, senate education aids subcommittee, house education committee, and house education finance division shall be members of the commission. The members shall be appointed for two-year terms beginning on January 1 of each odd numbered year. Vacancies on the commission shall be filled in the same manner as the original appointments.

Subd. 3. TERMS AND OFFICERS. The commission shall elect a chair and a vice-chair from among its members. The chair shall alternate biennially between a member of the senate and a member of the house. The vice-chair shall be a house member when the chair is a senate member, and senate member when the chair is a house member.

Subd. 4. GOVERNOR'S REPRESENTATIVE. The governor shall appoint a person to serve as liaison between the governor and the commission.

Subd. 5. ADVISORY COMMITTEE. The commission may appoint advisory committees to assist it as needed. The advisory committees shall meet at the discretion of the commission.

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

Subd. 6. ASSISTANCE OF OTHER AGENCIES. The commission may request information from any state officer or agency to assist the commission in performing its duties. The officer or agency is authorized and directed to promptly furnish any data requested.

Subd. 7. STAFF. The commission may employ professional, technical, consulting, and clerical services. The commission may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.

Subd. 8. EXPENSES AND REIMBURSEMENT. The members of the commission and its assistants shall be reimbursed for all expenses actually incurred in the performance of their duties. Expenses of the commission shall be approved by the chair and the expenses shall be paid in the same manner as other state expenses are paid.

Subd. 9. REPORT. By January 15 of each year, the commission shall report to the education committees of the legislature on its findings and recommendations, including information related to the funding of education.

Sec. 2. Minnesota Statutes 1982, section 6.54, is amended to read:

**6.54 EXAMINATION OF MUNICIPAL RECORDS PURSUANT TO PETITION.**

The registered voters in a home rule charter or statutory city or town may petition the state auditor to examine the books, records, accounts, and affairs of the home rule charter or statutory city, town, or of any organizational unit, activity, project, enterprise, or fund thereof; and the scope of the examination may be limited by the petition, but the examination shall cover, at least, all cash received and disbursed and the transactions relating thereto, provided that the state auditor shall not examine more than the six latest years preceding the circulation of the petition, unless it appears to the state auditor during his the examination that the audit period should be extended to permit a full recovery under bonds furnished by public officers or employees, and may if it appears to him the auditor in the public interest confine the period or the scope of audit or both period and scope of audit, to less than that requested by the petition. In the case of a home rule charter or statutory city or town, the petition shall be signed by a number of registered voters at least equal to 20 percent of those voting in the last presidential election. The freeholders eligible voters of any school district, as defined in section 123.32, subdivision 1a, may petition the state auditor and he, who shall be subject to the same restrictions regarding the scope and period of audit, provided that the petition shall be signed by at least ten freeholders eligible voters for each 50 resident pupils in average daily membership during the preceding school year as shown on the records in the office of the commissioner of education. In no case shall the petition for an examination of a town bear the names of less than 25 registered voters; and provided, that in the case of school districts, the petition shall be signed by at least ten freeholders eligible voters. At

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



the time it is circulated, every petition shall contain a statement that the cost of the audit will be borne by the city, town, or school district as provided by law. Thirty days before the petition is delivered to the state auditor it shall be presented to the appropriate city, town or school district clerk and the county auditor. The county auditor shall determine and certify whether the petition is signed by the required number of registered voters or ~~freeholders~~ eligible voters as the case may be. The certificate shall be conclusive evidence thereof in any action or proceeding for the recovery of the costs, charges and expenses of any examination made pursuant to the petition.

Sec. 3. Minnesota Statutes 1982, section 6.62, subdivision 1, is amended to read:

Subdivision 1. **LEVY OF TAX.** Counties, cities and towns are authorized, if necessary, to levy, over and above tax levy limitations for other governmental purposes, an amount sufficient to pay the expense of a post-audit by the state auditor.

A school district is authorized to levy an amount sufficient to pay for the expense of a post-audit by the state auditor if the audit is performed at the discretion of the state auditor pursuant to section 6.51 or if the audit has been requested through a petition by ~~freeholders~~ eligible voters pursuant to section 6.54. A school district is not authorized to levy these amounts if the post-audit by the state auditor is requested by the school board pursuant to section 6.55.

Sec. 4. Minnesota Statutes 1982, section 120.0751, subdivision 3, is amended to read:

Subd. 3. **CRITERIA FOR APPROVAL.** In ~~granting or denying approving or disapproving~~ the application the state board of education shall consider the following criteria:

(a) if the circumstances of the pupil are similar or analogous to the exceptions permitted by section 120.075, whether attending school in the district of residence creates a particular hardship for the pupil; and (b) whether the circumstances of the pupil are similar or analogous to the exceptions permitted by section 120.075, or

(b) if the pupil has been continuously enrolled for at least two years in a district of which the pupil was not a resident because of an error made in good faith about the actual district of residence, whether attending school in the district of residence creates a particular hardship for the pupil. If the board finds that a good faith error was made and that attending school in the district of residence would create a particular hardship for the siblings of that pupil or foster children of that pupil's parents, it may separately approve an application for any or all of the siblings of the pupil who are related by blood, adoption, or marriage and for foster children of the pupil's parents.

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

**Sec. 5. [120.191] SPECIAL EDUCATION DIRECTOR.**

The authority for the selection and employment of the director of a special education cooperative established pursuant to section 120.17 or 471.59 shall be vested in the governing board of the cooperative. Notwithstanding the provisions of section 125.12, subdivision 6a or 6b, no individual shall have a right to employment as a director based on seniority or order of employment by the cooperative.

Sec. 6. Minnesota Statutes 1982, section 121.15, is amended to read:

**121.15 PLANS AND SPECIFICATIONS FOR SCHOOL BUILDINGS REVIEW AND COMMENT FOR SCHOOL DISTRICT CONSTRUCTION.**

The state board shall prescribe rules for school sites and for the mechanical equipment, erection, enlargement, and change of school buildings. All plans and specifications for the erection, enlargement, and change of school buildings shall first be submitted to the state department of education for approval before the contract is let and no new school buildings shall be erected or any building enlarged or changed until the plans and specifications have been submitted to, and approved by, the state department. The state board shall include in such rules those made, from time to time, by the state commissioner of health relative to sanitary standards for toilets, water supply, and disposal of sewage in public school buildings. In all other respects the authority to make rules for public school buildings shall be vested in the state board, which shall have the power to prepare and furnish to local school boards plans and specifications for temporary school buildings, containing two classrooms or less. The state board in approving construction plans may specifically qualify its approval as limited solely to physical plant, plans and specifications and it may specifically reserve its approval as to the advisability of construction from an educational program standpoint. Under such rules and procedure as the state board shall prescribe, the state department may condemn school buildings and sites which are unfit or unsafe for use as such.

Subdivision 1. CONSULTATION. A school district shall consult with the department of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital funds according to section 275.125, subdivision 11a, clause (c), is initiated.

Subd. 2. PLAN SUBMITTAL. The department of education, after the consultation required in subdivision 1; may require a school district engaging in a construction, remodeling, or site improvement project to submit for approval:

(a) two sets of preliminary plans for each new building or addition, and

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

(b) one set of final plans for each construction, remodeling, or site improvement project. The department of education shall approve or disapprove the plans within 60 days after submission. A school district shall not award contracts before the department approves the plans.

Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16.83 to 16.87. The department of education's approval shall be limited to compliance with applicable state laws, rules, and codes and shall reasonably conform to the recommended educational standards established by the department of education. The department may furnish to a school district plans and specifications for temporary school buildings containing two classrooms or less.

Subd. 3. FINAL PLANS. If no construction contract has been awarded within two years of approval, the approval shall no longer be valid. After approval, final plans and the approval shall be filed with the department of education. If substantial changes are made to plans after final approval, documents reflecting the changes shall be submitted to the department of education for approval. Upon completing a project, the school board shall certify to the department that the project was completed according to the approved plans.

Subd. 4. CONDEMNATION OF SCHOOL BUILDINGS. The department of education may condemn school buildings and sites which the state board of education determines are unfit or unsafe for that use.

Subd. 5. RULEMAKING. The state board of education may adopt rules for public school buildings.

Subd. 6. REVIEW AND COMMENT. No referendum for bonds or solicitation of bids for new construction, expansion, or remodeling of an educational facility which requires a capital expenditure in excess of \$400,000 per school site shall be initiated prior to review and comment by the commissioner. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Subd. 7. INFORMATION REQUIRED. A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the population proposed to be served, including census findings and projections of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

Changes or additions are indicated by underline, deletions by strikeout.

(d) a description of the construction in reasonable detail, including: the capital expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs;

(e) so far as is known, existing facilities within the area to be served that offer the same or similar service; the extent existing facilities or services are used; the extent to which space is available from other sources, including institutions for higher education or other public buildings; and the anticipated effect that the proposal will have on existing facilities and services;

(f) the anticipated benefit to the area that will result from the facility;

(g) if known, the relationship of the proposed construction to any priorities which have been established for the area to be served;

(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility; and

(i) desegregation requirements that cannot be met by any other reasonable means.

Subd. 8. REVIEW OF PROPOSALS. In reviewing each proposal, the commissioner shall submit to the school board, within 60 days of receiving the proposal, the review and comment about the educational and economic advisability of the project. The review and comment shall be based on information submitted with the proposal and other information the commissioner determines is necessary.

Subd. 9. PUBLICATION. At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids to construct a facility, the school board shall publish the commissioner's review and comment in a legal newspaper of general circulation in the area. Supplementary information shall be available to the public.

Subd. 10. REPORT. Before January 15 of each year, the commissioner shall report to the legislature about the number and nature of proposals for projects submitted according to this section, the nature of the review and comment on the educational and economic advisability, and any recommendations.

Sec. 7. Minnesota Statutes 1982, section 121.908, is amended to read:

**121.908 REQUIREMENT FOR ACCOUNTING, BUDGETING AND REPORTING.**

Subdivision 1. On or before June 30, 1977, each Minnesota school district shall adopt the uniform financial accounting and reporting standards for Minnesota school districts provided for in section 121.902.

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

Subd. 2. Each ~~Minnesota school~~ district shall submit to the commissioner by ~~August 15, 1977 and~~ August 15 of each year thereafter, an unaudited financial statement for the preceding fiscal year. This statement shall be submitted on forms prescribed by the commissioner after consultation with the advisory council on uniform financial accounting and reporting standards.

Subd. 3. ~~Prior to June 30~~ By December 31 of the calendar year following of the submission of the unaudited financial statement, the ~~school~~ district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited statement.

Subd. 3a. Prior to ~~July 1, 1978 and~~ July 1 of each year thereafter, the school board of each district shall approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted shall be considered an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures.

Subd. 4. Each ~~Minnesota school~~ district shall submit to the department by ~~August 15, 1977, and~~ by August 15 of each year thereafter, on forms prescribed by the commissioner, the revenue and expenditure budgets adopted for that fiscal year.

Subd. 5. All governmental units formed by joint powers agreements entered into by ~~school~~ districts pursuant to sections 120.17, 123.351, 471.59, or any other law and all educational cooperative service units shall be subject to the provisions of this section.

Sec. 8. Minnesota Statutes 1982, section 121.936, is amended by adding a subdivision to read:

Subd. 4a. By July 1, 1984, the department of education shall develop and implement an alternative reporting system for submission of financial data in summary form. This system shall accommodate the use of a microcomputer finance system to be developed and maintained by the department of education. The alternative reporting system must comply with sections 121.90 to 121.917. The provisions of this subdivision shall not be construed to require the department to purchase computer hardware nor to prohibit the department from purchasing services from any regional management information center or the Minnesota educational computing consortium.

Sec. 9. Minnesota Statutes 1982, section 122.23, subdivision 2, is amended to read:

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

Subd. 2. Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation. The resolution or petition may propose either that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of the bonded debt previously incurred by any component district as provided in subdivision 16b. The resolution or petition may also propose that referendum levies previously approved by voters of the component districts pursuant to section 275.125, subdivision 2d, or its predecessor provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued. The resolution or petition may also propose that the board of the newly created district consist of seven members, and may also propose the establishment of separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts. If more than one request for a plat is received by a county auditor and the requests involve parts of identical districts, he shall forthwith prepare a plat which in his opinion best serves the educational interests of the inhabitants of the districts or areas affected. The plat shall show:

- (a) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,
- (b) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,
- (c) The boundaries of any proposed separate election districts, in accordance with the provisions of section 123.32, and
- (d) Other pertinent information as determined by the county auditor.

Sec. 10. Minnesota Statutes 1982, section 122.23, subdivision 3, is amended to read:

Subd. 3. A supporting statement to accompany the plat shall be prepared by the county auditor. The statement shall contain:

- (a) The adjusted assessed valuation of property in the proposed district,
- (b) If a part of any district is included in the proposed new district, the adjusted assessed valuation of the property and the approximate number of pupils residing in the part of the district included shall be shown separately and the

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adjusted assessed valuation of the property and the approximate number of pupils residing in the part of the district not included shall also be shown,

(c) The reasons for the proposed consolidation, including a statement that at the time the plat is submitted to the state board of education, no proceedings are pending to dissolve any district involved in the plat unless all of the district to be dissolved and all of each district to which attachment is proposed is included in the plat,

(d) A statement showing that the jurisdictional fact requirements of subdivision 1 are met by the proposal,

(e) Any proposal contained in the resolution or petition regarding the disposition of the bonded debt or referendum levies of component districts,

(f) Any other information the county auditor desires to include, and

(g) The signature of the county auditor.

Sec. 11. Minnesota Statutes 1982, section 122.531, subdivision 2, is amended to read:

Subd. 2. **CONSOLIDATION AND VOLUNTARY DISSOLUTION; REFERENDUM LEVIES.** ~~As of the effective date of a consolidation pursuant to section 122.23 or the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 122.22, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2d, or its predecessor or successor provision, is canceled. However, if all of the territory of any independent district is included in the newly created enlarged district, and if the adjusted assessed valuation of taxable property in that territory comprises 90 percent or more of the adjusted assessed valuation of all taxable property in a newly created or an enlarged district, the board of the newly created or enlarged district may levy the increased amount previously approved by a referendum in the pre-existing independent district upon all taxable property in the newly created or enlarged district. Any new referendum levy shall be certified only after approval is granted by the voters of the entire newly created or enlarged district in an election pursuant to section 275.125, subdivision 2d, or its successor referendum provision.~~

Sec. 12. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

Subd. 2a. **CONSOLIDATION; MAXIMUM AUTHORIZED REFERENDUM LEVIES.** As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, or if the plan for consolidation makes no provision concerning referendum levies, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2d, or its predecessor

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provision shall be recalculated as provided in this subdivision. The referendum levy authorization for the newly created district shall be the millage that would raise an amount equal to the combined dollar amount of the referendum levies authorized by each of the component districts for the year preceding the consolidation, unless the referendum levy authorization of the newly created district is subsequently modified pursuant to section 275.125, subdivision 2d. If the referendum levy authorizations for each of the component districts were limited to a specified number of years, the referendum levy authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum levy authorization of any component district is not limited to a specified number of years, the referendum levy authorization for the newly created district shall not be limited to a specified number of years.

Sec. 13. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

Subd. 2b. ALTERNATIVE METHOD. As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2d, or its predecessor provision shall be combined as provided in this subdivision. The referendum levy authorization for the newly created district may be any millage provided in the plan for consolidation, but may not exceed the millage that would raise an amount equal to the combined dollar amount of the referendum levies authorized by each of the component districts for the year preceding the consolidation. If the referendum levy authorizations for each of the component districts were limited to a specified number of years, the referendum levy authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum levy authorization of any component district is not limited to a specified number of years, the referendum levy authorization for the newly created district shall not be limited to a specified number of years. The referendum levy authorization for the newly created district may be modified pursuant to section 275.125, subdivision 2d.

Sec. 14. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

Subd. 2c. If the plan for consolidation provides for discontinuance of referendum levies previously approved by voters of the component districts pursuant to section 275.125, subdivision 2d, or its predecessor provision, the newly created district shall not make a referendum levy unless the voters of the newly created district authorize a referendum levy pursuant to section 275.125, subdivision 2d.

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Sec. 15. Minnesota Statutes 1982, section 123.32, is amended by adding a subdivision to read:

Subd. 29. REQUIREMENTS FOR PETITIONS. Any petition to a school board authorized in this section or section 275.125 or any other law which requires the board to submit an issue to referendum or election shall meet the following requirements to be valid.

(1) Each page of the petition shall contain a heading at its top which specifies the particular action the board is being petitioned to take. The signatures on any page which does not contain such a heading shall all be invalidated. All pages of the petition shall be assembled and filed with the board as a single instrument.

(2) Each page of the petition shall contain an authentication signed by the circulator of the petition specifying as follows:

I personally have circulated this page of the petition, all signatures were made in my presence, I believe that each person signed his or her own name and that each person who has signed is eligible to vote in a school district election according to Minnesota Statutes, section 123.32.

Signed: .....

Signature of Petition Circulator

Date: .....

The signatures on any page which does not contain such an authentication shall all be invalidated.

(3) Each signer of the petition shall personally sign his own name in ink or indelible pencil and shall indicate after his name his place of residence by street and number, or other description sufficient to identify the place. Except as provided in clause (4) of this subdivision, any signature which does not meet these requirements shall be invalidated.

(4) An individual who is unable to write his name shall be required to make his mark on the petition. The circulator of the petition shall certify the mark by signing the individual's name and address and shall thereafter print the phrase "mark certified by petition circulator."

(5) A petition to be valid must contain the minimum number of valid signatures of eligible voters specified in the law authorizing the petition and election.

Sec. 16. Minnesota Statutes 1982, section 123.33, subdivision 10, is amended \*to read:

Subd. 10. The school board of any school district of this state by a two-thirds vote may become a member of the Minnesota school boards association or the Minnesota association of public schools, or the metropolitan area

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school board association, and appoint one or more of its members to attend its annual meeting. The amount of annual membership dues in the association and actual and necessary expense incurred in attending such meeting shall be paid as other expenses of the district are paid. The school board of any school district of this state may maintain such membership and pay membership dues only in the event the associations file annual financial statements showing detailed expenditures and receipts with the commissioner of education no later than October 1 of each year. The statements to the commissioner shall be made on forms prescribed by him no later than July 15 of each year.

Sec. 17. Minnesota Statutes 1982, section 123.33, subdivision 14, is amended to read:

Subd. 14. The school board of any school district of this state by a two-thirds vote may become a member of an association of vocational schools and may appoint one or more of its members to attend the annual meeting of such association. The amount of annual membership dues in the association and actual and necessary expenses incurred in attending such meeting shall be paid as other expenses of the district are paid. The school board of any school district of this state may maintain such membership and pay membership dues only in the event the association files annual financial statements showing detailed expenditures and receipts with the commissioner of education no later than October 1 of each year. The statements to the commissioner shall be made on forms prescribed by him no later than July 15 of each year.

Sec. 18. Minnesota Statutes 1982, section 123.34, subdivision 9, is amended to read:

Subd. 9. **SUPERINTENDENT.** All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board but not entitled to vote therein. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. Notwithstanding the provisions of section sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on seniority or order of employment in the any district. The superintendent in such districts of a district shall visit the schools of the district, and exercise a general supervision over them, and report their condition to the board, with proper recommendations, when he deems it advisable, or when requested by the board. He shall make recommendations to the board concerning the employment and dismissal of teachers. He shall superintend the grading of the schools and examinations for promotions and perform such other duties as the board shall prescribe. He shall make directly to the commissioner such reports as shall be required perform the following:

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(a) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(b) recommend to the board employment and dismissal of teachers;

(c) superintend school grading practices and examinations for promotions;

(d) make reports required by the commissioner of education; and

(e) perform other duties prescribed by the board.

Sec. 19. Minnesota Statutes 1982, section 123.351, subdivision 4, is amended to read:

Subd. 4. **POWERS AND DUTIES.** (a) The center board shall have the general charge of the business of the center and the ownership of facilities. Where applicable, section 123.36, shall apply. The center board may not issue bonds in its behalf. Each participating district may issue its bonds for the purpose of acquisition and betterment of center facilities in the amount certified by the center board to such participating district in accordance with chapter 475.

(b) The center board (1) may furnish vocational offerings to any eligible person residing in any participating district; (2) may provide special education for the handicapped and disadvantaged; and (3) may provide any other educational programs or services agreed upon by the participating districts. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

(c) In accordance with subdivision 5, clause (b), the center board shall certify to each participating district the amount of funds assessed to the district as its proportionate share required for the conduct of the educational programs, payment of indebtedness, and all other proper expenses of the center.

(d) The center board shall employ and contract with necessary qualified teachers and administrators and may discharge the same for cause pursuant to section 125.12. The authority for selection and employment of a director shall be vested in the center board. Notwithstanding the provisions of section 125.12, subdivision 6a or 6b, no individual shall have a right to employment as a director based on seniority or order of employment by the center. The board may employ and discharge other necessary employees and may contract for other services deemed necessary.

(e) The center board may provide an educational program for secondary and adult vocational phases of instruction. The high school phase of its educational program shall be offered as a component of the comprehensive curriculum offered by each of the participating school districts. Graduation shall be from the student's resident high school district. Insofar as applicable, sections 123.35 to 123.40, shall apply.

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(f) The center board may prescribe rates of tuition for attendance in its programs by adults and nonmember district secondary students.

Sec. 20. Minnesota Statutes 1982, section 123.36, subdivision 9, is amended to read:

Subd. 9. The board may contract for the furnishing of heat for its building for such terms as it may deem for the best interest of the district, not exceeding ten years. However, a district may enter into a contract for a period not to exceed 30 years for a district heating system. Where it is necessary to lay mains or pipes to connect these buildings with a heating system, the district is authorized to advance all, or any part of the cost thereof upon such terms and conditions as shall be agreed upon.

Sec. 21. Minnesota Statutes 1982, section 123.39, subdivision 4, is amended to read:

Subd. 4. The board may provide for the instruction of any resident pupil in another district when inadequate room, distance to school, unfavorable road conditions, or other facts or conditions make attendance in his own district unreasonably difficult or impractical, in which case such district shall pay to the district so attended the tuition agreed upon or charged, pursuant to section 124.18, subdivision 2, and may provide transportation; provided, that such pupil shall continue to be a pupil of the district of his residence for the payment of apportionment and other state aids.

Sec. 22. Minnesota Statutes 1982, section 124.14, subdivision 1, is amended to read:

Subdivision 1. The state board shall supervise distribution of the school aids and grants in accordance with law. It may make rules and regulations consistent with law for such the distribution which will to enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for such the reports and accounts to it as will assure accurate and lawful apportionment of aids. State and federal aids and discretionary or entitlement grants distributed by the state board shall not be subject to the contract approval procedures of the commissioner of administration or chapter 16. The commissioner of education shall adopt internal procedures for administration and monitoring of aids and grants.

Sec. 23. Minnesota Statutes 1982, section 124.15, subdivision 5, is amended to read:

Subd. 5. **VIOLATION; AID REDUCTION.** If the violation specified is corrected within the time permitted, or if the commissioner on being notified of the district board's decision to dispute decides such the violation does not exist, or if the state board decides after hearing no violation specified in the commissioner's notice existed at the time thereof of it, or that such as any which existed

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were corrected within the time permitted, there ~~will~~ shall be no reduction of special state aids payable to ~~such~~ the school districts. Otherwise special state aids payable to the district for the year in which the violation occurred ~~will~~ shall be reduced as follows: The total amount of special state aids to which the district may be entitled ~~will~~ shall be reduced in the proportion that the period during which a specified violation continued, computed from the last day of the time permitted for correction, bears to the total number of days school is held in the district during the year in which ~~such~~ a violation exists, multiplied by 60 percent of the product of the foundation aid formula allowance times its total pupil units for that year.

Sec. 24. Minnesota Statutes 1982, section 124.19, subdivision 3, is amended to read:

Subd. 3. **UNCERTIFIED TEACHERS; AID REDUCTION.** When a district employs a teacher one or more teachers ~~that~~ who do not hold a valid teaching certificate, special state aid shall be withheld in the proportion that the number of such teachers is to the total number of teachers employed by the district, multiplied by 60 percent of the product of the foundation aid formula allowance times its total pupil units for the year in which the employment occurred.

Sec. 25. Minnesota Statutes 1982, section 124.43, subdivision 1, is amended to read:

Subdivision 1. **REVIEW BY COMMISSIONER.** (a) To the extent moneys are from time to time available hereunder, the commissioner may, after review and a favorable recommendation by the state board of education, ~~make~~ recommend to the legislature capital loans to school districts. Proceeds of the loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school 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 the following June 1.

(b) Any board which intends to submit an application for a capital loan shall submit a proposal to the commissioner for review and comment pursuant to section ~~122.90~~ 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. The state board shall not make a favorable recommendation on an application for a capital loan for any facility unless:

(1) the facility receives a favorable review and comment pursuant to section ~~122.90~~ 121.15; and

(2) the state board determines that

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(A) the facilities are needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist;

(B) the facilities could not be made available through dissolution and attachment of the district to another district or through pairing, interdistrict cooperation, or consolidation with another district, or through the purchase or lease of facilities from existing institutions within the area. The preference of the school district regarding reorganization shall not be a criterion used by the state board in determining whether the facilities could be made available through reorganization;

(C) the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollment; and

(D) the district's need for the facilities is comparable to needs which comparable districts are meeting through local bond issues.

The state board may recommend that the loan be approved in a reduced amount in order to meet the foregoing criteria. If the state board recommends that a loan not be approved, the commissioner shall not ~~approve~~ recommend approval of the loan, ~~and~~. If the state board recommends that the loan be approved in a reduced amount, the commissioner shall not ~~approve~~ recommend approval of a loan larger than that recommended by the state board.

(c) As part of reviewing an application for a capital loan, the commissioner of education shall prepare estimated yearly repayments by the school district and the estimated amount of principal and interest that may be forgiven after the term of the loan. These estimates shall assume no growth in assessed valuation over the term of the loan, shall assume a 16 mill levy, and shall be prepared using a methodology approved by the commissioner of finance. The commissioner of education shall use a discount factor provided by the commissioner of finance in determining the present value of the estimated amount of interest and principal which may be forgiven after the term of the loan.

~~(e)~~ (d) No loan shall be ~~approved~~ recommended for approval 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 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, or 24 percent of the adjusted assessed value, whichever is less;

(3) Less the maximum net debt permissible for the district on the date of approval, under the limitation in section 475.53, subdivision 4, or 24 percent of the adjusted assessed value, whichever is less; and

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(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.

**Sec. 26. [124.435] APPROVAL BY LEGISLATURE.**

After review of an application for a capital loan, the commissioner of education shall submit the application to the education committees of the legislature. The legislature may approve, disapprove, or modify the application. After the legislature has approved the application, the commissioner shall grant the loan for the purposes and in the amount specified by the legislature.

**Sec. 27. [125.032] LICENSURE; COMMUNITY EDUCATION INSTRUCTORS.**

Subdivision 1. EXEMPTION. Notwithstanding the provisions of any law to the contrary and except as otherwise provided in this section, a person who teaches in a community education program established pursuant to sections 121.85 to 121.88 is exempt from all licensure requirements.

Subd. 2. EXCEPTIONS. A person who teaches in a community education program which qualifies for aid pursuant to section 124.26 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program which is offered through a community education program and which qualifies for per capita aid pursuant to section 124.271 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course which is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher. A person who teaches a driver training course which is offered through a community education program to persons under 18 years of age shall be licensed by the board of teaching. A license which is required for an instructor in a community education program pursuant to this subdivision shall not be construed to bring an individual within the definition of a teacher for purposes of section 125.12, subdivision 1, or section 125.17, subdivision 1, clause (a). A community education instructor shall not be defined as a teacher pursuant to section 179.63, subdivision 13, or be a member of a teacher bargaining unit solely as a result of that individual's employment in a community education program.

Sec. 28. Minnesota Statutes 1982, section 125.05, is amended by adding a subdivision to read:

Subd. 5. PROVISIONAL LICENSES; PROHIBITED. The board of teaching shall grant no new provisional licenses. By January 15, 1984, the state board and commissioner of education shall submit a report to the education committees of the legislature with recommendations on provisional licenses.

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

Sec. 29. Minnesota Statutes 1982, section 125.12, is amended by adding a subdivision to read:

Subd. 1a. NONPROVISIONAL LICENSE DEFINED. For purposes of this section, "nonprovisional license" shall mean an entrance, continuing, or life license.

Sec. 30. Minnesota Statutes 1982, section 125.12, subdivision 6a, is amended to read:

**Subd. 6a. NEGOTIATED UNREQUESTED LEAVE OF ABSENCE.** The school board and the exclusive bargaining representative of the teachers may negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. Failing to successfully negotiate such a plan, the provisions of subdivision 6b shall apply. The negotiated plan shall not include provisions which would result in the exercise of seniority by a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 6b, clause (c), or the reinstatement of a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 6b, clause (e). The provisions of section 179.72 shall not apply for the purposes of this subdivision.

Sec. 31. Minnesota Statutes 1982, section 125.12, subdivision 6b, is amended to read:

**Subd. 6b. UNREQUESTED LEAVE OF ABSENCE.** The school board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave shall be effective at the close of the school year. In placing teachers on unrequested leave, the board shall be governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. No teacher who has acquired continuing contract rights shall be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed shall be negotiable;

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(c) Notwithstanding the provisions of clause (b), no teacher shall be entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this clause shall not apply to vocational education licenses;

~~(e)~~ (d) Notwithstanding clauses ~~(a) and~~, ~~(b) and~~ (c), if either the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, ~~or~~ the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of clause (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher ~~or~~, the teacher with less seniority, or the provisionally licensed teacher;

~~(d)~~ (e) Teachers placed on unrequested leave of absence shall be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement shall be in the inverse order of placement on leave of absence. No teacher shall be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year shall be negotiable;

~~(e)~~ (f) No appointment of a new teacher shall be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to ~~him that teacher~~, that he ~~or she~~ may return to employment and that he ~~or she~~ will assume the duties of the position to which appointed on a future date determined by the board;

~~(f)~~ (g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

~~(g)~~ (h) The unrequested leave of absence shall not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

~~(h)~~ (i) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence prior to January 1, 1978 and who is not reinstated shall continue for a period of two years after which the right to reinstatement shall terminate. The unrequested leave of absence of a teacher who is placed on unrequested leave of absence on or after January 1, 1978 and who is not

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reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate; provided the teacher's right to reinstatement shall also terminate if he or she fails to file with the board by April 1 of any year a written statement requesting reinstatement;

(+) (j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 3 and 4 shall apply to placement on unrequested leave of absence;

(+) (k) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment compensation if otherwise eligible.

Sec. 32. Minnesota Statutes 1982, section 125.17, subdivision 1, is amended to read:

Subdivision 1. **WORDS, TERMS, AND PHRASES.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of the following subdivisions in this section shall be defined as follows:

(a) **TEACHERS.** The term "teacher" includes every person regularly employed, as a principal, or to give instruction in a classroom, or to superintend or supervise classroom instruction, or as placement teacher and visiting teacher. Persons regularly employed as counselors and school librarians shall be covered by these sections as teachers if licensed as teachers or as school librarians.

(b) **SCHOOL BOARD.** The term "school board" includes a majority in membership of any and all boards or official bodies having the care, management, or control over public schools.

(c) **DEMOTE.** The word "demote" means to reduce in rank or to transfer to a lower branch of the service or to a position carrying a lower salary or compensation.

(d) **NONPROVISIONAL LICENSE.** For purposes of this section, "non-provisional license" shall mean an entrance, continuing, or life license.

Sec. 33. Minnesota Statutes 1982, section 125.17, subdivision 11, is amended to read:

Subd. 11. **SERVICES TERMINATED BY DISCONTINUANCE OR LACK OF PUPILS; PREFERENCE GIVEN.** (a) Any teacher whose services are terminated on account of discontinuance of position or lack of pupils shall receive first consideration for other positions in the district for which she that teacher is qualified. In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers shall be discontinued in any department in the inverse order in which they were employed.

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

(b) Notwithstanding the provisions of clause (a), no teacher shall be entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this clause shall not apply to vocational education licenses.

(c) Notwithstanding the provisions of clause (a), no teacher shall be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.

Sec. 34. Minnesota Statutes 1982, section 275.125, subdivision 2d, is amended to read:

Subd. 2d. **REFERENDUM LEVY.** (1) The levy authorized by subdivision 2a may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. ~~Such a~~ The 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~~ two elections may be held to approve a levy increase which will commence in a specific school year. ~~However, more than one referendum may be held to approve a levy increase to commence in the 1983-1984 school year.~~ The question on the ballot shall state the maximum amount of the increased levy in mills, the amount that will be raised by that millage in the first year it is to be levied, and that the millage shall be used to finance school operations. The ~~question~~ ballot may designate a specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy proposed by (petition to) the board of ....., School District No. .., be approved?"

If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(2) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to clause (1) of this subdivision may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to clause (1) of this subdivision must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent

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years. Only one such revocation or reduction election may be held to revoke or reduce a levy for any specific year and for years thereafter.

(3) A petition authorized by clause (1) shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten 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.

(4) A petition authorized by clause (2) shall be effective if signed by a number of qualified voters in excess of five percent of the residents of the school district as determined by the most recent census. A revocation or reduction referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(5) 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.

(6) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 35. Minnesota Statutes 1982, section 136A.02, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall consist of eight citizen members, one from each congressional district, to be appointed by the governor with the advice and consent of the senate, and three citizen members also to be appointed by the governor ~~by~~ and with the advice and consent of the senate to represent the state at large. All appointees to the board shall be selected for their knowledge of and interest in post secondary education and at least one shall be selected specifically for his knowledge of and interest in vocational education. No member of the board shall be an employee of or receive compensation from a public or private post-secondary institution while serving on the board.

Sec. 36. Minnesota Statutes 1982, section 475.61, subdivision 3, is amended to read:

Subd. 3. **IRREVOCABILITY.** Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt service fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified, unless the school board determines that the excess amount is necessary to ensure the prompt and full payment of the

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obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together with the levy required by subdivision 1, will exceed 106 percent ~~in excess~~ of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to specify a tax levy in a higher amount if necessary because of anticipated tax delinquency.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 37. Laws 1967, chapter 822, is amended by adding a section to read:

**Sec. 12. OTHER PROGRAMS AND SERVICES.**

The board may also provide any other educational programs or other services requested by a participating district. However, these programs and services may not be post-secondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 38. Laws 1969, chapter 775, section 3, subdivision 2, as amended by Laws 1971, chapter 267, section 2, is amended to read:

Subd. 2. It shall be the duty and the function of the intermediate district to furnish to every person eligible therefor residing in any part of such district and such other resident of the state as provided by law the following:

(a) Vocational school facilities and instruction in vocational-technical education;

(b) Facilities for and instruction in special education.

The board may also provide any other educational programs or other services requested by a participating district. However, these programs and services may not be post-secondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 39. Laws 1969, chapter 1060, is amended by adding a section to read:

**Sec. 7. OTHER PROGRAMS AND SERVICES.**

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The board may also provide any other educational programs or other services requested by a participating district. However, these programs and services may not be post-secondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 40. Laws 1974, chapter 237, section 1, is amended to read:

Section 1. **INDEPENDENT SCHOOL DISTRICT NO. 709; TERMINATION OF TEACHING POSITIONS.** Independent School District No. 709, St. Louis county, and the exclusive representative of teachers as defined by Minnesota Statutes, 1973 Supplement, Section 179.63, Subdivision 13, may enter into a written agreement with respect to the termination of such teachers due to discontinuance of position or lack of pupils within the school district, which may include a method, system or scheme other than that provided by Minnesota Statutes, Section 125.17, Subdivision 11, or any act amendatory thereof. The written agreement entered into pursuant to this section shall not include provisions allowing a teacher to exercise any seniority when that exercise results in the teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, other than vocational education license, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. In addition, the written agreement entered into pursuant to this section shall not include provisions allowing a teacher to be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.

Sec. 41. Laws 1981, chapter 358, article VII, section 29, as amended by Laws 1981, Third Special Session chapter 1, article 1, section 10, and by Laws 1982, chapter 548, article IV, section 19, is amended to read:

Sec. 29. **EXEMPTION FROM PUBLIC SALE.**

Notwithstanding Minnesota Statutes, Section 124.76, from June 1, 1981 July 1, 1983 until June 30, 1983 1985, the requirements as to public sale of tax and aid anticipation certificates of indebtedness shall not apply to certificates which mature no later than twelve months after their date of issue. The interest rate on these certificates may be determined by direct negotiation.

Sec. 42. **BEMIDJI REGIONAL INTERDISTRICT COUNCIL.**

The Bemidji regional interdistrict council, formed according to Minnesota Statutes, section 471.59, may acquire real property by receiving a gift of the owner's equity and either entering into a contract for deed or assuming the obligations of the mortgage existing on the property. The real property shall be used by the council for educational programs and other related services. Each

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district which is a member of the council shall pay its pro rata share of the mortgage or contract for deed payments from its capital expenditure fund.

**Sec. 43. DATE OF CONSOLIDATION.**

Notwithstanding Minnesota Statutes, section 122.23, subdivision 13, or any other law to the contrary, the effective date of a consolidation of Independent School District No. 694, Buhl, with one or more school districts may be a date in 1984, as agreed upon by the school boards of the affected districts.

**Sec. 44. BOARD OF CONSOLIDATED DISTRICT.**

Independent School District No. 694, Buhl, and one or more districts with which it consolidates according to Minnesota Statutes, section 122.23, and any other applicable provisions of law, may agree to any of the following:

(a) A school board of not more than seven members, (b) election districts of the size and with the population desired by the consolidating districts, and (c) election of school board members in any manner agreed upon, such as at large from a previously existing district or from the newly consolidated district, some members at large, some members from election districts or from previously existing districts. However, at least six years after the first election of the consolidated district board, the board shall comply with the general provisions of law governing election of school board members. To the extent the provisions of Minnesota Statutes, section 122.23, or any other applicable law are inconsistent with this section, the provisions of this section shall apply.

**Sec. 45. PILOT PROJECTS USING MICROCOMPUTERS.**

The department of education shall pilot test microcomputer-based financial reporting systems in up to eight school districts during the 1983-1984 school year. The alternative reporting system must comply with Minnesota Statutes, sections 121.90 to 121.917.

The school districts selected as pilot sites shall operate parallel reporting systems until such time that the department certifies that the alternative system meets the reporting requirements. The systems to be tested shall include one developed by the Minnesota educational computing consortium and at least one other available system recommended for testing by the ESV computer council, in consultation with the department. The alternative reporting systems operated by school districts selected as pilot sites shall be exempt from the requirements in Minnesota Statutes, section 121.936, subdivision 1, clause (b)(2), for the 1983-1984 school year.

The department shall evaluate the pilot systems. The evaluation shall include recommendations on the feasibility and efficiency of reporting directly to the department, reporting to the department through the regional management information centers, or by other methods. The ESV computer council shall review the evaluation of the pilot systems and report its findings to the house

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education and appropriations committees and senate education and finance committees by February 15, 1984. The cost of the evaluation shall be paid by the department of education.

**Sec. 46. TIME PERIOD EXTENDED.**

Notwithstanding the provisions of Minnesota Statutes 1982, section 125.185, and 5 MCAR S 3.002, the board of teaching shall extend the time period to apply for a life license from July 1, 1982 to January 1, 1984.

**Sec. 47. NONRESIDENT PUPIL; INDEPENDENT SCHOOL DISTRICT NO. 181.**

Subdivision 1. Any pupil who, as of June 30, 1983, has continuously been enrolled for a period of two or more consecutive school years in Independent School District No. 181 without a tuition agreement pursuant to section 123.39, subdivision 5, or 124.18, subdivision 2, and was not a resident of that district, may continue in enrollment in that district as long as the pupil resides in a dwelling on the same property upon which the pupil resided on May 1, 1983. Independent School District No. 181 shall be considered the pupil's district of residence.

Subd. 2. Subdivision 1 shall also apply to any brother or sister of a qualified pupil who is related to that pupil by blood, adoption or marriage and to any foster child of that pupil's parents, as long as the sibling or foster child resides in a dwelling on the same property upon which the qualified pupil resided on May 1, 1983.

Subd. 3. The provisions of subdivisions 1 and 2 shall be effective without local approval, according to Minnesota Statutes, section 645.023, subdivision 1, clause (a).

**Sec. 48. CENTRAL MINNESOTA EDUCATIONAL RESEARCH AND DEVELOPMENT COUNCIL.**

The central Minnesota educational research and development council, an entity formed by member school districts pursuant to Minnesota Statutes, section 471.59, is authorized pursuant to resolution to issue bonds, notes, or other obligations on behalf of its member school districts in order to provide funds to carry out its purposes. The obligations so issued shall be payable solely from the revenues, earnings, and assets of the entity and not be a liability or debt of any of the member school districts.

The obligations issued pursuant to this section may be issued without an election. However, if the obligations are issued for the acquisition or betterment of a building, an election shall be required. The obligations issued pursuant to this section may be sold at public or private sale and shall be in the forms and amounts, bear interest and mature and be subject to optional or mandatory redemption as the joint board may determine. This section shall not limit or

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restrict the ability of the member school districts to issue obligations or incur indebtedness pursuant to section 471.59 without regard to this section.

#### Sec. 49. INTERMEDIATE SCHOOL DISTRICT STUDY.

On December 1, 1983, the commissioner of education shall report to the education committees of the legislature about funding levels for secondary vocational services and special education services offered by Intermediate School Districts Nos. 916, 917, and 287. The report shall include an analysis of the use of special levies by intermediate districts and the ability of intermediate school districts to provide programs, compared to the ability of nonmember districts or cooperative centers to provide programs.

The report shall include recommendations which would ensure equal opportunities for all districts to provide secondary vocational and special education services. The report shall also include recommended procedures for defining operating fund and capital fund needs, clarifying accounting procedures, and establishing tuition rates at secondary vocational and special education cooperatives. The report shall also include recommendations on whether school district cooperatives utilizing joint powers agreements should be able to lease-purchase real property and any statutory changes necessary to implement these recommendations.

#### Sec. 50. ADMISSION REQUIREMENTS.

Subdivision 1. DEVELOPMENT OF PROPOSAL. By November 15, 1983 the board of regents of the University of Minnesota, the state university board, the community college board, and the state board for vocational education shall develop proposals for admission requirements for incoming freshmen. Each proposal shall specify secondary curriculum requirements necessary for admission into institutions of that system. The proposals may include such requirements as minimum grade point average and standardized test scores.

Subd. 2. REVIEW AND COMMENT. The higher education coordinating board shall review and comment on the proposals developed according to subdivision 1.

Subd. 3. FACTORS. In developing proposals, the boards shall consider such factors as freshman level of preparedness for post-secondary work, the distinct missions of each system, the effect of the proposals on students, and the short-term and long-term effect of the proposals on the quality of education at all levels.

Subd. 4. REPORT. The higher education coordinating board shall report to the education committees of the legislature by January 1, 1984.

#### Sec. 51. EXEMPTION FROM APPLICATION.

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

The provisions of sections 29 to 33 and 40 shall not apply to any final decisions relating to placing teachers, as defined in Minnesota Statutes 1982, section 125.12, subdivision 1, on unrequested leaves of absence or, in the case of cities of the first class, termination of services of teachers, as defined in Minnesota Statutes 1982, section 125.17, subdivision 1, on account of discontinuance of position or lack of pupils made by school boards prior to the effective date of this act. The provisions of this act shall not apply to any school district that, on the effective date of this act, is governed by a contractual agreement which includes specific terms explicitly allowing the exercise of seniority rights by teachers holding provisional licenses, the results of which would be contrary to the provisions of this act, until the expiration of that contractual agreement. All contractual agreements entered into after the effective date of this act shall be consistent with this act.

**Sec. 52. REPEALER.**

Minnesota Statutes 1982, section 122.90, is repealed.

**Sec. 53. APPROPRIATION; COMMISSION ON EDUCATION.**

There is appropriated \$150,000 from the general fund to the legislative commission on public education. The sum is available until June 30, 1985.

**Sec. 54. EFFECTIVE DATE.**

Sections 1, 5, 15, 18, 19, 27, 28, and 34 are effective the day following final enactment.

## ARTICLE 8

### TECHNOLOGY AND EDUCATIONAL IMPROVEMENT

**Section 1. [121.601] SUBJECT AREA INSERVICE TRAINING.**

Subdivision 1. ESTABLISHMENT. The department of education shall establish a program for providing inservice training to school district staff. During the first year, the program shall provide inservice training to elementary and secondary staff in mathematics, science, and social science. For each succeeding year of the program, the commissioner shall recommend to the legislature subject areas for which inservice training programs shall be provided. Inservice training programs shall be designed to offer a broad spectrum of experiences, including activities which require active participant involvement rather than classroom lectures. To the extent possible, the inservice training programs shall be integrated with the technology inservice training provided according to sections 14 and 15 of this article.

Subd. 2. PROPOSALS. Grant proposals submitted by eligible applicants to the department shall include at least the following:

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

(a) a variety of staff education activities which are designed to assess and upgrade skills of those attending the training programs;

(b) provisions for addressing the requirements for licensure for those staff who currently are not licensed in the designated areas but who desire to be so licensed;

(c) a plan for staff who participate in the training program to return to their school districts and provide training programs or disseminate information on inservice programs to other staff in their districts and regions;

(d) a process for notifying staff in the state who teach in the designated subject areas and who are eligible for the program, a process for selecting staff to participate in the inservice training program, and a mechanism for evaluation to be provided to the state board upon completion of the program;

(e) an estimated budget for the program, which shall provide for tuition expenses, related expenses including meals and lodging, and a stipend for participants in the program; and

(f) other information that may be requested by the department.

Subd. 3. ELIGIBLE APPLICANTS. The department may allocate money to public or nonpublic institutions of higher education, public or private nonprofit organizations, educational cooperative service units, or school districts for the purpose of providing inservice training according to this section. When approving or disapproving grants, the department shall ensure geographic accessibility of the programs to teachers throughout the state and a balance of programs available in different subject areas.

Subd. 4. CONSULTATION. When making grants for the inservice training programs according to this section, the department shall consult with elementary and secondary staff in the designated subject areas to ensure that proposals submitted incorporate recent research findings and address the retraining needs of staff in those subject areas.

Subd. 5. PRIVATE MONEY. The commissioner of education may accept contributions from additional private or public sources to supplement state money provided by this section. These contributions shall be added to the total amount of available state money and shall be administered by the department in the same manner as state money.

Subd. 6. FEDERAL MONEY. The commissioner of education shall apply for and accept all federal money available for inservice training programs in the designated subject areas.

Subd. 7. APPLICATION DATES. Applications for inservice training programs to be conducted during a school year shall be submitted to the

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department by January 15 preceding the beginning of that school year. The department shall approve or disapprove applications by the following March 1.

**Sec. 2. [121.608] INSTRUCTIONAL EFFECTIVENESS PLAN.**

By January 1, 1984, the commissioner of education shall develop a comprehensive statewide plan for maintaining and improving instructional effectiveness in the schools. The plan shall encourage implementation of school effectiveness strategies based on research findings in the area, develop inservice training models for school district staff, integrate developments in educational technology with classroom instruction models, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in instructional effectiveness. The commissioner may employ consultants and specialists to assist in the development of the plan, and, to the extent possible, shall utilize the information provided by the planning, evaluation, and reporting process and the statewide assessment program.

**Sec. 3. [121.609] INSTRUCTIONAL EFFECTIVENESS TRAINING.**

**Subdivision 1. ADVISORY TASK FORCE; PROGRAM MODEL.** By January 1, 1984, the commissioner of education shall appoint an advisory task force to assist the department of education, in cooperation with the educational cooperative service units, in developing an implementation model for training school district staff in instructional effectiveness. The training program model shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The training program model shall take into account the diverse needs of the school districts due to such factors as district size and location, and shall be structured to facilitate regional delivery of the training through the educational cooperative service units.

**Subd. 2. PILOT TESTING OF TRAINING MODEL.** Between January 1, 1984, and January 1, 1985, the commissioner shall administer a pilot program of the instructional effectiveness training models which shall be implemented in at least 20 pilot sites throughout the state. The advisory task force established in subdivision 1 of this section may recommend modifications in the training models as necessary.

**Subd. 3. EVALUATION AND REPORT.** The commissioner shall pay an independent evaluator to conduct an evaluation of the effectiveness of this section. The evaluator shall submit a report, including a sample survey of district personnel trained at the pilot sites, to the commissioner by January 1, 1985.

**Sec. 4. [121.612] CITATION.**

**Subdivision 1.** This section may be cited as the "Minnesota Academic Excellence Act."

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

Subd. 1a. CREATION OF FOUNDATION. There is created the Minnesota Academic Excellence Foundation. The purpose of the foundation shall be to promote academic excellence in Minnesota public schools through a public-private partnership. The foundation shall be a nonprofit organization.

Subd. 2. BOARD OF DIRECTORS. The board of directors of the foundation shall consist of the governor or the governor's designee; the chairpersons of the education committee and education finance division in the house of representatives and the chairpersons of the education committee and education subcommittee on education aids in the senate; a minority member of the house of representatives to be appointed by the house minority leader; a minority member of the senate, to be appointed by the senate minority leader; the commissioner of education; and 15 members to be appointed by the governor. Of the 15 members appointed by the governor, six shall represent various education groups and nine shall represent various business groups. The board of directors shall meet as soon as possible after the effective date of this section. The commissioner of education shall serve as secretary for the board of directors and provide administrative support to the foundation.

Subd. 3. FOUNDATION PROGRAMS. The foundation shall plan for programs which advance the concept of educational excellence. These may include but are not limited to:

(a) recognition programs and awards for students demonstrating academic excellence;

(b) summer institute programs for students with special talents;

(c) recognition programs for teachers, administrators, and others who contribute to academic excellence;

(d) summer mentorship programs with business and industry for students with special career interests and high academic achievements;

(e) governor's awards ceremonies to promote academic competition; and

(f) consideration of the establishment of a Minnesota high school academic league.

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

Subd. 4. PRIVATE FUNDING. The foundation shall seek private resources to supplement the available public money. Individuals, businesses, and other organizations may contribute to the foundation in any manner specified by the board of directors. All money received shall be administered by the board of directors.

Subd. 5. REPORT. By February 1, 1984, and February 1, 1985, the board of directors of the foundation shall report to the education committees of

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the legislature on the progress of its activities made pursuant to the provisions of this section.

Sec. 5. Minnesota Statutes 1982, section 122.41, is amended to read:

**122.41 POLICY.**

It is hereby declared to be The policy of the state is to encourage the organization of school districts into such ~~local~~ legal units of administration as will ~~to~~ afford better educational opportunities for all pupils, make possible a more economical and efficient operation of the schools, and insure a more equitable distribution of public school revenue. To this end all area of the state shall be included in an independent or special school district maintaining classified elementary and secondary schools, grades one through twelve, unless a district has made an agreement with another district or districts as provided in section 8 of this article or 122.541.

Sec. 6. Minnesota Statutes 1982, section 122.43, is amended to read:

**122.43 DISSOLUTION OF DISTRICTS NOT A PART OF INDEPENDENT DISTRICTS.**

Subdivision 1. ~~If there be~~ Any organized school district not a part of an independent school district maintaining classified elementary and secondary schools, grades one through twelve is dissolved, unless the district has made an agreement with another district or districts as provided in section 8 of this article or 122.541, ~~such district shall hereby be dissolved.~~

Subd. 2. The board of each district so dissolved shall continue to maintain school ~~therein~~ until all its territory ~~thereof~~ has been attached to a proper district not later than July 1, ~~but~~. Such boards shall ~~have power and authority~~ only to make such contracts and to do such things as are necessary to maintain schools properly ~~the schools~~ for the period they may be in session prior to the attachment.

Sec. 7. Minnesota Statutes 1982, section 122.44, is amended to read:

**122.44 PROCEDURE FOR ATTACHMENT TO ORGANIZED DISTRICTS; ~~PROCEDURE.~~**

Subdivision 1. Upon notice and hearing, as provided in section 122.22 for the attachment of dissolved districts, all territory of school districts dissolved by sections 122.41 to 122.52 and all area of the state not in a district maintaining classified elementary and secondary schools shall be attached by order of the county board to organized districts maintaining classified elementary and secondary schools, grades one through twelve, unless a district has made an agreement with another district or districts as provided in section 8 of this article or 122.541.

Sec. 8. **[122.535] AGREEMENTS FOR SECONDARY EDUCATION.**

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

Subdivision 1. APPLICABILITY. The provisions of this section shall apply to a district with fewer than 375 pupils enrolled in grades 7 through 12.

Subd. 2. AGREEMENT. The school board may enter into one or more agreements providing for instruction of its secondary pupils in one or more districts. The agreement shall be effective on July 1 and shall be for a specified or indefinite number of years. The agreement shall set forth the obligations of transportation, the tuition to be paid to the providing district, and all additional charges and fees to be paid to the providing district. The amount of tuition shall not be subject to the provisions of section 124.18, subdivision 2. The agreement may provide for negotiation of a plan for the assignment or employment in a providing district as an exchange teacher according to section 125.13, or placement on unrequested leave of absence of teachers whose positions are discontinued as a result of the agreement. "Teacher" has the meaning given it in section 125.12, subdivision 1.

Subd. 3. INFORMATIONAL MEETING. Before entering into agreements permitted by subdivision 2 of this section, the school board shall hold a public hearing. The board shall publish notice of the hearing in the newspaper with the largest circulation in the district. If the board proposes to enter into agreements with two or more districts, the board may conduct separate or consolidated hearings.

Subd. 4. REVIEW AND COMMENT. After the hearing required by subdivision 3 of this section and before entering into an agreement, the board shall submit the agreement to the commissioner of education for review and comment.

Subd. 5. AID PAYMENTS. A district entering into an agreement permitted in subdivision 2 of this section shall continue to count its resident pupils who are educated in other districts as resident pupils in the calculation of pupil units for the purposes of state aids, levy limitations, and any other purpose. A district may continue to provide transportation and collect transportation aid for its resident pupils. For purposes of aid calculations, the commissioner of education may adjust the cost per eligible pupil transported to reflect changes in cost resulting from the agreement, if any.

Sec. 9. Minnesota Statutes 1982, section 123.741, subdivision 1, is amended to read:

Subdivision 1. The school board of each school district in the state shall develop and adopt a written educational policy which establishes educational goals for the district, a process for achieving these goals, and procedures for evaluating and reporting progress toward the goals. These goals shall include meeting the curriculum requirements adopted by the state board of education. The school board shall review this policy each year and adopt revisions which it deems desirable. School boards are encouraged to develop this school district

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policy and any revisions after consultation with the staff of each school building. In formulating the policy, the school board of a district is encouraged to consider: (a) the number of dropouts of school age in the district and the reasons for the dropouts; (b) existing programs within the district for dropouts and potential dropouts and (c) program needs of dropouts and potential dropouts.

**Sec. 10. [129B.31] CITATION.**

Sections 12 to 20 of this article may be cited as the "Minnesota Education Technology Act."

**Sec. 11. ADVISORY COMMITTEE ON TECHNOLOGY IN EDUCATION.**

By July 1, 1983, a 15 member advisory committee on technology in education shall be appointed by the governor to assist in the implementation of sections 13 to 20 of this article. Representation on the advisory committee shall include public school teachers and administrators, school boards, parents, department of education, Minnesota educational computing consortium, at least one regional management information center, council on quality education, higher education, and at least two members from high technology business and industry. Advisory committee members shall be knowledgeable about the use of technology in elementary and secondary education. The advisory committee shall terminate on June 30, 1985.

**Sec. 12. [129B.32] DEFINITIONS.**

Subdivision 1. APPLICABILITY. For the purpose of sections 13 to 20 of this article, the following terms have the meanings given them, unless clearly provided otherwise.

Subd. 2. AVERAGE DAILY MEMBERSHIP. "Average daily membership" has the meaning given it in section 124.17, subdivision 2.

Subd. 3. COURSEWARE PACKAGE. "Courseware package" means integrated videotape and videodisk, computer disk, and software and its supporting materials, such as workbooks and textbooks.

Subd. 4. STATE BOARD. "State board" means state board of education.

Subd. 5. ADVISORY COMMITTEE. "Advisory committee" means the advisory committee on technology in education established in section 11 of this article.

Subd. 6. TECHNOLOGY. "Technology" includes, but is not limited to, computers, telecommunications, cable television, interactive video, film, low-power television, satellite communications, and microwave communications.

**Sec. 13. [129B.33] TECHNOLOGY UTILIZATION PLANS.**

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



Subdivision 1. DEVELOPMENT OF PLAN. Each school district is encouraged to develop and adopt as part of its educational policy a written technology utilization plan, in consultation with the curriculum advisory committee for planning, evaluation, and reporting appointed pursuant to section 123.741, subdivision 3. The district is encouraged to review the plan each year and adopt revisions as desired.

Subd. 2. ELIGIBILITY FOR AID. Each school district which intends to prepare and submit a technology utilization plan that complies with this section is eligible to receive state aid. Application forms shall be provided to districts by the department of education by August 31, 1983.

Subd. 3. AID FOR PLANNING. A school district which applies for aid to develop a technology utilization plan shall receive \$0.75 times average daily membership for the 1982-1983 school year. No district which applied for aid shall receive less than \$500.

Subd. 4. PAYMENT OF AID; SUBMISSION OF PLANS. The department of education shall pay aid to a district within 30 days of receiving the district's application. Districts which receive aid shall submit technology utilization plans by January 31, 1984, or within 90 days of receiving aid, whichever is later.

Subd. 5. CONTENTS OF PLAN. The plan shall describe:

(a) how technology will be used to provide educational opportunities for people of all ages residing in the district, affirmatively addressing the needs of special populations, including females, minorities, and the disabled;

(b) goals for implementing the use of technology in the district, including instruction and management uses;

(c) means to achieve these goals, including proposed teacher inservice training;

(d) procedures for integrating the use of technology into the district's community education program; and

(e) procedures to evaluate and report progress toward the goals.

Subd. 6. MODEL PLANS. By August 31, 1983, the department of education, in consultation with the advisory committee, educational cooperative service units, Minnesota educational computing consortium, and appropriate regional management information centers formed according to section 121.935, subdivision 1, shall develop model plans and criteria for evaluating district plans. The department may employ consultants and specialists to assist in this effort. The model plans and criteria shall be distributed to districts, and the department shall assist in developing district plans, upon request.

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

Subd. 7. APPROVAL OF PLAN. The state board shall approve or disapprove a plan within 60 days of receiving the plan submitted by a district. The plan may be modified by the district, in consultation with the department, at any time prior to state board action on the plan. A plan that is disapproved may be revised and resubmitted for approval.

**Sec. 14. [129B.34] INSERVICE TRAINING FOR USE OF TECHNOLOGY.**

Subdivision 1. ELIGIBILITY FOR AID. Each school district with an approved technology utilization plan, according to section 13 of this article, may apply for state aid to provide inservice training for elementary and secondary public school staff on the use of technology in education. The inservice training should not be limited to formal classroom presentations. School districts are encouraged to cooperate in providing inservice training for staff members.

Subd. 2. APPLICATIONS. Applications containing specific inservice training proposals for a district or combination of districts shall be submitted by December 1, 1984, in the form and manner prescribed by the department of education. The department shall approve or disapprove applications within 60 days of receipt.

Subd. 3. AMOUNT OF AID. A district or combination of districts whose application is approved shall receive \$1 times average daily membership for the 1982-1983 school year. Aid shall be paid within 30 days of approval.

Subd. 4. STATEWIDE INSERVICE TRAINING. By June 30, 1985, the department shall provide for supplemental regional or statewide inservice training for district staff on the use of technology in education. The department may employ consultants or specialists for this purpose, but shall ensure that these training activities do not duplicate or conflict with services provided by other governmental agencies or organizations.

**Sec. 15. [129B.35] REGIONAL COORDINATORS.**

The Minnesota educational computing consortium shall provide regional instructional computing coordinators with expertise in the use of technology in education. The Minnesota educational computing consortium and the department of education shall agree on the services to be provided by the regional coordinators. Among other responsibilities, the regional coordinators shall serve as onsite consultants to districts participating in technology utilization planning and inservice training.

**Sec. 16. [129B.36] TECHNOLOGY DEMONSTRATION SITES.**

Subdivision 1. SITE DESIGNATION. By January 15, 1984, the state board shall designate from eight to ten districts as technology demonstration sites and award each district a grant for use during the 1983-1984 and 1984-1985 school years.

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

Subd. 2. CRITERIA FOR SELECTION. In consultation with the department of education, appropriate regional management information centers, and the Minnesota educational computing consortium, the advisory committee shall develop selection criteria for review by the state board. The state board shall establish selection criteria to be distributed to districts by October 1, 1983. Criteria shall include at least the following:

- (a) exemplary program of technology utilization existing in the district;
- (b) evidence of willingness by district staff and the community to incorporate technology fully into the curriculum to demonstrate new instructional methods;
- (c) willingness to match the grant awarded to the district; and
- (d) willingness to share educational experiences with other interested parties.

For two of the sites, criteria may include participation of Minnesota high technology business or industry. Clause (a) may be excluded as a factor in selection of the two sites, one of which may be a rural district.

Subd. 3. SITES THROUGHOUT THE STATE. To the extent possible, the selected sites shall be geographically well distributed with representation from urban, suburban, and rural areas.

Subd. 4. GRANT AWARDS. Applications for grants shall be submitted to the state board by December 1, 1983 in the form and manner prescribed by the department. Grants shall be awarded by January 15, 1984.

Subd. 5. RECIPIENT DUTIES AND USE OF MONEY. A district selected for a grant shall work cooperatively with the advisory committee, department of education, Minnesota educational computing consortium, higher education institutions in the area, and business and industry, as appropriate. A district selected for a grant shall have a technology utilization plan according to section 13 of this article. The district shall conduct at least one workshop each school year of the grant to demonstrate to other districts and interested parties its use of technology in education. Grant money may be used for equipment, consultants, curriculum development, and teacher training.

Subd. 6. PRIVATE FUNDING. The advisory committee shall seek funding and in-kind contributions from private sources to supplement state money for the purpose of awarding grants. Private contributions may be made directly to the technology demonstration sites.

Subd. 7. EVALUATION OF SITES. The state board shall evaluate the technology demonstration sites. It may contract with independent evaluators for this purpose.

#### **Sec. 17. [129B.37] COURSEWARE PACKAGE EVALUATION.**

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

Subdivision 1. LIST. By January 1, 1984, the department of education shall compile, publish, and distribute to districts a list of high quality courseware packages for use in public elementary and secondary schools. Every six months thereafter, the department shall supplement the list with recently evaluated materials.

Subd. 2. PROCUREMENT. The department shall obtain courseware packages for evaluation by notifying publishers and inviting them to submit their materials. The department may provide for evaluation of courseware packages that have not been submitted, if districts express strong interest in using the courseware packages.

Subd. 3. CRITERIA. The state board shall develop and adopt criteria and procedures for evaluation of courseware packages, in consultation with the department, advisory committee, appropriate regional management information centers, and the Minnesota educational computer consortium. The procedures developed shall contain a provision for resubmission of a courseware package.  
Chapter 14 shall not apply to the criteria and procedures.

Subd. 4. CONSULTANTS. The department may employ consultants to evaluate courseware packages and pay them fees based on the size and complexity of the courseware package involved. The evaluators shall certify to the state board that they have no financial interest in the product being evaluated or any similar or competing product.

Subd. 5. EVALUATION TEAM. The evaluation team for each courseware package shall include at least five persons, including three practicing teachers, from appropriate grade level or content areas, who will field test the courseware packages in their classrooms; one microcomputer professional knowledgeable in software and documentation techniques; and one curriculum content expert from the department. Each evaluation team member shall use the criteria and procedures adopted by the state board and submit a written report to the department upon completion.

Subd. 6. HIGH QUALITY. Based on the reports submitted by evaluation team members and the criteria and procedures adopted by the state board, the department shall determine whether the courseware package qualifies as high quality. The results shall be recorded in a standardized format and be available at the department for review by the courseware package producer and other interested persons.

Subd. 7. DISPOSITION. The department shall maintain a collection of the courseware packages evaluated as high quality. These materials shall be available to the public for review.

**Sec. 18. [129B.38] SUBSIDY FOR PURCHASE OF COURSEWARE PACKAGES.**

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

Subdivision 1. **AID AMOUNT.** A district that purchases or leases courseware packages that qualify as high quality according to section 17 of this article shall receive state aid. The aid shall be equal to the lesser of:

(a) \$1.60 times average daily membership for the 1982-1983 school year;  
or

(b) 25 percent of the actual expenditures of the district for purchase or lease of the courseware packages between January 1, 1984, and May 31, 1985.

Subd. 2. **AID PAYMENT.** Applications for aid shall be submitted in the form and manner prescribed by the department. Payment of aid shall be made by July 31, 1984, for applications received by June 30, 1984. Payment of aid shall be made by June 30, 1985, for applications received between July 1, 1984, and May 31, 1985.

**Sec. 19. [129B.39] PURCHASE OF COURSEWARE PACKAGE DUPLICATION RIGHTS.**

Rights to duplication of courseware packages may be purchased, and volume purchase agreements may be established by the department of education, if the department determines that the courseware packages qualify as high quality according to section 17 of this article, and if the courseware packages are available to the state at a lower cost than if purchased by school districts individually. The department shall make the courseware packages available to the Minnesota educational computing consortium for distribution to districts. The materials shall be available to districts without cost except for nominal costs of reproduction and distribution.

**Sec. 20. [129B.40] COURSEWARE PACKAGE DEVELOPMENT.**

Subdivision 1. **NEW COURSEWARE PACKAGES.** The Minnesota educational computing consortium, in consultation with the department of education, is authorized to develop and design courseware packages which will meet the needs of schools districts and which otherwise are unavailable or too expensive for individual districts or the state to purchase. The Minnesota educational computing consortium may:

(a) contract with school districts, private entrepreneurs, and other public or private agencies for the development of a specified courseware package;

(b) assist entrepreneurs to develop their own ideas for courseware packages that could be used in school districts, by providing funds for that purpose;

(c) secure copyrights for those materials in which it has a whole or part interest;

(d) sell developed courseware packages at cost to school districts in Minnesota and at commercial rates elsewhere; and

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(e) sell or contract for the marketing of courseware packages.

The department of education shall evaluate whether the courseware packages qualify as high quality according to the criteria and procedures established in section 17 of this article.

Courseware packages developed according to this subdivision shall become the property of the Minnesota educational computing consortium. Revenue from the sale of these courseware packages shall be used to develop additional courseware packages according to this section.

Subd. 2. DISTRIBUTION. The Minnesota educational computing consortium may sell courseware packages to Minnesota school districts at cost and may sell to school districts in other states and to the general public at commercial rates. Each contract with a developer who shares in the profits of distribution shall include a provision requiring sale of the courseware packages at cost to Minnesota school districts.

#### **Sec. 21. INCREASE IN COMPLEMENT.**

To implement the provisions of sections 13 to 20 of this article, the department of education may increase its complement by two positions: one education specialist II and one clerical support position. The positions are in the classified service of the state civil service.

#### **Sec. 22. REPORT ON NEED FOR CURRICULUM CHANGES.**

By October 1, 1983, the commissioner of education shall develop and submit a report to the education committees of the legislature on the need for amending current rules governing curriculum requirements in the elementary and secondary public schools. In developing the recommendations, the commissioner shall consider the extent to which the proposed curriculum requirements shall adequately prepare the students for entering post-secondary institutions. The report shall include at least the following:

(1) preliminary information on the extent to which school districts are in compliance with the current curriculum requirements established in state board rules;

(2) a preliminary draft of proposed rules which would increase the curriculum requirements in elementary and secondary schools;

(3) recommendations for changes in the laws which impose penalties for noncompliance with state board of education rules;

(4) development of a statewide monitoring system to ensure compliance with curriculum requirements;

(5) assessment of the feasibility of establishing learning requirements for elementary and secondary students to complete outside the classroom; and

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(6) recommendations for changes in high school graduation requirements and achievement standards.

**Sec. 23. RULEMAKING ON CURRICULUM.**

By September 1, 1984, the state board of education shall adopt rules pursuant to chapter 14, establishing elementary and secondary curriculum requirements which will ensure that a minimum comprehensive educational program is available to all public school students in the state. The rules adopted by the state board shall be effective beginning in the 1985-1986 school year.

**Sec. 24. REPORT TO LEGISLATURE.**

The department of education shall evaluate the concept of extending the school year. The department shall consider at least the following: educational benefits, methods to extend the school year, fiscal implications, and other relevant factors. By November 1, 1983, the department shall report its findings and recommendations to the education committees of the legislature.

**Sec. 25. REPORTS TO THE LEGISLATURE.**

By February 1, 1984, the department of education shall report to the education committees of the legislature on the progress of implementing the programs in sections 1 to 3, and 13 to 20 of this article.

By February 1, 1985, the department of education shall report to the education committees of the legislature on preliminary evaluations of the programs and participants in sections 1 to 3, and 13 to 20 of this article.

**Sec. 26. APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section. The sums are available until June 30, 1985.

Subd. 2. SUBJECT AREA INSERVICE TRAINING. The sum of \$500,000 is appropriated for the purposes of section 1 of this article. The department may use up to \$50,000 of this appropriation for administration and evaluation of the program.

Subd. 3. INSTRUCTIONAL EFFECTIVENESS PLAN. The sum of \$50,000 is appropriated for the purposes of section 2 of this article.

Subd. 4. INSTRUCTIONAL EFFECTIVENESS TRAINING. The sum of \$300,000 is appropriated for the purposes of section 3 of this article. No more than \$15,000 shall be used for the evaluation required in section 3, subdivision 3 of this article.

Subd. 5. ACADEMIC EXCELLENCE FOUNDATION. The sum of \$150,000 is appropriated for the purpose of section 4 of this article. No more than \$50,000 of this amount shall be used for administrative costs. The

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foundation shall add to this appropriation any additional money raised from other sources.

Subd. 6. TECHNOLOGY UTILIZATION PLANS. The sum of \$650,000 is appropriated for the purposes of section 13 of this article.

The department may use up to \$63,000 of the appropriation for costs of developing model plans and criteria, assisting districts to develop plans, and evaluating the program.

Subd. 7. INSERVICE TRAINING. The sum of \$936,000 is appropriated for the purposes of section 14 of this article.

The department may use up to \$220,000 of the appropriation for supplemental regional or statewide inservice training.

Subd. 8. TECHNOLOGY DEMONSTRATION SITES. The sum of \$1,600,000 is appropriated for the purposes of section 16 of this article. The department may use up to \$15,000 of the appropriation for costs of administering the program and up to \$40,000 for evaluating the program. The department shall allocate \$300,000 for the costs of inservice training conducted at the demonstration sites, including partial substitute pay and travel expenses for visitation to the sites from districts within the state.

Subd. 9. COURSEWARE PACKAGE EVALUATION. The sum of \$200,000 is appropriated for the purposes of section 17 of this article. The department may use up to \$15,000 of the appropriation for costs of administering the program.

Subd. 10. SUBSIDY FOR COURSEWARE PURCHASE. The sum of \$1,154,000 is appropriated for the purposes of section 16 of this article.

Subd. 11. PURCHASE OF COURSEWARE DUPLICATION RIGHTS. The sum of \$225,000 is appropriated for the purposes of section 19 of this article.

Subd. 12. INCREASE IN COMPLEMENT. The sum of \$125,000 is appropriated for the purposes of section 21 of this article.

#### **Sec. 27. APPROPRIATIONS; MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM.**

Subdivision 1. There is appropriated from the general fund to the Minnesota educational computing consortium the amounts indicated in this section for the fiscal years ending June 30 in the year designated. Any unexpended balance from the appropriation for fiscal year 1984 shall not cancel but shall be available for fiscal year 1985.

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



Subd. 2. REGIONAL COORDINATORS. For regional instructional computing coordinators as provided in section 15 of this article, there is appropriated:

\$280,000.....1984,

\$280,000.....1985.

Subd. 3. COURSEWARE PACKAGE DEVELOPMENT. The sum of \$250,000 is appropriated for fiscal year 1984 for the purposes of section 20 of this article. The Minnesota educational computing consortium shall supplement this appropriation from other sources in its budget for the purpose of developing courseware packages.

**Sec. 28. EFFECTIVE DATE.**

Sections 1 to 4, and 10 to 20 of this article are effective the day following final enactment.

**ARTICLE 9**

**COUNCIL ON QUALITY EDUCATION**

Section 1. Minnesota Statutes 1982, section 121.503, is amended to read:

**121.503 PROGRAM SELECTION.**

Subdivision 1. **AUTHORIZATION.** A school district or group of districts that ~~wish~~ wishes to receive ~~moneys~~ a grant for improved learning programs may apply to the state board of education council on quality education for approval. Programs may be approved for one portion of a school population, ~~an entire school attendance area,~~ one or several attendance areas, ~~an entire school district,~~ or one or a group of school districts.

Subd. 2. **APPLICATIONS.** The state board council on quality education shall prescribe the form and manner of annual application for the program. The council on quality education may review and advise the state board on applications made for improved learning programs. ~~Beginning in 1982, and each year thereafter, applications shall be submitted to the state board by January 15. If a district wishes to receive aid for the principal-teacher, career teacher or counselor-teacher component of an improved learning program, an application for state aid must be submitted to the state board by January 15. The application may include estimates of salaries and fringe benefits for the next school year and for the additional time beyond the regular contract period for staff to be employed shall be itemized on the application for aid. The board shall notify all applicants of aid approved or denied by March 15 of each year. The board shall approve or deny applications in the order that they are received. The~~

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council shall require that each program be evaluated and it may contract for additional evaluation.

Subd. 2a. **DECLINING GRANT AMOUNTS.** An improved learning program may receive grants for not more than three years. The grant amount for the second year of a program shall not exceed 75 percent of the grant amount for the first year. The grant amount for the third year of a program shall not exceed 50 percent of the grant amount for the first year. The council shall notify each recipient that no grant will be awarded after the third year and that the recipient is expected to continue successful programs without grants.

Subd. 3. **WAIVERS RULES AND RIGHTS.** On recommendation of the council of quality education, the state board of education may waive school district compliance with its rules which would prevent implementation of an improved learning program which receives approval from the state board. However, individuals participating Participation in the an improved learning program as a principal-teacher, counselor-teacher, or career teacher program shall maintain their not affect seniority date in the district and all or rights under the applicable collective bargaining agreement.

Subd. 4. **ADDITIONAL FUNDING.** A school district providing an improved learning program may receive funds for the program from private sources and governmental agencies, including state or federal funds.

Subd. 5. **REPORT.** The department council on quality education shall submit a report to the legislature by February 1, 1983, and by February 1 each year thereafter. This report shall include the number and description of programs approved, implementation status of programs approved, waivers granted, and evaluation of programs approved.

Sec. 2. Minnesota Statutes 1982, section 121.505, is amended to read:

#### 121.505 PROGRAM CRITERIA COMPONENTS.

Subdivision 1. **MANDATORY COMPONENTS.** A plan for An improved learning program shall include:

(a) Curricula, instructional strategy and use of materials responsive to the individual educational needs and learning styles of each pupil to enable students to make continuous progress and learn at a rate appropriate to their abilities participation by a designated individual as a principal-teacher, career teacher, or counselor-teacher, as defined in sections 121.506 and 121.507;

(b) a plan to develop student abilities for both learner and teacher in basic skills and applied learning skills and, when appropriate, arts, humanities, physical, natural, and social sciences; multicultural education; physical, emotional, and mental health; consumer economics, and career education involve parents in planning the educational experiences of their children;

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(c) Plans to make use of community resources and communications media to pursue improved learning opportunities for pupils an annual plan for the district to evaluate program goals and objectives;

(d) a staff development program for teachers and other school personnel, such as that found in sections 121.506 and 121.507 plan for the district to fund the program after the third year of the program;

(e) A plan to improve the learning environment, including use of the community in general, to enhance the learning process;

(f) A plan for annual and ongoing evaluation of program goals and objectives; and

(g) A plan to involve parents in planning an improved learning program for their children.

Subd. 2. **OPTIONAL COMPONENTS.** ~~A plan for~~ An improved learning program may include:

(a) A principal-teacher and career teacher program as defined in section 121.506 efforts to improve curricula strategies, instructional strategies, and use of materials which respond to the individual educational needs and learning styles of each pupil in order to enable each pupil to make continuous progress and to learn at a rate appropriate to that pupil's abilities;

(b) A counselor-teacher program as defined in section 121.507 efforts to develop student abilities in basic skills; applied learning skills; and, when appropriate, arts; humanities; physical, natural, and social sciences; multicultural education; physical, emotional, and mental health; consumer economics; and career education;

(c) use of community resources and communications media to pursue improved learning opportunities for pupils;

(d) staff development for teachers and other school personnel;

(e) improvements to the learning environment, including use of the community in general, to enhance the learning process;

(e) (f) cooperative efforts with other agencies involved with human services or child development and development of alternative community based learning experiences;

(d) (g) apprenticeship post-secondary education components for students pupils who are able to accelerate or programs for students pupils with special abilities and interests who are given advanced learning opportunities within existing programs;

(e) (h) use of volunteers in the learning program;

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- ~~(f)~~ (i) flexible attendance schedules for ~~students~~ pupils;
  - ~~(g)~~ (j) adult education component;
  - ~~(h)~~ (k) coordination with early childhood and family education component programs;
  - ~~(i)~~ (l) variable student/faculty ratios for special education students to provide for special programming;
  - ~~(j)~~ (m) inclusion of nonpublic students participating in an improved learning program pupils as part of the ratio in the principal-teacher and career teacher component;
  - ~~(k)~~ (n) application of educational research findings;
  - ~~(l)~~ (o) summer learning experiences for students as recommended by the principal-teacher and career teacher;
  - ~~(m)~~ (p) use of educational assistants, teacher aides or paraprofessionals as part of the improved learning program;
  - ~~(n)~~ (q) establishment of alternative criteria for high school graduation;
- and
- ~~(o)~~ (r) variable age and class size groupings of students.

Sec. 3. Minnesota Statutes 1982, section 129B.01, subdivision 2, is amended to read:

**Subd. 2. TERMS, COMPENSATION, REMOVAL, VACANCIES.**

The membership terms, compensation, removal of members and filling of vacancies shall be as provided for in section 15.0575; members appointed by organizations shall be subject to reappointment or removal by the appointing organizations.

Sec. 4. Minnesota Statutes 1982, section 129B.02, is amended to read:  
129B.02 **PURPOSE.**

Subdivision 1. CONCERN FOR FUTURE. The legislature of the state of Minnesota expresses concern over the future of elementary and secondary education in this state, its ability to meet the educational needs of the public school students, the professional growth and satisfaction of school staffs, the effectiveness and efficiency of present schools and their learning processes, continuing pupil unit cost escalation and the resulting financial crisis which this brings about. New approaches to the learning process, better ~~utilization~~ use of professional staff and community resources, different requirements as to course offerings, course content, grading, graduation and school attendance must be researched and developed. It is believed that revised programs, innovations, new attitudes about learning and the public schools' responsibilities can be effectively

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achieved if ~~such~~ research and development ~~are~~ is performed by the council on quality education and at the local school level by the school's staff and with involvement by the students and their community. Although funds spent now for ~~such~~ these purposes can produce substantial educational and cost benefits in the future, ~~such~~ these capital type funds are seldom available within any single school district's budget.

Subd. 2. RESEARCH AND DEVELOPMENT. The purpose of the council on quality education is, therefore, to encourage, promote, aid, and perform research and development for quality education in Minnesota elementary and secondary schools, to evaluate the results of significant innovative programs and to disseminate information about these programs throughout the state.

To these ends, the council through the state board of education shall establish a venture fund from which grants or loans may be made in support of research and development programs relating to the problems and objectives ~~heretofore~~ described in this section which shall include but not be limited to:

- (1) effective ~~utilization~~ use of community personnel and resources;
- (2) developing improved learning programs, including model personnel policies and procedures, new staffing and educational concepts such as differentiated staffing and comprehensive developmental and educational planning for individual pupils;
- (3) assessment and evaluation of education programs;
- (4) developing a ~~management and unit of instructional objectives design which will provide procedures to increase a school's accountability by relating time and dollars to the amount of learning produced;~~
- (5) determining responsibilities to be assumed by the schools exclusively or concurrently with other agencies or individuals;
- (6) effective dissemination of educational information;
- (7) developing new knowledge about learning and teaching;
- (8) developing model educational programs as ~~alternatives to existing educational practices and curricula and alternative delivery systems that will improve curriculum offerings for small rural schools;~~
- (9) model programs and innovations to increase equality of educational opportunities;
- (10) research and testing of new concepts of educational efficiency, effectiveness and cost benefits; and
- (11) comprehensive interdisciplinary programs in health education and comprehensive programs designed to coordinate and integrate the delivery of pupil support services.

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

**Subd. 3. NEW CONCEPTS.** The council shall not be limited to supporting innovations, programs or procedures supplementary to existing school structures and programs but may assist or research entirely new concepts such as open schools, informal schools and the like. It is the legislature's intent that any supported program shall hold promise of both educational and cost benefits and that the costs and improvements in learning effectiveness introduced thereby shall be measured and related. The council shall provide for an evaluation of each program which it supports with a grant or loan.

The council may also review literature and other information about innovative programs in Minnesota and other states and disseminate the results of this research throughout the state. The council may identify ideas for innovative programs in the course of this research and solicit proposals from school boards for grants for such programs; ~~provided.~~ However, not to exceed more than ten percent of the funds appropriated to the venture fund in any year may be expended to fund such research and programs.

**Subd. 4. REPORT TO LEGISLATURE.** The council shall ~~make a report to the legislature~~ by November 15 of each even-numbered year ~~to the legislature~~ concerning all research and all proposals received ~~and, the dispositions made thereof of them~~ by the council and the state board of education, the evaluations of the programs that were funded, and of receipts and expenditures resulting from sales of materials developed through venture fund grants.

Sec. 5. Minnesota Statutes 1982, section 129B.04, is amended to read:

**129B.04 PROPOSALS.**

Subdivision 1. **REQUIREMENTS.** ~~The~~ A school board of any ~~local school district or any group of such school boards~~ may develop a proposal for a grant or loan in support of a research and development program of the kind described in section 129B.02. Except for grants according to subdivision 1a, every ~~such~~ proposal shall include:

- (1) ~~a statement of the objectives of the program, and the procedures for achieving the objectives to achieve them;~~
- (2) ~~a description of the evaluation procedures for measuring the effectiveness of the program;~~
- (3) ~~provision for such~~ fiscal control and fund accounting procedures as are necessary to assure proper disbursement and accounting for funds paid to the applicant;
- (4) ~~provision for~~ administration of the program by the ~~local~~ school district, or in cooperation with other school districts, educational institutions, or local agencies under the supervision of the ~~local~~ school district; and

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(5) a description of ~~the involvement of local~~ how school staff, students pupils, and members of the community are involved in planning and implementing the program.

Subd. 1a. MINI GRANTS. The council may award grants not to exceed \$5,000 to districts to (1) disseminate information about successful projects initiated by the district with a grant from the venture fund, or (2) replicate cost-effective innovations which either were initiated in other districts with venture fund support or were validated by the department of education or federal agencies. The council shall prescribe the form and manner of application for these grants.

Subd. 2. PROCEDURE. Every program proposal shall be submitted to the council created by section 129B.01, not less than ~~three~~ two months before the planned commencement of the program. The council shall recommend approval or disapproval, or shall modify and then recommend such modification with respect to every proposal submitted to it. The council shall also recommend the amount and type of grant to be made in support of the proposed program in the light of the then currently available moneys in the venture fund, ~~which.~~ This information shall be provided to the council by the state board of education. The council shall also recommend what rules ~~and regulations~~, if any, shall be suspended or modified ~~in order~~ to implement the proposal. Only ~~such~~ proposals as ~~are~~ recommended for approval shall be transmitted by the council to the state board, ~~and.~~ All ~~such~~ these proposals shall be approved and funded from the venture fund by the state board as recommended by the council unless the state board, within 30 days of ~~receipt of~~ after receiving a proposal from the council, ~~shall make~~ makes other disposition of the proposal by formal board action. One half of each grant recommended by the council and funded by the state board may be ~~deemed~~ an interest free loan to be and repaid over a five year period years.

#### Sec. 6. [129B.041] COPYRIGHT AND SALE OF PRODUCTS.

Subdivision 1. COPYRIGHT. Products of projects and programs funded pursuant to sections 129B.01 to 129B.05, including curriculum and instructional materials, computer and telecommunications software, and associated manuals and reports, may be copyrighted by the council in the name of the state and may be sold. However, the state shall sell the products to all school districts and public agencies in the state at prices that do not exceed the cost of reproduction and distribution.

Subd. 2. SALE. The council shall enter into an agreement with the Minnesota educational computing consortium for the sale and distribution of computer and telecommunications software products of projects and programs funded pursuant to sections 129B.01 to 129B.05. The agreement shall provide that the products sold be clearly labeled as products developed pursuant to a grant or loan from the council on quality education.

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

Subd. 3. The education products revolving account is established in the state treasury. Except as provided in the agreement between the council and the Minnesota educational computing consortium pursuant to subdivision 2, proceeds up to the cost of reproduction and distribution from the sale of products under this section shall be deposited in this account. All funds in this account are annually appropriated to the department of education and shall be used to reproduce and distribute products of projects and programs funded pursuant to sections 129B.01 to 129B.05.

Subd. 4. Proceeds in excess of costs from the sale of products pursuant to this section shall be shared equally between the state and the school district which developed the product with a grant from the council. The school district share is appropriated to the department of education and shall be paid to the district. The state share is appropriated to the department of education and shall be placed in the venture fund of the council and used to fund similar projects.

Sec. 7. Minnesota Statutes 1982, section 129B.05, is amended to read:

**129B.05 STATE BOARD AND COMMISSIONER.**

Subdivision 1. GENERAL POWERS. The state board of education shall develop and promulgate such additional recommendatory guidelines as may be appropriate ~~for the furtherance of~~ to further sections 129B.01 to 129B.05 and the development and implementation of the ~~contemplated~~ contemplated programs ~~contemplated herein,~~ for its benefit and the benefit of the council and applicants. The commissioner of education shall make available to the council at its request ~~such~~ the staff as the council deems necessary to perform its functions.

Subd. 2. CONSULTANTS. The council may also employ or contract for the services of ~~outside consultants, and.~~ The consultants may be for purposes such as research, evaluation, dissemination, cost-benefit analyses, and inservice training. The council may contract with one or more qualified consultants or law firms specializing in securing broadcast and telecast licenses from the federal communications commission. The consultant or law firm shall assist with the preparation of all necessary license applications to the federal communications commission on behalf of school districts recommended by the council as transmission sites. The council may use as much of the annual appropriation ~~to the state department of education,~~ made for the purposes of sections 129B.01 to 129B.05 as is necessary, ~~shall be made available to the council for this purpose.~~

Sec. 8. Minnesota Statutes 1982, section 129B.09, subdivision 1, is amended to read:

Subdivision 1. **AUTHORIZATION.** The school board of any district, however organized, which receives early childhood and family education moneys from the council on quality education shall provide those services in ~~one elementary school attendance an area, or an area within the district,~~ if the council deems the area to be appropriate. The council on quality education shall

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



prescribe the form and manner of application for the programs and shall select the grant recipients. These programs shall be as equally distributed as possible among districts in cities of the first class, in suburbs, and outside the seven county metropolitan area.

Sec. 9. Minnesota Statutes 1982, section 129B.09, subdivision 12, is amended to read:

Subd. 12. **NEGOTIATED GRANTS.** For the ~~1981-1982 and 1982-1983~~ 1983-1984 school ~~years~~ year the council on quality education may fund up to 36 early childhood and family education programs according to the negotiated grants procedure in sections 129B.01 to 129B.05.

For the 1983-1984 school year, the council on quality education shall only make grants to the early childhood and family education programs which were funded for the 1982-1983 school year.

Sec. 10. **REVIEW OF EARLY CHILDHOOD AND FAMILY EDUCATION FORMULAS.**

The council on quality education, with the assistance of the state board, shall review various formulas for statewide funding of early childhood and family education programs. The formulas reviewed shall include a formula using a per capita aid amount distributed to school districts through the community education program and designated for early childhood and family education programs. The council shall report to the legislature by February 15, 1984, regarding its review of formulas.

Sec. 11. **REPORT TO LEGISLATURE.**

The council on quality education shall submit a report to the education committees of the legislature by February 15, 1984 containing evaluation data on programs designed to benefit handicapped adults and recommendations for policies for school districts to extend services to handicapped adults.

Sec. 12. **INSTRUCTION TO THE REVISOR.**

In the next edition of Minnesota Statutes, the revisor of statutes is requested to renumber Minnesota Statutes, sections 121.501, 121.502, 121.503, 121.504, 121.505, 121.506, and 121.507 in an appropriate place in Minnesota Statutes, chapter 129B. The revisor of statutes is also requested to retitle chapter 129B as "Grants for Education."

Sec. 13. **REPEALER.**

Minnesota Statutes 1982, sections 122.542 and 124.251 are repealed.

Sec. 14. **APPROPRIATION.**

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

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS. For the council on quality education venture fund grants pursuant to sections 129B.01 to 129B.05, there is appropriated

\$778,000.....1984,

\$816,000.....1985.

(a) The appropriation for fiscal year 1984 includes \$84,000 for grants for fiscal year 1983 payable in fiscal year 1984, and \$694,000 for grants for fiscal year 1984 payable in fiscal year 1984.

(b) The appropriation for fiscal year 1985 includes \$122,000 for grants for fiscal year 1984 payable in fiscal year 1985, and \$694,000 for grants for fiscal year 1985 payable in fiscal year 1985.

(c) Any unexpended balance remaining from the appropriations in this subdivision for 1984 shall not cancel and shall be available for the second year of the biennium.

Subd. 3. EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS. For early childhood and family education programs pursuant to sections 129B.06 to 129B.09, there is appropriated:

\$1,028,000.....1984.

The appropriation for fiscal year 1984 includes \$209,000 for grants for fiscal year 1983 payable in fiscal year 1984, and \$819,000 for grants for fiscal year 1984. The amount of the appropriation for grants for fiscal year 1984 is the total appropriation for these grants.

The council on quality education shall prorate this amount among the eligible districts in proportion to the ratio of the district's grant for fiscal year 1983 to the total amount of grants made for fiscal year 1983. However, the total amount of revenue received by a district for fiscal year 1984 pursuant to this subdivision and Minnesota Statutes, section 124.271, subdivision 2a, clause (2) shall not exceed the amount of the district's grant for fiscal year 1983.

## ARTICLE 10 TEACHER MOBILITY

Section 1. Minnesota Statutes 1982, section 125.60, subdivision 2, is amended to read:

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

Subd. 2. The board of any district may grant an extended leave of absence without salary to any full or part time elementary, secondary or area vocational-technical school teacher who has been employed by the district for at least five years and has at least ten years of allowable service, as defined in section 354.05, subdivision 13, or the bylaws of the appropriate retirement association or ten years of full time teaching service in Minnesota public elementary, secondary and area vocational-technical schools. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence pursuant to this section shall be taken by mutual consent of the board and the teacher and may be granted only once. If the school board denies a teacher's request, it shall provide reasonable justification for the denial.

Sec. 2. Minnesota Statutes 1982, section 125.60, subdivision 3, is amended to read:

Subd. 3. **REINSTATEMENT.** Except as provided in subdivisions 6a and 6b, a teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to a position for which ~~he~~ the teacher is licensed at the beginning of any school year which immediately follows a year of the extended leave of absence, unless ~~he~~ the teacher is discharged or placed on unrequested leave of absence or ~~his~~ the contract is terminated pursuant to section 125.12 or 125.17 while ~~he~~ the teacher is on the extended leave. The board shall not be obligated to reinstate any teacher who is on an extended leave of absence pursuant to this section, unless the teacher advises the board of ~~his~~ the intention to return before February 1 in the school year preceding the school year in which ~~he~~ the teacher wishes to return. The board shall notify the commissioner within 30 days of being notified that a teacher intends to return from an extended leave.

Sec. 3. Minnesota Statutes 1982, section 125.60, subdivision 7, is amended to read:

Subd. 7. **APPLICATION PROCEDURES; LIMITS.** No school board shall grant an extended leave of absence pursuant to this section without applying for and receiving authorization from the commissioner of education. The commissioner of education shall establish procedures for applications and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of sections 354.094 and 354A.091. Each application shall state whether or not the teacher requesting the extended leave of absence pursuant to this section intends to pay the employee contribution and requests state payment of the employer contribution into the teacher's retirement fund pursuant to section 354.094 or 354A.091 in order to receive retirement service credit for years spent on leave. The commissioner shall approve no more than 300 250 applications for extended leaves beginning in the 1981-1982,

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

1982-1983 and 1983-1984 school years year for teachers who intend to pay employee contributions and request state payment of employer contributions.

If more than 300 250 applications for extended leaves beginning in any school year are received by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.

The commissioner shall not approve any applications for extended leaves beginning in the 1984-1985 or any subsequent school year for teachers who intend to pay employee contributions and request state payment of employer contributions. There is no limit on the number of applications which may be approved for extended leaves for teachers who do not intend to pay employee contributions or who do not request state payment of employer contributions.

Sec. 4. Minnesota Statutes 1982, section 125.611, subdivision 8, is amended to read:

Subd. 8. **PAYMENT; REDUCTION.** An eligible teacher who is offered and accepts an early retirement incentive contract pursuant to subdivision 7 shall receive an early retirement incentive in the amount of \$10,000. This amount shall be reduced by \$500 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$1,500 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 5. Minnesota Statutes 1982, section 125.611, subdivision 9, is amended to read:

Subd. 9. **DESEGREGATION DISTRICTS.** Notwithstanding the provisions of subdivision 8, beginning in the 1983-1984 school year, an eligible teacher who is employed by a school district which is implementing a desegregation plan ordered by federal court or approved by the state board, and who is offered and accepts an early retirement incentive contract pursuant to subdivision 7, shall receive an early retirement incentive in the amount of ~~\$15,000~~ \$12,500. This amount shall be reduced by ~~\$750~~ \$625 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional ~~\$2,250~~ \$1,875 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 6. Minnesota Statutes 1982, section 354.094, subdivision 1, is amended to read:

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

Subdivision 1. **SERVICE CREDIT CONTRIBUTIONS.** If A member is granted an extended leave of absence pursuant to section 125.60 or 136.88, except as provided in subdivision 1a ~~he or 1b~~, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of his the leave by paying into the fund employee contributions provided the member and the employing board make the required employer contribution in any proportion they may agree upon, during the period of the leave which shall not exceed five years. Except as provided in subdivision 1a or 1b, the state shall not pay employer contributions into the fund for each any year for which a member who is on extended leave pays employee contributions into the fund. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received.

Sec. 7. Minnesota Statutes 1982, section 354.094, subdivision 1a, is amended to read:

Subd. 1a. **RESTRICTIONS EXCEPTION FOR LEAVES SINCE 1981-1982.** Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year and each year thereafter:

(a) Only A member whose application states the intention to pay employee contributions into the fund, requests state payment of employer contributions, and is approved by the commissioner within the limits of section 125.60, subdivision 7, qualifies for the payment of employee contributions and for state payment of employer contributions pursuant to subdivision 1 may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which shall not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution into the fund by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and ~~his~~ the employing school board

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

make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 8. Minnesota Statutes 1982, section 354.094, is amended by adding a subdivision to read:

Subd. 1b. PRE-MAY 16, 1981 LEAVE EXCEPTION. Notwithstanding subdivision 1, the following provisions apply only to elementary, secondary, and area vocational technical school teachers whose extended leaves began in the 1978-1979, 1979-1980, or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 9. Minnesota Statutes 1982, section 354.66, subdivision 4, is amended to read:

Subd. 4. RETIREMENT CONTRIBUTIONS. Notwithstanding any provision of to the contrary in this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit to the contrary, a teacher assigned to a part-time position pursuant to this section shall continue to make employee contributions to and to accrue allowable service credit in the retirement fund during the period of part-time employment pursuant to this section upon on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, except as provided in subdivision 4a, prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the retirement fund, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for the services rendered in the part-time assignment. The state shall make the full that portion of the required employer contributions to the retirement fund on behalf of the teacher to the retirement association for the part time teaching service that is based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part-time teaching service pursuant

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to this section and section 354A.094 shall not continue for a period longer than ten years.

Sec. 10. Minnesota Statutes 1982, section 354.66, is amended by adding a subdivision to read:

Subd. 4a. EXCEPTION. Notwithstanding the provisions of subdivision 4, a teacher whose assignment to a part-time position pursuant to this section is authorized by the commissioner within the limits of subdivision 9, shall continue to make employee contributions and to accrue allowable service credits in the retirement fund during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis. The state shall make the full required employer contributions to the retirement fund on behalf of the teacher in the manner described in section 354.43, subdivisions 1 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part-time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than ten years.

Sec. 11. Minnesota Statutes 1982, section 354.66, subdivision 9, is amended to read:

Subd. 9. APPLICATIONS; LIMITS. For the 1983-1984 and 1984-1985 school years, a school district shall not assign a teacher to a part time teaching position qualifying for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the board of trustees of the teachers retirement association and the boards of trustees of the appropriate teachers retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of education shall approve or disapprove the applications from school districts for authorization to assign teachers to part time teaching positions qualifying for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section; provided he. The commissioner shall not approve more than \$5 125 total applications pursuant to this section and section 354A.094 for participation in the fund in any fiscal year each of the 1983-1984 and 1984-1985 school years by teachers who intend to pay employee contributions and request full state payment of employer contributions. If more than \$5 125 applications for any school year are received by the commissioner by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision. The state board

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for community colleges and the state university board may within the limits appropriated to them for purposes of this section assign a teacher to a part time teaching position qualifying for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section without applying for and receiving the authorization of the commissioner of education.

Sec. 12. Minnesota Statutes 1982, section 354A.091, subdivision 1, is amended to read:

Subdivision 1. **RETIREMENT CONTRIBUTIONS.** Notwithstanding any provision to the contrary of this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, except as provided in subdivision 1a or 1b, an elementary, secondary or area vocational-technical school teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 125.60, may pay employee contributions to the applicable association and shall be entitled to receive allowable service credit in the applicable that association for each year of leave, provided the member and the employing board make the required employer contributions, in any proportion they may agree upon, to that association during the period of leave which shall not exceed five years. ~~To obtain the service credit, the teacher on extended leave shall make an employee contribution to the applicable association each year during the period of the leave. The extended leave period for which a teacher shall be entitled to receive allowable service credit pursuant to this section shall not exceed the leave duration maximum set forth in section 125.60, subdivision 2. If the teacher on extended leave makes the employee contribution pursuant to this section during a leave of absence year, Except as provided in subdivision 1a or 1b the state shall not make an employer contribution on behalf of the teacher to the applicable association for that year. The employee and employer contributions shall be in amounts equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied based upon the rates of contribution prescribed by section 354A.12 as applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the leave. Payment of the employee contribution and employer contributions authorized pursuant to this section shall be made by the teacher on or before June 30 of the fiscal year for which service credit is to be obtained, and payment of the employer contribution shall be made by the state within 30 days of notification by the association of receipt of the required employee contribution received.~~ No allowable service with respect to a year of extended leave of absence shall be credited to a teacher until payment of the required employee and employer contributions has been received by the association.

Sec. 13. Minnesota Statutes 1982, section 354A.091, subdivision 1a, is amended to read:

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



Subd. 1a. **CONTRIBUTION RESTRICTIONS EXCEPTION FOR LEAVES SINCE 1981-1982.** Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year and each year thereafter:

(a) ~~Only~~ A member whose application states the intention to pay employee contributions to the applicable association, requests state payment of the employer contribution, and is approved by the commissioner within the limits of section 125.60, subdivision 7, ~~qualifies for the payment of employee contributions and for state payment of employer contributions pursuant to subdivision 1~~ may pay employee contributions to the applicable association and receive allowable service credit in that association for each year of leave during the period of the leave, which shall not exceed five years;

(b) The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution to the applicable association by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and ~~his~~ the employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 14. Minnesota Statutes 1982, section 354A.091, is amended by adding a subdivision to read:

Subd. 1b. PRE-MAY 16, 1981 LEAVE EXCEPTION. Notwithstanding subdivision 1, the following provisions apply only to elementary, secondary, and area vocational technical school teachers whose extended leaves began in the 1978-1979, 1979-1980 or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the applicable fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

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

Sec. 15. Minnesota Statutes 1982, section 354A.094, subdivision 4, is amended to read:

Subd. 4. **RETIREMENT CONTRIBUTIONS.** Notwithstanding any provision to the contrary in this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position pursuant to this section shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part-time employment pursuant to this section upon on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, except as provided in subdivision 4a, prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the applicable association in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for services rendered in the part-time assignment. The state shall make the full that portion of required employer contributions to the applicable association on behalf of the teacher to the applicable association for the part time teaching service that is based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12. Full membership, accrual of allowable service credit and employee contributions for part time teaching service by a teacher pursuant to this section and section 354.66 shall not continue for a period longer than ten years.

Sec. 16. Minnesota Statutes 1982, section 354A.094, is amended by adding a subdivision to read:

Subd. 4a. **EXCEPTION.** Notwithstanding the provisions of subdivision 4, a teacher whose assignment to a part-time position pursuant to this section is authorized by the commissioner within the limits of subdivision 9, shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis. The state shall make the full required employer contributions to the applicable association on behalf of the teacher in the manner described in section 354.43, subdivisions 1 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12. Full membership accrual of allowable service credit and employee contributions for part-time teaching service by a teacher pursuant to this section and section 354.66 shall not continue for a period longer than ten years.

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

Sec. 17. Minnesota Statutes 1982, section 354A.094, subdivision 9, is amended to read:

Subd. 9. **APPLICATION APPROVAL; LIMITS.** For the 1983-1984 and 1984-1985 school years, a district shall not assign a teacher to a part time teaching position qualifying for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amounts appropriated for the purpose of this section, the commissioner of education shall approve or disapprove the applications from districts for authorization to assign teachers to part time teaching positions qualifying for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association pursuant to this section; provided ~~he~~ the commissioner shall not approve more than 55 125 total applications pursuant to this section and section 354.66 for participation in the fund in any fiscal year each of the 1983-1984 and 1984-1985 school years by teachers who intend to pay employee contributions and request full state payment of employer contributions. If more than 55 125 applications for any school year are received by the commissioner by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment, or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.

Sec. 18. **REPEALER.**

Minnesota Statutes 1982, section 124.611 is repealed.

Sec. 19. **APPROPRIATION.**

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. EXTENDED LEAVES OF ABSENCE. To meet the state's obligation prescribed in Minnesota Statutes 1982, sections 354.094 and 354A.091, there is appropriated:

\$1,143,000.....1984,

\$1,524,000.....1985.

Subd. 3. PART-TIME TEACHING. To meet the state's obligation prescribed in Minnesota Statutes 1982, sections 354.66 and 354A.094, there is appropriated:

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

\$ 74,000.....1984,

\$182,000.....1985.

Subd. 4. EARLY RETIREMENT INCENTIVES. To meet the state's obligation prescribed in Minnesota Statutes 1982, section 125.611, there is, appropriated:

\$1,983,000.....1984,

\$1,962,500.....1985.

Subd. 5. NONCANCELLATION; FUNDING RESTRICTION. Any unexpended balances remaining from the appropriations in this section for fiscal year 1984 shall not cancel but shall be available for the second year of the biennium. Notwithstanding the provisions of Minnesota Statutes 1982, sections 354.43 and 354A.12, the state's obligations prescribed in Minnesota Statutes 1982, sections 354.094, 354.66, 354A.091, and 354A.094 shall not be financed out of standing appropriations for the state's obligations pursuant to Minnesota Statutes 1982, chapter 354 or 354A.

Subd. 6. TRANSFER AUTHORITY. If any appropriation for any year in subdivision 2, 3 or 4 exceeds the amount needed to pay the state's obligation for that year under that subdivision, then the excess amount may be used to make payments for that year pursuant to another subdivision.

#### **Sec. 20. EFFECTIVE DATE.**

Sections 1, 3, 11, and 17 of this article are effective the day following final enactment.

### **ARTICLE 11 LIBRARIES**

Section 1. Minnesota Statutes 1982, section 134.07, is amended to read:

#### **134.07 LIBRARIES, READING ROOMS; TAX PUBLIC LIBRARY SERVICE.**

Subdivision 4. The governing body of any city or county may establish and maintain a public library, a public reading room, or both, service for the use of its inhabitants. By ordinance or resolution it may set apart for the benefit thereof any public property of the city or county. Except as provided in subdivision 2, In any statutory city and in any city of the second, third, or fourth class, and in any county, the governing body thereof may levy an annual tax of not more than 2-6 2/3 mills on the dollar, of all taxable property therein except counties may not tax property which is already taxed for public library service. The proceeds of any such the tax shall be known as the library fund.

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

Subd. 2. The governing body of any city of the fourth class located in any county having over 7,000 and less than 9,000 inhabitants and over 70 full and fractional congressional townships, operating under a home rule charter, may levy an annual tax of not to exceed 1.6 2/3 mills for such purposes, notwithstanding any limitation contained in its home rule charter.

Sec. 2. Minnesota Statutes 1982, section 134.08, is amended to read:

**134.08 WHEN ESTABLISHED BY VOTE; EXISTING LIBRARIES ESTABLISHING AND DISCONTINUING LIBRARY SERVICE; APPLICABILITY OF LAW.**

Subdivision 1. ESTABLISHMENT. If a public library or reading-room service is not otherwise established under section 134.07, the governing body of the municipality city or county, upon the petition of 50 eligible voters, as defined in section 200.02 201.014, subdivision 25 1, of the municipality city or county, in a number not less than five percent of the number of persons who voted at the last general election in the city or county, shall submit the question of the establishment or provision of public library services to the voters at the next municipal general election. If two-thirds a majority of the votes cast on the question are in the affirmative, the governing body shall establish the library or reading-room shall provide public library service as authorized in section 134.12 or 375.335 and levy a yearly an annual tax for its support, within the limits fixed by section 134.07.

Subd. 2. DISCONTINUANCE. If public library service is established under the provisions of subdivision 1, it may be discontinued only after a majority of the votes cast on the question are in the affirmative on a question on a ballot in a general election. The question of discontinuance of public library service shall be placed on the ballot at the next general election upon the petition of eligible voters, as defined in section 201.014, subdivision 1, of the city or county, in a number not less than five percent of the number of persons who voted at the last general election in the city or county.

Subd. 3. APPLICABILITY. All public libraries and reading-rooms library service heretofore established and now existing in cities are and counties is continued and all ordinances and resolutions setting apart public property for their support are hereby confirmed. Nothing in sections 134.08 to 134.15 shall be construed as abridging any power or duty in respect to libraries conferred by any city charter. If a city charter does not address matters provided for in chapter 134, the provisions of chapter 134 shall apply.

Sec. 3. Minnesota Statutes 1982, section 134.09, is amended to read:

**134.09 DIRECTORS LIBRARY BOARDS; TERM; REMOVAL.**

Subdivision 1. APPOINTMENT. When any such public library or reading room service is established, except in any city of the first class operating

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

under a home rule charter, the mayor of the city ~~or president of the statutory city,~~ with the approval of the council for a city library or the board of commissioners for a county library, shall appoint a board of five, seven or nine ~~directors~~ members from among the residents of the city or county, ~~but.~~ The number of members on the board shall be determined by resolution or ordinance adopted by the council or the board of commissioners. Not more than one of whom council member or county commissioner shall at any time be a member of such governing body, such the library board. The appointments ~~to~~ shall be made prior ~~to~~ before the first meeting of such the library board after the end of the fiscal year.

**Subd. 2. TERM OF OFFICE.** If nine board members are appointed, three shall hold office for one year, three for two years and three for three years. If seven members ~~be~~ are appointed, three shall hold office for one year, two for two years, and two for three years; if five ~~be~~ are appointed, two shall hold office for one year, two for two years, and one for three years. ~~The number of directors on the board shall be determined by resolution or ordinance adopted by the council.~~ All terms shall end with the fiscal year. Annually thereafter such the mayor or president with the approval of the council, or the board of county commissioners shall appoint board members for the term of three years and until their successors qualify a sufficient number of ~~directors~~ members to fill the places of those whose term or terms expire. A library board member shall not be eligible to serve more than three consecutive three-year terms.

**Subd. 2 3. REMOVAL OF MEMBERS.** The mayor ~~or president,~~ by and with the ~~consent~~ approval of the council, or the board of county commissioners may remove any ~~director~~ member for misconduct or neglect.

**Subd. 3.** Terms of directors in office at the time Laws 1945, Chapter 46, takes effect shall expire at the end of the city's fiscal year current at the expiration of their terms as heretofore provided.

**Subd. 4. ABOLISHMENT.** Upon recommendation of a majority of any library board created under the provisions of subdivision 1, the governing body of such the city or county may abolish such the library board at the end of any fiscal year provided that such the governing body shall simultaneously establish a successor library board of either five, seven or nine members by resolution or ordinance. ~~In the event of such resolution or ordinance, the mayor, with the approval of the council, shall appoint a library board of the number of members as provided by said resolution or ordinance.~~ If nine are appointed, three shall hold office for one year, three for two years and three for three years. If seven members ~~be~~ are appointed, three shall hold office for one year, two for two years, and two for three years; if five ~~be~~ are appointed, two shall hold office for one year, two for two years, and one for three years. Annually thereafter such mayor shall appoint for the term of three years and until their successors qualify a sufficient number of directors to fill the places of those whose term or terms expire. All

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terms shall end with the fiscal year. The appointment of successor board members shall be made as provided in subdivision 1. The terms of successor board members shall be as provided in subdivision 2.

Sec. 4. Minnesota Statutes 1982, section 134.10, is amended to read:

**134.10 BOARD VACANCIES; COMPENSATION.**

Vacancies in The library board of directors president shall be reported report vacancies in the board to the council and filled by like or the board of county commissioners. The council or board of county commissioners shall fill the vacancies by appointment for the unexpired term. Directors Library board members shall receive no compensation for their services as such but may be reimbursed for actual and necessary traveling expenses incurred in the discharge of library board duties and activities.

Sec. 5. Minnesota Statutes 1982, section 134.11, is amended to read:

**134.11 ORGANIZATION OF BOARD; RULES BONDING; DUTIES.**

Subdivision 1. ORGANIZATION. Immediately after appointment, such the library board shall organize by electing one of its number as president and one as secretary, and from time to time it may appoint such other officers and employees as it deems necessary. The secretary, before entering upon his duties, shall give bond to the municipality in an amount fixed by the directors, conditioned for the faithful discharge of his official duties.

Subd. 2. DUTIES. The library board shall adopt such bylaws and regulations for the government of the library and reading-room and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditure of all moneys collected for or placed to the credit of the library fund, of interest earned on all moneys collected for or placed to the credit of the library fund, of the construction of library buildings, and of the grounds, rooms, and buildings provided for library purposes. All moneys received for such the library shall be paid into the city or county treasury, credited to the library fund, kept separate from other moneys of the municipality city or county, and paid out only upon itemized vouchers approved approval by the board. The library board may lease rooms for library use, fix. The library board shall appoint a qualified library director and other staff as necessary, establish the compensation of employees, and remove any of them at pleasure for cause. With the approval of the council or board of county commissioners, the library board may purchase grounds and erect a library building thereon.

Sec. 6. Minnesota Statutes 1982, section 134.12, is amended to read:

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

**134.12 BENEFITS OF LIBRARY.**

Subdivision 1. **NON-RESIDENTS TO RECEIVE.** Any library board of directors may admit to the benefits of its library persons not residing within the municipality its city or county under regulations and upon conditions as to payment and security prescribed by ~~it~~ the library board.

Subd. 2. **LOAN OF BOOKS, CONTRACTS WITH CITIES AND TOWNS.** The library board may contract with the county board of the county in which the library is situated or the county board of any adjacent county, or with the governing body of any neighboring town or city, to loan ~~books of the library, either singly or in traveling libraries,~~ library materials to residents of the contracting county, town, or city.

Subd. 3. **USE OF FREE PUBLIC LIBRARY; TAX LEVY.** Any ~~such~~ county board or city governing body may contract with the board of directors of any free city or county public library for the use of the library by the residents of the county, town, or city who do not have the use of a free public library, upon the terms and conditions as those granted residents of the city or county where the public library is located, and to pay ~~such~~ the library board of directors an annual amount therefor. Any ~~such~~ county board or city governing body may establish a library fund by levying an annual tax upon all taxable property which is not already taxed for the support of any free public library and all taxable property which is situated outside of any city in which is situated a free public library.

Sec. 7. Minnesota Statutes 1982, section 134.13, is amended to read:

**134.13 DIRECTORS NOW IN OFFICE; ANNUAL REPORT; EXCEPTIONS.**

The directors of any such library or reading room in office under existing laws shall so continue until the expiration of their terms, but their successors shall be appointed and vacancies filled under the provision of sections 134.08 to 134.15. At the first regular meeting of the board As soon as practicable following the end of each the fiscal year of a city, the library board shall report to the governing body of the municipality city or county all amounts received during the preceding year and the sources thereof, the amounts expended and for what purposes, the number of books library materials on hand, the number purchased and loaned, and such other information as it deems advisable. A copy of such report No later than April 1 of each year the library board shall be filed file this information with the Library Division, state department of education on forms supplied by the department. Nothing in this section shall apply to libraries in cities of the first class.

Sec. 8. Minnesota Statutes 1982, section 134.14, is amended to read:

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



**134.14 TITLE TO PROPERTY; FREE USE.**

All property given, granted, conveyed, donated, devised, or bequeathed to, or otherwise acquired by, any ~~municipality~~ city or county for a public library or reading-room shall vest in, and be held in the name of, ~~such municipality~~ the city or county and any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any public library or library board shall be deemed to have been made directly to ~~such municipality~~ the city or county to be used as provided in section 134.11. Every public library and reading-room established under sections ~~134.08~~ 134.07 to 134.15 shall be forever free to the use of the inhabitants of the ~~municipality~~ city or county subject to ~~such~~ reasonable regulations as the ~~directors~~ library board may adopt.

Sec. 9. Minnesota Statutes 1982, section 134.15, is amended to read:

**134.15 GIFTS; CONTRACTS.**

With the consent of the governing body of any city or county, expressed by ordinance or resolution, and ~~within the limitations of sections 134.08 to 134.15 as to the rate of taxation,~~ the library board may accept any gift, grant, devise, or bequest made or offered by any person for public library purposes, or for the establishment, enlargement, or maintenance of an art gallery or museum in connection with its library, and may carry out the conditions of ~~such~~ the donation. The ~~municipality~~ city or county in all such cases is authorized to acquire a site, levy a tax, and pledge itself by ordinance or resolution to a perpetual compliance with all the terms and conditions of the gift, grant, devise, or bequest so accepted.

Sec. 10. Minnesota Statutes 1982, section 134.30, is amended to read:

**134.30 DEFINITIONS.**

Subdivision 1. ~~As used in sections 134.30 to 134.35 and sections 134.351, 134.352, and 134.353, The terms defined~~ used in this section shall ~~chapter 134 have the meanings ascribed to given them in this section.~~

Subd. 2. "Public library" means any library that provides free access to all residents of a city or county without discrimination, receives at least half of its financial support from public funds and is organized under the provisions of chapter 134 ~~or section 375.33~~. It does not include libraries such as law, medical, school and academic libraries organized to serve a special group of persons, or libraries organized as a combination of a public library and another type of library.

Subd. 3. "Public library services" means services provided by or on behalf of a public library and does not include services for elementary schools, secondary schools or post-secondary educational institutions.

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

Subd. 4. "Regional public library system" means a multicounty public library service agency that provides free access to all residents of the region without discrimination, and is organized under the provisions of ~~sections 134.12, 375.335, 471.59 or chapter 317~~ chapter 134 or 317, or section 471.59.

Subd. 5. "Basic system services" means services offered by all regional public library systems either directly or by contract. These services shall include, but are not limited to, communication among participants, resource sharing, delivery of materials, reciprocal borrowing, and cooperative reference service.

Subd. 6. "Multi-county, multi-type library system" means a cooperative network composed of any combination of public libraries, regional public library systems, public school libraries, public or private college or university libraries and any other libraries which share services and resources within a multi-county area.

Subd. 7. "City" or "cities" means home rule and statutory cities unless specifically provided otherwise.

Sec. 11. Minnesota Statutes 1982, section 134.32, subdivision 1, is amended to read:

Subdivision 1. The department shall provide the grants specified in this section from any available state ~~or~~ federal, or other funds.

Sec. 12. Minnesota Statutes 1982, section 134.32, subdivision 7, is amended to read:

Subd. 7. Nothing within the provisions of this section shall be construed to allow state money to be used for the construction of library facilities. It may provide grants for construction or remodeling of library facilities from any state and federal funds specifically appropriated for this purpose.

Sec. 13. Minnesota Statutes 1982, section 134.351, subdivision 3, is amended to read:

Subd. 3. **AGREEMENT.** In order for a multi-county, multi-type library system to qualify for a planning, development or operating grant pursuant to ~~sections 134.352 and 134.353 and~~ section 16 of this article, each participating library in the system shall adopt an organizational agreement providing for the following:

- (a) Sharing of resources among all participating libraries;
- (b) Long-range planning for cooperative programs;
- (c) The development of a delivery system for services and programs;
- (d) The development of a bibliographic data base; and
- (e) A communications system among all cooperating libraries.

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

Sec. 14. Minnesota Statutes 1982, section 134.351, subdivision 7, is amended to read:

Subd. 7. **REPORTS.** Each multi-county, multi-type system receiving a grant pursuant to ~~section 134.352 or 134.353~~ or section 16 of this article shall provide an annual progress report to the department of education. The department shall report before November 15 of each year to the legislature on all projects funded under ~~sections 134.352 and section 134.353~~ and section 16 of this article.

Sec. 15. Minnesota Statutes 1982, section 134.353, is amended to read:

**134.353 MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEM DEVELOPMENT GRANT.**

The state board of education may provide development and operating grants to multi-county, multi-type library systems ~~in their second and subsequent years of operation.~~ In awarding a development and operating grant, the state board shall consider the extra costs incurred in systems located in sparsely populated and large geographic regions.

**Sec. 16. [134.354] MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEM OPERATING GRANT.**

The state board of education may provide operating grants to multi-county, multi-type library systems. In awarding an operating grant, the state board shall consider the extra costs incurred in systems located in sparsely populated and large geographic areas.

Sec. 17. Minnesota Statutes 1982, section 134.36, is amended to read:

**134.36 RULES.**

The state board of education shall promulgate rules as necessary for implementation of any ~~provision of sections 134.30 to 134.353~~ library grant programs.

Sec. 18. Minnesota Statutes 1982, section 375.335, is amended to read:

**375.335 REGIONAL LIBRARIES PUBLIC LIBRARY SYSTEMS.**

Subdivision 1. **ESTABLISHMENT.** Two or more ~~contiguous~~ counties, ~~except counties one or more of which contain a city of the first class over 300,000 according to the 1960 United States census~~ or two or more cities located in two or more counties may, through action by their governing bodies under the provisions of section 471.59, establish and maintain a regional public library system, even though any one or more of the counties or cities may already have a county library with a library board; provided that in any such county or city already having a county library board, the approval of ~~said the~~ the library board shall also be required. ~~Cities in any of the contracting counties having public libraries~~

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

may join in the regional public library system by being parties to the agreement which establishes the regional public library system through action of their library boards and their city councils, or as hereinafter provided in subdivision 3.

Subd. 2. **LIBRARY BOARD.** The agreement establishing such a regional public library may system shall provide for a library board to govern the organization having all the powers and duties of city and county library boards as provided in ~~section 375.33~~ sections 134.11, 134.12, and 134.13 and including exclusive determination of all library services to be provided under terms of the agreement as defined in section 134.30, subdivision 5, and exclusive control of the expenditure of all funds for the services. ~~Such~~ The regional library system board may consist of as many members as the contracting parties deem necessary, appointed in ~~such numbers~~ a number from among the residents of the contracting parties and for ~~such~~ terms by each ~~county board~~ party to the contract as may be determined by the contracting parties, irrespective of the existence of one or more city and county library boards already in existence in the participating cities and counties. Not more than one member from each contracting party shall be a member of the governing body of a contracting party and no member may be appointed to serve more than three consecutive three-year terms. In ~~such the~~ participating cities and counties, ~~such the~~ portion of the proceeds of the city and county library tax authorized by ~~section 375.33, subdivision 4~~ 134.07, shall be used for the support of the regional public library system as the contracting agreement may provide.

Subd. 3. **CITY PARTICIPATION.** Where ~~such a~~ regional public library system is established, any city located in any of the contracting counties which is excluded from the county tax supporting the regional public library system under the provisions of ~~section 375.33, subdivision 4~~ 134.07, may, upon recommendation of its library board and upon action by its governing body, be included in ~~such the~~ county tax and become an integral part of the regional public library system. ~~Such cities and any other cities in the participating counties~~ Cities included in the county tax and with public libraries which are part of the regional public library system, whether or not governed by home rule charter provisions, upon action by their city council, may levy taxes for the additional support of their local library services provided that said combined levies shall not exceed the statutory limit on the library levy. Any ~~such~~ local public library board or governing body may, at its option, continue to control ~~such the~~ local library fund or pay all or part thereof into the regional public library system fund, to be used for the increase or improvement of public library services in ~~such the~~ city.

Subd. 4. **PROPERTY.** All property given, granted, conveyed, donated, devised or bequeathed to, or otherwise acquired by any regional library board or any regional public library system board however created shall vest in, and be held in the name of, the regional library board or regional public library system board. Any conveyance, grant, donation, devise, bequest, or gift made to, or in

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the name of, any regional library or public library system shall be deemed to have been made directly to the regional public library system board.

Subd. 5. **RATIFICATION.** All property heretofore given, granted, conveyed, donated, devised, bequeathed to, or otherwise acquired by any regional library board or any regional public library system board however created is hereby validated, ratified and confirmed as the property of the board.

Subd. 6. **RATIFICATION.** Any multicounty regional public library heretofore created, and the agreements creating them, are hereby validated, ratified, and confirmed and the benefits of subdivisions 1 to 6 5 shall hereafter apply to these libraries.

Sec. 19. Minnesota Statutes 1982, section 648.39, subdivision 1, is amended to read:

Subdivision 1. **FREE DISTRIBUTION.** The revisor of statutes shall without charge distribute each edition of Minnesota Statutes, supplement to the Minnesota Statutes, and the Laws of Minnesota to the persons, officers, departments, agencies, or commissions listed in this subdivision. Prior to distribution of Minnesota Statutes, supplement to the Minnesota Statutes, or the Laws of Minnesota, the revisor of statutes shall inquire whether the full number of copies authorized by this subdivision are required for their work. Unless a smaller number is needed, each edition shall be distributed without charge as follows:

- (a) 30 copies to the supreme court;
- (b) 1 copy to each judge of a district court;
- (c) 1 copy to the clerk of each district court for use in each courtroom of the district court of his county;
- (d) 100 copies to the state law library;
- (e) 100 copies to the law school of the University of Minnesota;
- (f) 100 copies to the office of the attorney general;
- (g) 10 copies each to the governor's office, the departments of agriculture, commerce, corrections, education, health, transportation, labor and industry, economic security, natural resources, public safety, public service, public welfare, and revenue, and the pollution control agency;
- (h) 1 copy each to other state departments, agencies, boards, and commissions not specifically named in this subdivision;
- (i) 1 copy to each member of the legislature;
- (j) 100 copies for the use of the senate and 150 copies for the use of the house of representatives;

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

(k) 4 copies to the secretary of the senate;

(l) 4 copies to the chief clerk of the house of representatives;

(m) 1 copy to each judge, district attorney, clerk of court of the United States and the deputy clerk of each division of the United States district court in this state, the secretary of state of the United States, the library of congress, and the Minnesota historical society;

(n) 20 copies each to the department of administration, state auditor, and legislative auditor;

(o) 1 copy to each county library maintained pursuant to section 134.12 or 375.33 chapter 134, except in counties containing cities of the first class. If a county has not established a county library pursuant to section 134.12 or 375.33 chapter 134, the copy shall be provided to any public library in the county; and

(p) 50 copies to the revisor of statutes.

#### Sec. 20. TEMPORARY RULES.

The state board of education may adopt temporary rules, according to the provisions of Minnesota Statutes, sections 14.29 to 14.36, to implement a grant program for construction of library facilities using federal funds.

#### Sec. 21. REPEALER.

Minnesota Statutes 1982, sections 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33 are repealed.

#### Sec. 22. INSTRUCTION TO THE REVISOR.

The revisor of statutes, under the powers in section 648.34, shall renumber sections 134.01 and 134.02 by placing them in chapter 123; shall renumber section 134.04 by placing it in chapter 121; shall renumber section 134.30 by placing it at the beginning of chapter 134; and shall renumber section 375.335 by placing it in chapter 134.

#### Sec. 23. APPROPRIATION.

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. BASIC SUPPORT GRANTS. For grants pursuant to sections 134.32 to 134.35 and 134.36 for the provision of library services there is appropriated:

\$4,381,000.....1984,

\$4,605,000.....1985.

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

The appropriation for 1984 includes \$595,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$3,786,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$668,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$3,937,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$4,454,000 for fiscal year 1984 and \$4,632,000 for fiscal year 1985.

If the Crow River regional library system and the Western Plains regional library system merge by July 1, 1983, the basic support grant paid to the merged system pursuant to section 134.35, subdivision 4, shall be increased by \$24,000 in fiscal year 1984 and \$12,000 in fiscal year 1985. These additional grants are included in the appropriations in this subdivision.

**Subd. 3. MULTI-COUNTY LIBRARY SYSTEMS.** For grants pursuant to section 134.353 and section 16 of this article to multi-county, multi-type library systems there is appropriated:

\$188,000.....1984,

\$197,000.....1985.

The appropriation for 1984 includes \$26,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$162,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$29,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$168,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$190,000 for fiscal year 1984 and \$198,000 for fiscal year 1985.

## ARTICLE 12

### TEACHER RETIREMENT CONTRIBUTIONS

#### Section 1. APPROPRIATIONS.

Subdivision 1. The sums indicated in this section are appropriated from the general fund to the agencies and for the purposes indicated, to be available for the fiscal years ending June 30 in the years indicated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

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

**Subd. 2. TEACHERS RETIREMENT ASSOCIATION: TEACHERS STATEWIDE.** To the teachers retirement association, to meet the state's obligation prescribed in Minnesota Statutes, section 354.43, there is appropriated:

\$87,508,200.....1984,

\$92,137,200.....1985.

**Subd. 3. TEACHERS RETIREMENT ASSOCIATION: SUPPLEMENTAL BENEFITS-1915.** To the teachers retirement association, to meet the state's obligation prescribed in Minnesota Statutes, section 354.55, subdivision 5, there is appropriated:

\$1,500.....1984,

\$1,500.....1985.

**Subd. 4. TEACHERS RETIREMENT ASSOCIATIONS IN CITIES OF THE FIRST CLASS.** To the commissioner of finance for payment to teachers retirement associations in Minneapolis, St. Paul, and Duluth to meet the state's obligation prescribed in Minnesota Statutes, section 354A.12, subdivision 2, there is appropriated:

\$17,917,000.....1984,

\$18,791,200.....1985.

**Subd. 5. EMPLOYER SOCIAL SECURITY CONTRIBUTIONS.** To the commissioner of employee relations for payment to the federal government to meet the state's obligation prescribed in Minnesota Statutes, section 355.46, there is appropriated:

\$80,155,900.....1984,

\$86,385,400.....1985.

**Subd. 6. SOCIAL SECURITY COSTS OF ADMINISTRATION.** To the commissioner of employee relations to meet the state's obligation prescribed in Minnesota Statutes, sections 355.46 and 355.49, there is appropriated:

\$51,000.....1984,

\$51,000.....1985.

## ARTICLE 13

### AID PAYMENT REDUCTIONS

Section 1. Minnesota Statutes 1982, section 121.904, subdivision 4a, as amended by Laws 1982, Third Special Session chapter 1, article 3, section 1, is amended to read:

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



Subd. 4a. **LEVY RECOGNITION.** (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 275.125, subdivision 9a, and Laws 1976, Chapter 20, Section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2 which are for the fiscal year payable in that fiscal year; or

(3) thirty-two percent of the amount of the spread levy certified in the ~~current~~ prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the appropriated fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, Chapter 20, Section 4; and

(iii) retirement and severance pay pursuant to section 275.125, subdivision 6a, and Laws 1975, Chapter 261, Section 4;

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

## Sec. 2. **REDUCTIONS FOR FISCAL YEAR 1984.**

Aid payments that were not reduced in fiscal year 1983 because of the recognition of school district tax settlement revenue, pursuant to Minnesota Statutes, section 121.904, subdivision 4a, as amended by Laws 1982, Third

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

Special Session chapter 1, article 3, section 1, shall be reduced from aid payments in fiscal year 1984 by approximately \$7,600,000. The commissioner shall reduce aid payments authorized by the appropriations in articles 1 to 12 in accordance with section 10 of article 6.

**Sec. 3. REDUCTIONS FOR REVENUE EQUITY.**

Pursuant to section 7, of article 1, aid payments shall be reduced in fiscal year 1985 by approximately \$4,269,000.

Approved June 14, 1983

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**CHAPTER 315 — H.F.No. 210**

*An act relating to historical societies; fixing the maximum city or town expenditure for a county historical society; amending Minnesota Statutes 1982, section 138.053.*

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

Section 1. Minnesota Statutes 1982, section 138.053, is amended to read:

**138.053 COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.**

The governing body of any home rule charter or statutory city or town excepting cities of the first class may appropriate annually an amount from its general fund of not to exceed ~~one-third~~ of one mill of the assessed value of the taxable property in the city or town, ~~but not to exceed \$500~~, to be paid to the historical society of their respective county to be used for the promotion of historical work and to aid in defraying the expenses of carrying on the historical work in said county. No city or town may appropriate any funds for the benefit of any historical society unless such society shall be affiliated with and approved by the Minnesota historical society.

Approved June 14, 1983

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**CHAPTER 316 — H.F.No. 242**

*An act relating to labor; providing for occupational safety and health; defining "hazardous substance" and "harmful physical agent"; requiring manufacturers of hazardous substances or harmful physical agents to provide certain information; creating a right to refuse to work under conditions violating the state occupational safety and health act; creating a right to refuse to work with a hazardous substance or harmful physical agent*

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