

|                          |                         |                           |
|--------------------------|-------------------------|---------------------------|
| <u>125.12, Subd. 14</u>  | <u>179.70, Subd. 1</u>  | <u>179A.20, Subd. 4</u>   |
| <u>125.12, Subd. 14</u>  | <u>179.71, Subd. 5,</u> | <u>179A.04, Subd. 3,</u>  |
|                          | clause (i)              | clause (h)                |
| <u>125.17, Subd. 12</u>  | <u>179.63, Subd. 1</u>  | <u>179A.03</u>            |
| <u>125.17, Subd. 12</u>  | <u>179.70, Subd. 1</u>  | <u>179A.20, Subd. 4</u>   |
| <u>125.17, Subd. 12</u>  | <u>179.71, Subd. 5,</u> | <u>179A.04, Subd. 3,</u>  |
|                          | clause (i)              | clause (h)                |
| <u>216A.035</u>          | <u>179.63, Subd. 8</u>  | <u>179A.03, Subd. 4</u>   |
| <u>216A.035</u>          | <u>179.741</u>          | <u>179A.10</u>            |
| <u>353.03, Subd. 1</u>   | <u>179.63, Subd. 5</u>  | <u>179A.03, Subd. 6</u>   |
| <u>354.66, Subd. 7</u>   | <u>179.63, Subd. 7</u>  | <u>179A.03, Subd. 15</u>  |
| <u>354A.094, Subd. 7</u> | <u>179.63, Subd. 17</u> | <u>179A.03, Subd. 7</u>   |
| <u>354A.094, Subd. 7</u> | <u>179.63, Subd. 7,</u> | <u>179A.03, Subd. 15,</u> |
|                          | clauses (e) and (f)     | clauses (e) and (f)       |
| <u>471.616, Subd. 1</u>  | <u>179.67</u>           | <u>179A.12</u>            |
| <u>471.617, Subd. 4</u>  | <u>179.67</u>           | <u>179A.12</u>            |

Sec. 28. **REPEALER.**

Minnesota Statutes 1982, sections 179.61; 179.62; 179.63, as amended by Laws 1983, chapters 216, article 2, section 4; 322, section 1; and 364, sections 1 and 2; 179.64, as amended by Laws 1983, chapter 247, section 77; 179.65; 179.66, as amended by Laws 1983, chapter 364, section 3; 179.67; 179.68; 179.69; 179.691; 179.692; 179.70, as amended by Laws 1983, chapter 216, article 1, section 33; 179.71, as amended by Laws 1983, chapter 364, section 4; 179.72, as amended by Laws 1983, chapter 305, section 20; 179.73; 179.74; 179.741, as amended by Laws 1983, chapters 247, section 78; 287, article 1, sections 1 and 2; 299, sections 22 and 23; 179.7411, as amended by Laws 1983, chapter 301, section 153; 179.742; 179.743; 179.75; and 179.76, are repealed.

Approved April 24, 1984

**CHAPTER 463 — H.F.No. 1393**

*An act relating to education; providing for aids to education, tax levies, and the distribution of tax revenues; modifying the foundation aid formula; granting certain powers and duties to school boards, school districts, the state board of education, the commissioner of education, the department of education, the state board of vocational technical education, the state director of vocational technical education, the higher education coordinating board, and others; providing for an equalized summer school aid and levy; increasing the community education aid and levy; providing for an equalized early childhood and family education aid and levy; establishing a programs of excellence program; requiring an arts education study;*

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

*expanding in-service and instructional effectiveness training programs; improving the planning, evaluation, and reporting process; establishing assessment programs; establishing a research and development grant program; appropriating money; amending Minnesota Statutes 1982, sections 120.05, subdivision 2; 120.06; 121.09; 121.21; 121.212, subdivision 1; 121.213; 121.214; 121.215; 121.2155; 121.216; 121.218; 121.904, by adding a subdivision; 121.908, by adding a subdivision; 121.912, by adding a subdivision; 121.935, subdivisions 2 and 6; 121.936, subdivision 1; 123.36, subdivision 10; 123.74; 123.741, as amended; 123.742, as amended; 124.19, by adding a subdivision; 124.20; 124.201, subdivision 1; 124.214, subdivision 1; 124.245, subdivision 1; 124.564; 124.565, subdivisions 1, 6, and 7; 124.572, as amended; 124.573, subdivision 3; 125.12, subdivision 3; 125.17, subdivision 2; 125.611, by adding a subdivision; 125.185, subdivision 4; 136A.02, subdivision 6; 275.125, subdivision 9a, and by adding subdivisions; 465.721; 471.61, subdivisions 1 and 2a; and 475.61, subdivision 1; Minnesota Statutes 1983 Supplement, sections 120.17, subdivision 3b; 121.15, subdivision 1; 121.503, subdivision 5; 121.601; 121.608; 121.609; 121.904, subdivision 4a; 123.36, subdivision 13; 123.743; 124.155, subdivision 1; 124.195, subdivisions 1, 9, and by adding a subdivision; 124.201, subdivisions 2, 4, and 5; 124.2122, subdivisions 1 and 2; 124.2126, subdivision 3; 124.2138; 124.214, subdivision 2; 124.271, subdivision 2b; 124.5611; 124.5612; 124.5614; 124.5615; 124.5616; 124.5617; 124.5618; 124A.06, subdivision 1; 124A.12, subdivision 1; 124A.14; 124A.16; 125.032, subdivision 2a; 129B.02, subdivision 4; 129B.041, subdivisions 1 and 3; 129B.32, subdivision 3; 129B.36, subdivision 7; 136C.01; 136C.02, subdivision 3; 136C.04, subdivisions 7, 10, and by adding a subdivision; 275.125, subdivisions 2e, 2k, 8, 8a, 9b, 11a, 11b, and 11c; 298.28, subdivision 1; 466.06; and 475.61, subdivision 3; Laws 1976, chapter 20, section 5, subdivision 1; Laws 1983, chapter 314, article 6, section 34, subdivision 12; article 7, section 45; article 8, section 23; and article 9, section 14, subdivision 3; proposing new law coded in Minnesota Statutes, chapters 121; 123; 124; 126; 129B; and 136C; repealing Minnesota Statutes 1982, sections 121.217; 124.201, as amended; 124.212, subdivision 1; 124.245, subdivision 1a; 124.246, subdivisions 2a and 5; 124.26, subdivisions 1a and 5; 124.273, subdivisions 1a and 2a; 124.32, subdivisions 1a, 1e, and 2a; 124.565, subdivisions 3 and 4; 124.572, subdivisions 2a, 8, and 8a; 124.573, subdivisions 2a, 3b, 5, and 6; 124.574, subdivisions 2, 2a, 3a, and 8; 125.60, subdivision 2a; 129B.06; 129B.07; 129B.08; 129B.09, as amended; and 275.125, subdivisions 2g and 2h; Minnesota Statutes 1983 Supplement, sections 124.11, subdivisions 2a and 2b; 124.225, subdivision 12; 124.271, subdivision 6; 124.32, subdivision 5a; 124.5613, subdivision 1; 129B.041, subdivision 2; and 275.125, subdivisions 2i and 2j.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  
**ARTICLE 1 FOUNDATION AID**

Section 1. [124.175] AFDC PUPIL COUNT.

Each year by March 1, the department of public welfare shall certify to the department of education, for each school district, the number of pupils from families receiving aid to families with dependent children who were enrolled in a public school on October 1 of the preceding year.

Sec. 2. Minnesota Statutes 1982, section 124.19, is amended by adding a subdivision to read:

Subd. 6. INSTRUCTIONAL HOURS. To be eligible for full entitlement of foundation aid, a district must provide to students the minimum number

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

of instructional hours per day prescribed in the rules of the state board, except as provided for in subdivision 5 of this section. Part of the school day may be provided in employment-related or community-based instruction, but only within a program which receives annual approval by the local district board, is in compliance with state board rules, and is on file with the commissioner of education. The information on the employment-related or community-based instruction submitted to the commissioner shall contain at least an estimate of the number of students involved, a description of the alternative instruction, and the percentage of the students' instructional year involved.

Sec. 3. Minnesota Statutes 1983 Supplement, 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 \$1,346 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. The formula allowance shall be \$1,585 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year.

Sec. 4. Minnesota Statutes 1983 Supplement, 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 .024 for 1981 payable 1982 levies minimum aid, 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. The basic maintenance mill rate shall be .024 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year. The basic maintenance mill rate shall be .0235 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year.

Sec. 5. Minnesota Statutes 1983 Supplement, 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:

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

(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;

(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) (8) 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. 6. Minnesota Statutes 1983 Supplement, section 124.2138, is amended to read:

124.2138 **REVENUE EQUITY AID SUBTRACTION.**

Subdivision 1. **BASIC MAINTENANCE LEVY EQUITY.** (1) ~~In any year when~~ If the amount of the maximum levy limitation under section 275.125, subdivision 2a, for fiscal year 1985 for any district, or for fiscal year 1986 or after for a nonagricultural 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.

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

(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, clause (1)(b), 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~~ If the transportation levy for fiscal year 1985 in any district, or for fiscal year 1986 and thereafter in a nonagricultural district attributable to that 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, 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).

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

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.

**Subd. 4. NONAGRICULTURAL DISTRICT DEFINED.** For the purposes of this section, nonagricultural district means a district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6, and 6a, comprises less than 60 percent of the assessed valuation of the district.

Sec. 7. Minnesota Statutes 1983 Supplement, section 124A.06, subdivision 1, is amended to read:

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 124.2124, subdivision 1, had been effective for the 1980-1981 school year by the actual pupil units in the district in the 1980-1981 school year.

(b) For the 1984-1985 school year, multiply the result in clause (a) by one. For the 1985-1986 school year and school years thereafter, multiply the result in clause (a) by two.

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

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

~~(d)~~ ~~(e)~~ Subtract 1.25 from the training and experience index, and multiply the difference by \$300 for the 1984-1985 school year, or \$400 for the 1985-1986 school year and thereafter.

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

~~(f)~~ ~~(g)~~ Add the results of clauses ~~(e)~~ ~~(d)~~ and ~~(e)~~ ~~(f)~~.

Sec. 8. Minnesota Statutes 1983 Supplement, section 124A.12, subdivision 1, is amended to read:

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

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

school year. The fourth tier allowance is \$100 for the 1984-1985 school year. For the 1985-1986 school year and thereafter, the fourth tier allowance is the result of the following computation:

(a) Subtract 1.25 from the training and experience index, and multiply the difference by \$150.

(b) Select the greater of the result in clause (a) or zero.

(c) Add \$100 to the result of clause (b).

Sec. 9. Minnesota Statutes 1983 Supplement, section 124A.14 is amended to read:

**124A.14 FIFTH TIER AID WITH 50 PERCENT EQUALIZING FACTOR.**

Subdivision 1. **TOTAL TIER ALLOWANCE.** "Total tier allowance" shall mean the sum of the cost differential tier allowance, second tier allowance, third tier allowance, and fourth tier allowance, as defined in this chapter.

Subd. 2. **PREVIOUS FORMULA AMOUNT.** "Previous formula amount" shall mean:

(a) the sum of the grandfather revenue, replacement revenue, discretionary revenue, and low fund balance revenue the district would have received for the 1984-1985 school year if the provisions of Minnesota Statutes 1982, sections 124.2123, 124.2124, 124.2125, and 124.2128 had been effective for the 1984-1985 school year, divided by

(b) the 1984-1985 actual pupil units.

(c) The computations in this subdivision shall be made assuming that the district would have been entitled to and would have levied the maximum allowable under Minnesota Statutes 1982, section 275.125, subdivision 7a, and that no levy or aid reduction would have been made according to Minnesota Statutes 1982, section 275.125, subdivision 7c.

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

Subd. 4. **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

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

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 previous formula amount plus the minimum increase minus the total tier allowance for the current year. If this result is less than zero, the fifth tier allowance shall equal zero.

Subd. 2 5. **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 6. **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. 10. Minnesota Statutes 1983 Supplement, section 124A.16, is amended to read:

#### 124A.16 COMMENCEMENT OF TIER REVENUE.

Subdivision 1. **TOTAL TIER ALLOWANCE DEFINITIONS.** "Total tier allowance," "previous formula amount," and "minimum increase" shall mean the sum of the allowances from the tiers specified in sections 124A.06, 124A.08, 124A.10, 124A.12, and 124A.14 have the meanings given them in section 124A.14.

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

Subd. 2. **PREVIOUS FORMULA AMOUNT.** "Previous formula amount" shall mean the revenue per actual pupil unit from the previous formula as specified in section 124A.14, 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 124A.06, 124A.08, 124A.10, 124A.12, and 124A.14 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 3. The revenue permitted by this section shall be accorded to the lowest numbered tiers, beginning with the cost differential tier.

Subd. 6 4. The permitted total revenue per actual pupil unit specified in subdivision 4 2 shall be determined prior to the reduction according to section 275.125, subdivision 7e.

Sec. 11. Minnesota Statutes 1983 Supplement, 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 revenue times the estimated number of actual and AFDC total 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 total pupil units for that district for that school year, plus

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

(ii) the amount of by which special state aids of chapter 124 receivable for the same school year, excluding aid authorized in sections 124.2137 and 124.646, are estimated to be reduced pursuant to section 124.2138, subdivision 1, plus

(iii) the amount of by which 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), are estimated to be reduced pursuant to section 124.2138, subdivision 1, 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. 12. Minnesota Statutes 1983 Supplement, section 298.28, subdivision 1, is amended to read:

Subdivision 1. **DISTRIBUTION FROM GENERAL FUND.** The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," to the city or town in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

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

(2) 12.5 cents per taxable ton, less any amount distributed under clause (8), to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed as follows:

(a) Six cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to section 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2d.

(c) On July 15, 1982 and on July 15 in subsequent years, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 275.125, subdivision 2d, is authorized by referendum, according to the following formula. Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the second previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 275.125, subdivision 2d, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts

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

received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to sections 124.2121 to 124.2128 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in section 298.28, subdivision 1, clause 10.

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 25.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

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

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) .20 cent per taxable ton shall be paid in 1979 and each year thereafter, to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(9) the amounts determined under clauses (4)(a), (4)(c), and (5) shall be increased in 1979 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1.

(10) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (9) and parts (a) and (b) of this clause have been made shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 as follows: In 1981 and each year thereafter, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) In 1978 and each year thereafter, there shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

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

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this

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

section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby annually appropriated to such taxing districts as are stated herein, to the taconite property tax relief account and to the taconite municipal aid account in the apportionment fund in the state treasury, to the department of revenue, to the iron range resources and rehabilitation board, to the range association of municipalities and schools, to the taconite environmental protection fund, and to the northeast Minnesota economic protection trust fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

**Sec. 13. ISOLATED SCHOOL AID.**

In the 1984-1985 school year, a district having more than 2,500 square miles in area and operating six or more secondary schools shall receive aid equal to \$50 times the actual pupil units in that school year.

**Sec. 14. AID SUBTRACTION INCREASE.**

The legislature intends that, as a result of changes in school district levy limitations in this article, articles 2 and 4, the aid subtraction required by section 124.155 will be increased by an estimated \$2,283,000 for fiscal year 1985.

**Sec. 15. REPEALER.**

Minnesota Statutes 1982, section 124.212, subdivision 1, is repealed.

**Sec. 16. APPROPRIATION.**

There is appropriated from the general fund to the department of education the sum of \$166,500 for isolated school aid for fiscal year 1985.

**Sec. 17. EFFECTIVE DATE.**

Section 12 is effective for the distribution required to be made on July 15, 1984, and for distributions thereafter.

---

**ARTICLE 2  
SUMMER PROGRAMS**

Section 1. Minnesota Statutes 1982, section 124.20, is amended to read:

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

**124.20 AID FOR SUMMER SCHOOL PROGRAMS AND FLEXIBLE SCHOOL YEAR CLASSES.**

Subdivision 1. **PROGRAMS.** Foundation aid for (1) summer school ~~classes~~ programs which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer school ~~classes~~ programs in elementary and secondary schools, and (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid under the provisions of this section.

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

(1) "Summer school program pupil units" means full-time equivalent pupil units for summer school ~~classes~~ programs and inter-session classes of flexible school year programs computed under the provisions of section 124.17.

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

(3) ~~For summer programs in 1982, "summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times 89 percent of the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year. "Summer educational improvement revenue allowance" means an amount equal to the product of 0.005, times the number of actual pupil units in the district in the preceding regular school year, times the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year.~~

(4) "Total summer program revenue allowance" means an amount equal to the sum of a district's summer program instructional revenue allowance and summer educational improvement revenue allowance.

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

Subd. 4. **SUMMER PROGRAM AID.** In fiscal year 1986 and each year thereafter, a district shall receive summer program 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 275.125, subdivision 2k, certified in the calendar year before the summer program is offered; times

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

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

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

Subd. 5. AID ADJUSTMENT. The department of education shall adjust the summer program 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 summer program levy limitations for districts where actual pupil membership differs from estimated pupil membership.

Subd. 6. AUTHORIZED USE OF SUMMER PROGRAM AID AND LEVY. (a) Beginning with the 1985 summer program, a school board may use the proceeds of the aid and levy received pursuant to this section and section 275.125, subdivision 2k, only for summer programs that are offered for credit or required for graduation or that provide academic enrichment or remediation. The proceeds may not be used for recreational sports, leisure activities, entertainment, recreational activities, crafts, hobbies, or any other classes of a similar nature. Summer programs for a handicapped pupil shall relate to the pupil's individual education plan.

(b) The proceeds may also be used for expenditures during the summer for curriculum development, staff development, parent or community involvement, experimental educational delivery systems, and other measures designed to improve education in the district.

Sec. 2. Minnesota Statutes 1982, section 124.201, subdivision 1, is amended to read:

Subdivision 1. **PROGRAMS.** For fiscal years 1984 and 1985, foundation aid for handicapped pupils enrolled in (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer school classes in elementary and secondary schools, and (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid under the provisions of this section.

Sec. 3. Minnesota Statutes 1983 Supplement, 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 intersession 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 intersession classes of flexible school year programs computed under the provisions of section 124.17. Only pupils who are handi-

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

capped and who are appropriately served at levels 4, 5, or 6 of the continuum of placement model described in state board rules shall be included in the computation of summer school pupil units for the purposes of computing summer school foundation aid for payment in fiscal years 1984 and 1985.

(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 intersession classes of flexible school year programs.

Sec. 4. Minnesota Statutes 1983 Supplement, section 124.201, subdivision 4, is amended 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

(a) the ratio of the district's actual levy to its permitted levy pursuant to section 275.125, subdivision 2j, clause (a), 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 275.125, subdivision ~~2k~~ 2j, clause (a), in calendar year 1983.

Sec. 5. Minnesota Statutes 1983 Supplement, section 124.201, subdivision 5, is amended 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 275.125, subdivision ~~2k~~ 2j, clause (b), certified ~~in the calendar year before the summer school program is offered~~ 1983; times

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

(2) the levy certified by the district pursuant to section 275.125, subdivision ~~2k~~ 2j, clause (b) ~~in the calendar year before the summer school program is offered~~ 1983.

Sec. 6. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2k, is amended to read:

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

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

(a) The district's estimated total summer ~~school program~~ revenue allowance as defined in section ~~124.201~~ 124.20, subdivision 2, ~~clause (2)~~ for the summer ~~school program~~ 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 regular school year, to

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

Sec. 7. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

**Subd. 2l. EXCESS LEVY; 1985 SUMMER PROGRAMS.** In addition to the levy authorized in subdivision 2k, a district for which the summer program instructional revenue allowance for the 1985 summer program is less than an amount equal to \$20 times the number of actual pupil units in the district in the regular 1984-1985 school year prior to the summer program may levy an amount computed as follows:

(a) \$20 times the number of actual pupil units in the district in the regular 1984-1985 school year, minus

(b) the amount of the summer program instructional revenue allowance for the 1985 summer program.

This levy shall be used for the same purposes for which the summer program instructional revenue allowance may be used.

Sec. 8. **REPEALER.**

Subdivision 1. Minnesota Statutes 1982, section 275.125, subdivisions 2g and 2h, and Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2i, are repealed.

Subd. 2. Minnesota Statutes 1982, section 124.201, as amended by Laws 1983, chapter 314, article 3, sections 3, 4, 5, 6, and 7; and by sections 2, 3, 4, and 5 of this article; and Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2j, are repealed.

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

**Sec. 9. EFFECTIVE DATE.**

Section 1 is effective September 1, 1984, for summer programs to be held in 1985 and thereafter. Section 8, subdivision 2, is effective May 1, 1985.

---

**ARTICLE 3  
SPECIAL EDUCATION**

Section 1. Minnesota Statutes 1983 Supplement, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. **PROCEDURES FOR DECISIONS.** Every district shall utilize at least the following procedures for decisions involving identification, assessment and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause (d) at the district's initiative after at least one attempt to obtain this consent through a conciliation conference held pursuant to clause (c);

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a);

(d) Parents, guardians and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides, if after at least one conciliation conference the parent or guardian continues to object to:

(1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) the proposed placement of their child in, or transfer of their child to a special education program;

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

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with his objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the ~~commissioner~~ hearing review officer by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

(1) be in writing;

(2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the ~~commissioner~~ hearing review officer of the basis and reason for the decision;

(3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;

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

(4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(f) Any local decision issued pursuant to clauses (d) and (e) may be appealed to the ~~commissioner~~ hearing review officer within 15 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The ~~commissioner~~ hearing review officer shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The ~~commissioner~~ hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The ~~commissioner~~ hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the ~~commissioner~~ hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(h) The commissioner of education, having delegated general supervision of special education to the appropriate staff, shall be the hearing review officer except for appeals in which:

(1) the commissioner has a personal interest in or specific involvement with the student who is a party to the hearing;

(2) the commissioner has been employed as an administrator by the district that is a party to the hearing;

(3) the commissioner has been involved in the selection of the administrators of the district that is a party to the hearing;

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

(4) the commissioner has a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

(5) the appeal challenges a state or local policy which was developed with substantial involvement of the commissioner; or

(6) the appeal challenges the actions of a department employee or official.

For any appeal to which the above exceptions apply, the state board of education shall name an impartial and competent hearing review officer.

In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(h) (i) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in his current educational placement and shall not be denied initial admission to school.

(i) (j) The child's school district of residence, if different from the district where the child actually resides, shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

**Sec. 2. REPEALER.**

Minnesota Statutes 1982, section 124.32, subdivisions 1a, 1e, and 2a; and Minnesota Statutes 1983 Supplement, section 124.32, subdivision 5a, are repealed.

**ARTICLE 4  
COMMUNITY EDUCATION**

**Section 1. [121.882] EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.**

Subdivision 1. ESTABLISHMENT. A district that provides a community education program may establish an early childhood and family education program. Two or more districts, each of which provides a community education program, may cooperate to jointly provide an early childhood and family education program.

Subd. 2. PROGRAM CHARACTERISTICS. Early childhood and family education programs are programs for children in the period of life from birth to kindergarten and for the parents of such children. The programs may include the following:

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

(1) programs to educate parents about the physical, mental, and emotional development of children;

(2) programs to enhance the skills of parents in providing for their children's learning and development;

(3) learning experiences for children and parents;

(4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;

(5) educational materials which may be borrowed for home use;

(6) information on related community resources; or

(7) other programs or activities.

The programs shall not include activities for children that do not require substantial involvement of the children's parents.

**Subd. 3. SEPARATE ACCOUNTS.** The district shall maintain a separate account within the community education fund for money for early childhood and family education programs.

**Subd. 4. PARTICIPANTS' FEES.** A district may charge a reasonable fee but it shall waive the fee for a participant unable to pay.

**Subd. 5. ADDITIONAL FUNDING.** A district may receive funds from any governmental agency or private source.

**Subd. 6. COORDINATION.** A district is encouraged to coordinate the program with its special education and vocational education programs and with related services provided by other governmental agencies and nonprofit agencies.

**Subd. 7. DISTRICT ADVISORY COUNCILS.** The school board shall appoint an advisory council from the area in which the program is provided. A majority of the council shall be parents participating in the program. The council shall assist the board in developing, planning, and monitoring the early childhood and family education program. The council shall report to the school board and the community education advisory council.

**Subd. 8. TEACHERS.** A school board shall employ necessary qualified teachers for its early childhood and family education programs.

**Subd. 9. ASSISTANCE.** The department of education shall provide assistance to districts with programs described in this section.

**Subd. 10. RULES.** The state board of education may adopt rules about program facilities, staff, services, and procedures.

Sec. 2. Minnesota Statutes 1983 Supplement, section 124.271, subdivision 2b, is amended to read:

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

Subd. 2b. **AID; 1985 AND AFTER.** (1) ~~In fiscal year 1985 and~~ Each fiscal year thereafter, ~~each a~~ district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid ~~in~~. For fiscal year 1985, the aid shall be 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.

For fiscal year 1986 and each fiscal year thereafter, the aid shall be 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) \$5.25 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) (1), the district's community education aid under clause (1) of this subdivision shall 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) (1), to its maximum permissible levy under section 275.125, subdivision 8, clause (4) (1). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause (4) (1), 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. 3. [124.2711] EARLY CHILDHOOD AND FAMILY EDUCATION AID.

Subdivision 1. DEFINITION OF MAXIMUM REVENUE. Beginning for fiscal year 1986 and each year thereafter the "maximum revenue" for early childhood and family education programs for a school year means the amount of

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

revenue equal to the product of five percent of the foundation aid formula allowance for the current school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year.

Subd. 2. POPULATION. For the purposes of subdivision 1, data reported to the department of education according to the provisions of section 120.095 may be used to determine the number of people under five years of age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood and family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Subd. 3. AID. In fiscal year 1986 and thereafter, if a district complies with the provisions of section 1 of this article, it shall receive early childhood and family education aid equal to:

(a) the difference between the maximum revenue, according to subdivision 1, and the permitted levy attributable to the same school year, according to section 275.125, subdivision 8b, times

(b) the ratio of the district's actual levy to its permitted levy attributable to the same school year, according to section 275.125, subdivision 8b.

Subd. 4. USE OF REVENUE RESTRICTED. The proceeds of the aid authorized by this section and the levy authorized by section 275.125, subdivision 8b, shall be used only for early childhood and family education programs.

Sec. 4. Minnesota Statutes 1983 Supplement, section 125.032, subdivision 2, is amended to read:

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 or early childhood and family education aid pursuant to section 3 of this article 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

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

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. 5. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 8, is amended to read:

Subd. 8. **COMMUNITY EDUCATION LEVY.** (1) Except as provided in clauses (2) and (3), in 1982 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 \$4.75 per capita for districts which will qualify for aid in fiscal year 1984 equal to 25 cents per capita pursuant to section 124.271, subdivision 2a, clause (1)(b).

(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 (1).

(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 \$5.25 times the population of the district, or

(b) \$7,000.

(5) (2) In addition to the levy authorized in clause (4) (1), 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

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

(i) the district's estimated maximum permissible revenue for fiscal year 1985 from community education aid under section 124.271, subdivision ~~2a~~ 2b, clause (1), and

(ii) the community education levy authorized in clause ~~(4)~~ (1) of this subdivision, from

(b) the sum in fiscal year 1983 of

(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)~~ (3) In 1984 and each year thereafter, in addition to the levy authorized in clause ~~(4)~~ (1), a district may levy an amount equal to the amount the district was entitled to levy pursuant to clause ~~(5)~~ (2) in 1983.

~~(7)~~ (4) 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 and 129B.06 to 129B.09, and section 1 of this article. 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.

~~(8)~~ (5) 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. 6. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 8b. EARLY CHILDHOOD AND FAMILY EDUCATION LEVY. A district may levy for its early childhood and family education program. The amount levied shall not exceed the lesser of:

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

(a) .4 mill times the adjusted assessed valuation of the district for the year preceding the year the levy is certified, or

(b) the maximum revenue as defined in section 3 of this article, subdivision 1, for the school year for which the levy is attributable.

Sec. 7. Laws 1983, chapter 314, article 9, section 14, subdivision 3, is amended to read:

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; if any district's aid is reduced because of this limitation, the amount of the reduction shall be prorated among the districts not subject to this limitation.

Sec. 8. **EARLY CHILDHOOD AND FAMILY EDUCATION AID FOR FISCAL YEAR 1985.**

Each district that provided an early childhood and family education program funded by the council on quality education during the 1982-1983 school year is entitled to receive aid in fiscal year 1985 to continue the program. The aid shall be in addition to community education aid. The aid shall equal (a) \$11,000, minus (b) the amount of aid received pursuant to Minnesota Statutes 1983 Supplement, section 124.271, subdivision 2b, clause (3). However, a district that has not established a community education program shall receive no aid under this section.

Sec. 9. **REPEALER.**

Minnesota Statutes 1982, sections 129B.06; 129B.07; 129B.08; and 129B.09, as amended by Laws 1983, chapters 260, section 29, and 314, articles 6, section 33, and 9, sections 8 and 9, are repealed.

Sec. 10. **APPROPRIATION; EARLY CHILDHOOD AND FAMILY EDUCATION.**

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

There is appropriated from the general fund to the department of education for fiscal year 1985 the sum of \$116,500. Of this sum \$101,500 is for aid to districts for fiscal year 1985 according to section 8 of this article. The aid shall be paid at 100 percent of the entitlement for fiscal year 1985. The remaining \$15,000 is for the department of education for personnel service contracts to provide assistance to districts.

Sec. 11. **EFFECTIVE DATE.**

Section 4 is effective the day following final enactment. Sections 1, 3, and 9 are effective July 1, 1985.

---

**ARTICLE 5 VOCATIONAL EDUCATION**

Section 1. Minnesota Statutes 1982, section 120.05, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** (1) Elementary school means any school with building, equipment, courses of study, class schedules, enrollment of pupils ordinarily in grades one through six or any portion thereof and staff meeting the standards established by the state board of education.

(a) The state board of education shall not close a school or deny any state aids to a district for its elementary schools because of enrollment limitations classified in accordance with the provisions of subdivision 2, clause (1).

(2) Middle school means any school other than a secondary school giving an approved course of study in a minimum of three consecutive grades above fourth but below tenth with building, equipment, courses of study, class schedules, enrollment and staff meeting the standards established by the state board of education.

(3) Secondary school means any school with building, equipment, courses of study, class schedules, enrollment of pupils ordinarily in grades seven through twelve or any portion thereof and staff meeting the standards established by the state board of education.

(4) A vocational center school is one serving a group of secondary schools with approved areas of secondary vocational training and offering vocational secondary and adult programs necessary to meet local needs and meeting standards established by the state board of education.

(5) An area ~~vocational-technical~~ vocational technical school is a school ~~organized according to section 121.21, and operated according to the standards established by the state board of~~ vocational technical education.

Sec. 2. Minnesota Statutes 1982, section 120.06, is amended to read:

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

### 120.06 ADMISSION TO PUBLIC SCHOOL.

Subdivision 1. **AGE LIMITATIONS; PUPILS.** All schools supported in whole or in part by state funds are public schools. Admission to a public school, except an area vocational technical institute, is free to any person who resides within the district which operates the school, who is under 21 years of age, and who satisfies the minimum age requirements imposed by this section. Notwithstanding the provisions of any law to the contrary, the conduct of all students under 21 years of age attending a public secondary school shall be governed by a single set of reasonable rules and regulations promulgated by the local board of education. No person shall be admitted to any public school after September 1, 1971, (1) as a kindergarten student, unless he is at least five years of age on September 1 of the calendar year in which the school year for which he seeks admission commences; or (2) as a first grade student, unless he is at least six years of age on September 1 of the calendar year in which the school year for which he seeks admission commences or has completed kindergarten; except that any school board may establish a policy for admission of selected pupils at an earlier age.

Sec. 3. Minnesota Statutes 1982, section 121.09, is amended to read:

#### 121.09 ADMINISTRATION; EXCEPTIONS.

The commissioner shall administer all laws and rules promulgated by the board relating to libraries and other public educational institutions, except such laws as may relate to the University of Minnesota ~~and to the~~ state universities ~~and~~, community colleges, ~~and~~ area vocational technical institutes.

Sec. 4. Minnesota Statutes 1982, section 121.21, is amended to read:

#### 121.21 ~~AREA VOCATIONAL-TECHNICAL~~ VOCATIONAL TECHNICAL SCHOOLS.

Subdivision 1. The board of any independent or special district may petition the state board of vocational technical education to classify one or more of its schools as an ~~area vocational-technical~~ vocational technical school.

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

Subd. 3. It is the purpose of this section to more nearly equalize the educational opportunities in certain phases of ~~vocational-technical~~ vocational technical education to persons of the state who are of the age and maturity to profitably pursue training for a specific occupation. If the state board finds, as a result of its inquiry, that the establishment of an ~~area vocational-technical~~ vocational technical school, according to the petition, would further the educa-

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

tional interests of all the people of the state, and is in accordance with the plans and program of the state department for the vocational and technical education of the people, it may approve the petition.

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

Subd. 4a. No district shall expend funds from any source for the acquisition or betterment of lands or buildings or for capital improvements needed for an area ~~vocational-technical~~ vocational technical school without the approval of the state board and authorization by specific legislative act if that acquisition, betterment or capital improvement requires the expenditure of \$250,000 or more, or adds more than 1,000 gross square feet to a post-secondary vocational facility, or requires the issuance of school district bonds. No acquisition or betterment of lands or buildings or capital improvement which requires the expenditure of \$50,000 or more but less than \$250,000 or which changes the perimeter walls of an existing facility shall be carried out without the approval of the state board. No acquisition or betterment of lands or buildings or capital improvement which requires the expenditure of less than \$50,000, which does not change a perimeter wall and which does not require the issuance of school district bonds, shall be carried out without the approval of the ~~commissioner~~ state director of vocational technical education. As used in this subdivision, the terms "acquisition" and "betterment", as applied to lands and buildings, and "capital improvement" shall have the meanings ascribed to them in chapter 475, but shall not include the acquisition or betterment of machinery or equipment.

Subd. 6. The state board for ~~vocational education~~ shall promulgate, pursuant to chapter 14, such ~~rules governing the operation and maintenance of schools so classified as will afford the people of the state an equal opportunity to acquire public vocational and technical education.~~ Rules relating to post-secondary ~~vocational-technical education shall not incorporate the provisions of the state plan for vocational education by reference.~~

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

- (a) The area to be served by each school, which may include one or more districts or parts thereof;
- (b) Curriculum and standards of instruction and scholarship;
- (c) Attendance requirements and Minnesota non-resident attendance;

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

(d) ~~The distribution and apportionment to the local districts of all funds, whether state or federal or other funds, which may be made available to the state board for vocational education for carrying out the purposes of post-secondary vocational-technical education in accordance with law; and~~

(e) ~~General administrative matters.~~

Subd. 8. Any property of the state administered by the state board for ~~vocational education~~ in connection with teaching vocational education may be apportioned and distributed by the state board for ~~vocational education~~ to local school districts desiring to avail themselves of the benefits of this section.

Subd. 11. The state board for ~~vocational education~~ may contract for hospital benefits and medical benefits coverage for students in the same manner as authorized by section 43A.23 for state employees.

Sec. 5. Minnesota Statutes 1982, section 121.212, subdivision 1, is amended to read:

Subdivision 1. Any school board or joint school board operating an area ~~vocational-technical~~ vocational technical school, pursuant to section ~~121.21~~ 136C.07; Laws 1967, Chapter 822, as amended; Laws 1969, Chapter 775, as amended; or Laws 1969, Chapter 1060, as amended, may make, adopt and enforce rules, regulations or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied or operated by the board.

Sec. 6. Minnesota Statutes 1982, section 121.213, is amended to read:

**121.213 ~~AREA VOCATIONAL-TECHNICAL~~ VOCATIONAL TECHNICAL INSTITUTES AND COMMUNITY COLLEGES; LEGAL COUNSELING AND SERVICE PROGRAMS.**

Notwithstanding the provisions of sections 8.06 and 136.11 or any rules or regulations adopted pursuant thereto, an area ~~vocational-technical~~ vocational technical institute or community college student association governing student activities on campus may expend money for the purpose of funding a program to provide legal counseling and services for students. The money to be expended shall be from that portion of the area ~~vocational-technical~~ vocational technical institute student senate funds or community college activity fund account allocated to the student association and derived solely from fees received from students.

Sec. 7. Minnesota Statutes 1982, section 121.214, is amended to read:

**121.214 ~~VOCATIONAL-TECHNICAL~~ VOCATIONAL TECHNICAL BUILDING FUND.**

Subdivision 1. **PURPOSE.** A ~~vocational-technical~~ vocational technical building fund is created as a separate bookkeeping account in the general books of the state for the purpose of providing money appropriated to the state board of

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

vocational technical education for the acquisition and betterment of public land, buildings, and capital improvements needed for the area ~~vocational-technical~~ vocational technical education program of the state.

Subd. 2. **RECEIPTS.** The commissioner of finance and treasurer shall deposit in the fund as received all proceeds of ~~vocational-technical~~ vocational technical building bonds, except accrued interest and premiums received upon the sale thereof. All such receipts are annually appropriated for the permanent acquisition purposes of the fund, and shall be and remain available for expenditure in accordance with this section until the purposes of the appropriations have been accomplished or abandoned.

Subd. 3. **DISBURSEMENTS.** Disbursements from the fund shall be made by the state treasurer upon the order of the commissioner of finance at the times and in the amounts requested by the state board of vocational technical education in accordance with the applicable appropriation acts, for grants to school districts for the acquisition and betterment of land, buildings, and capital improvements for area ~~vocational-technical~~ vocational technical institutes. These grants shall only be made upon the conditions and in accordance with all standards and criteria established ~~in~~ by the state board ~~rules~~ and in the legislative act authorizing the specific post-secondary vocational facilities project.

Subd. 4. ~~The purpose of this section is to change the method of funding post-secondary vocational facilities from post-secondary vocational debt service aid pursuant to section 124.564 to direct state appropriations from the vocational-technical building fund.~~ Eighty-five percent of the cost of post-secondary vocational facilities authorized by specific legislative act after January 1, 1979 shall be financed through appropriations from the ~~vocational-technical~~ vocational technical building fund and 15 percent of the cost of these facilities shall be financed by the school district operating the post-secondary ~~vocational-technical~~ vocational technical school. No local bonds shall be authorized, issued, or sold, nor shall any election be held to authorize the issuance of bonds, if the proceeds will be used to finance a project for which specific legislative approval is required, until after that specific legislative approval has been given.

Sec. 8. Minnesota Statutes 1982, section 121.215, is amended to read:

**121.215 ~~VOCATIONAL-TECHNICAL~~ VOCATIONAL TECHNICAL BUILDING BONDS.**

Subdivision 1. **PURPOSE; APPROPRIATION.** For the purpose of providing money appropriated from the ~~vocational-technical~~ vocational technical building fund for the acquisition of public land, buildings, and capital improvements needed for the state plan for the administration of vocational education in accordance with the provisions of section ~~121.214~~ 136C.42, when requested by the state board of education, the commissioner of finance shall sell and issue bonds of the state of Minnesota for the prompt and full payment of which, with

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

interest thereon, the full faith and credit and taxing powers of the state are irrevocably pledged. Bonds shall be issued pursuant to this section only as authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended therefor, as set forth in section ~~121.214~~ 136C.42. Any such law, together with this section and the laws herein referred to, constitutes complete authority for the issue, and such bonds shall not be subject to restrictions or limitations contained in any other law.

Subd. 2. **ISSUANCE.** The bonds shall be sold upon sealed bids and upon notice, at a price, in form and denominations, bearing interest at a rate or rates, maturing in amounts and on dates, subject to prepayment upon notice and at times and prices, payable at a bank or banks within or outside the state, with or without provisions for registration, conversion, exchange, and issuance of notes in anticipation of the sale or delivery of definitive bonds, and in accordance with further regulations, as the commissioner of finance shall determine subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures on the bonds and on any interest coupons and the seals may be printed or otherwise reproduced, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of a person authorized to sign on behalf of a bank designated by them as authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Subd. 3. **EXPENSES.** All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the ~~vocational-technical~~ vocational technical building fund and the amounts necessary therefor are appropriated from that fund; provided that if any amount is specifically appropriated for this purpose in an act authorizing the issuance of bonds pursuant to this section, such expenses shall be limited to the amount so appropriated.

Subd. 4. **~~VOCATIONAL-TECHNICAL~~ VOCATIONAL TECHNICAL BUILDING BOND ACCOUNT IN THE STATE BOND FUND.** The commissioner of finance shall maintain in the state bond fund a separate bookkeeping account designated as the ~~vocational-technical~~ vocational technical building bond account, to record receipts and disbursements of money transferred to the fund to pay ~~vocational-technical~~ vocational technical building bonds and interest thereon, and of income from the investment of such money, which income shall be credited to the account in each fiscal year in an amount equal to the approximate average rate of return that year on all funds invested by the state

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

treasurer, as determined by the treasurer, times the average balance in the account that year.

Subd. 5. **APPROPRIATIONS TO BOND ACCOUNT.** There shall be credited to the ~~vocational-technical~~ vocational technical building bond account the premium and accrued interest received on each issue of ~~vocational-technical~~ vocational technical building bonds and, from the general fund in the state treasury, on November 1 in each year, a sum of money equal to the amount of the tax which the Constitution would otherwise require to be levied for collection in the following year, for the purpose of increasing the balance then on hand in the account to an amount sufficient to pay principal and interest due and to become due with respect to ~~vocational-technical~~ vocational technical building bonds. All money so credited and all income from the investment thereof is annually appropriated to the bond account for the payment of such bonds and interest thereon, and shall be available in the bond account prior to the levy of the tax for the state bond fund in any year as required by the Constitution. The commissioner of finance and the state treasurer are directed to make the appropriate entries in the accounts of the respective funds.

Subd. 6. **TAX LEVY.** On or before December 1 in each year, if the full amount appropriated to the bond account in subdivision 5 has not been credited thereto, the tax required by the Constitution shall be levied upon all taxable property within the state. This tax shall be levied upon all real property used for the purposes of a homestead, as well as other taxable property, notwithstanding the provisions of section 273.13, subdivisions 6 and 7, and shall be subject to no limitation of rate or amount until all ~~vocational-technical~~ vocational technical building bonds and interest thereon are fully paid. The proceeds of this tax are appropriated and shall be credited to the state bond fund, and the principal of and interest on the bonds are payable from such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is not sufficient money from the proceeds of such taxes to pay the principal and interest when due on ~~vocational-technical~~ vocational technical building bonds, such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated.

Sec. 9. Minnesota Statutes 1982, section 121.2155, is amended to read:

**121.2155 ~~VOCATIONAL-TECHNICAL~~ VOCATIONAL TECHNICAL BUILDING APPROPRIATIONS.**

Money appropriated from the state building fund to the state board of vocational technical education for post-secondary ~~vocational-technical~~ vocational technical construction in school districts shall be used for grants to school districts for the acquisition and betterment of land, buildings, and capital improvements for area ~~vocational-technical~~ vocational technical institutes. These grants shall only be made upon the conditions and in accordance with all standards and criteria established in state board rules and in the legislative act

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

authorizing the specific post-secondary vocational facilities project. A grant shall cover 85 percent of the cost of the post-secondary vocational facilities authorized by the specific legislative act, and 15 percent of the cost of these facilities shall be financed by the school district operating the post-secondary ~~vocational-technical~~ vocational technical school, unless otherwise provided by the specific legislative act. No local bonds shall be authorized, issued, or sold, nor shall any election be held to authorize the issuance of bonds, if the proceeds will be used to finance a project for which specific legislative approval is required, until after that specific legislative approval has been given.

Sec. 10. Minnesota Statutes 1982, section 121.216, is amended to read:

**121.216 ~~VOCATIONAL-TECHNICAL INSTITUTES;~~ STUDENT ASSOCIATIONS.**

Every school board governing an area ~~vocational technical~~ vocational technical institute shall give recognition as an authorized extracurricular activity to an area ~~vocational-technical~~ vocational technical institute student association affiliated with the Minnesota ~~vocational-technical~~ vocational technical student association. The student association is authorized to collect a reasonable fee from students to finance the activities of the association in an amount determined by the governing board of the area ~~vocational-technical~~ vocational technical institute which has recognized it.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The moneys in this fund shall be available for expenditure for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings.

Sec. 11. Minnesota Statutes 1982, section 121.218, is amended to read:

**121.218 ~~VOCATIONAL-TECHNICAL INSTITUTES;~~ AWARDING DEGREES.**

Subdivision 1. **BOARD APPROVAL.** The state board for ~~vocational education~~ may approve, disapprove, or modify a plan for awarding associate degrees at an area ~~vocational-technical~~ vocational technical institute. The state board shall approve a plan only when an associate degree is required by a licensing authority and is offered in cooperation with a collegiate institution. The state board may approve an area ~~vocational-technical~~ vocational technical institute plan for awarding an associate degree which is not offered in cooperation with a collegiate institution only if cooperation is not practicable. All associate degree plans approved by the state board for ~~vocational education~~ shall be presented to the higher education coordinating board for review and recommendation pursuant to section 136A.04, subdivision 1, clause (d) and in accordance with the provisions of this section.

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

Subd. 2. **EXCEPTION.** Associate degrees offered by the area vocational-technical vocational technical institutes prior to January 1, 1981, shall not be subject to the provisions of subdivision 1.

Subd. 3. **REPORT.** By January 15, 1982, the higher education coordinating board, in cooperation with the state board for vocational education, shall submit a report to the education committees of the legislature regarding the awarding of associate degrees by area vocational-technical institutes. The report shall include identification and evaluation of the factors which affect the feasibility of cooperation with collegiate institutions. By January 1, 1983, the higher education coordinating board shall promulgate rules establishing criteria for determining when cooperation with a collegiate institution is not practicable.

Sec. 12. Minnesota Statutes 1983 Supplement, section 124.5611, is amended to read:

#### 124.5611 AVTI FUNDING.

Beginning with aids For the 1983-1984 and 1984-1985 school year years, post-secondary vocational aids for AVTI's shall be paid for the current fiscal year according to sections 124.5612 136C.26 to 124.5619 136C.37, 124.5628 and 124.564 136C.41.

Sec. 13. Minnesota Statutes 1983 Supplement, section 124.5612, is amended to read:

#### 124.5612 AVTI AID DEFINITIONS.

Subdivision 1. **APPLICABILITY.** Beginning with aids For the 1983-1984 and 1984-1985 school year years, for the purposes of sections 124.5612 136C.26 to 124.5619 136C.37, 124.5628, 124.564, and 124.565 136C.41, the following terms have the meanings given them.

Subd. 2. **ADM.** "ADM" means average daily membership computed according to section 124.5618 136C.33.

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

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 of vocational technical education to districts for post-secondary vocational technical education instructional costs.

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

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~~ of vocational technical 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. 14. Minnesota Statutes 1983 Supplement, section 124.5614, is amended to read:

**124.5614 PROCESS FOR AID ALLOCATION.**

Subdivision 1. **BUDGET SUBMISSION.** Before January 1, of each ~~year~~ 1984, 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~~ state director of vocational technical education shall recommend aid allocations for the following fiscal year in each expenditure category for each program and component activity.

The ~~department~~ state director 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.

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

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 state director in recommending instructional aid allocations for the purposes listed in section ~~124.5615~~ 136C.29, subdivision 3, clauses (a), (b), (c), and (d). 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 aids are allocated shall be taken into consideration by the department state director 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 state director 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~~ state director 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~~ state director 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.

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

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~~ state director 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 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. 15. Minnesota Statutes 1983 Supplement, section 124.5615, is amended to read:

#### 124.5615 USE OF AID.

Subdivision 1. **AID AND TUITION.** All AVTI aids and all tuition authorized by section ~~124.565~~ 136C.13 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~~ 136C.04, subdivision 6, separate revenue, expenditure, asset and liability accounts for post-secondary vocational technical education within funds separate from all other district funds.

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

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 ~~421.24~~ 136C.07, 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 ~~424.5612~~ 136C.26, subdivision 8. 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~~ state director. The process in section ~~424.5614~~ 136C.28 shall not constitute approval for this purpose. Use of the aid shall be governed by the provisions of section ~~421.24~~ 136C.07, subdivision 4a.

Sec. 16. Minnesota Statutes 1983 Supplement, section 124.5616, is amended to read:

#### 124.5616 DISTRIBUTION OF MONEY.

All money, whether state, federal, or from other sources, which may be made available to the ~~department of education~~ state board 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. 17. Minnesota Statutes 1983 Supplement, section 124.5617, is amended to read:

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

**124.5617 CERTAIN EQUIPMENT EXPENDITURES.**

Expenditures for the purposes in section ~~124.5615~~ 136C.29, subdivision 3, clauses (a), (b), (c), and (d) which exceed \$6,000 shall receive prior approval by the ~~commissioner of education state~~ director. The process in section ~~124.5614~~ 136C.28 shall not constitute approval for this purpose.

Sec. 18. Minnesota Statutes 1983 Supplement, section 124.5618, is amended to read:

**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
    - (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

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

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~~ state director.

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 ~~124.5619~~ 136C.34 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. 19. Minnesota Statutes 1982, section 124.564, is amended to read:

~~124.564~~ **POST-SECONDARY VOCATIONAL DEBT SERVICE AID.**

Subdivision 1. The state board ~~for vocational education~~ shall provide, for credit against the debt service levy of qualifying districts, post-secondary vocational debt service aid equal to the state portion of debt service costs. The state portion of debt service costs shall equal the amount necessary to make payments due in each school year ending June 30 with respect to qualifying bonds issued to finance post-secondary vocational facilities and interest thereon, multiplied by the average of the district's nonresident reimbursement percentage pursuant to Minnesota Statutes 1974, Section 121.21, Subdivision 5, in fiscal years ended June 30, 1973, 1974, and 1975. For purposes of the computation of debt service aid, qualifying bonds shall include only:

(a) bonds issued prior to January 1, 1978;

(b) bonds issued after January 1, 1978, to finance post-secondary vocational facilities projects which receive funds appropriated in Laws 1978, Chapter 792, Section 8; and

(c) bonds issued at any time to refund the bonds described in (a) and (b). No district shall qualify for this post-secondary vocational debt service aid unless it has certified a levy in the total amount required by section 475.61, for collection in the calendar year in which the aid credit is to be given.

Subd. 2. There shall be no post-secondary vocational debt service aid for the state portion of debt service costs for bonds issued on or after January 1, 1978 to finance post-secondary vocational facilities and interest thereon, unless these

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

bonds are issued to finance post-secondary vocational facilities projects which receive funds appropriated in Laws 1978, Chapter 792, Section 8.

Subd. 3. Post-secondary vocational debt service aid shall be computed each year before October 1 by the state board ~~for vocational education~~ as the percentage specified in subdivision 1 of the sum of the principal and interest on qualifying bonds which will become due in the school year commencing on the following July 1.

Subd. 4. The amount for each school district shall be certified by the board on or before October 1 to the school district, and to the county auditors of all counties containing taxable property within the school district, and to the state commissioner of finance. This amount shall be deducted by the county auditors from the amount of the debt service levies of the school district to be assessed and extended against the taxable property therein for collection in the following year, and shall be payable instead from the appropriation made by this section.

Subd. 5. The commissioner of finance shall issue to the state treasurer warrants for payment of one-half of the amount to the treasurer of the school district on or before July 15 and one-half thereof on or before November 15 in the following year, in lieu of the distributions of this amount otherwise payable by county treasurers at these times under the provisions of section 276.11.

Subd. 6. The amount necessary is annually appropriated from the general fund to the respective districts entitled to these payments ~~for expenditure in fiscal years beginning with fiscal year 1978~~. This appropriation shall not lapse until and unless otherwise provided by law, but shall be reduced by the amount of any funds specifically appropriated for the same purpose in any year from any state fund. In the event that the appropriation is revoked in any future year, the state board ~~for vocational education~~ shall certify this fact to each school district theretofore entitled to an aid credit under this subdivision.

Subd. 7. The appropriation heretofore made for post-secondary vocational debt service aid payable in the school year ending June 30, 1977, is confirmed, and the board shall continue to provide for the payment of debt service aids therefrom at or before the due dates of school district bonds and interest in that school year. In addition, the state board ~~for vocational education~~ shall pay to districts which expended cash balances to finance the construction of new post-secondary vocational facilities and which the state board prior to May 15, 1975 agreed to repay for these expenditures the amount of the repayment specified in the agreement. Funds received in repayment shall revert to the fund of origin in the district.

Sec. 20. Minnesota Statutes 1982, section 124.565, subdivision 1, is amended to read:

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

**124.565 POST-SECONDARY VOCATIONAL EDUCATION TUITION.**

Subdivision 1. Any Minnesota resident may attend a post-secondary ~~vocational-technical~~ vocational technical school, ~~provided that if the individual meets the entrance requirements for the training course in which enrollment is sought and the school has the room and the facility to receive him available space.~~

Sec. 21. Minnesota Statutes 1982, section 124.565, subdivision 6, is amended to read:

Subd 6. **LENGTH OF QUARTER.** For purposes of tuition charges, a quarter shall consist of 60 school days. The state board ~~for vocational education~~ shall ~~adopt rules providing for establish~~ proportionate tuition charges for quarters which are shorter or longer than 60 days, for part time and extended day enrollment, and for programs which begin or end during a quarter. The state board shall ~~adopt rules providing for establish~~ tuition charges based on approved program lengths for programs offered on an individualized basis.

Sec. 22. Minnesota Statutes 1982, section 124.565, subdivision 7, is amended to read:

Subd. 7. **VETERAN'S EXEMPTION.** A veteran who is a Minnesota resident shall be whose entire education has not included completion of at least one tuition free post-secondary vocational technical school program is exempt from the tuition ~~required by subdivision 3~~ until the veteran has completed the lesser of (a) 440 post-secondary ~~vocational-technical~~ vocational technical school days, or the equivalent as determined by the state board ~~for vocational education~~, or (b) one post-secondary ~~vocational-technical~~ vocational technical school program.

"Veteran" for the purpose of this subdivision means a person who served in the active military service in any branch of the armed forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

Sec. 23. Minnesota Statutes 1982, section 124.572, as amended by Laws 1983, chapter 314, article 5, section 12, is amended to read:

**124.572 CURRENT FUNDING FOR ADULT VOCATIONAL EDUCATION.**

Subdivision 1. The state shall pay adult vocational aids for each year on a current funding basis.

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

Subd. 1a. LIMITED APPLICABILITY. The provisions of this section shall apply only for the 1983-1984 and 1984-1985 school years.

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 state director~~ 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.

Subd. 2a. **[1982-1983 ADULT VOCATIONAL AID.]** The aid for the 1982-1983 school year shall be paid according to subdivision 2, except that the state shall pay 69 percent of salaries and 46.25 percent of necessary travel.

Subd. 3. This aid shall be paid only for services rendered or for travel costs incurred in adult vocational education programs approved for funding by the ~~commissioner of education state director~~. Rules Policy shall be adopted established by the state board providing criteria to be applied by the ~~commissioner state director~~ in approving programs for funding pursuant to this section including: economic impact of the program, legislative mandate for the program, employment opportunities in the occupational area, and proven contribution of the program. All programs shall be operated in accordance with policies and rules promulgated by the state board. These ~~rules~~ shall provide minimum student-staff ratios required for an adult vocational education program to qualify for this aid. ~~Rules relating to adult vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference.~~

Subd. 3a. In any fiscal year when moneys requested for programs approved for funding are more than the amount appropriated, the ~~commissioner of education state director~~ shall, to the extent possible, continue full funding for programs which are approved by July 1 for aid for even numbered years or by the preceding March 1 for aid for odd numbered years. ~~The commissioner state director~~ shall prorate any remaining moneys among programs which are approved for funding after these dates.

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

Subd. 4. Boards may charge tuition for participation in adult vocational education programs. Nothing in this section shall prohibit the charging of differential tuition rates for residents or nonresidents of a district. If adult vocational education is provided by another district or a cooperative center by contract pursuant to subdivision 5, the contract shall provide for this issue.

Subd. 5. Any board may contract with the board of a district containing a post-secondary vocational-technical school or the board of a cooperative center for the provision of adult vocational education services. The board providing these services may also act as fiscal agent for the other contracting district if so agreed. Information copies of all contracts shall be provided to the state department director.

Subd. 6. All adult vocational education aid shall be paid to the district or cooperative center providing the services. The district providing the services may bill the contracting district for any unpaid costs incurred in providing these services if so agreed in the contract.

Subd. 7. Each district providing adult vocational education shall establish and maintain separate, accurate and detailed revenue and expenditure accounts related to these adult vocational education programs. All adult vocational education aid received by the district from any source shall be utilized solely for the purposes of adult vocational education programs.

Subd. 8. **PAYMENT SCHEDULE THROUGH 1982.** Through the 1981-1982 school year, the state shall pay to each school district 30 percent of its estimated adult vocational education aid for the school year on or before the following dates: August 31, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All adult vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.

Subd. 8a. **PAYMENT SCHEDULE.** ~~Beginning in the 1982-1983 school year,~~ The state shall pay to each school district its estimated adult vocational education aid in the following manner: 30 percent by August 31, 30 percent by December 31, and 25 percent by March 31. The final aid distribution shall be made by October 31 of the following school year. ~~All adult vocational education aids shall be computed and distributed by the state aids section of the department of education.~~

Subd. 9. Effective July 1, 1978, any individual enrolled in an adult farm management program for longer than six years shall be charged a tuition rate equal to the full cost of the program attributable to that individual.

Subd. 10. State money shall not be used to pay for more than 75 percent of the independent telephone communications training program and the Minneso-

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

ta electric cooperative linepersons training program. The appropriate industry or association shall pay at least 25 percent of the cost of each program.

Sec. 24. Minnesota Statutes 1982, section 124.573, subdivision 3, is amended to read:

Subd. 3. This aid shall be paid only for services rendered or for the costs designated in subdivision 2 which are incurred in secondary vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board of education. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid, ~~but~~. The rules shall not require any minimum number of program offerings or administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. No rules promulgated by the state board pursuant to any statute shall require a district to offer secondary vocational education. The state board of education shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for travel costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state board ~~for vocational~~ of education.

Sec. 25. Minnesota Statutes 1982, section 136A.02, subdivision 6, is amended to read:

Subd. 6. There is hereby created a higher education advisory council, the membership of which shall include the president of the University of Minnesota, the chancellor of the state university board, the chancellor of the state board for community colleges, the state director of vocational technical education, the commissioner of education, the executive director of the Minnesota private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters which the council deems as needing attention of the board, (2) make recommendations to the board as the council deems appropriate, (3) review and comment upon proposals and other matters before the board, and (4) provide any reasonable assistance to the board in its effort to fulfill responsibilities of the board. The board shall periodically inform the council of all matters under consideration by the board and shall refer all

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

proposals to the council prior to transmitting such proposals as recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The higher education advisory council shall report to the board quarterly and at such other times as the council may deem desirable. The council shall determine its meeting times, but the council shall also meet within 30 days following a request for a council meeting by the executive director of the board.

Sec. 26. Minnesota Statutes 1983 Supplement, section 136C.01, is amended to read:

**136C.01 ESTABLISHMENT.**

A state board of vocational technical education is established to govern post-secondary and adult vocational education. ~~It shall also govern adult vocational education administered by an area vocational technical institute.~~

Sec. 27. Minnesota Statutes 1983 Supplement, section 136C.02, subdivision 3 is amended to read:

Subd. 3. **POST-SECONDARY VOCATIONAL EDUCATION.** "Post-secondary vocational education" means post-secondary and adult vocational education ~~administered by an AVTI.~~

Sec. 28. Minnesota Statutes 1983 Supplement, section 136C.04, is amended by adding a subdivision to read:

Subd. 4a. **CARRY OVER AUTHORITY.** The state board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The state board may carry over an unexpended balance up to a maximum of two percent of its biennial appropriation into the following biennium. These moneys shall not be taken into account in determining state appropriations.

Sec. 29. Minnesota Statutes 1983 Supplement, section 136C.04, subdivision 7, is amended to read:

Subd. 7. **ATTENDANCE AND COMPLETION.** The state board shall prescribe conditions of admission, tuition, fees, and other related matters. The state board shall prescribe requirements for completion of programs and approve the awarding of appropriate certificates or associate degrees consistent with the provisions of section ~~121.218~~ 136C.042. Chapter 14 shall not apply to the matters in this subdivision.

Sec. 30. Minnesota Statutes 1983 Supplement, section 136C.04, subdivision 10, is amended to read:

Subd. 10. **ALLOCATION.** The state board shall allocate state and federal money for post-secondary vocational education. Money received from

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

federal sources, other than as provided in this chapter 424, and money received from other sources, not including the state, shall not be taken into account in determining appropriations or allocations.

**Sec. 31. [136C.041] WITHHOLDING OF ALLOCATIONS.**

Subdivision 1. The state board may withhold allocations for post-secondary vocational education if the board finds a district to be in violation of any statute, rule, or state board policy.

Subd. 2. The state board shall notify the district of its finding. The notice shall specify the violation, describe the correction required, and set a reasonable time within which the district shall correct the violation. The state board also shall provide the district an opportunity for a hearing to respond and to dispute the finding. No allocations shall be withheld pending the final decision of the state board. If a violation is corrected in the allotted time or if the state board determines that a violation does not exist, no allocations shall be withheld.

Subd. 3. The decision of the state board under this section may be reviewed on certiorari by the district court of the county in which the district, or any part of it, is located.

**Sec. 32. [136C.06] SOLE STATE AGENCY.**

The state board of vocational technical education is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The state board shall develop and submit the state plan for vocational technical education. The state board shall develop the state plan according to terms of agreement with the state board of education.

**Sec. 33. EFFECT OF TRANSFER.**

Subdivision 1. BOARD TRANSFER. The powers, duties, and functions of the state board of education for adult vocational education not administered by an AVTI are transferred to the board of vocational technical education on July 1, 1984. Rules of the state board of education relating to adult vocational education shall have no force and effect on July 1, 1984, and thereafter.

Subd. 2. TRANSFER NOT TO AFFECT LEGAL ACTION. The transfer of powers, duties, and functions shall not affect any action or proceeding, whether administrative, civil, or criminal, pending at the time of the transfer. The action shall be continued in the name of the state board of vocational technical education which, upon application to the appropriate court, shall be substituted as a party to the action or proceeding.

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

**Subd. 3. TRANSFER OF PROPERTY.** All books, maps, plans, papers, records, contracts, documents, and property of every description in the possession or control of the state board of education, relating to adult vocational education, shall be transferred to the state board of vocational technical education. The transfer shall be made in accordance with the directions of the state board of vocational technical education.

**Subd. 4. TRANSFER OF FUNDS.** The unencumbered and unexpended balance of all funds appropriated to the state board of education for adult vocational education shall be transferred to the state board of vocational technical education. All federal money for adult vocational education shall be transferred to the state board of vocational technical education. Notwithstanding any law to the contrary, for the 1984-1985 school year, the state board of vocational technical education shall expend for adult vocational education not administered by an AVTI only the funds available from the state board of education. Funds available to the state board of vocational technical education for post-secondary and adult vocational education administered by an AVTI shall not be used for adult vocational education not administered by an AVTI.

**Subd. 5. CONSTRUCTION OF STATUTES, CONTRACTS, AND DOCUMENTS.** Whenever the state board of education or its officer is referred to or designated in a statute, contract, or document, in the context of adult vocational education, the reference or designation shall be construed to mean the state board of vocational technical education or its officer.

**Sec. 34. MERGED POST-SECONDARY AND ADULT BUDGETS.**

The state director of vocational technical education may prepare a merged budget for post-secondary and adult vocational education for the 1985-1986 school year and shall maintain records of revenues and expenditures and student enrollment in the current categories of post-secondary and adult vocational education for each institution. The state board shall prepare a comparison of the financial implications of funding adult vocational programs through the current statutory adult vocational formula and the average cost funding formula.

**Sec. 35. STUDENT PROGRAM COMPLETION.**

If an AVTI program is eliminated by state board action, the state board may provide for student subsistence to complete the same program in another AVTI during the 1984-1985 school year. The state board may provide the subsistence only if the cost of providing the program in the alternative AVTI is less than the cost of maintaining the program in the original AVTI.

**Sec. 36. INSTRUCTION TO REVISOR.**

The revisor of statutes shall renumber each section of Minnesota Statutes specified in Column A with the number set forth in Column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

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

| <u>Column A</u> | <u>Column B</u> |
|-----------------|-----------------|
| <u>121.21</u>   | <u>136C.07</u>  |
| <u>121.212</u>  | <u>136C.08</u>  |
| <u>121.213</u>  | <u>136C.17</u>  |
| <u>121.214</u>  | <u>136C.42</u>  |
| <u>121.215</u>  | <u>136C.43</u>  |
| <u>121.2155</u> | <u>136C.44</u>  |
| <u>121.216</u>  | <u>136C.15</u>  |
| <u>121.218</u>  | <u>136C.042</u> |
| <u>124.52</u>   | <u>136C.21</u>  |
| <u>124.54</u>   | <u>136C.211</u> |
| <u>124.55</u>   | <u>136C.212</u> |
| <u>124.56</u>   | <u>136C.213</u> |
| <u>124.5611</u> | <u>136C.25</u>  |
| <u>124.5612</u> | <u>136C.26</u>  |
| <u>124.5613</u> | <u>136C.27</u>  |
| <u>124.5614</u> | <u>136C.28</u>  |
| <u>124.5615</u> | <u>136C.29</u>  |
| <u>124.5616</u> | <u>136C.31</u>  |
| <u>124.5617</u> | <u>136C.32</u>  |
| <u>124.5618</u> | <u>136C.33</u>  |
| <u>124.5619</u> | <u>136C.34</u>  |
| <u>124.5628</u> | <u>136C.35</u>  |
| <u>124.5629</u> | <u>136C.36</u>  |
| <u>124.564</u>  | <u>136C.41</u>  |
| <u>124.565</u>  | <u>136C.13</u>  |
| <u>124.57</u>   | <u>136C.37</u>  |
| <u>124.572</u>  | <u>136C.38</u>  |
| <u>124.58</u>   | <u>136C.22</u>  |
| <u>124.59</u>   | <u>136C.221</u> |
| <u>124.60</u>   | <u>136C.222</u> |
| <u>124.61</u>   | <u>136C.223</u> |

Sec. 37. **REPEALER.**

Minnesota Statutes 1982, sections 121.217; 124.565, subdivisions 3 and 4; 124.572, subdivisions 2a and 8; 124.573, subdivisions 2a, 3b, and 5; 124.574, subdivisions 2, 2a, and 3a, are repealed. Minnesota Statutes 1983 Supplement, sections 124.11, subdivisions 2a and 2b; 124.5613, subdivision 1, are repealed.

Sec. 38. **APPROPRIATION.**

The sum of \$600,000 is appropriated from the general fund to the state board of vocational technical education for fiscal year 1985 to develop new programs and to update curriculum.

Sec. 39. **EFFECTIVE DATE.**

Section 28 is effective June 30, 1984.

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

**ARTICLE 6**  
**OTHER AIDS AND LEVIES**

Section 1. Minnesota Statutes 1983 Supplement, 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 the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon the changed valuations, the county auditor shall, prior to February 1 of each year, certify to 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 abatement adjustment shall be recognized as revenue in the fiscal year in which it is received. 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:

(a) the sum of the amounts of the district's certified levy in the preceding October according to the following:

(i) section 275.125, subdivisions 2a, 7d, clause (1), and 7d, clause (2), if the district is entitled to basic foundation aid according to section 124.2122;

(ii) section 275.125, subdivisions 7d, clause (3), if the district is entitled to third tier aid according to section 124A.10, subdivision 3;

(iii) section 275.125, subdivision 7d, clause (4), and 7d, clause (5), if the district is eligible for fourth tier aid according to section 124A.12, subdivision 3;

(iv) section 275.125, subdivisions 2j and 2k, if the district is entitled to summer school aid according to section 124.201; and

(v) section 275.125, subdivisions 5 and 5c, if the district is entitled to transportation aid according to section 124.225, subdivision 8a;

(b) to the sum of the amounts total amount of the district's certified levy limitations in the preceding October pursuant to section 275.125, subdivisions 2a, 2i, 2j, 2k, 5, 5e, 6e, and 7a to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125, plus or minus auditor's adjustments. 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,

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

subdivision 6d, shall be included in the computation of the ratio. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

Sec. 2. Minnesota Statutes 1982, section 124.245, subdivision 1, is amended to read:

Subdivision 1. **BASIC COMPUTATION.** (a) For the 1981-1982 school year and Each year thereafter, except for the 1982-1983 school year, the state shall pay a school district the difference by which an amount equal to \$90 per pupil unit in that school year or, in districts where the actual number of actual pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$95 per pupil unit in that school year, exceeds the amount raised by seven 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 have levied the full seven EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

For the 1982-1983 school year the state shall pay a school district the difference by which an amount equal to \$89 per pupil unit in that school year or, 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, \$94 per pupil unit in that school year, exceeds the amount raised by seven 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 have levied the full seven EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

(b) In the 1982-1983 school year and each year thereafter, The aid under clause (a) for any district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit which is \$5 higher than the amount specified in clause (a).

(c) If the sum of a district's capital expenditure levy under section 275.125, subdivision 11a, attributable to any school year starting in 1982-1983 and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$89 \$90 per pupil unit or, in districts where the actual number of actual pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$94 \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

### Sec. 3. [126.60] PROGRAMS OF EXCELLENCE.

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

Subdivision 1. DESIGNATION. The commissioner of education shall designate secondary academic programs as programs of excellence by April 1 each year according to criteria established by the commissioner. The criteria may include: teacher qualifications; curriculum offerings; student ability averages; management; expectations; academic standards; order and discipline; clearly defined academic goals; administrative leadership; community support; organization for learning; frequency, monitoring, and reporting of homework; regularity and frequency of monitoring of pupil progress; coordination, articulation, and comprehensiveness of curriculum; variety of teaching strategies; opportunities for pupils responsibility; commitment to accept at least five pupils; and ability to provide host families. A designation as a program of excellence shall be for two school years and may be renewed upon reapplication.

Subd. 2. APPLICATION. A district may apply to the commissioner for designation of one or more of its secondary academic programs as a program of excellence. The application shall include information required by the commissioner. The commissioner shall distribute criteria and applications for all districts.

Subd. 3. COMMITTEE. The commissioner shall establish a programs of excellence committee. The committee shall advise the commissioner about criteria for the programs and may review district applications.

Subd. 4. INCENTIVE GRANTS. A district with a program designated as a program of excellence shall receive an incentive grant for the program for each year of the designation.

#### Sec. 4. [126.62] PUPILS FOR PROGRAMS OF EXCELLENCE.

Subdivision 1. PUPIL SELECTION. The commissioner of education shall select pupils to attend programs of excellence according to criteria established by the commissioner. The criteria may include, but not be limited to, an evaluation of the pupil's academic ability, the pupil's future career plans, and lack of academic opportunity in the pupil's current school.

Subd. 2. APPLICATION. The commissioner shall distribute to all districts the criteria and application forms containing the date applications are due. Each district shall distribute the criteria and applications to all pupils in the district in grades 7 to 11 and their parents. Any pupil may request additional information about the program, school, and the district. A pupil shall be notified of selection by June 1 each year. Additional pupils may be selected after June 1 if space is available.

Subd. 3. PROGRAM LIMITS. No more than 100 pupils who have completed at least the eighth grade or equivalent may be selected to participate in the program. No more than ten pupils selected may attend a particular program of excellence at any one time.

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

Subd. 4. ATTENDANCE. A pupil selected shall attend the school with the program of excellence full time. A pupil may continue to attend the program through completion of all programs offered by the school if the pupil maintains satisfactory progress. At least twice a year the principal of a school with a program of excellence shall certify to the commissioner whether or not the pupil is making satisfactory progress. A pupil not making satisfactory progress, as certified by the principal, shall be dropped from the program as of the date of the certification.

Subd. 5. COMMITTEE. The programs of excellence committee, established in section 3, subdivision 3, shall advise the commissioner about criteria and application forms for pupil selection.

Subd. 6. TRANSPORTATION. The commissioner may reimburse transportation costs when a pupil demonstrates need.

Subd. 7. HOST FAMILIES. A school with a program of excellence shall screen and arrange for volunteer host families for nonresident pupils selected to attend the school.

**Sec. 5. [126.64] FOUNDATION REVENUE FOR PUPILS.**

Subdivision 1. DISTRICT OF RESIDENCE. All foundation revenue which a pupil selected to attend a school of excellence would have earned for the resident district had the pupil continued to attend that district shall continue to be earned by the resident district. If a pupil selected to attend a program of excellence has not been enrolled in a public school in the resident district for at least one school year immediately preceding enrollment in a program of excellence, the resident district shall not earn foundation revenue for that pupil.

Subd. 2. DISTRICT OF ATTENDANCE. The district receiving a pupil selected to participate in the program of excellence program shall count the pupil as a resident pupil unit as defined in section 124.17 for purpose of determining aids and levies.

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

Subd. 6e. DESEGREGATION LEVY. Each year any district which is implementing a plan for desegregation mandated by the state board of education or under court order may levy an amount not to exceed one mill times the adjusted assessed valuation of the district. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155. A district which levies pursuant to this subdivision may not place the proceeds of the 1983 payable 1984 levy authorized by section 275.125, subdivision 9a, in the general fund.

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

Sec. 7. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 8a, is amended to read:

Subd. 8a. **INTERDISTRICT COOPERATION LEVY.** Each year, a district which is eligible for aid pursuant to section 124.272, subdivision 2, 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~~ the levy shall not exceed the lesser of: (1) \$50 times the actual pupil units for that school year. No levy under this subdivision shall exceed; (2) \$50,000; or (3) 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. 8. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 9b, is amended 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 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, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, sections section 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 ~~274.125~~ 275.125, subdivision 2a or 2e in that same year.

Sec. 9. Minnesota Statutes 1983 Supplement, 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 total pupil unit, or \$95 per total pupil unit in districts where the actual number of actual 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

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

mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the tax levy 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 purchase textbooks, to pay leasing fees for purchase and lease computer systems hardware and related proprietary, software, and related supporting materials, and to pay leasing fees for purchase or lease 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, 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 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. The proceeds of ~~the tax~~ may also be used to pay principal and interest on loans from the state authorized by section 116J.37.

(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 levy 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 total pupil unit for capital expenditures for equipment for these programs.

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

(g) For purposes of computing allowable levies under this subdivision and 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. 10. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 11b, is amended to read:

**Subd. 11b. SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.**

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 total 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, 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;

(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; and

(f) to pay principal and interest on loans from the state authorized by section 116J.37.

Sec. 11. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 11c, is amended 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, each year a school district may levy an amount not to exceed the amount equal to \$25 per total 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, asbestos

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

related repairs, or the cleanup and disposal of polychlorinated biphenyls found in school buildings or property.

Sec. 12. Minnesota Statutes 1983 Supplement, 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. 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. However, a school district may not levy pursuant to this section for premium costs for motor vehicle insurance protecting against injuries or damages arising out of the operation of district owned, operated, leased, or controlled vehicles for the transportation of pupils for purposes for which state aid is authorized under section 124.223, or for purposes for which the district is authorized to levy under section 275.125, subdivision 5d. 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.

Sec. 13. Laws 1983, chapter 314, article 6, section 34, subdivision 12, is amended to read:

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

\$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.

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

Up to the following amounts may be distributed to the following school districts for fiscal year 1984: ~~\$49,600~~ \$48,972 to Independent School District No. 309-Pine Point School; ~~\$8,750~~ \$8,639 to Independent School District No. 166; ~~\$13,500~~ \$13,329 to Independent School District No. 432; ~~\$12,700~~ \$12,539 to Independent School District No. 435; ~~\$38,100~~ \$37,618 to Independent School District No. 707; and ~~\$35,350~~ \$34,903 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~~ \$50,955 to Independent School District No. 309-Pine Point School; ~~\$9,200~~ \$8,998 to Independent School District No. 166; ~~\$14,200~~ \$13,888 to Independent School District No. 432; ~~\$13,350~~ \$13,056 to Independent School District No. 435; ~~\$40,050~~ \$39,170 to Independent School District No. 707; and ~~\$37,100~~ \$36,285 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 allocations are based on 100 percent of the entitlement for fiscal year 1985, 85 percent of which is appropriated for payment in fiscal year 1985.

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 1985-86 school year prepared according to section 121.908, subdivision 3a, shall be submitted to the commissioner of education at 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

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

(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.

**Sec. 14. STATUTORY OPERATING DEBT LEVY INTO GENERAL FUND.**

Notwithstanding Minnesota Statutes 1982, section 275.125, subdivision 9a, and any other law to the contrary, a school district located in a city of the first class, which does not levy pursuant to Minnesota Statutes, section 275.125, subdivision 6e, may place the proceeds of the 1983 payable 1984 levy authorized by Minnesota Statutes 1982, section 275.125, subdivision 9a, in the general fund. This authority shall not be construed to modify a district's obligation to eliminate its statutory operating debt.

**Sec. 15. OPERATING DEBT LEVY FOR BUHL AND MOUNTAIN IRON CONSOLIDATION.**

Subdivision 1. AUTHORIZATION. In 1985 and each year thereafter, the newly created district formed by the consolidation of Independent School District No. 694, Buhl, and Independent School District No. 703, Mountain Iron, may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the newly created district, determined as of June 30, 1985, and certified and adjusted by the commissioner. This levy each year may be an amount not to exceed 1.5 mills times the adjusted assessed valuation of the newly created district for the preceding year as determined by the equalization aid review committee. When the cumulative amount of the levies made pursuant to this subdivision equals the total amount of the certified deficit of the newly created district, the levy shall be discontinued.

Subd. 2. USE OF PROCEEDS. 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.

Subd. 3. CONDITION OF LEVY AUTHORITY. In any year in which the newly created district levies pursuant to this subdivision, it shall certify the maximum levy allowable under section 275.125, subdivision 2a, in that same year.

Subd. 4. EFFECTIVE DATE AND NO LOCAL APPROVAL. Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), this section is effective without local approval the day following final enactment.

**Sec. 16. HERMANTOWN; SPECIAL ASSESSMENT LEVY.**

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

In 1984, Independent School District No. 700, Hermantown, may certify a levy in an amount not to exceed \$50,000 for a special sewer and water assessment.

**Sec. 17. REPEALER.**

Subdivision 1. Minnesota Statutes 1982, sections 124.245, subdivision 1a; 124.246, subdivision 2a; 124.26, subdivision 1a; 124.273, subdivisions 1a and 2a, are repealed.

**Sec. 18. APPROPRIATION FOR DEFICIENCIES.**

Subdivision 1. ABATEMENT AID. For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1984, the sum of \$1,031,000 and for the fiscal year ending June 30, 1985, the sum of \$1,000,000. These appropriations shall be added to the sums appropriated for fiscal years 1984 and 1985 for this purpose in Laws 1983, chapter 314, article 6, section 34, subdivision 3.

Subd. 2. INTERDISTRICT COOPERATION AID. For interdistrict cooperation aid pursuant to section 124.272, there is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1985, the sum of \$255,000. This appropriation shall be added to the sum appropriated for fiscal year 1985 in Laws 1983, chapter 314, article 6, section 34, subdivision 9.

Subd. 3. RESIDENTIAL FACILITIES AID. For residential facilities aid pursuant to section 124.32, subdivision 5, there is appropriated from the general fund to the department of education, the sum of \$526,100 for the fiscal year ending June 30, 1984 and the sum of \$526,100 for the fiscal year ending June 30, 1985. These appropriations shall be added to the sums appropriated for fiscal years 1984 and 1985 in Laws 1983, chapter 314, article 3, section 19, subdivision 5.

**Sec. 19. APPROPRIATION.**

Subdivision 1. NETT LAKE. The sum of \$20,000 is appropriated from the general fund to the department of education to pay the obligation of Independent School District No. 707, Nett Lake, for unemployment compensation. The sum shall be available until June 30, 1985.

Subd. 2. PROGRAMS OF EXCELLENCE. For planning and development of programs of excellence pursuant to sections 3 to 5, there is appropriated from the general fund to the department of education for fiscal year 1985, the sum of \$15,000.

**Sec. 20. EFFECTIVE DATES.**

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

Subdivision 1. Sections 3 to 5 are effective July 1, 1984, for programs of excellence to be implemented beginning in the 1985-1986 school year.

Subd. 2. Sections 13 and 18 are effective the day following final enactment.

Subd. 3. Section 9 is effective for expenditures of levy proceeds beginning in the 1984-1985 school year.

#### ARTICLE 7 MISCELLANEOUS

Section 1. Minnesota Statutes 1983 Supplement, section 121.15, subdivision 1, is amended to read:

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, other than an area vocational technical institute. 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.

Sec. 2. Minnesota Statutes 1983 Supplement, section 121.503, subdivision 5, is amended to read:

Subd. 5. **REPORT.** The council on quality education shall submit a report to the education committees of the legislature by February 1 each year. This report shall include the number and description of programs approved, implementation status of programs approved, waivers granted, and evaluation of programs approved.

Sec. 3. Minnesota Statutes 1982, section 121.908, is amended by adding a subdivision to read:

Subd. 6. A school district providing early retirement incentive payments under section 125.611, severance pay under section 465.72, or health insurance benefits to retired employees under section 471.61, must account for the payments according to uniform financial accounting and reporting standards adopted for Minnesota school districts pursuant to section 121.902.

Sec. 4. Minnesota Statutes 1982, section 121.912, is amended by adding a subdivision to read:

Subd. 4. ACCOUNT TRANSFER FOR STATUTORY OPERATING DEBT. On June 30 of each year, a district may make a permanent transfer from the general fund account entitled "unappropriated fund balance since statutory operating debt" to the account entitled "appropriated fund balance reserve account for purposes of reducing statutory operating debt." The amount of the

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

transfer is limited to the lesser of (a) the net unappropriated operating fund balance, or (b) the sum of the remaining statutory operating debt levies authorized for all future years according to section 275.125, subdivision 9a. If the net unappropriated operating fund balance is less than zero, the district may not make a transfer.

Sec. 5. Minnesota Statutes 1982, section 121.935, subdivision 2, is amended to read:

Subd. 2. **DUTIES.** Every regional management information center shall:

(a) Assist its affiliated districts in complying with the reporting requirements of the annual data acquisition calendar and the rules of the state board of education;

(b) Respond within 15 calendar days to requests from the department for district information provided to the region for state reporting of information, based on the data elements in the data element dictionary;

(c) Operate financial management information systems consistent with the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to 121.917;

(d) Make available to districts the opportunity to participate fully in all the subsystems of ESV-IS;

(e) Before July 1, 1981, develop a plan for the provision of services during a system failure or a disaster;

(f) Comply with the requirement in section 121.908, subdivision 2, on behalf of districts affiliated with it; and

(g) Operate fixed assets property management information systems consistent with the uniform property accounting and reporting standards for Minnesota area vocational-technical institutes adopted by the state board pursuant to section 121.902, subdivision 1a.

Sec. 6. Minnesota Statutes 1982, section 121.935, subdivision 6, is amended to read:

Subd. 6. **FEES.** Regional management information centers may charge fees to affiliated districts. ~~A district which submits financial transactions to the center in summary form pursuant to section 121.936, subdivision 1, or which uses an approved alternative management information system pursuant to section 121.936, subdivisions 2 to 4, may apply to the commissioner to set the fee if the district and the center cannot agree on a fee. The commissioner shall issue an order setting the fee, which shall be binding on both the center and the district for the cost of services provided to the district and the district's proportionate share of outstanding regional debt. In no event shall the annual fee of a district participating in a state pilot program of an alternative financial management~~

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

information system exceed the annual fee chargeable to the district in the absence of the pilot program.

Sec. 7. Minnesota Statutes 1982, section 121.936, subdivision 1, is amended to read:

Subdivision 1. **MANDATORY PARTICIPATION.** (a) By July 1, 1980, every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multi-dimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92.

(b) By July 1, 1980, every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) The center shall provide reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) The district shall use the ESV-IS finance subsystem through the center to process every detailed financial transaction of the district.

Notwithstanding the foregoing, a district with 3,000 or fewer pupils in average daily membership as defined in section 124.17, subdivision 2, may submit its financial transactions to the center for processing in summary form if before July 1, 1980, the planned form of the district's submission of its transactions and the conformance of the district's financial accounting and reporting system to the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92 are approved by the following team: the director of school financial management in the department of education, and the director of management information services and the coordinator for the ESV-IS finance subsystem for the Minnesota educational computing consortium may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system or participating in a state approved pilot test of an alternative financial system shall purchase finance system services from any region if the region of affiliation does not offer alternative system support services.

Sec. 8. [123.3513] **ADVANCED ACADEMIC CREDIT.**

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

A school district shall grant academic credit to a pupil attending an accelerated or advanced academic course offered by a higher education institution or a nonprofit public agency other than the district, if the pupil successfully completes the course attended and passes an examination approved by the district. If no comparable course is offered by the district, the state board of education shall determine the number of credits which shall be granted to a pupil who successfully completes and passes the course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the state board of education. The state board's decision regarding the number of credits shall be final.

The credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each class and credits granted shall be included in the pupil's secondary school record.

Sec. 9. Minnesota Statutes 1982, section 123.36, subdivision 10, is amended to read:

Subd. 10. (a) The board may lease a schoolhouse ~~which~~ that is not needed for school purposes to any person or organization. The board may charge and collect reasonable consideration for the lease and may determine the terms and conditions of the lease.

(b) In districts with outstanding bonds, the net proceeds of the lease shall be first 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 all outstanding bonds that is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property that is leased. Any remaining net proceeds in these districts may be deposited in either the debt redemption fund or capital expenditure fund. ~~and~~ All net proceeds of the lease in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(c) The board may make capital improvements to a schoolhouse or a portion thereof, not exceeding in cost the replacement value of the schoolhouse, to facilitate its rental, and the lease of an improved schoolhouse shall provide for rentals which will recover the cost of the improvements over the initial term of the lease. Notwithstanding clause (b), the portion of the rentals representing the cost of the improvements shall be deposited in the capital expenditure fund of the district and the balance of the rentals shall be used as provided in clause (b).

Sec. 10. Minnesota Statutes 1983 Supplement, section 123.36, subdivision 13, is amended to read:

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

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:

(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;

(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 for the betterment, as defined in section 475.51, subdivision 8, of district-owned school buildings in which enrollment has increased as a result of closing schools in the district, other than as provided in clauses (b), (c), and (d);~~ or

(g) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in clauses (a), (b), (c), (d), and (e) shall be deducted from the levy limitation computed for the levy authorized in section 275.125, ~~subdivision~~ subdivisions 11b and 11c, as applicable, 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

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

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.

(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. 11. [124.2139] REDUCTION OF HOMESTEAD CREDIT PAYMENTS TO SCHOOL DISTRICTS.**

Beginning with homestead credit payments made to school districts pursuant to section 273.13, subdivisions 6, 7, and 14a, in fiscal year 1985 for taxes payable in 1984, and each year thereafter, the commissioner of revenue shall reduce these payments to any school district by the product of:

(1) the district's fiscal year 1984 payroll for coordinated plan members of the public employees retirement association, times

(2) the difference between the employer contribution rate in effect prior to July 1, 1984, and the total employer contribution rate in effect after June 30, 1984.

Sec. 12. Minnesota Statutes 1982, section 124.214, subdivision 1, is amended to read:

Subdivision 1. **OMISSIONS.** No adjustments to any aid payments made pursuant to this chapter, resulting from omissions in school district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December 15 30 of the next school year, unless otherwise specifically provided by law.

Sec. 13. Minnesota Statutes 1982, section 125.12, subdivision 3, is amended to read:

Subd. 3. **PROBATIONARY PERIOD.** The first and second three consecutive years of a teacher's first teaching experience in Minnesota in a single school district shall be deemed to be a probationary period of employment, and

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

after completion thereof, the probationary period in each school district in which he the teacher is thereafter employed shall be one year. A teacher who has complied with the then applicable probationary requirements in a school district prior to July 1, 1967, shall not be required to serve a new probationary period in the said district subsequent thereto. The school board shall adopt a plan for written evaluation of teachers during the probationary period. Evaluation shall occur not less than three times each year. During the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit; provided, however, that the school board shall give any such teacher whose contract it declines to renew for the following school year written notice to that effect before June 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the school board shall give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during his the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 123.35, subdivision 5.

Sec. 14. Minnesota Statutes 1982, section 125.17, subdivision 2, is amended to read:

Subd. 2. **PROBATIONARY PERIOD; DISCHARGE OR DEMOTION.** All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board shall see fit. The school board shall adopt a plan for a written evaluation of teachers during the probationary period. Evaluation shall occur not less than three times each year. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

Sec. 15. Minnesota Statutes 1982, section 125.611, is amended by adding a subdivision to read:

Subd. 13. **APPLICATIONS AFTER JUNE 30, 1984.** The state shall not reimburse the district for any portion of an early retirement incentive for any applications submitted after June 30, 1984. Beginning on July 1, 1984, a teacher meeting the requirements of subdivision 1 may apply to the school board of the employing district for a contract for termination of services, withdrawal from active teaching service, and payment of an early retirement incentive. This application shall be submitted on or before February 1 of the school year at the end of which the teacher wishes to retire. A school board shall approve or deny

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

the application within 30 days after it is received by the board. The amount of the early retirement incentive shall be agreed upon between the teacher and the school board. The early retirement incentive shall be paid by the employing district at the time and in the manner mutually agreed upon by a teacher and the board.

Sec. 16. Minnesota Statutes 1982, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall develop and create rules for the licensure of public school teachers and interns, and from time to time ~~the board of teaching~~ it shall revise or supplement the rules for licensure of public school teachers subject to the provisions of chapter 14. It shall be the duty of the board ~~of teaching~~ to establish rules for the approval of teacher education programs; provided these rules shall encourage teacher educators to obtain periodic classroom teaching experience. The board ~~of teaching~~ shall also grant licenses to interns and to candidates for original licenses and receive recommendations from local committees as established by the board ~~of teaching~~ for the renewal of teaching licenses, grant life licenses to those who qualify according to requirements established by the board ~~of teaching~~, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. Notwithstanding any law or rule to the contrary, the board shall not establish any expiration date for application for life licenses. With regard to vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board ~~for vocational of education and the state board of vocational technical education.~~

Sec. 17. Minnesota Statutes 1983 Supplement, section 129B.02, subdivision 4, is amended to read:

Subd. 4. **REPORT TO LEGISLATURE.** The council shall report to the education committees of the legislature by November 15 of each even-numbered year concerning all research and all proposals received, the dispositions 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. 18. Minnesota Statutes 1983 Supplement, section 129B.041, subdivision 1, is amended to read:

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. Products sold shall 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~~.

Sec. 19. Minnesota Statutes 1983 Supplement, section 129B.041, subdivision 3, is amended to read:

Subd. 3. **REVOLVING FUND.** The education ~~products~~ product and loan repayment 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,~~ Repayment of loans, made according to section 129B.04, subdivision 2, and sale 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.

Sec. 20. Minnesota Statutes 1982, section 275.125, subdivision 9a, is amended to read:

Subd. 9a. **STATUTORY OPERATING DEBT LEVY.** (1) In 1978 and each year thereafter in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977 and certified and adjusted by the commissioner. This levy shall not be made in more than 20 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall in each year be an amount which is equal to 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~~; provided that in the last year in which the district is required to make this levy, it shall levy 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~~. When the sum of the cumulative levies made pursuant to this subdivision equal and transfers made according to section 121.912, subdivision 4 equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. 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 is required to levy pursuant to this subdivision shall certify the maximum levy allowable under subdivision 2a in that same year.

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

(4) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 21. Minnesota Statutes 1982, section 465.721, is amended to read:

**465.721 FUNDING.**

No county, city, township, ~~school district~~ or other governmental subdivision shall implement a plan for payment of severance pay pursuant to section 465.72 until a plan providing for full funding has been developed and approved by the governing body. This section does not apply to school districts.

Sec. 22. Minnesota Statutes 1982, section 471.61, subdivision 1, is amended to read:

Subdivision 1. **OFFICERS, EMPLOYEES.** Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, other than the state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their officers and employees, and their dependents, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, in the case of employees, and medical and surgical benefits, and hospitalization insurance or benefits, for both employees and dependents, or dependents of an employee whose death was due to causes arising out of and in the course of employment, or any one or more of such forms of insurance or protection. Any such governmental unit, including county extension committees and those paying their employees, may pay all or any part of the premiums or charges on such insurance or protection. Any such payment shall be deemed to be additional compensation paid to such officers or employees but for purposes of determining contributions or benefits under any public pension or retirement system it shall not be deemed to be additional compensation. Any one or more of such governmental units may determine that a person is an officer or employee if such officer or employee receives a portion of his income from such governmental subdivisions without regard to the manner of his election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall deduct from the salary or wages of each officer and employee who elects to become insured or so protected, on the officer's or employee's written order, all or part of the officer's or employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract.

Any governmental unit, other than a school district, which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and ~~except for school~~

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

~~districts~~ such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax levy or per capita expenditure limitation; provided at least 50 percent of the cost of benefits on dependents shall be contributed by the employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the employee.

Sec. 23. Minnesota Statutes 1982, section 471.61, subdivision 2a, is amended to read:

Subd. 2a. **RETIRED OFFICERS, EMPLOYEES.** Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, including the state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their retired officers and retired employees entitled to benefits under any public employees retirement act and their dependents, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, medical and surgical benefits, or hospitalization insurance or benefits, for retired officers and retired employees and their dependents, or any one or more of such forms of insurance or protection. Any such governmental unit, including county extension committees, may pay all or any part of the premiums or charges on such insurance or protection. Any one or more of such governmental units may determine that a person is a retired officer or a retired employee if such officer or employee, when employed, received a portion of his income from such governmental subdivisions without regard to the manner of his election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall collect from each such retired officer and retired employee who elects to become insured or so protected, on such officer's or employee's written order, all or part of the retired officer's or retired employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract.

Any governmental unit, other than a school district, which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and ~~except for school districts~~ such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax levy or per capita expenditure limitation; provided at

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

least 50 percent of the cost of benefits on dependents shall be contributed by the retired officer or retired employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the retired officer or retired employee.

Sec. 24. Laws 1976, chapter 20, section 5, subdivision 1, is amended to read:

**Sec. 5. RESERVE FUND FOR REDUCING STATUTORY OPERATING DEBT.** Subdivision 1. The district shall establish a special reserve account, which shall be designated "reserve account for purposes of reducing statutory operating debt" on its books and records into which the proceeds of the bonds authorized in section 1 and the levies made under section 4 shall be placed. The funds in this account shall be used only for the payment of district operating expenses, but the amount in this account shall never supplement district revenues or income for the purposes of increasing the district's capital or operational expenditures or budgets, or for any purpose, other than to meet temporary cash needs. Earnings on sums in this account may be used for paying interest expenses on tax and aid anticipation certificates and for the purposes for which funds in this account may be used. Earnings on sums in this account after June 30, 1984, may be withdrawn from the account and placed in the general fund. The funds in this account may be invested and reinvested in accordance with the further provisions of Minnesota Statutes, Section 475.66, as amended.

Sec. 25. Laws 1983, chapter 314, article 7, section 45, is amended to read:

**Sec. 45. PILOT PROJECTS USING MICROCOMPUTERS.**

The department of education shall pilot test microcomputer-based financial reporting systems in up to ~~eight~~ 12 school districts during the ~~1983-1984~~ 1984-1985 school year. Districts participating in the pilot test sites shall meet hardware, software, and support limitations of the test system use as established by the department. The department shall encourage districts in geographic areas that are not now pilot testing microcomputer-based financial reporting systems to apply for additional test sites. In selecting additional test sites, the department shall give preference to districts in geographic areas that do not currently have test sites. 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

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

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 1984-1985 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 education and appropriations committees and senate education and finance committees by ~~February 15, 1984~~ January 15, 1985. The report shall include: changes in fees and costs for districts not participating in the pilot test; an analysis of district, state, and regional costs associated with operation of the systems; recommendations for maintenance of the systems; alternatives, their costs and recommendations for the provision of support to users; and an analysis of the desirability of limiting the number of allowable alternative systems. The cost of the evaluation shall be paid by the department of education.

Sec. 26. Laws 1983, chapter 314, article 8, section 23, is amended to read:

**Sec. 23. RULEMAKING ON CURRICULUM.**

Subdivision 1. SECONDARY CURRICULUM. By September 4 30, 1984, the state board of education shall adopt rules pursuant to chapter 14, establishing elementary and secondary curriculum requirements which that will ensure that a minimum comprehensive educational program is available to all public secondary school students in the state. The secondary curriculum rules adopted by the state board shall be effective beginning in the 1985-1986 school year.

Subd. 2. ELEMENTARY CURRICULUM. By September 1, 1985, the state board of education shall adopt rules pursuant to chapter 14, establishing elementary curriculum requirements that will ensure that a minimum comprehensive educational program is available to all public elementary school students in the state. The elementary curriculum rules adopted by the state board shall be effective beginning in the 1986-1987 school year.

Subd. 3. REPEALER. This section is repealed on December 31, 1986.

**Sec. 27. RETROACTIVE CREDITS.**

Pupil records shall contain evidence of classes completed at the University of Minnesota talented youth mathematics project during the 1980-1981, 1981-1982, 1982-1983, and 1983-1984 school years. Pupils may take examinations according to section 8 for these classes and if the pupil passes the examination the pupil shall receive credit for courses taken during those years.

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

**Sec. 28. APPLICABILITY OF THREE YEAR PROBATION.**

Notwithstanding the provisions of section 13, a teacher who has completed at least one year of the first teaching experience in Minnesota in a single school district on June 30, 1984 shall be required to have a two-year probationary period in that district.

**Sec. 29. INDEPENDENT SCHOOL DISTRICT NO. 271; SALE OF BUILDING.**

Subdivision 1. BUILDING EXCHANGE FOR CASH, PRODUCTS, AND SERVICES. Notwithstanding Minnesota Statutes, sections 123.36, subdivision 13, 123.37, and 471.345, or any other law to the contrary, Independent School District No. 271, Bloomington, may sell a school building to a purchaser for cash, products, and services provided by the purchaser. Cash received from the purchaser shall first be placed in the debt retirement fund in compliance with Minnesota Statutes, section 123.36, subdivision 13, clause (1). Additional cash, if any, may be placed in the general fund. Products and services may be provided for a period of time not to exceed five years according to contractual terms. The products and services shall consist of at least computer hardware, software, training, and related services as needed by the district.

Subd. 2. EFFECTIVE DATE AND NO LOCAL APPROVAL. Pursuant to section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval the day following final enactment.

**Sec. 30. INDEPENDENT SCHOOL DISTRICT NO. 284; SALE OF BUILDINGS.**

Subdivision 1. EXCESS SALE PROCEEDS INTO GENERAL FUND. Notwithstanding Minnesota Statutes, section 123.36, subdivision 13, or any other law to the contrary, Independent School District No. 284, Wayzata, may deposit the excess proceeds from the sale of any building owned by the district that is sold before January 1, 1986, into the general fund after complying with the provisions of Minnesota Statutes, section 123.36, subdivision 13, clause (1).

Subd. 2. EFFECTIVE DATE AND NO LOCAL APPROVAL. Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval the day following final enactment.

**Sec. 31. INDEPENDENT SCHOOL DISTRICT NO. 622; SALE OF BUILDINGS.**

Subdivision 1. EXCESS SALE PROCEEDS INTO GENERAL FUND. Notwithstanding Minnesota Statutes, section 123.36, subdivision 13, or any other law to the contrary, Independent School District No. 622, North St. Paul-Maplewood, may deposit the excess proceeds from the sale of any building owned by the district that is sold after July 1, 1983, into the general fund after

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

complying with the provisions of Minnesota Statutes, section 123.36, subdivision 13, clause (1).

Subd. 2. EFFECTIVE DATE AND NO LOCAL APPROVAL. According to Minnesota Statutes, section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval the day following final enactment.

**Sec. 32. INDEPENDENT SCHOOL DISTRICT NOS. 524 and 525; SPECIAL CONSOLIDATION PROVISIONS.**

Subdivision 1. SCHOOL DISTRICT NOS. 524 and 525; CONSOLIDATION PROVISIONS. Independent School District No. 524, Halstad, and Independent School District No. 525, Hendrum, as part of an agreement to consolidate according to Minnesota Statutes, section 122.23 or any other law, may agree to any of the following:

(a) election districts of the size and with the population desired by the consolidating districts; and

(b) 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 some members from previously existing districts.

Election districts created pursuant to this agreement may be changed or altered in the manner provided in Minnesota Statutes, section 123.32, subdivision 15. 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.

Subd. 2. EFFECTIVE DATE. Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval on the day following final enactment.

**Sec. 33. FUND TRANSFER AUTHORIZATION.**

Subdivision 1. INDEPENDENT SCHOOL DISTRICT NO. 147. Notwithstanding any law to the contrary, Independent School District No. 147, Dilworth, is authorized to permanently transfer to its general fund from its capital expenditure fund an amount not to exceed \$60,000.

Subd. 2. LOCAL APPROVAL. Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 147 with Minnesota Statutes, section 645.021, subdivision 3.

**Sec. 34. FUND TRANSFER AUTHORIZATION.**

Subdivision 1. INDEPENDENT SCHOOL DISTRICT NO. 319. Notwithstanding any law to the contrary, Independent School District No. 319, Nashwauk-Keewatin, is authorized to permanently transfer an amount not to

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

exceed \$75,000 from the pupil transportation fund balance account entitled "appropriated for bus purchases" to the general fund unappropriated fund balance account for the purpose of reducing the school district's operating debt on or before June 30, 1984.

Subd. 2. NO LOCAL APPROVAL. Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval the day following final enactment.

**Sec. 35. FUND TRANSFER AUTHORIZATION.**

Subdivision 1. INDEPENDENT SCHOOL DISTRICT NO. 464. Independent School District No. 464, Grove City, may permanently transfer \$80,000 from the capital expenditure fund to the general fund.

Subd. 2. LOCAL APPROVAL. Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 464, Grove City, with Minnesota Statutes, section 645.021, subdivision 3.

**Sec. 36. FUND TRANSFER AUTHORIZATION.**

Subdivision 1. SCHOOL DISTRICT NO. 627; FUND TRANSFER. Independent School District No. 627, Oklee, may permanently transfer \$50,000 from the bus purchase account of the pupil transportation fund to the general fund for the 1984-1985 school year.

Subd. 2. LOCAL APPROVAL. Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 627 with Minnesota Statutes, section 645.021, subdivision 3.

**Sec. 37. FUND TRANSFER AUTHORIZATION.**

Subdivision 1. INDEPENDENT SCHOOL DISTRICT NO. 726. Notwithstanding the provisions of Minnesota Statutes, section 121.912, in fiscal year 1984, Independent School District No. 726, Becker, is authorized to permanently transfer the sum of \$100,000 from the general fund of the district to the capital expenditure fund of the district to eliminate a deficit in the capital expenditure fund.

Subd. 2. LOCAL APPROVAL. Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 726 with Minnesota Statutes, section 645.021, subdivision 3.

**Sec. 38. FUND TRANSFER AUTHORIZATION.**

Subdivision 1. INDEPENDENT SCHOOL DISTRICT NO. 852. Independent School District No. 852, Campbell-Tintah, is authorized to make a permanent transfer of interest income from the capital expenditure fund to the general fund before July 1, 1984, and again, before July 1, 1985.

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

Subd 2. LOCAL APPROVAL. Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 852 with Minnesota Statutes, section 645.021, subdivision 3.

**Sec. 39. FUND TRANSFER AUTHORIZATION.**

Subdivision 1. INDEPENDENT SCHOOL DISTRICT NO. 460. Notwithstanding Minnesota Statutes, section 475.61, subdivision 4, or any other law to the contrary, by June 30, 1984, Independent School District No. 460, Granada-Huntley, may transfer to its general fund the amount of any surplus remaining in its debt service fund when the obligations and interest thereon for the Granada school building are paid.

Subd. 2. LOCAL APPROVAL. Subdivision 1 is effective the day after the school board of Independent School District No. 460 complies with Minnesota Statutes, section 645.021, subdivision 3.

**Sec. 40. FUND TRANSFER AUTHORIZATION.**

Subdivision 1. INDEPENDENT SCHOOL DISTRICT NO. 833. Notwithstanding any law to the contrary, for the school year 1984-1985 Independent School District No. 833, South Washington County, may permanently transfer an amount not to exceed \$500,000 from the capital expenditure fund to the general fund.

Subd. 2. LOCAL APPROVAL. Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 833 with Minnesota Statutes, section 645.021, subdivision 3.

**Sec. 41. ARTS EDUCATION REPORT.**

By January 15, 1985, the department of education shall report to the education committees of the legislature recommendations for improving arts education in elementary and secondary schools. The report shall include:

(1) a review of the comprehensive arts planning grants authorized by Minnesota Statutes, sections 129B.17 to 129B.21;

(2) an assessment of the need for arts programs at elementary and secondary schools with recommendations for expanded arts opportunities for all students; and

(3) recommendations about establishing a Minnesota school for the arts, specifically addressing: the need for the school; a governance structure; administration and staffing; curriculum components, including academic areas; student selection procedures, tuition, transportation, and housing; capital and operational budgets; funding provisions and sources; and ability to serve as a statewide resource center for school districts and staff.

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

**Sec. 42. REPORT ABOUT COOPERATION AND SECONDARY VOCATIONAL COURSES.**

Subdivision 1. By January 1, 1985, the commissioner of education shall report to the education committees of the legislature on recommendations for allocating revenue to all school districts on an equitable and appropriate basis for the purpose of cooperating in providing special education, secondary vocational programs, and academic programs. In making recommendations, the commissioner shall consider cooperative incentive revenues available through the intermediate school district levies and the interdistrict cooperation aid and levy. The commissioner shall include recommendations on offering cooperative programs through educational cooperative service units; education districts, as defined in Laws 1983, chapter 314, article 6, section 32; intermediate school districts; and other cooperations formed by joint powers agreements. The commissioner shall also review the adequacy of the existing special education and secondary vocational funding formulas. The commissioner shall also consider, but not be limited to, the following factors that may affect interdistrict cooperative efforts:

- (1) types of programs being offered,
- (2) type, number, and resident districts of students being served,
- (3) size of the attendance area, and
- (4) the extent to which various programs are integrated within each district or service area.

This report may include further evaluation of the report required pursuant to Laws 1983, chapter 314, article 7, section 49.

Subd. 2. If the state board of education adopts rules requiring school districts to offer secondary vocational education courses, the report in subdivision 1 shall also discuss the fiscal impact on the school districts and the impact on a school district's ability to offer other academic elective courses as a result of adopting rules requiring school districts to offer secondary vocational education.

**Sec. 43. SUSPENSION ON LICENSE RULES.**

The board of teaching shall not adopt any new or amended rules relating to licensing teachers until July 1, 1985.

**Sec. 44. DEADLINE FOR EXPERIENCE FOR MIDDLE SCHOOL LICENSE.**

The deadline for a licensed elementary or secondary teacher to gain the three years' Minnesota middle school teaching experience necessary to be issued a middle school teaching license, upon application, under Minnesota Rules, part 8700.3400, subparts 11 and 12, is extended from July 1, 1983, to July 1, 1984.

**Sec. 45. SPECIAL EDUCATION: EARLY CHILDHOOD RULES.**

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

Subdivision 1. Colleges and universities which offer approved special education: early childhood programs shall, upon request of the state board of teaching, update their description of assessment of previous teaching experience and previous teacher preparation as required by Minnesota Rules, part 8700.5501. The board of teaching shall suspend application of Minnesota Rules, part 8700.5501, subpart 2, item F for teachers who provide evidence to the board of teaching of two years of teaching experience in a special education: early childhood program setting, as verified by the employing district superintendent.

Subd. 2. REVIEW. The board of teaching shall establish a review panel to review any disputes between the teacher and the institution relating to the assessment of previous teaching experience and previous teacher preparation. The review panel shall consist of two licensed practitioners in the special education: early childhood field; one special education: early childhood specialist in the department of education, and one faculty member from a higher education institution offering an approved special education: early childhood program. The decision of the review panel shall be final.

Subd. 3. PROVISIONAL LICENSES. All persons holding a provisional license in special education: early childhood, pursuant to Minnesota Rules, part 8700.5501, subpart 4, which is due to expire on July 1, 1984, may request an extension of the validity of the provisional license until July 1, 1985. They shall submit the requests to the personnel licensing section of the department of education.

#### **Sec. 46. REPORT ON VISION AND HEARING ASSESSMENT.**

By February 1, 1985, the departments of education and health shall report to the education committees of the legislature on the assessment of pupils' vision and hearing. These departments shall cooperate with one another and submit a joint report. The report shall include a description of existing programs for screening and assessment of pupils, cost data on existing programs, evaluation of existing programs including cost analysis, and recommendations for improvement of existing programs or establishment of a new program to ensure that all pupils whose learning is affected by vision or hearing problems are identified, diagnosed, and treated.

#### **Sec. 47. STUDY OF AMBIENT AIR TESTING.**

The department of education shall conduct a study to determine the feasibility of using ambient air testing as an indicator of asbestos exposure in schools. If the department determines that ambient air testing is feasible in schools, it may contract for the development of ambient air standards to measure asbestos in schools.

#### **Sec. 48. EARLY RETIREMENT APPLICATIONS; 1983-1984 SCHOOL YEAR.**

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

Any teacher who has submitted an application for an early retirement incentive pursuant to Minnesota Statutes, section 125.611 in a timely manner during the 1983-1984 school year, whose application has been accepted by the commissioner of education prior to June 30, 1984, and who is eligible for a normal retirement annuity without reduction for age because the teacher's attained age plus credited allowable service totals 85, shall have the option of accepting either the early retirement incentive pursuant to Minnesota Statutes, section 125.611, or the normal retirement annuity without reduction for age because the teacher's attained age plus credited allowable service totals 85, but may not accept both. The teacher shall notify the school board, the commissioner of education, and the appropriate retirement association of his or her decision by July 15, 1984.

**Sec. 49. DESEGREGATION VARIANCE.**

The commissioner shall approve school desegregation plans that vary from the standard by up to an additional 15 percentage points if the local board can justify an educational reason for a variance to the state board from the comprehensive school desegregation plan submitted. If the variance is approved by the commissioner, it may result in a school building exceeding 50 percent minority enrollment if necessary.

**Sec. 50. TASK FORCE ON SCHOOL BUS SAFETY.**

Subdivision 1. ESTABLISHMENT. A task force on school bus safety is established. The task force shall consist of up to 13 members appointed by the commissioner of education. The commissioner shall appoint at least one member from the Minnesota safety council and one member from the department of public safety. The commissioner shall also appoint at least one school administrator and a person to represent parents with children who regularly ride the school bus. The task force shall terminate by June 30, 1985.

Subd. 2. DUTIES. The task force shall study school bus safety. The study shall include at least the following issues:

- (1) equipment and other safety features of school bus design, including seat belts, surface padding, and compartmentalization;
- (2) proposals for mandatory installation and use of seat belts in school buses;
- (3) relative population of school buses which are and are not subject to federal requirements for safety features;
- (4) qualifications, training, examination, and licensing of school bus drivers;
- (5) adequacy of school bus maintenance;
- (6) current requirements and practices about school bus hauling distances;

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

(7) safety aspects of school bus pickup points; and

(8) instruction given to school children about safe boarding and departing procedures.

Subd. 3. EXPENSES. The compensation of task force members, removal, and vacancies shall be as provided in section 15.059, subdivisions 3 and 4.

Subd. 4. REPORT. The task force shall report its findings and recommendations to the commissioner of education and the education committees of the legislature by December 1, 1984.

#### **Sec. 51. ADVISORY COUNCIL ON BARGAINING IMPASSE RESOLUTION.**

Subdivision 1. There is created an advisory council on bargaining impasse resolution whose purpose shall be to study collective bargaining as it relates to public schools.

Subd. 2. The advisory council shall consist of 11 members as follows: two members of the senate appointed by the subcommittee on committees of the committee on rules and administration; two members of the house of representatives appointed by the speaker of the house; the director of the bureau of mediation services or a designee; and six members of the general public appointed by the governor. The advisory council shall elect a chair from its membership. The advisory council shall terminate on June 30, 1985.

Subd. 3. By January 15, 1985, the advisory council shall submit to the legislative commission on employee relations its report and recommendations on the impasse resolution policies under Minnesota Statutes, sections 179.61 to 179.76 relating to public schools. The advisory council shall study:

(1) existing provisions of state law relating to negotiations, mediation, and impasse resolution;

(2) attitudes of public employers and employees and the public on current collective bargaining laws relating to public schools;

(3) collective bargaining laws in other states relating to public schools;

(4) changes in statutory timelines and the right to strike; and

(5) collective bargaining rights and procedures relating to principals and assistant principals.

Subd. 4. The legislative commission on employee relations shall provide staff for the advisory council. Members who are legislators shall be compensated in the same manner as other legislative meetings. The compensation of public members shall be governed by section 15.059, subdivision 3.

#### **Sec. 52. FUND MERGER RECOMMENDATIONS.**

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

By January 1, 1985, the advisory council on uniform financial accounting and reporting standards shall make recommendations to the education committees of the legislature on the need for maintaining separate school district funds. The recommendations shall include consideration of merging the general fund and capital expenditure fund.

**Sec. 53. INSTRUCTION TO REVISOR.**

Subdivision 1. INTERMEDIATE SCHOOL DISTRICTS. The revisor of statutes shall include in the next subsequent edition of Minnesota Statutes, and edit as authorized by law, the uncoded permanent law relating to Intermediate School District Nos. 287, 916, and 917.

Subd. 2. DESEGREGATION VARIANCE. The revisor of statutes shall replace Minnesota Rules, part 3525.0700, first paragraph, second sentence, with section 49.

Subd. 3. MIDDLE SCHOOL LICENSURE. The revisor of statutes shall change Minnesota Rules, part 8700.3400, subparts 11 and 12, to agree with the extension made in section 44.

**Sec. 54. REPEALER.**

Subdivision 1. Minnesota Statutes 1982, section 125.60, subdivision 2a, is repealed. Minnesota Statutes 1983 Supplement, section 129B.041, subdivision 2, is repealed.

Subd. 2. Section 28 is repealed on June 30, 1985.

**Sec. 55. APPROPRIATION.**

Subdivision 1. BARGAINING IMPASSE STUDY. The sum of \$12,500 is appropriated for fiscal year 1985 from the general fund to the legislative commission on employee relations for the advisory council bargaining impasse resolution. The sum is available until June 30, 1985.

Subd. 2. BUS SAFETY TASK FORCE. The sum of \$5,000 is appropriated for fiscal year 1985 from the general fund to the department of education for the task force on school bus safety. The sum is available until June 30, 1985.

Subd. 3. ARTS EDUCATION REPORT. The sum of \$148,000 is appropriated for fiscal year 1985 from the general fund to the department of education for the purposes of section 41.

The department of education shall not expend \$118,000 of this sum until it submits the report about establishing a Minnesota school for the arts to the chair of the senate education aids subcommittee and the chair of the house education finance division and receives their advisory recommendations on the school; failure or refusal to make a recommendation promptly is deemed a negative recommendation.

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

Subd. 4. AMBIENT AIR TESTING STUDY. The sum of \$10,000 is appropriated for fiscal year 1985 from the general fund to the department of education for the study on ambient air testing. This appropriation is available to match funds from other sources if the department contracts for the development of ambient air standards for measuring asbestos in schools. The sum is available until June 30, 1985.

**Sec. 56. EFFECTIVE DATES.**

Subdivision 1. Sections 50, 51, and 55 are effective the day following final enactment.

Subd. 2. Sections 3 and 21 are effective June 30, 1984.

Subd. 3. Sections 11, 15, and 48 are effective only upon the effective date of a law passed by the 1984 legislature which makes a teacher employed by a school district eligible for a normal retirement annuity without reduction for age because the teacher's attained age plus credited allowable service totals 85.

**ARTICLE 8 TECHNOLOGY AND EDUCATIONAL IMPROVEMENT**

Section 1. Minnesota Statutes 1983 Supplement, section 121.601, is amended to read:

Subdivision 1. ESTABLISHMENT. The department commissioner of education shall establish maintain a program for providing in-service training to school district staff. During the first year, the program shall provide in-service 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 in-service training programs shall be provided. In-service training programs shall be designed to emphasize the academic content of the subject area. They shall also offer a broad spectrum of experiences, including activities which require active participant involvement rather than classroom lectures. To the extent possible, the in-service training programs shall be integrated with the technology in-service training provided according to sections 129B.34 and 129B.35.

Subd. 2. NEED ASSESSMENT AND PLANNING GRANTS. The commissioner shall determine the needs of pupils for a subject area using the statewide assessment program, before making subject area recommendations to the legislature. The commissioner shall consult with teachers of the subject area to determine the needs of teachers.

Subd. 3. INITIAL PROPOSALS AND PLANNING GRANTS. The commissioner shall request initial proposals from eligible organizations and

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

institutions. After reviewing the initial proposals, the commissioner may award up to 20 grants to develop proposals for final selection.

Subd. 2 4. FINAL PROPOSALS. Grant Final proposals submitted by eligible applicants to the department shall include at least the following:

(a) a variety of staff education activities which are designed to assess and upgrade skills the subject matter knowledge 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 in-service 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 in-service 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 5. ELIGIBLE APPLICANTS. The department commissioner may allocate money award grants 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 in-service training according to this section. When approving or disapproving awarding grants, the department commissioner shall ensure geographic accessibility of the programs to teachers throughout the state and a balance of programs available in different subject areas.

Subd. 4 6. CONSULTATION. When making grants for the in-service training programs according to this section reviewing initial and final proposals, the department commissioner 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 7. PRIVATE ADDITIONAL 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

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

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 in-service training programs in the designated subject areas.

~~Subd. 7 8. APPLICATION DATES.~~ Applications for in-service training programs to be conducted during a school year shall be submitted to the department by January 15 preceding the beginning of that school year. The commissioner shall determine the dates by which initial and final proposals are to be submitted. The department commissioner shall approve or disapprove applications award grants each year by the following March 1.

Sec. 2. Minnesota Statutes 1983 Supplement, section 121.608, is amended to read:

#### 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. The plan shall be revised as necessary.

Sec. 3. Minnesota Statutes 1983 Supplement, section 121.609, is amended to read:

#### 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.

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

Subd. 2. **PILOT TESTING OF TRAINING MODEL.** Between January 1, 1984, and ~~January 1~~ June 30, 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~~ A preliminary evaluation, including a sample survey of district personnel trained at the pilot sites, ~~to the commissioner~~ shall be completed by January 1, 1985.

The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the pilot sites and other districts utilizing the instructional effectiveness models. The long-term evaluation instrument shall include a method for measuring student achievement.

Subd. 4. **REGIONAL SERVICES.** The department of education shall contract with educational cooperative service units or other regional educational service agencies to provide assistance to the school districts in an educational cooperative service unit region in implementing instructional effectiveness models. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal.

Subd. 5. **INSTRUCTIONAL EFFECTIVENESS TRAINING.** Utilizing the statewide plan developed pursuant to section 121.608 and the regional support services authorized in subdivision 4, the department of education shall provide instructional effectiveness training for school district staff. The training shall be provided by building level leadership teams, as defined in the statewide plan developed pursuant to section 121.608. The training shall include clarification of individual school goals and expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of instructional skills and instructional climate of the school, and planning of staff development programs.

Sec. 4. Minnesota Statutes 1982, section 123.74, is amended to read:

123.74 **POLICY FINDINGS.**

The legislature finds that a process for curriculum evaluation and planning is needed for continued improvement of the educational program for all public school children in the state, and to allow for better evaluation of educational programs by local communities. The legislature further finds that such a process

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

is needed to facilitate decisions by school boards and communities as to which services can best be provided by the public schools and which services can or should be provided by other institutions such as the family, the private sector or other public agencies. The legislature further finds that efficient use of educational resources is needed with regard to educational technology and interdistrict cooperation.

Sec. 5. Minnesota Statutes 1982, section 123.741, as amended by Laws 1983, chapter 314, article 8, section 9, is amended to read:

**123.741 EDUCATION POLICY; CURRICULUM ADVISORY COMMITTEES PLANNING, EVALUATION, AND REPORTING PROCESS.**

Subdivision 1. The school board of each school district in the state shall develop and adopt a written educational planning, evaluation, and reporting policy which establishes educational instructional goals and measurable learner objectives 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 identify annual instructional goals and measurable learner objectives to be addressed during the current school year. School boards are encouraged to develop this school district 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.

Subd. 2. The school board shall instruct the administrative and professional staff of the district to develop an instructional plan for the purpose of implementing the goals established in the district educational policy within resources available to the district. Insofar as possible the instructional plan shall include measurable instructional objectives to assist in directing and measuring progress toward the goals established in the district educational policy. For goals toward which progress is not easily measurable, the instructional plan shall include other appropriate means to direct and evaluate progress. The school board shall instruct the administrative and professional staff of the district to develop an instructional plan for the purpose of implementing the instructional goals established in the district planning, evaluation, and reporting policy within the resources available to the district. To the extent possible, the instructional plan shall include instructional effectiveness processes developed pursuant to section 121.608 and integration of curriculum and technology developed under section 129B.33, to assist in directing and measuring progress toward the instructional goals established in the district planning, evaluation, and reporting policy. For

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

instructional goals toward which progress is not easily measurable, the instructional plan shall include other appropriate means to direct and evaluate progress.

Subd. 3. Each school board is encouraged to appoint shall establish a curriculum advisory committee to provide for active community participation in the process of developing and revising the district educational planning, evaluation, and reporting policy, developing the instructional plan, identifying the annual instructional goals and measurable learner objectives, evaluating progress, and reporting to the public. The advisory committee shall be broadly representative of the community served by the school district and shall include administrative staff, teachers, parents, and other community residents of the district. To the extent possible, parents and other community residents shall comprise at least two-thirds of the advisory committee.

Subd. 4. Each year a final evaluation of progress shall be conducted, including both professional and consumer evaluations. The professional staff evaluation shall utilize test results and may include other performance data along with faculty interpretations and judgments. Test results shall include local assessment data obtained pursuant to section 6, subdivision 2. A consumer evaluation shall include the opinions of students, parents and other residents of the community served by the school district.

Subd. 5. Upon receipt of After completing the annual evaluation reports, each the school board shall review the results and develop and adopt appropriate school district improvement plans to improve areas where goals of the district educational policy have not been met. The school district improvement plans shall describe actions to be taken by the district to correct any weakness evident from the results of the district evaluation process.

Subd. 5 6. The district educational policy, the reports of the annual evaluation including summary test results, and the plans for school improvement shall be made available to the citizens of the school district through media releases and other means of communicating with the public. These documents By September 1 of each year, the local school board shall adopt a report which shall include the following:

(a) annual instructional goals which were addressed for that year in the planning, evaluation, and reporting process;

(b) appropriate evaluation of the annual instructional goals;

(c) the results of the professional staff evaluation including local assessment data obtained pursuant to section 6, subdivision 2, and any additional appropriate test data;

(d) the results of the consumer evaluation; and

(e) the annual school district improvement plans.

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

Every other year the report shall include an evaluation of the assessment program pursuant to subdivision 7.

The school board shall disseminate the report to all residents of the district by publication in the local newspaper with the largest circulation in the district, by newsletter, or through the United States postal service. The report shall also be on file and available for inspection by the public. A information copies copy of the reports report which is disseminated to the community shall be sent to the state board of education commissioner of education by September 1 of each year. All activities and reports pursuant to this section shall comply with chapter 13, and any other law governing data on individuals in school districts.

Subd. 7. BIENNIAL EVALUATION; ASSESSMENT PROGRAM. At least once every two years the school board shall evaluate the testing program, using the following criteria:

- (a) written objectives of the testing program;
- (b) names of tests and grade levels tested; and
- (c) utilization of test results.

Sec. 6. Minnesota Statutes 1982, section 123.742, as amended by Laws 1983, chapter 258, section 26, is amended to read:

**123.742 ASSISTANCE TO LOCAL SCHOOL DISTRICTS; ASSESSMENT PROGRAMS.**

Subdivision 1. **TECHNICAL ASSISTANCE.** Insofar as possible, the state board department of education and educational cooperative service units shall make technical assistance for planning and evaluation available to school districts upon request. The department shall collect the annual evaluation reports from local districts as provided in section 123.741, subdivision 5, and shall make this data available upon request to any district seeking to use it for purposes of comparisons of student performance.

Subd. 2. **LOCAL ASSESSMENT PROGRAM.** Beginning in the 1984-1985 school year, as part of the planning, evaluation, and reporting process, each school district shall conduct an assessment program, utilizing the local assessment option developed by the state department of education. Every year each school district shall conduct an assessment for at least one curriculum area in at least three grade levels.

Subd. 3. **PARTICIPATION IN STATEWIDE ASSESSMENT PROGRAM.** Beginning in the 1984-1985 school year, each school district shall participate in the statewide assessment sampling process at least once every three years to provide normative data. The department of education shall determine which districts shall participate and which curriculum areas shall be assessed in a given school year.

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

Subd. 4. NEEDS OF HANDICAPPED PUPILS. School boards are encouraged to consider the needs of handicapped students in determining the extent of their participation in the assessment programs in subdivisions 2 and 3. The district policy may provide for modifications in the testing procedures for handicapped students.

Subd. 5. ASSESSMENT ITEM BANK. The department of education shall develop an assessment item bank for the purpose of providing assessment programs to individual districts which are tailored to the specific educational objectives of the district. Beginning in the 1984-1985 school year and each year thereafter, the department shall develop an item bank for at least two curriculum areas each year. The department shall develop an item bank for at least ten different curriculum areas.

Subd. 6. ADDITIONAL TESTING. The department upon written agreement with local school districts may perform additional testing and evaluation of students. The department may collect a reasonable fee not to exceed the actual cost of services.

Subd. 7. CURRICULUM INFORMATION. The department may provide available curriculum information for improving teaching practices at public elementary, secondary and post-secondary vocational schools. The information may be provided upon the request of a school district or an educational cooperative service unit with which the department has a written agreement. The department may collect reasonable fees not to exceed its actual costs for this service. The department may also accept money from any public or private source to defray the cost of this service.

Subd. 8. CAREER INFORMATION. The department of education may provide career information to school districts and educational systems. The department may collect reasonable fees for subscriptions to the Minnesota career information service.

Sec. 7. Minnesota Statutes 1983 Supplement, section 123.743, is amended to read:

**123.743 APPROPRIATION.**

There is annually appropriated from the general fund to the department of education any and all amounts received by the department pursuant to section 123.742, subdivisions 2, 6, 7, and 8.

**Sec. 8. [123.7431] AID FOR PLANNING, EVALUATION, AND REPORTING PROCESS.**

Subdivision 1. ELIGIBILITY. Each school district which completes the planning, evaluation, and reporting process pursuant to the requirements of sections 123.741 and 123.742 and which receives approval from the commissioner of education is eligible to receive state aid. An eligible school district shall

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

receive \$1 times average daily membership for the applicable school year. No district which is eligible for aid shall receive less than \$1,500.

Subd. 2. PAYMENT OF AID. The department of education shall pay aid to a district within 30 days of approving the district's planning, evaluation, and reporting process.

**Sec. 9. [129B.10] RESEARCH AND DEVELOPMENT GRANTS.**

Subdivision 1. PURPOSE. The purpose of this section is to support research on alternative educational structures and practices within public schools and to develop alternatives that are based on research.

Subd. 2. ADVISORY TASK FORCE. The council on quality education shall appoint an advisory task force on research and development for alternative educational structures and practices. The advisory task force shall consist of at least 11 members. All members shall have knowledge and experience in educational research, educational administration, or teaching. The advisory task force shall assist the council in carrying out its responsibilities under this section. The terms, compensation, and removal of members shall be governed by the provisions of section 15.059, subdivision 6.

Subd. 3. RESEARCH AND DEVELOPMENT SUBJECTS. The council shall select subjects for research and development focusing on alternative educational structures and practices. The subjects may include, but are not limited to, the following:

- (1) school site management;
- (2) development of individualized education plans for all students;
- (3) alternative staff compensation plans;
- (4) alternative educational delivery systems;
- (5) outcome based education; and
- (6) provision of educational programs in school districts by contracting with professional partnerships composed of licensed teachers.

Subd. 4. PRELIMINARY STUDIES. The council shall contract for preliminary studies to assist it in establishing research and development needs and selecting subjects for proposals. Preliminary studies shall include recommendations for evaluation procedures which the council may use if the council issues a grant for research and development in that particular subject.

Subd. 5. REPORT TO LEGISLATURE; SUBJECTS. By February 1, 1985, the council shall report to the education committees of the legislature on the research needs that the council has identified, the recommended subjects for proposals, and the potential need for changes in rules and laws to facilitate the research and development programs. The report shall include specific proposals

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

for independent evaluation of research and development programs which will be funded under the provisions of this section. The legislature shall consider the recommendations of the council in determining the appropriation for grants to be disbursed under the provisions of this section.

**Subd. 6. RESEARCH AND DEVELOPMENT GRANTS.** By June 1, 1985, the council shall request proposals on three to six research and development subjects. Each request for proposals shall state the method by which a funded program will be evaluated. By September 1, 1985, the council shall review the proposals it receives and award grants.

**Subd. 7. REPORT TO LEGISLATURE; RESEARCH REPORTS.** By February 1, 1988, the council shall report to the education committees of the legislature. The report shall include the council's evaluation of each research and development program, recommendations for institutional changes in the structure of elementary and secondary education, and recommendations for other ways of improving elementary and secondary education.

Sec. 10. Minnesota Statutes 1983 Supplement, section 129B.32, subdivision 3, is amended to read:

**Subd. 3. COURSEWARE PACKAGE.** "Courseware package" means integrated videotape and videodisk, computer disk, and software and its supporting materials, such as workbooks and textbooks, and other computer support hardware that is an integral part of an educational software package, such as a printed circuit board, voice synthesizer which enables speech production and its speaker, tap master, valve simulator, and digital to analog converter board. It does not mean a central processing unit, disk drive, video monitor, printer, or similar items.

Sec. 11. Minnesota Statutes 1983 Supplement, section 129B.36, subdivision 7, is amended to read:

**Subd. 7. EVALUATION OF SITES.** The state board advisory committee shall evaluate the technology demonstration sites. It may contract with independent evaluators for this purpose.

**Sec. 12. SHARED FACILITIES REPORT.**

The commissioner of education shall collect information on and evaluate methods for sharing public school facilities with other organizations including government agencies, social service agencies, and other nonprofit and for-profit organizations. By January 1, 1985, the commissioner shall prepare a written report and make it available in published form to school districts and other interested persons. In developing this report the commissioner shall consult with persons in school districts in Minnesota and other states that are sharing facilities.

**Sec. 13. STUDY OF TEACHER EDUCATION.**

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

**Subdivision 1. HIGHER EDUCATION COORDINATING BOARD.**

The higher education coordinating board shall conduct a study, in cooperation with the board of teaching, of teacher education programs in public and private institutions of higher education. The study shall result in a report and recommendations on the number, enrollment, mission, and location of all teacher education programs. The report shall include information and recommendations on the need for in-service education and the relationship of in-service, preservice, and graduate education. It shall also include information and recommendations for improving the quality and efficiency of teacher education programs by the use of standardized tests for beginning teachers, alternative methods of teacher preparation and licensure, and other means. The report shall be submitted to the education committees of the legislature by January 1, 1985.

**Subd. 2. FACTORS.** In developing its recommendations, the higher education coordinating board shall consider factors including, but not limited to:

- (a) the existing pool of licensed but inactive teachers;
- (b) the demand for teachers in preschool, elementary, and secondary education;
- (c) the number of teacher education programs and the annual number of graduates;
- (d) admission criteria for teacher education programs;
- (e) access of students to special or unique programs;
- (f) procedures for licensing qualified, unlicensed individuals;
- (g) the feasibility of modifying state criteria for teacher licensure;
- (h) teacher preparation and licensure procedures in other states;
- (i) available information about the use and effectiveness of standardized tests for beginning teachers; and
- (j) possible alternative methods for licensure such as an undergraduate degree in a subject area plus an extended internship program.

**Sec. 14. COOPERATION OF BOARDS AND INSTITUTIONS.**

All higher education governing boards and public and private institutions are requested to cooperate fully with the higher education coordinating board in the preparation of the teacher education study, pursuant to section 136A.05.

**Sec. 15. SCHOOL MANAGEMENT TASK FORCE.**

Subdivision 1. ESTABLISHMENT. The commissioner of education shall appoint a task force to make recommendations about an assessment center and in-service training for principals and assistant principals. The task force

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

shall consist of 13 members. One member shall be from the elementary school principals association, one member shall be from the secondary school principals association, one member shall represent the educational cooperative service units, and one member shall be from each of the following organizations: Minnesota association of school administrators, Minnesota school boards association, administrative women in education, Minnesota federation of teachers, and Minnesota education association. The commissioner shall appoint a member from the University of Minnesota or from another institution with a teacher preparation program, or both. Members of the task force shall receive expenses in the same manner and amount as state employees. The task force shall terminate on January 1, 1986.

Subd. 2. DUTIES. The task force shall make recommendations to the commissioner of education about the types of in-service training that are needed and how to provide effective in-service training for principals. The task force shall also make recommendations to the commissioner about an assessment center, including the costs of operation, staffing, manner of operation, services to be provided, fees for school districts, and other matters. The assessment center shall be located at the University of Minnesota.

**Sec. 16. SUMMER INSTITUTE STUDY.**

The academic excellence foundation shall report to the education committees of the legislature by January 15, 1985, on the availability of and need for summer institutes at or conducted by post-secondary institutions for secondary students who are outstanding in the areas of mathematics, science, and foreign languages.

**Sec. 17. DEPARTMENT OF EDUCATION APPROPRIATIONS.**

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 IN-SERVICE TRAINING. The sum of \$270,000 is appropriated for subject area in-service training, according to section 121.601. This appropriation is in addition to the \$500,000 appropriated to provide subject area in-service training by Laws 1983, chapter 314, article 8, section 26, subdivision 2.

(a) Of the sum, \$210,000 shall be used for grants for in-service training in the following:

- Math.....\$ 65,000
- Science.....\$105,000
- Social Studies.....\$ 40,000

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

The in-service training shall emphasize academic content in each of the subject areas. The grants shall be in addition to those awarded in fiscal 1984.

(b) The remaining \$60,000 shall be for the department to assess future needs for subject area in-service training and for planning grants. The assessment and planning grants shall emphasize the academic content of the subject area.

**Subd. 3. INSTRUCTIONAL EFFECTIVENESS; EVALUATION INSTRUMENT.** The sum of \$250,000 is appropriated for the development of the training models specified in section 121.609, subdivision 4, as amended, and for the development of a long-term evaluation instrument pursuant to section 121.609, subdivision 3.

**Subd. 4. INSTRUCTIONAL EFFECTIVENESS; REGIONAL SERVICES.** The sum of \$330,000 is appropriated for the purposes of section 121.609, subdivision 4, as amended. The department shall allocate this appropriation to the educational cooperative service unit regions based on a formula that takes into account the number of school buildings, number of participating staff, and geographic distance between the service provider and the participating school districts. Any educational cooperative service unit or other provider agency receiving funds pursuant to this section shall match the funds with an amount equal to 25 percent of the allocation.

**Subd. 5. INSTRUCTIONAL EFFECTIVENESS; TRAINING.** The sum of \$250,000 is appropriated for the purposes of section 121.609, subdivision 5, as amended. This amount shall be used to pay for the costs of providing instructional effectiveness training to school district staff, including the costs of stipends or substitute teachers.

**Subd. 6. INSTRUCTIONAL EFFECTIVENESS ADMINISTRATION.** The sum of \$70,000 is appropriated for the purposes of administering the instructional effectiveness program.

**Subd. 7. SHARED FACILITIES REPORT.** The sum of \$10,000 is appropriated for the purposes of preparing a report on methods for sharing public school facilities.

**Subd 8. RESEARCH AND DEVELOPMENT GRANTS.** The sum of \$150,000 is appropriated for the council on quality education for the research and development grant program authorized in section 9. No more than \$80,000 of this appropriation shall be used for staff expenses. The department of education may increase its authorized complement for the council on quality education until June 30, 1985, by one professional and one clerical position to provide support for the grant program. At least \$50,000 of this appropriation shall be used for contracts for preliminary studies.

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

Subd. 9. SCHOOL MANAGEMENT. The sum of \$25,000 is appropriated for school management. Of this sum \$10,000 is for the school management task force. The remaining \$15,000 is to be used by the commissioner of education for initial administrative costs in establishing an assessment center.

Subd. 10. LOCAL ASSESSMENT PROGRAM. The sum of \$575,000 is appropriated for fiscal year 1985 for the purposes of implementing the requirements of section 6, subdivision 2. The department may use up to \$200,000 of the appropriation for initial costs of establishing the program. The department may use up to \$150,000 to increase the staff complement in the assessment section, \$50,000 of which shall be used for one additional professional position. The remaining \$100,000 is available for three positions in the assessment section and associated expenses currently funded with federal block grant dollars. This \$100,000 shall not be released until the commissioner of education has verified to the commissioner of finance that federal funding for these positions is no longer available and has not been transferred to another section in the department. In the event of a transfer from federal to state funding, the complement for the affected positions is also transferred from federal to state status.

Subd. 11. DEVELOPMENT OF TEST ITEM BANK. The sum of \$320,000 is appropriated for fiscal year 1985 for the purposes of section 6, subdivision 5. The department may use up to \$80,000 of the appropriation to increase the state complement by two positions in the assessment section.

Subd. 12. PLANNING, EVALUATION, AND REPORTING PROCESS. The sum of \$1,020,000 is appropriated for fiscal year 1985 for the purposes of section 8. Any unexpended balance remaining from this appropriation for fiscal year 1985 shall not cancel but shall be available for use in fiscal year 1986 until November 1, 1985.

Subd. 13. TECHNOLOGY DEMONSTRATION SITES. The sum of \$581,000 is appropriated to fund the technology demonstration site proposals under Minnesota Statutes, section 129B.36, which were the first, second, third, 12th, and 15th highest proposals rated by the advisory committee on technology in education. The grants awarded to each of the districts submitting these proposals shall be for use during the 1983-1984 and 1984-1985 school years and shall not exceed the actual amount of the grant proposal submitted to the state board of education or \$125,000, whichever is less.

#### Sec. 18. HECB APPROPRIATION.

The sum of \$20,000 is appropriated from the general fund to the higher education coordinating board to conduct a study of teacher education programs. A portion of this sum may be used for consultants. The sum shall be available until June 30, 1985.

#### Sec. 19. EFFECTIVE DATE.

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

Sections 1, 2, 3, 9, 12, 13, 14, 15, 17, and 18 are effective the day following final enactment.

## ARTICLE 9 CASH FLOW

Section 1. Minnesota Statutes 1983 Supplement, section 121.904, subdivision 4a, is amended to read:

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 plus 32 percent of the amount of the levy certified in the prior calendar year according to section 275.125, subdivision 2d, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) thirty-two percent of the amount of the levy certified in the 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; and

(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.

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

(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. Minnesota Statutes 1982, section 121.904, is amended by adding a subdivision to read:

Subd. 4c. PROPERTY TAX SHIFT REDUCTION. (a) For the purpose of this subdivision, "combined fund balance" means the sum of the fund balance determined by the commissioner of finance pursuant to section 9 of this article, after transfers to the education aids increase account, plus the balance in the education aids increase account.

(b) If the combined fund balance exceeds \$58,000,000, the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), shall be reduced for taxes payable in 1985 and thereafter according to the provisions of this subdivision.

(c) The levy recognition percent shall equal the result of the following computation: 32 percent, times the ratio of

(1) the statewide total amount of levy recognized in June 1985 pursuant to subdivision 4a, clause (b), reduced by the amount of the combined fund balance in excess of \$50,000,000, to

(2) the statewide total amount of the levy recognized in June 1985 pursuant to subdivision 4a, clause (b).

The result shall be rounded up to the nearest whole percent. However, in no case shall the levy recognition percent be reduced below 24 percent.

Sec. 3. Minnesota Statutes 1983 Supplement, section 124.155, subdivision 1, is amended to read:

Subdivision 1. **AMOUNT OF ADJUSTMENT.** Beginning with In fiscal year 1984 and each year thereafter, state aids and credits enumerated in subdivision 2 payable to any school district in a ~~particular~~ fiscal year for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), as amended by Laws 1982, ~~third special session chapter 1, article 3, section 1;~~ minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904,

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

subdivision 4a, clause (b), as amended by Laws 1982, third special session chapter 1, article 3, section 1. Any loan amount authorized from the cash flow loan fund or For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), shall not include any amount levied pursuant to section 275.125, subdivision 2d. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 4. Minnesota Statutes 1983 Supplement, section 124.195, subdivision 1, is amended to read:

Subdivision 1. **APPLICABILITY.** This section applies to all aids or credits paid by the commissioner of education from the general fund of the state of Minnesota to school districts except as provided in section 124.5629. The procedures described in this section for making disbursements to school districts will be used starting in fiscal year 1984, except that for districts that have tax anticipation certificates or aid anticipation certificates which were sold prior to June 30, 1983, and which mature prior to June 30, 1984, the payment schedules specified in Minnesota Statutes 1982 may continue to be used in fiscal year 1984 if the school district provides evidence to the commissioner of education that the payment schedules established in this section would jeopardize repayment of these certificates or prevent the district from making payments for other services without additional borrowing.

Sec. 5. Minnesota Statutes 1983 Supplement, section 124.195, subdivision 9, is amended to read:

Subd. 9. **PAYMENT PERCENTAGE FOR CERTAIN AIDS.** The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: school lunch aid, according to section 124.646; ~~teacher institute aid, campus laboratory school aid, and high technology aids hearing impaired support services aid, according to section 121.201; and educational improvement aids, according to sections 121.601, 129B.33, 129B.34, and 129B.36.~~

Sec. 6. Minnesota Statutes 1983 Supplement, section 124.195, is amended by adding a subdivision to read:

Subd. 11. **NONPUBLIC AIDS.** The state shall pay to each school district 85 percent of its aid for pupils attending nonpublic schools, according to sections 123.931 to 123.947 by December 31. The final aid distribution shall be made by December 31 of the following school year.

Sec. 7. Minnesota Statutes 1982, section 475.61, subdivision 1, is amended to read:

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

Subdivision 1. **DEBT SERVICE RESOLUTION.** The governing body of any municipality issuing general obligations shall, prior to delivery of the obligations, levy by resolution a direct general ad valorem tax upon all taxable property in the municipality to be spread upon the tax rolls for each year of the term of the obligations. The tax levies for all years for municipalities other than school districts shall be specified and such that if collected in full they, together with estimated collections of special assessments and other revenues pledged for the payment of said obligations, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the obligations. The tax levies for school districts shall be specified and such that if collected in full they, together with estimated collection of other revenues pledged for the payment of the obligations, will produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations; except that, with the permission of the commissioner of education, a school board may specify a tax levy in a higher amount if necessary because of either to meet an anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund. Such resolution shall irrevocably appropriate the taxes so levied and any special assessments or other revenues so pledged to the municipality's debt service fund or a special debt service fund or account created for the payment of one or more issues of obligations. The governing body may, in its discretion, at any time after the obligations have been authorized, adopt a resolution levying only a portion of such taxes, to be filed, assessed, extended, collected, and remitted as hereinafter provided, and the amount or amounts therein levied shall be credited against the tax required to be levied prior to delivery of the obligations.

Sec. 8. Minnesota Statutes 1983 Supplement, 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 redemption 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 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 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

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

necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.

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. 9. EDUCATION AIDS INCREASE ACCOUNT.

Subdivision 1. ESTABLISHMENT. There is established an education aids increase account in the general fund of the state treasury for the deposit of funds to insure adequate funding for increases in aids to school districts for the biennium beginning July 1, 1985.

Subd. 2. INITIAL TRANSFER. The commissioner of finance shall transfer \$23,000,000 to the education aids increase account on July 1, 1984.

Subd. 3. CONTINGENT TRANSFERS. If forecasts of general fund revenues and expenditures prepared by the commissioner of finance pursuant to chapter 16A prior to December 1, 1984, indicate a projected general fund balance for the biennium ending June 30, 1985, the commissioner shall transfer the amount of the balance to the education aids increase account; however, in no case shall the cumulative total of all transfers according to this subdivision exceed \$27,000,000. Transfers to the education aids increase account shall remain in the account until expended.

Subd. 4. EXPIRATION OF ACCOUNT. The education aids increase account shall expire on June 30, 1987. Any unexpended moneys in the education aids increase account on June 30, 1987, shall be transferred to the general fund.

#### Sec. 10. CERTIFICATION AND NOTICE OF PERCENT.

The commissioner of finance shall certify to the commissioner of education the levy recognition percent computed under section 2 of this article by January 5, 1985. The commissioner of education shall notify school districts of any change by January 15, 1985.

#### Sec. 11. TRANSFER IN FISCAL YEAR 1985 FOR ADDITIONAL AIDS.

The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education, the amounts needed to finance the additional payments required because of the reduction pursuant to section 2 of this article of the levy recognition percentage in Minnesota Statutes, section 121.904, subdivision 4c. Payments to a school district of additional state aids resulting from a reduction in the levy recognition

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

percentage pursuant to section 2 of this article, shall be added to the cash metering system, according to Minnesota Statutes, section 124.195, after January 15, 1985, and shall be paid in a manner consistent with the percentage specified in that section.

**Sec. 12. CASH FLOW EVALUATION.**

The commissioner of finance, in cooperation with the commissioner of education and the Minnesota association of school business officials, shall evaluate the impact on school districts of the cash flow provisions of Minnesota Statutes, chapter 124. The commissioner shall report the findings, along with recommendations, to the education committees of the legislature by February 15, 1985.

**Sec. 13. REPEALER.**

Minnesota Statutes 1982, sections 124.246, subdivision 5; 124.26, subdivision 5; 124.572, subdivision 8a; 124.573, subdivision 6; and 124.574, subdivision 8, are repealed. Minnesota Statutes 1983 Supplement, sections 124.225, subdivision 12; and 124.271, subdivision 6, are repealed.

**Sec. 14. APPROPRIATION.**

The appropriation for payment of support services for hearing impaired persons, according to Laws 1983, chapter 314, article 3, section 19, subdivision 8, for fiscal year 1985 is increased by \$6,000, from \$37,000 to \$43,000.

**Sec. 15. EFFECTIVE DATE.**

Sections 1 and 9 are effective the day following final enactment. Section 3 is effective the day following final enactment and shall apply to the adjustment made pursuant to Minnesota Statutes, section 124.155 in fiscal year 1984 and thereafter.

Approved April 24, 1984

**CHAPTER 464 — H.F.No. 1561**

*An act relating to health; health maintenance organizations; providing continued coverage upon replacement of an insurance carrier; including health maintenance organization contracts in certain statutorily mandated coverages; providing for the disclosure and reporting by the organization of detailed financial, administrative and ownership information; providing for reporting of changes in provider agreements; granting the commissioner authority to adopt rules regarding the content of provider and other agreements; requiring certain deposits against insolvency; authorizing organizations to enter into certain health services contracts; requiring certain consumer rights information in evidences of coverage and*

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