

**Subd. 2. SUPPLEMENTAL AND ADDITIONAL LOAN PROGRAM.** The higher education coordinating board shall adopt emergency rules pursuant to Minnesota Statutes, sections 14.29 to 14.36 to implement Minnesota Statutes 1984, section 136A.1701, for the 1984-1985 academic year. Notwithstanding Minnesota Statutes, section 14.35, the emergency rules may be effective until permanent rules are adopted or June 30, 1986, whichever is earlier.

**Sec. 81. REPEALER.**

Minnesota Statutes 1984, sections 135A.07; 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38, are repealed.

**Sec. 82. EFFECTIVE DATES.**

Subdivision 1. IMMEDIATE. Sections 14, 15, 16, 43, 44, 45, 46, 75, and 80 are effective the day following final enactment.

Subd. 2. JULY 1, 1986. Sections 29, subdivision 7; 30; 31; 38; 47; 48; and 65, subdivision 2, are effective July 1, 1986.

Approved June 27, 1985

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**CHAPTER 12 — H.F.No. 3**

*An act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the state board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of transportation aid, special education aid, secondary vocational aid, and other aids; establishing the Minnesota school of the arts and resource center; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring the state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 5.35; 116J.37, subdivision 1; 120.03, subdivision 1; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.88; 121.882; 121.904, subdivision 4a; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.541, by adding a subdivision; 122.86, subdivision 1; 123.36, subdivision 1; 123.39, by adding a subdivision; 123.58, by adding a subdivision; 123.702, subdivision 1; 123.705, subdivision 1; 123.741, subdivisions 6 and 7; 123.742, subdivisions 1, 3, 4, 5, and by adding subdivisions; 123.7431; 123.935, by adding a subdivision; 124.09; 124.10; 124.14, subdivision 4, and by adding a subdivision; 124.17, subdivision 1, and by adding a subdivision; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10;*

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124.245; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivision 2b, and by adding a subdivision; 124.2711; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, 7, 10, and by adding a subdivision; 124.573, subdivisions 2 and 3a; 124.574, subdivision 2b; 124.646, subdivision 1; 124.76, subdivision 2; 124A.01; 124A.02, subdivisions 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2, 3, and 5; 124A.037; 124A.06, subdivisions 1, 3a, and by adding subdivisions; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivisions 3 and 5a; 124A.16, subdivision 4; 125.03, by adding a subdivision; 125.05, subdivision 1, and by adding a subdivision; 125.12, by adding a subdivision; 125.182, subdivision 1; 125.185, subdivision 4; 125.60, subdivisions 3 and 7; 126.64, subdivision 2; 129B.02, by adding a subdivision; 129B.04, by adding a subdivision; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36, subdivisions 1, 4, and 5; 129B.37, subdivision 1; 129B.38; 129B.39; 129B.40; 134.35; 134.351, subdivision 1; 275.125, subdivisions 5, 5b, 5d, 8, 8a, 8b, 11a, 11b, 11c, and by adding a subdivision; 298.28, subdivision 1; 354.092; 354.094, subdivision 1; 354.43, subdivision 3; 354.51, subdivision 5; 354.53, subdivision 1; 354.66, subdivisions 3 and 4; 354A.092; 354A.093; 354A.094, subdivisions 2 and 4; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; and 355.46, subdivision 3; amending Laws 1973, chapter 683, section 26, as amended, and section 26, subdivision 17, as amended; Laws 1983, chapter 314, article 8, section 11; and Laws 1985, chapter 280, section 4; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 126; 129B; 129C; 136A; and 471; repealing Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4; 120.17, subdivision 1a; 120.172, subdivision 3; 120.68; 121.11, subdivision 7a; 121.601; 122.531, subdivision 3a; 122.84; 122.85; 122.89; 123.705, subdivision 2; 123.742, subdivision 2; 123.80, subdivisions 2 and 3; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2, 2a, and 2c; 124.32, subdivision 9a; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 124A.035, subdivision 6; 124A.037; 125.05, subdivision 5; 125.611, subdivisions 3, 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.10; 129B.18; 129B.19; 129B.33, subdivisions 2, 3, 4, and 6; 129B.34; 129B.36, subdivisions 2 and 3; 275.125, subdivision 2j; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47; repealing Laws 1984, chapter 463, article 9, section 9.

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

## ARTICLE 1

### FOUNDATION AID

Section 1. Minnesota Statutes 1984, section 122.531, subdivision 5, is amended to read:

Subd. 5. **REPLACEMENT FIFTH TIER LEVY AND AID.** For purposes of computing the replacement fifth tier levy limitation under section ~~275.125~~ 124A.14, subdivision ~~6e~~ 5a, and replacement fifth tier aid under section ~~124.2124~~ 124A.14, subdivision ~~6~~, the replacement entitlement fifth tier allowance of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more other districts, shall equal the quotient obtained by dividing:

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(1) the sum of the amounts derived by performing the following multiplication for each component district:

(a) the ~~replacement entitlement~~ fifth tier allowance of the component district, times

(b) the number of actual ~~and AFDC~~ pupil units from that component district who are enrolled in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective; by

(2) the total number of actual ~~and AFDC~~ pupil units in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective.

Sec. 2. Minnesota Statutes 1984, section 122.531, subdivision 6, is amended to read:

Subd. 6. **AID DEDUCTIONS.** (1) For purposes of determining deductions from ~~basic foundation, grandfather, replacement, and discretionary~~ aid pursuant to section 124A.035, subdivision 1, of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more other districts, in the year when the consolidation or dissolution and attachment becomes effective, there shall be used in lieu of the ratio of the district's actual levy to its permitted levy in the applicable year, the quotient obtained by dividing:

(a) the sum of the products derived for each component district by multiplying the component district's actual levy in the applicable year pursuant to the applicable subdivision, times the ratio of the amount of the adjusted assessed valuation of the property from the component district which is included in the new district to the total amount of the adjusted assessed valuation of the new district; by

(b) the sum of the products derived for each component district by multiplying the component district's permitted levy in the applicable year pursuant to the applicable subdivision, times the ratio of the amount of the adjusted assessed valuation of the property from the component district which is included in the new district to the total amount of the adjusted assessed valuation of the new district.

Sec. 3. Minnesota Statutes 1984, section 124.09, is amended to read:

**124.09 SCHOOL ENDOWMENT FUND, APPORTIONMENT.**

The school endowment fund shall be apportioned semiannually by the state board, on the first Monday in March and October in each year, to districts whose schools have been in session at least nine months. The apportionment shall be in proportion to the number of pupils ~~between the ages of five and twenty-one years who shall have been~~ in average daily membership during the

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preceding year; provided, that apportionment shall not be paid to a district for pupils for whom tuition is received by the district.

Sec. 4. Minnesota Statutes 1984, section 124.10, is amended to read:

**124.10 AUDITOR'S DUTIES.**

Subdivision 1. A copy of the apportionment of the school endowment fund shall be furnished by the state board to the commissioner of finance, who thereupon shall draw his warrants on the state treasury, payable to the several districts, for the amount due each district. There is hereby annually appropriated from the school endowment fund the amount of such apportionments.

Subd. 2. The county auditor shall at the time of making the March and November tax settlements of each year apportion to the several districts the amount received from liquor licenses, fines, estrays, and other sources belonging to the general school fund, ~~upon the same basis provided for the state apportionment; but, The apportionment shall be made in proportion to each district's assessed value within the county in the prior year.~~ No district shall receive any part of the money received from liquor licenses unless all sums paid for such licenses in such district are apportioned to the county school fund.

Subd. 3. The county auditor, on the first Wednesday after such apportionment, shall report to the commissioner on the amount apportioned, the sources from which such money was received, and the ~~total average daily membership of pupils in the county entitled to apportionment~~ assessed valuation of each district in the county.

Sec. 5. Minnesota Statutes 1984, section 124.17, subdivision 1, is amended to read:

Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In a program approved by the commissioner, for each handicapped prekindergarten pupil, one-half pupil unit for up to 437 hours of education services in the school year as provided in the pupil's individual education plan or, for more than 437 hours of education services, a number of pupil units equal to the ratio of the number of hours of education service required in the school year by the pupil's individual education program plan, developed pursuant to the rules of the state board, to 875, but not more than one pupil unit;

(2) In an elementary school:

(a) For each handicapped pre-kindergarten pupil and each handicapped kindergarten pupil, as defined in section 120.03, enrolled in a program approved by the commissioner, a number of pupil units equal to the ratio of the number of hours of education services required in the school year by the pupil's individual

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education program plan, developed pursuant to the rules of the state board, to 875, but not more than one pupil unit;

(b) For kindergarten pupils, other than those in clause (a), enrolled in one-half day sessions throughout the school year or the equivalent thereof, one-half pupil unit; and

(c) For other elementary pupils, one pupil unit.

~~(2)~~ (3) In secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.

Sec. 6. Minnesota Statutes 1984, section 124.17, is amended by adding a subdivision to read:

Subd. 1a. AFDC PUPIL UNITS. In addition to the pupil units counted under subdivision 1, pupil units shall be counted as provided in this subdivision, beginning with the 1986-1987 school year.

(1) Each pupil in subdivision 1 from a family receiving aid to families with dependent children or its successor program who is enrolled in the school district on October 1 shall be counted as an additional five-tenths pupil unit.

(2) In every district in which the number of pupils from families receiving aid to families with dependent children or its successor program equals six percent or more of the actual pupil units in the district for the same year as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent for this paragraph. In districts in which the percent of concentration is less than six, additional pupil units must not be counted under this paragraph for pupils from families receiving aid to families with dependent children or its successor program. A pupil must not be counted as more than one and one-tenth additional pupil units under this subdivision. The weighting in this paragraph is in addition to the weighting provided in subdivision 1 and paragraph (1).

Sec. 7. Minnesota Statutes 1984, section 124.2138, subdivision 2, is amended to read:

**Subd. 2. TRANSPORTATION LEVY EQUITY.** (1) If the transportation levy for fiscal year 1985 in any district, or for fiscal year 1986 and thereafter in a nonagricultural district, 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,

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subdivision 3, clause (b), to the extent that those special state aids and state payments have not been reduced pursuant to section 124A.037. 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); and 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 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).~~

Sec. 8. Minnesota Statutes 1984, section 124A.01, is amended to read:

**124A.01 FOUNDATION AID COMPONENTS.**

Foundation aid shall equal the sum of the following:

- (a) basic aid;
- (b) cost differential tier aid;
- (c) second tier aid;
- (d) third tier aid;
- (e) fourth tier aid;
- (f) fifth tier aid;
- (g) minimum aid; and
- (h) declining pupil unit aid; and
- (i) shared time pupil aid.

Sec. 9. Minnesota Statutes 1984, section 124A.02, subdivision 7, is amended to read:

Subd. 7. **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

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year and of the basic maintenance levy for use in that 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.~~ The basic maintenance mill rate for 1985 payable 1986 levies and each year thereafter, and for foundation aid for the 1986-1987 school year and each year thereafter, shall be established as provided in section 14.

Sec. 10. Minnesota Statutes 1984, section 124A.02, subdivision 8, is amended to read:

Subd. 8. **EQUALIZING FACTOR.** "Equalizing factor" means a number equal to the minimum EARC valuation per actual and AFDC total pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for each school year and for levies for use in that school year equals the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for that school year. ~~However, the equalizing factor for discretionary and replacement aids for the 1982-1983 school year shall be \$61,565.~~

Sec. 11. Minnesota Statutes 1984, section 124A.02, subdivision 9, is amended to read:

Subd. 9. **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 \$1,475 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.~~ The formula allowance shall be \$1,690 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year.

Sec. 12. Minnesota Statutes 1984, section 124A.02, subdivision 16, is amended to read:

Subd. 16. **PUPIL UNITS, AFDC.** ~~For the 1984-1985 and 1985-1986 school years,~~ "AFDC pupil units" means 98.5 percent of the pupil units identified in Minnesota Statutes 1980, section 124.17, subdivision 1, clauses (4) and (5) in the 1980-1981 school year.

For the 1986-1987 school year and each year thereafter, "AFDC pupil units" means pupil units identified in section 124.17, subdivision 1a.

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Sec. 13. Minnesota Statutes 1984, section 124A.02, is amended by adding a subdivision to read:

**Subd. 24. AVERAGE SALARY FOR BEGINNING TEACHERS.** "Average salary for beginning teachers" means the average salary for all teachers in the state who are in their first year of teaching and who have no additional credits or degrees above a bachelor's degree. At least biennially, the department shall recompute this average using complete new data.

Sec. 14. Minnesota Statutes 1984, section 124A.03, is amended by adding a subdivision to read:

**Subd. 1a. ESTABLISHMENT OF BASIC MAINTENANCE MILL RATE.** (a) The commissioner of revenue shall establish the basic maintenance mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The established basic maintenance mill rate shall be a rate, rounded up to the nearest tenth of a mill, which when applied to the adjusted assessed valuation of taxable property for each school district under section 124A.03, subdivision 1 or 3, as applicable, raises the total amount specified in this section.

(b) The basic maintenance mill rate for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year shall be established at a rate that raises a total of \$702,000,000. The basic maintenance mill rate computed by the commissioner of revenue must not be recomputed due to changes or corrections made in a school district's adjusted assessed valuation after the mill rate has been certified to the department of education pursuant to paragraph (a).

Sec. 15. Minnesota Statutes 1984, section 124A.03, subdivision 3, is amended to read:

**Subd. 3. BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.** In any year when the amount of the maximum levy limitation under subdivision 1 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 total pupil units for that district for that school year, the levy limitation for that district under subdivision 1 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 1:

(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 total pupil units for that district for that school year, plus (ii) the amount 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

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(iii) the amount 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 124A.035, subdivision 4 in the school year in which the levy is recognized as revenue.

A levy made by a district pursuant to this subdivision shall be construed to be the levy made by that district pursuant to subdivision 1, for purposes of statutory cross-reference.

Sec. 16. Minnesota Statutes 1984, section 124A.03, subdivision 4, is amended to read:

Subd. 4. **SUMMER PROGRAM LEVY.** In 1984 and each year thereafter, A district may levy for summer programs an amount equal to the following product:

(a) The district's estimated total summer program revenue allowance as defined in section 124A.033, subdivision 2, for the summer 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. 17. Minnesota Statutes 1984, section 124A.033, subdivision 2, is amended to read:

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

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

(2) "Summer program ~~instructional~~ revenue allowance" means an amount equal to the product of the number of summer program pupil units in a district, times the foundation aid formula allowance as defined in section 124A.02 for the preceding regular school year.

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(3) "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 124A.02 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 program aid" means aid for summer programs and inter-session classes of flexible school year programs.

Sec. 18. Minnesota Statutes 1984, section 124A.033, subdivision 3, is amended to read:

Subd. 3. **SUMMER PROGRAM AID.** In fiscal year 1986 and Each year thereafter, a district offers a summer instructional program, it 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 124A.03, subdivision 3 4, certified in the calendar year before the summer program is offered; times

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

(2) the levy certified by the district pursuant to section 124A.03, subdivision 3 4, in the calendar year before the summer program is offered.

Sec. 19. Minnesota Statutes 1984, section 124A.033, subdivision 5, is amended to read:

Subd. 5. **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 124A.03, subdivision 3 4, only for summer instructional 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. 20. Minnesota Statutes 1984, section 124A.037, is amended to read:

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**124A.037 BASIC MAINTENANCE LEVY EQUITY.**

(1) If the amount of the maximum levy limitation under section 124A.03, subdivision 1, for fiscal year 1985 for any district, or for fiscal year 1986 or after for a nonagricultural district exceeds the district's basic foundation revenue for the corresponding fiscal year, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b). However, the aid authorized in sections 124.2137 and 124.646 shall not be reduced.

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

(a) the sum of the amount of the district's maximum levy limitation under section 124A.03, subdivision 1, plus the amount of any reductions to that levy limitation pursuant to sections 124A.03, subdivision 3, and 275.125, subdivision 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); and 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).

Sec. 21. Minnesota Statutes 1984, 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.

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

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

(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.

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

(g) Add the results of clauses (d) and (f) sum of the sparsity allowance and the training and experience allowance.

Sec. 22. Minnesota Statutes 1984, section 124A.06, is amended by adding a subdivision to read:

Subd. 1a. SPARSITY ALLOWANCE. A district's sparsity allowance shall be the result of the following computation:

(a) Multiply two times the district's sparsity replacement component for the 1980-1981 school year, assuming that Minnesota Statutes 1982, section 124.2124, subdivision 1, had been effective for the 1980-1981 school year.

(b) Divide the result in clause (a) by the actual pupil units in the district for the 1980-1981 school year.

(c) Divide the formula allowance for the school year by \$1,265.

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

Sec. 23. Minnesota Statutes 1984, section 124A.06, is amended by adding a subdivision to read:

Subd. 1b. TRAINING AND EXPERIENCE ALLOWANCE. A district's training and experience allowance shall be the greater of zero or the result of the following computation:

(a) Subtract 1.25 from the training and experience index.

(b) Multiply the result in clause (a) by \$300 for the 1984-1985 school year, and by \$400 for the 1985-1986 school year, and each school year thereafter.

Sec. 24. Minnesota Statutes 1984, section 124A.06, subdivision 3a, is amended to read:

Subd. 3a. COST DIFFERENTIAL TIER LEVY. In 1983 and each year thereafter, A district may levy for its cost differential tier revenue an amount not to exceed the lesser of its cost differential tier revenue or the result of the following computation:

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

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

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

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

Sec. 25. Minnesota Statutes 1984, section 124A.08, subdivision 3a, is amended to read:

Subd. 3a. **SECOND TIER LEVY.** ~~In 1983 and each year thereafter,~~ A district may levy for its second tier revenue an amount not to exceed the lesser of its second tier revenue or the result of the following computation:

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

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

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

Sec. 26. Minnesota Statutes 1984, section 124A.10, subdivision 3a, is amended to read:

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

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

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

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

Sec. 27. Minnesota Statutes 1984, section 124A.12, subdivision 3a, is amended to read:

Subd. 3a. **FOURTH TIER LEVY.** ~~In 1983 and each year thereafter,~~ A district may levy for its fourth tier revenue an amount not to exceed the lesser of its fourth tier revenue or the result of the following computation:

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

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

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

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

Sec. 28. Minnesota Statutes 1984, section 124A.14, subdivision 3, is amended to read:

Subd. 3. **MINIMUM INCREASE.** For the 1984-1985 and 1985-1986 school years, "minimum increase" shall mean the amount equal to \$25 times the 1984-1985 total pupil units, divided by the 1984-1985 actual pupil units. For the 1986-1987 school year and each school year thereafter, "minimum increase" shall mean the amount equal to \$50 times the 1984-1985 total pupil units divided by the 1984-1985 actual pupil units.

Sec. 29. Minnesota Statutes 1984, section 124A.14, subdivision 5a, is amended to read:

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

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

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

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

Sec. 30. Minnesota Statutes 1984, section 124A.16, subdivision 4, is amended to read:

Subd. 4. **PUPIL UNIT REVENUE BEFORE REDUCTION.** The permitted total revenue per actual pupil unit specified in subdivision 2 shall be determined prior to the reduction according to section 124A.03, subdivision 3 124A.08, subdivision 5.

Sec. 31. **[124A.20] DECLINING PUPIL UNIT AID AND LEVY.**

Subdivision 1. DECLINING PUPIL UNIT REVENUE. "Declining pupil unit revenue" means the amount of revenue used to compute the declining pupil unit aid for a school year and levy for use in the same school year. A

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

district's declining pupil unit revenue shall be the result of the following computation:

(a) Subtract the number of total pupil units in the district for the current year from the number of total pupil units in the district in the preceding year. If the result is less than zero, select zero.

(b) Divide the result in clause (a) by 30.

(c) Multiply the statewide average salary for beginning teachers, by the training and experience index of the district.

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

Subd. 2. DECLINING PUPIL UNIT LEVY. A district may levy for its declining pupil unit revenue an amount not to exceed the lesser of its declining pupil unit revenue or the result of the following computation:

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

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

(c) Multiply the result in clause (b) by the district's declining pupil unit revenue for the school year to which the levy is attributable.

Subd. 3. DECLINING PUPIL UNIT AID. A district's declining pupil unit aid shall be the result of the following computation:

(a) Subtract the amount of the declining pupil unit levy from the amount of the declining pupil revenue.

(b) Divide the actual declining pupil unit levy by the permitted declining pupil unit levy.

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

Sec. 32. Minnesota Statutes 1984, section 126.64, subdivision 2, is amended to read:

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. The district of residence shall not count such a pupil as a resident pupil unit while the pupil attends school in another district.

Sec. 33. Minnesota Statutes 1984, section 298.28, subdivision 1, is amended to read:

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

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.

(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 sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10,

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subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2.

(c) On July 15, in years prior to 1988, 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 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988 and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). 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 year or the 1983-1984 school year, whichever is greater, less the product of ~~two~~ 1 3/4 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 124A.03, subdivision 2, in the previous year, to the product of ~~two~~ 1 3/4 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 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 section 124A.02 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).

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(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) 17.75 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.

(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 prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1 and shall be increased in 1988 and subsequent years according to the increase in the implicit price deflator 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) (a) .20 cent per taxable ton shall be paid 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

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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.

(b) 1.5 cents per taxable ton shall be paid to the northeast Minnesota economic protection trust fund.

(9) the amounts determined under clauses (4)(a), (4)(c), (5), and (8)(b) shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. Those amounts shall be increased in 1988 and subsequent years in the same proportion as the increase in the implicit price deflator 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: 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) 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) There shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

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 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. The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and 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

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such county or city in the year in which such estimate is made, and payable in the next ensuing calendar year, except that one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. In any calendar year in which a general property tax levy subject to sections 275.50 to 275.59 has been made, if the taxes distributable to any such county or city are greater than the amount estimated by the commissioner to be paid to any such county or city in such year, the excess of such distribution shall be held in a special fund by the county or city and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.50 to 275.59, of such county or city payable in such year. If the amounts distributable to any such county or city after final determination by the commissioner of revenue under this section are less than the amounts by which a taxing district's levies were reduced pursuant to this section, such county or city 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 275.50 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. 34. SCHOOL DISTRICT REVENUE STUDY.

The legislative commission on public education is encouraged to conduct a study of school district foundation and retirement revenue. The study may address at least the following topics:

(1) alternative means of funding school district retirement costs, including means of funding retirement costs through the foundation revenue formulas;

(2) the financial constraints and costs faced by districts with highly educated and experienced staff, the adequacy of the current training and experience allowance and revenue in tiers two through five in recognizing these constraints and costs, and the impact of the training and experience allowance on program differences among districts and on incentives for district personnel decisions;

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(3) the financial constraints and costs faced by small and isolated districts, and the adequacy of the current sparsity allowance in recognizing these constraints and costs;

(4) an analysis of the financial constraints and costs faced by districts with low salaries, and the need for additional revenue to enable such districts to raise salaries;

(5) an analysis of the financial constraints and costs faced by districts with declining enrollments, and the need for additional revenue in such districts;

(6) an analysis of the financial constraints and costs faced by districts with large concentrations of low-income and disadvantaged pupils, the adequacy of the current AFDC pupil unit formula in providing revenue in these districts, and possible alternative formulas for education overburden revenue;

(7) differences in the average costs of educating elementary and secondary pupils, and the adequacy of the current pupil unit weightings in addressing these differences;

(8) trends in the degree of equalization of school district revenues and tax rates;

(9) the relationship of the basic formula allowance and foundation revenue to school district operating expenditures;

(10) the adequacy of unappropriated balances in school district operating funds, including the implications of fund balances regarding the revenue needs of school districts;

(11) the advantages, disadvantages, and cost implications of program-based funding; and

(12) means to simplify and improve understanding of school district funding formulas and laws.

The department of finance and the department of education shall provide assistance to the commission upon request.

#### **Sec. 35. ISOLATED SCHOOL AID.**

In the 1985-1986 and 1986-1987 school years, a district having more than 2,500 square miles in area and operating six or more secondary schools shall be entitled to additional foundation aid. The additional aid shall equal \$50 times the actual pupil units in each of these school years.

#### **Sec. 36. APPROPRIATION.**

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

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

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

\$685,402,700.....1986,

\$797,165,000.....1987.

The appropriation for 1986 includes \$81,869,500 for aid for fiscal year 1985 payable in fiscal year 1986, and \$603,533,200 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$104,060,900 for aid for fiscal year 1986 payable in fiscal year 1987, and \$693,104,100 for aid for fiscal year 1987 payable in fiscal year 1987.

Subd. 3. SUMMER PROGRAMS. For summer program aid pursuant to Minnesota Statutes, section 124A.033, subdivision 3, and for summer instructional program aid pursuant to section 124A.033, subdivision 3a, there is appropriated:

\$7,878,600.....1986,

\$7,400,000.....1987.

The appropriation for fiscal year 1986 is for aid for programs in summer 1985. The appropriation for fiscal year 1987 is for aid for programs in summer 1986. Summer educational improvement aid shall not be paid after fiscal year 1986.

Subd. 4. CANCELLATION. Except as provided in Minnesota Statutes, section 124.14, subdivision 7, none of the amounts appropriated in subdivision 3 shall be expended for a purpose other than the purpose indicated.

**Sec. 37. REPEALER.**

Subdivision 1. JULY 1, 1985. Minnesota Statutes 1984, sections 122.531, subdivision 3a, as amended by Laws 1985, chapter 248, section 31; 124.201, subdivisions 3, 4 and 5; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 124A.035, subdivision 6; 126.64, subdivision 1; and 275.125, subdivision 2j, are repealed.

Subd. 2. JUNE 30, 1986. Minnesota Statutes 1984, sections 124.2138, subdivision 2; and 124A.037 are repealed.

**Sec. 38. EFFECTIVE DATE.**

Subdivision 1. Section 37, subdivision 2, is effective June 30, 1986.

Subd. 2. Section 33 is effective July 15, 1985.

Subd. 3. Sections 5 and 31 are effective for the 1986-1987 school year and thereafter.

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

Subd. 4. Sections 16, 17, 18, and 19 are effective September 1, 1985, for summer programs to be held in 1986 and thereafter.

## ARTICLE 2 TRANSPORTATION

Section 1. Minnesota Statutes 1984, section 123.39, is amended by adding a subdivision to read:

Subd. 8d. School districts may provide bus transportation along regular school bus routes when space is available for participants in early childhood family education programs if these services do not result in an increase in the district's expenditures for transportation. The costs allocated to these services, as determined by generally accepted accounting principles, shall be considered part of the authorized cost for regular transportation for the purposes of section 124.225.

Sec. 2. Minnesota Statutes 1984, section 124.223, is amended to read:  
**124.223 TRANSPORTATION AID AUTHORIZATION.**

School transportation and related services for which state transportation aid is authorized are:

(1) **TO AND FROM SCHOOL; BETWEEN SCHOOLS.** Transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to, from, or between the schools the resident pupils attend pursuant to a program approved by the commissioner of education; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79;

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

(3) **SECONDARY VOCATIONAL CENTERS.** Transportation to and from a state board approved secondary vocational center for secondary vocational

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classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) **HANDICAPPED.** Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by section 120.17 are provided, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to the requirement in clause (1) that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid;

(5) **BOARD AND LODGING; NONRESIDENT HANDICAPPED.** When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) **SHARED TIME.** Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education, and necessary transportation required by section 120.17, subdivision 9 for resident handicapped pupils who are provided special instruction and services on a shared time basis;

(7) **FARIBAULT STATE SCHOOLS.** Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) **SUMMER SCHOOL INSTRUCTIONAL PROGRAMS.** Services described in clauses (1) to (7) and clauses (9) and (10) when provided in conjunction with a ~~state board approved~~ summer school program eligible for aid and levy under sections 124A.03 and 124A.033;

(9) **COOPERATIVE ACADEMIC AND VOCATIONAL.** Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes approved by the commissioner or secondary vocational classes not provided at a secondary vocational center which are approved by the commissioner for resident pupils of any of these districts; and

(10) **NONPUBLIC SUPPORT SERVICES.** Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

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



Sec. 3. Minnesota Statutes 1984, section 124.225, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

(e) "Transportation category" means a category of transportation service provided to pupils. For the 1984-1985 and 1985-1986 school years, each category includes transportation provided during the regular school year and in conjunction with a state board approved summer school program eligible for aid and levy under sections 124A.03 and 124A.033. For purposes of this section, transportation categories for the 1984-1985 and 1985-1986 school years are as follows:

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

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

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

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

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

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

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

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

For the purposes of this section, transportation categories for the 1986-1987 school year and thereafter are as follows:

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

(2) Nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10).

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

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

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

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

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

one, minus the product of

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

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

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

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

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

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

Sec. 4. Minnesota Statutes 1984, section 124.225, subdivision 3, is amended to read:

Subd. 3. **FORMULA.** For each school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. The department of education shall conduct multiple regression analysis using the terms specified in subdivision 4a for the 1982-1983 and 1983-1984 school years, and using the terms specified in subdivision 4b for the 1984-1985 school year and each school year thereafter to predict the base cost for each district. Each year a formula shall be derived based upon the regression analysis, but excluding the factor described in subdivision 4a, clause (9), in the formula for the 1983-1984 school year. Each year the formula and shall be used to determine a predicted base cost for each district. The amount determined for each district shall be adjusted according to the provisions of subdivisions 7a and 7b.

Sec. 5. Minnesota Statutes 1984, section 124.225, subdivision 4b, is amended to read:

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

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(1) The logarithm of the lesser of (a) the number of authorized FTE's per square mile transported by the district in the regular transportation category, or (b) 200;

(2) Whether the district is nonrural, based upon criteria established by the department of education; and

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

Sec. 6. Minnesota Statutes 1984, section 124.225, subdivision 7a, is amended to read:

Subd. 7a. **BASE YEAR SOFTENING FORMULA.** (1) For fiscal year 1983, each district's predicted base cost determined according to subdivision 3 shall be adjusted as provided in this clause to determine adjusted authorized predicted cost per FTE for the base school year.

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

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

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

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

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

(c) If the base cost of the district is more than five percent less than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 95 percent of the predicted base cost, minus 40 percent of the

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difference between (i) 95 percent of predicted base cost, and (ii) the base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be more than 120 percent of base cost.

Sec. 7. Minnesota Statutes 1984, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. **INFLATION FACTORS.** The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 22 percent to determine the district's aid entitlement per FTE for the 1982-1983 school year, by 11.7 percent to determine the district's aid entitlement per FTE for the 1983-1984 school year, and by 10.3 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year, by 8.9 percent to determine the district's aid entitlement per FTE for the 1985-1986 school year, and by 6.7 percent to determine the district's aid entitlement per FTE for the 1986-1987 school year.

Sec. 8. Minnesota Statutes 1984, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. **AID.** For the 1982-1983 and 1983-1984 school years, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its excess handicapped transportation aid pursuant to subdivision 8c, its handicapped board and lodging aid pursuant to subdivision 8d, its to and from board and lodging aid pursuant to subdivision 8e, its nonpublic support services transportation aid pursuant to subdivision 8f, its during-day transportation aid pursuant to subdivision 8g, and its closed-school transportation aid pursuant to subdivision 8h, minus the amount raised by two mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. For the 1983-1984 school year transportation aid for a district which contracted for pupil transportation services in the 1981-1982 school year shall be reduced by an amount equal to \$18 times the number of FTE pupils transported on contracted school buses in the base year in the regular transportation category. A district may levy less than the amount raised by two mills. Transportation aid shall be computed as if the district had levied the amount raised by two mills. Aid for the 1982-1983 and 1983-1984 school years shall also be reduced by the following amount: the product of

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

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

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

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

For the 1984-1985 and 1985-1986 school year and thereafter, years a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services and aid reduction pursuant to subdivision 8k, minus the amount raised by 1.75 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 1.75 mills. Transportation aid shall be computed as if the district had levied the amount raised by 1.75 mills.

For the 1986-1987 school year and each year thereafter, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services aid reduction pursuant to subdivision 8k, minus the amount raised by 2.25 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 2.25 mills. Transportation aid shall be computed as if the district had levied the amount raised by 2.25 mills.

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

Sec. 9. Minnesota Statutes 1984, section 124.225, subdivision 8b, is amended to read:

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

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

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

Sec. 10. Minnesota Statutes 1984, section 124.225, subdivision 10, is amended to read:

Subd. 10. **DEPRECIATION.** Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, clause (b)(4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

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

(2) for fiscal years 1983 and 1984, an amount equal to two mills times the adjusted assessed valuation which is used to compute the levy limitation for the levy attributable to that year, or for fiscal year years 1985 and thereafter 1986 an amount equal to 1.75 mills times the adjusted assessed valuation of the district for the preceding year, and for fiscal year 1987 and thereafter, 2.25 mills times the adjusted assessed valuation of the district for the preceding year. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

Sec. 11. Minnesota Statutes 1984, section 275.125, subdivision 5, is amended to read:

Subd. 5. **BASIC TRANSPORTATION LEVY.** For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of 1.75 2.25 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year.

Sec. 12. Minnesota Statutes 1984, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. **TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.** In fiscal years 1983 and 1984 if the transportation levy in a district attributable to each fiscal year of two mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, the district's transportation levy

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limitation shall be adjusted as provided in this subdivision. In the year following each of those fiscal years, the district's transportation levy shall be reduced by an amount equal to the difference between (1) two mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

In any fiscal year 1985 and each fiscal year thereafter, if the basic transportation levy under subdivision 5 in a district attributable to a particular fiscal year of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) 1.75 mills times the adjusted assessed valuation of the district the amount of the basic transportation levy under subdivision 5, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special state aids pursuant to section 124.2138, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

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

the product of

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

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

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

Sec. 13. Minnesota Statutes 1984, section 275.125, subdivision 5d, is amended to read:

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

(a) the district's actual cost in the school year after the year in which the excess transportation levy is certified for transportation to and from school of

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secondary pupils who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended, plus

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

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

(d) an amount equal to the aid subtraction computed pursuant to section 124.225, subdivision 8k, for the school year beginning in the year the levy is certified; except that for the 1983 payable 1984 levy, this amount shall be based upon the aid subtraction for the 1984-1985 school year. These amounts shall be placed in the transportation fund and used for any lawful purpose.

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

Sec. 14. Laws 1985, chapter 280, section 4, is amended to read:

Sec. 4. **REPEALER.**

Section 3 is repealed September 1, 1986 1985.

Sec. 15. **APPROPRIATIONS.**

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

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

\$ 88,993,600....1986,

\$ 84,587,100....1987.

(a) The appropriation for 1986 includes \$12,284,400 for aid for fiscal year 1985 payable in fiscal year 1986 and \$76,709,200 for fiscal year 1986 payable in fiscal year 1986.

(b) The appropriation for 1987 includes \$13,536,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$71,050,200 for fiscal year 1987 payable in fiscal year 1987.

(c) The appropriations are based on aid entitlements of \$90,246,100 for fiscal year 1986 and \$83,588,400 for fiscal year 1987.

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**Subd. 3. INTERDISTRICT TRANSPORTATION AID; PROGRAMS OF EXCELLENCE.** For transportation of pupils to programs of excellence pursuant to Minnesota Statutes 1984, section 126.62, subdivision 6, there is appropriated:

\$17,000.....1986,

\$17,000.....1987.

This aid shall be paid at 100 percent of the entitlement for the current fiscal year.

**Subd. 4. TRANSPORTATION AID FOR CHOICE PROGRAMS.** For transportation of pupils who attend post-secondary institutions pursuant to article 5 there is appropriated:

\$50,000.....1986.

The commissioner shall allocate this appropriation among school districts based upon criteria adopted by the state board of education under article 5, section 1, subdivision 8. This money shall be available until June 30, 1987.

**Subd. 5. PRORATION.** Except as provided in section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for any purposes indicated plus the amount of any transfers made according to section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts in the manner prescribed in Minnesota Statutes, section 124.225, subdivision 8a.

#### **Sec. 16. REPEALER.**

Minnesota Statutes 1984, section 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h are repealed.

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### **ARTICLE 3 SPECIAL EDUCATION**

Section 1. Minnesota Statutes 1984, section 120.03, subdivision 1, is amended to read:

Subdivision 1. Every child who is ~~deaf, hard of hearing, blind, partially seeing, crippled or who has defective~~ has a hearing impairment, visual handicap, speech or who is otherwise physically impaired in body or limb so that he or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, or deaf/blind handicap and needs special instruction and services, ~~but who is~~ educable, as determined by the standards of the state board, is a handicapped child.

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

Sec. 2. Minnesota Statutes 1984, section 120.17, subdivision 1, is amended to read:

Subdivision 1. **SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN OF SCHOOL AGE.** Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03. School age means the ages of ~~four years~~ three to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent. For purposes of this subdivision, the age of a handicapped child shall be ~~his~~ the age as of September 1 of the calendar year in which the school year for which ~~he~~ the child seeks special instruction and services commences. Every district may provide special instruction and services for handicapped children who have not attained school age. Local health, education, and social service agencies shall refer children from age three to five who are suspected of needing special instruction and services to the school district. A school district is encouraged to contract with a developmental achievement center when the center is cost efficient for the district and when the center provides continuity of special instruction and services for handicapped children under the age of five and their families. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full ~~sequence~~ range of programs for education, ~~training~~ and services for handicapped children as defined in section 120.03. This subdivision does not alter the compulsory attendance requirements of section 120.10.

Sec. 3. Minnesota Statutes 1984, section 120.17, subdivision 2, is amended to read:

Subd. 2. **METHOD OF SPECIAL INSTRUCTION.** Special instruction ~~or training~~ and services for handicapped children may be provided by one or more of the following methods:

- (a) ~~Special instruction and services~~ in connection with attending regular elementary and secondary school classes;
- (b) ~~The~~ establishment of special classes;
- (c) ~~Instruction and services~~ at the home or bedside of the child;
- (d) ~~Instruction and services~~ in other districts;
- (e) ~~Instruction and services~~ Instruction and services in special education cooperative centers established under section 120.17, or in another member district of the cooperative center to which the resident district of the handicapped child belongs;
- (f) in a state university laboratory school or a University of Minnesota laboratory school;

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~~(f) Instruction and services~~ (g) in a state residential school or a school department of a state institution approved by the commissioner; ~~or by any other method approved by him;~~

~~(g) Instruction and services~~ (h) in other states;

~~(h) Contract~~ (i) by contracting with public, private or voluntary agencies;

(j) for children under age five and their families, programs and services established through collaborative efforts with other agencies or within the district; and

(k) any other method approved by the commissioner.

The primary responsibility for the education of a handicapped child shall remain with the district of the child's residence regardless of which method of providing special instruction ~~or training~~ and services is used.

Sec. 4. Minnesota Statutes 1984, section 120.17, subdivision 3, is amended to read:

Subd. 3. **RULES OF THE STATE BOARD.** The state board shall promulgate rules relative to qualifications of essential personnel, courses of study ~~or training~~, methods of instruction ~~and training~~, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules ~~and standards~~ it deems necessary, for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. The state board shall not adopt rules for pupils served in levels 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 5. Minnesota Statutes 1984, section 120.17, subdivision 3, is amended to read:

Subd. 3. **RULES OF THE STATE BOARD.** The state board shall promulgate rules relative to qualifications of essential personnel, courses of study ~~or training~~, methods of instruction ~~and training~~, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules ~~and standards~~ it deems necessary, for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also

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provide standards for the discipline, control, management and protection of handicapped children. The state board, in consultation with the departments of health and human services, may adopt emergency rules and shall adopt permanent rules for instruction and services for children from age three to five and their families. A developmental achievement center contracting with a school district to provide special instruction and services is eligible for variance from rules relating to personnel licensure. The licensure variance for a developmental achievement center shall be granted according to the same procedures and criteria used for granting a variance to a school district. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 6. Minnesota Statutes 1984, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. **SCHOOL DISTRICT OBLIGATIONS.** Every district shall ensure that:

(a) All handicapped children are provided the special instruction and services which are appropriate to their needs;

(b) Handicapped children from age three to five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(c) Handicapped children and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment and educational placement of handicapped children;

(e) (d) To the maximum extent appropriate, handicapped children, including those in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular educational environment occurs only when and to the extent that the nature or severity of the handicap is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(d) (e) In accordance with recognized professional standards, testing and evaluation materials and procedures utilized for the purposes of classification and placement of handicapped children are selected and administered so as not to be racially or culturally discriminatory; and

(e) (f) The rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

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

Sec. 7. Minnesota Statutes 1984, section 120.17, is amended by adding a subdivision to read:

**Subd. 12. INTERAGENCY EARLY LEARNING COMMITTEE.** A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, shall establish an interagency early learning committee for handicapped children under age five and their families. Members of the committee shall be representatives of local and regional health, education, and county human service agencies; developmental achievement centers; current service providers; parents of young handicapped children; and other private or public agencies as appropriate. The committee shall elect a chair from among its members and shall meet regularly. The committee shall perform the following ongoing duties:

(1) identify current services and funding being provided within the community for handicapped children under the age of five and their families;

(2) establish and evaluate the identification, referral, and community learning systems to recommend, where necessary, alterations and improvements;

(3) facilitate the development of interagency individual education plans when necessary to appropriately serve handicapped children under the age of five and their families;

(4) review and comment on the early learning section of the total special education system for the district; and

(5) review and comment on the funding sources that currently exist for the services being provided to handicapped children under the age of five and their families in the area.

The departments of education, health, and human services are encouraged to provide assistance to the local agencies in developing cooperative plans for providing services.

Sec. 8. Minnesota Statutes 1984, section 120.17, is amended by adding a subdivision to read:

**Subd. 13. MAINTENANCE OF EFFORT.** For fiscal year 1986 the departments of education, health, and human services shall not reduce the level of funding for services for handicapped children under age five and their families below the level of funding provided in fiscal year 1985. For the period from July 1, 1985 to June 30, 1986 a local or regional health or human services agency or county board currently providing services to handicapped children under age five and their families through a developmental achievement center or other delivery system shall not decrease the level of services or the dollar amount provided for the services below the level of services or the dollar amount provided by it for the period from July 1, 1984 to June 30, 1985. For the 1985-1986 school year a school district currently providing services to handicapped children under age

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five and their families shall not decrease the level of services or the expenditure level below the level of services or the dollar amount provided by it in the 1984-1985 school year.

Beginning with the period from July 1, 1986 to June 30, 1987 a local or regional health or human services agency or county board shall not decrease the level of services or the dollar amount provided for those services below the level of services or the dollar amount provided by it for the period from July 1, 1984 to June 30, 1985 unless the county and school district have entered into an agreement for continued funding of services to handicapped children and their families and a copy of the agreement has been filed with the departments of education, health, and human services. This prohibition applies to all funding levels regardless of the source.

This subdivision applies only to services that are special instruction and services, within the meaning of this section, and that reasonably would be the responsibility of a school district.

**Sec. 9. [120.183] INTERAGENCY OFFICE ON TRANSITION SERVICES.**

The commissioner of education shall establish an interagency office on transition services to:

(1) gather and coordinate data on transition services for secondary age handicapped pupils;

(2) provide information, consultation, and technical assistance to state and local agencies involved in the delivery of services to handicapped pupils in transition from secondary school programs to employment and post-secondary training programs;

(3) assist agencies in establishing local interagency agreements to assure the necessary services for efficient and appropriate transition from school to work or post-secondary training programs; and

(4) assist regions and local areas in planning interagency inservice training to develop and improve transition services.

Sec. 10. Minnesota Statutes 1984, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. **1983-1984 TEACHERS SALARIES.** For the 1983-1984 school year, and each year thereafter, The department state shall pay a school district 65 percent a portion of the salary, calculated from the date of hire, of one full time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district, or a pro rata amount thereof for increments of fewer than 45 pupils. Notwithstanding the foregoing, the department state shall pay 65 percent a portion of the salary, calculated from the date of hire, of one-half of a

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full time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled. The portion for a full-time teacher shall be the lesser of 65 percent of the salary or \$18,100. The portion for a part-time or limited-time teacher shall be the lesser of 65 percent of the salary or the product of \$18,100 times the ratio of the person's actual employment to full-time employment.

Sec. 11. Minnesota Statutes 1984, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. **1983-1984 TEACHERS SALARIES.** Beginning in the 1983-1984 school year and Each year thereafter, the state shall pay to any a district ~~for the employment in its educational~~ a portion of the salary of each essential person employed in the district's program for handicapped children ~~70 percent of the salary of essential personnel for during the normal regular school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are person is employed by a district alone or jointly with another district one or more districts.~~ The portion for a full-time person shall be the lesser of 70 percent of the salary or \$19,500. The portion for a part-time or limited-time person shall be the lesser of 70 percent of the salary or the product of \$19,500 times the ratio of the person's actual employment to full-time employment.

Sec. 12. Minnesota Statutes 1984, section 124.32, subdivision 1d, is amended to read:

Subd. 1d. **CONTRACT SERVICES.** (1) ~~Except for the 1982-1983 school year,~~ For special instruction ~~or training~~ and services provided ~~for during the regular school year to~~ any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district ~~60~~ 55 percent of the difference between the amount of the contract and the foundation aid formula allowance of the district for that pupil or a pro rata portion of the foundation aid formula allowance for pupils who receive services by contract on less than a full time basis.

(2) ~~Except for the 1982-1983 school year,~~ For special instruction ~~or training~~ and services provided for a pupil by such a contract as part of a summer school program, the state shall pay each district ~~60~~ 55 percent of the difference between the amount of the contract and the summer school revenue allowance of the district attributable to that pupil.

Sec. 13. Minnesota Statutes 1984, section 124.32, subdivision 2, is amended to read:

Subd. 2. **SUPPLY AND EQUIPMENT AID.** ~~Except for the 1982-1983 school year,~~ The state shall pay each district for supplies and equipment purchased or rented for use in the instruction of handicapped children an amount equal to one-half of the sum actually expended by the district but not to exceed

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an average of \$50 in any one school year for each handicapped child receiving instruction.

Sec. 14. Minnesota Statutes 1984, section 124.32, is amended by adding a subdivision to read:

Subd. 2b. TRAVEL AID. The state shall pay each district one-half of the sum actually expended by a district for necessary travel of essential personnel providing home-based services to handicapped children under age five and their families.

Sec. 15. Minnesota Statutes 1984, section 124.32, subdivision 5, is amended to read:

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

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

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

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

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

Sec. 16. Minnesota Statutes 1984, section 124.32, subdivision 7, is amended to read:

**Subd. 7. PROGRAM AND AID APPROVAL.** Before June 1 of each year, each district providing special instruction and services to handicapped

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children shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of handicapped children in the district who will receive special instruction and services during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to handicapped children pursuant to section 120.17. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel ~~he~~ determines ~~determined~~ to be unnecessary or unessential on the basis of this review. The commissioner may also withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. By August 31, ~~when the first aid payment is made,~~ the commissioner shall approve, disapprove or modify each application, and notify each applying district of the action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of handicapped children in the district. Notwithstanding the provisions of section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid pursuant to this section without proceeding according to section 124.15 at any time the commissioner determines that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 17. Minnesota Statutes 1984, section 124.32, subdivision 10, is amended to read:

Subd. 10. **SUMMER SCHOOL.** The state shall pay aid for summer school programs for handicapped children on the basis of ~~the sections of Minnesota Statutes providing aid for handicapped children~~ subdivisions 1b, 1d, and 5 for the preceding school year. By March 15 of each year, districts shall submit separate applications for program and budget approval for summer school programs. The review of these applications shall be as provided in subdivision 7. By May 1 of each year, the commissioner shall approve, disapprove or modify the applications and notify the districts of the action and of the estimated amount of aid for the summer school programs. ~~Aid for these programs shall be paid by November 15 after the summer when the programs are conducted.~~

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

Sec. 18. Minnesota Statutes 1984, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. **SALARIES.** ~~For the 1983-1984 school year and~~ Each year thereafter, the state shall pay to any district or cooperative center ~~70 percent a~~ portion of the salaries paid to salary of each essential licensed personnel in person employed during that school year for services rendered in that district or center's secondary vocational education programs for handicapped children. The portion for a full-time person shall be the lesser of 70 percent of the salary or \$19,500. The portion for a part-time or limited-time person shall be the lesser of 70 percent of the salary or the product of \$19,500 times the ratio of the person's actual employment to full-time employment.

Sec. 19. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 8c. **SPECIAL EDUCATION LEVY.** A district, excluding intermediate school district Nos. 287, 916, and 917, may levy an amount that may not exceed 70 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10 and 124.574, subdivision 2b plus 65 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.273, subdivision 1b for the year to which the levy is attributable.

For purposes of this subdivision, a special education cooperative or an intermediate school district each year shall allocate an amount equal to 70 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10 and 124.574, subdivision 2b, plus 65 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under section 124.273, subdivision 1b for the year to each of the member districts of the cooperative or the intermediate district. The member districts may make a levy in the amount of the costs allocated to them by the cooperative or intermediate district.

Special education cooperatives and intermediate school districts that allocate unreimbursed portions of salaries of special education essential personnel among member districts, for purposes of the member districts making a levy under this subdivision, shall provide information to the state department of education on the amount of unreimbursed costs of salaries they allocated to the member districts.

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

**Sec. 20. SPECIAL EDUCATION LEVY, 1985.**

In addition to the levy authorized in section 19, in 1985 only, a district, excluding intermediate school district Nos. 287, 916, and 917, may levy an amount that may not exceed 70 percent of salaries paid to essential personnel in that district in fiscal year 1986, minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10 and 124.574, subdivision 2b plus 65 percent of salaries paid to essential personnel in that district in fiscal year 1986, minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.273, subdivision 1b for fiscal year 1986.

For purposes of this subdivision, a special education cooperative or an intermediate school district shall allocate an amount equal to 70 percent of salaries paid to essential personnel in that intermediate district or cooperative in fiscal year 1986, minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10 and 124.574, subdivision 2b, plus 65 percent of salaries paid to essential personnel in that intermediate district or cooperative in fiscal year 1986, minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under section 124.273, subdivision 1b for fiscal year 1986 to each of the member districts of the cooperative or the intermediate school district. In 1985 the member districts may make a levy in the amount of the estimated costs allocated to them by the intermediate district or cooperative.

Special education cooperatives and intermediate school districts that allocate unreimbursed portions of salaries of special education essential personnel among member districts, for purposes of the member districts making a levy under this subdivision, shall provide information to the state department of education on the amount of unreimbursed costs of salaries they allocated to the member districts.

**Sec. 21. OCCUPATIONAL THERAPY STUDY.**

By February 1, 1986, the department of education shall conduct a study and make recommendations to the house and senate education committees, house education finance division, and senate education aids subcommittee on the fiscal impact and educational effectiveness of providing state aid for occupational therapy in special education programs.

**Sec. 22. COLLECTION OF INFORMATION AND DATA.**

For fiscal years 1986 through 1988, the departments of health, education, and human services shall collect information and data, at each age level, on the revenues and expenditures for serving handicapped children under age five and

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their families. The department of education data shall be collected using the uniform financial accounting and reporting system.

**Sec. 23. HANDICAPPED CHILDREN REPORT.**

By December 1, 1985, the interagency early learning committees established according to section 7 shall report to the commissioner of education on the progress of the committees and any recommendations for developing a coordinated delivery system. By February 1, 1986, the commissioner of education shall report to the education committees of the legislature on the results and recommendations of the interagency early learning committees and the federally funded interagency planning project to examine the development of a comprehensive service delivery system to handicapped children under the age of five in the state. The report shall include recommendations on defining handicapped children under the age of five, including handicapped children under the age of four who are developmentally delayed but for whom a primary disability cannot be determined, for the purpose of determining eligibility for special instruction and services. The commissioner of education shall consult with the commissioners of health and human services in developing recommendations for a delivery system and a proposed definition of handicapped children under the age of five.

**Sec. 24. [1986 LEGISLATURE.]** The 1986 legislature shall consider the feasibility of establishing and funding a comprehensive delivery system for providing services to handicapped children under age three and their families, based on the recommendations of the report required in section 23.

**Sec. 25. TIMING FOR LICENSURE OF CERTAIN PERSONNEL.**

Notwithstanding any law to the contrary, the board of teaching shall allow employees of developmental achievement centers three years to meet the licensure requirements. This section shall apply only to personnel employed on the effective date of this act.

**Sec. 26. SPECIAL EDUCATION REPORT.**

The department of education shall prepare (1) guidelines for pre-referral to special education, (2) criteria for determining the presence of a specific learning disability or an emotional/behavioral disorder as handicapping conditions, and (3) entrance and exit criteria for specific learning disability and emotional/behavioral disorder programs in school districts. The department shall report the guidelines and criteria and its recommendations to the education committees of the legislature by January 15, 1986.

**Sec. 27. REPORT TO LEGISLATURE ABOUT TRANSITION.**

The commissioner of education shall report to the legislature about the transition of handicapped pupils from school to post-secondary training and employment by February 1, 1987.

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

Sec. 28. **APPROPRIATIONS.**

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

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

\$137,986,300.....1986,

\$142,755,600.....1987.

The appropriation for 1986 includes \$20,719,600 for aid for fiscal year 1985 payable in fiscal year 1986, and \$117,266,700 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$21,082,300 for aid for fiscal year 1986 payable in fiscal year 1987 and \$121,673,300 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$137,960,800 for fiscal year 1986 and \$143,145,000 for fiscal year 1987.

Subd. 3. SUMMER SCHOOL SPECIAL EDUCATION AID. For special education aid for summer school programs there is appropriated:

\$4,239,200.....1986,

\$4,052,500.....1987.

The appropriation for 1986 is for 1985 summer school programs.

The appropriation for 1987 is for 1986 summer school programs.

Subd. 4. TRAVEL FOR HOME-BASED SERVICES. For aid for teacher travel for home-based services for handicapped children under age five and their families there is appropriated:

\$198,600.....1987.

The appropriation is based on aid entitlement of \$536,400.

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

\$1,347,000.....1986,

\$1,400,900.....1987.

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

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

\$2,713,800.....1986,

\$2,843,900.....1987.

The appropriation for 1986 includes \$431,200 for aid for fiscal year 1985 payable in fiscal year 1986, and \$2,282,600 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$402,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$2,441,000 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$2,685,500 for fiscal year 1986 and \$2,871,700 for fiscal year 1987.

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

\$585,200.....1986,

\$588,300.....1987.

The appropriation for 1986 includes \$85,200 for aid for fiscal year 1985 payable in fiscal year 1986, and \$500,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$88,300 for aid for fiscal year 1986 payable in fiscal year 1987 and \$500,000 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$588,300 for fiscal year 1986 and \$588,300 for fiscal year 1987.

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

\$65,000.....1986,

\$30,000.....1987.

The appropriations are based on aid entitlements of \$65,000 for fiscal year 1986 and \$30,000 for fiscal year 1987. \$5,000 of the appropriation for fiscal year 1986 shall be used by the department of education to conduct a study on hearing impaired support services.

**Subd. 9. SECONDARY VOCATIONAL HANDICAPPED.** For aid for secondary vocational education for handicapped pupils according to section 124.574, there is appropriated:

\$3,534,000.....1986,

\$3,606,300.....1987.

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

The appropriation for 1986 includes \$551,700 for aid for fiscal year 1985 payable in fiscal year 1986, and \$2,982,300 for aid for fiscal year 1986 payable in fiscal year 1986. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1986 of federal money received for vocational education programs pursuant to the vocational education act of 1963, as amended.

The appropriation for 1987 includes \$526,300 for aid for fiscal year 1986 payable in fiscal year 1987, and \$3,080,000 for aid for 1987 payable in fiscal year 1987. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1987 of federal money received for vocational education programs pursuant to the vocational education act of 1963, as amended.

The appropriations are based on aid entitlements of \$3,508,600 for fiscal year 1986 and \$3,623,500 for fiscal year 1987.

Subd. 10. OFFICE ON TRANSITION SERVICES. For the inter-agency office on transition services there is appropriated:

\$75,000.....1986,

\$85,000.....1987.

Subd. 11. PRORATION. Except as provided in Minnesota Statutes, section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated plus the amount of any transfers made according to Minnesota Statutes, section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any additional amount for these purposes.

#### **Sec. 29. APPROPRIATIONS FOR DEFICIENCIES.**

Subdivision 1. DEPARTMENT OF EDUCATION. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years indicated for the payment of deficiencies in funds available for the purposes indicated. These sums shall be added to the sums appropriated for fiscal year 1985 for the same purposes.

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

\$15,396,200.....1985.

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Of this amount, \$3,295,900 is for aid for fiscal year 1984 payable in fiscal year 1985, and \$12,100,300 is for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 3. HEARING IMPAIRED SUPPORT SERVICES AID. For support services for hearing impaired people according to section 121.201 there is appropriated:

\$15,000.....1985.

Subd. 4. SECONDARY VOCATIONAL PROGRAMS FOR HANDICAPPED CHILDREN. For payments according to section 124.574 there is appropriated:

\$1,327,600...1985.

Of this amount, \$505,600 is for aid for fiscal year 1984 payable in fiscal year 1985, and \$822,000 is for aid for fiscal year 1985 payable in fiscal year 1985.

**Sec. 30. REPEALER.**

Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4; 120.17, subdivision 1a; 120.172, subdivision 3; and 124.32, subdivision 9a, are repealed.

**Sec. 31. EFFECTIVE DATE.**

Sections 7, 8, and 29 are effective the day following final enactment. Sections 2, 3, 5, 6 and 14 are effective for the 1986-1987 school year and thereafter.

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**ARTICLE 4**

**COMMUNITY AND ADULT EDUCATION**

Section 1. Minnesota Statutes 1984, section 121.88, is amended to read:

**121.88 DISTRICT COMMUNITY EDUCATION PROGRAMS; CITIZENS ADVISORY COUNCIL.**

**Subdivision 1. AUTHORIZATION.** ~~The board of education of Each school district of the state is hereby authorized to board may~~ initiate a community education program in its district and ~~to provide for the general supervision of said the~~ program. Each board may, as it considers appropriate, employ community education directors and coordinators to further the purposes of the community education program. The salaries of the directors and coordinators shall be paid by the board.

**Subd. 2. ADVISORY COUNCIL.** Each board shall provide for a ~~citi-~~zens advisory council to consist of members who represent: ~~the~~ various service organizations; churches; private schools; local government; park, recreation or

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forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

Subd. 3. **COOPERATION.** The council shall function in cooperation with the community education director in an advisory capacity in the interest of promoting the goals and objectives of sections 121.85 to 121.88.

Subd. 4. **DUPLICATION POLICY.** Each council shall adopt a policy to reduce and eliminate program duplication within the district.

Subd. 5. **SUMMER SCHOOL PROGRAMS.** Notwithstanding any law to the contrary, during the summer a school district may offer community education programs to elementary and secondary pupils. The district may use community education revenue received pursuant to sections 124.271 and 275.125, subdivision 8 and charge fees for the cost of the programs.

Subd. 6. **PROGRAMS FOR HANDICAPPED ADULTS.** A school board may offer, as part of a community education program, a program for handicapped adults. Boards are encouraged to offer programs cooperatively with other districts and organizations. Programs may not be limited to district residents. Programs may include:

(1) services enabling the adults to participate in community activities or community education classes;

(2) classes specifically for handicapped adults;

(3) outreach activities to identify adults needing service;

(4) activities to increase public awareness of the roles of handicapped people;

(5) activities to enhance the role of handicapped people in the community;  
and

(6) other direct and indirect services and activities benefitting handicapped adults.

Subd. 7. **PROGRAM APPROVAL.** To be eligible for handicapped adult program revenue, a program and budget must receive approval from the community education section in the department of education. Approval may be for one or two years. For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. The department may not exceed the amount appropriated when approving programs and budgets. A request for approval must include all of the following:

(1) characteristics of the people to be served;

(2) description of the program services and activities;

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- (3) program budget and amount of aid requested;
- (4) participation by handicapped adults in developing the program;
- (5) assessment of the needs of handicapped adults; and
- (6) cooperative efforts with community organizations.

Sec. 2. Minnesota Statutes 1984, section 121.882, is amended to read:

**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, ~~and for expectant parents.~~ The programs may include the following:

- (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. The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that may affect equitable development of children.

Subd. 2a. **SUBSTANTIAL PARENTAL INVOLVEMENT.** The requirement of substantial parental involvement in subdivision 2 means that:

- (a) parents must be physically present much of the time in classes with their children or be in concurrent classes;

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(b) parenting education or family education must be an integral part of every early childhood family education program;

(c) early childhood family education appropriations must not be used for traditional day care or nursery school, or similar programs; and

(d) the form of parent involvement common to kindergarten, elementary school, or early childhood special education programs such as parent conferences, newsletters, and notes to parents do not qualify a program under subdivision 2.

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. 3. Minnesota Statutes 1984, section 124.26, subdivision 1, is amended to read:

Subdivision 1. **COMPENSATION.** For evening schools adult basic and continuing education programs, the state shall pay aids only for programs approved by the commissioner of education. The total aid for all programs approved by the commissioner shall not exceed the amount appropriated for this purpose. The aid shall be paid on a current funding basis. Except For the 1982-1983 1984-1985 school year, aid shall be 90 percent of the compensation paid each teacher for services in the programs up to \$8,000 per year as approved

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in the current year application. Aid may also be paid for an alternative method of providing programs if the method is determined by the commissioner of education to be cost-effective. Not more than two and one-half percent of the amount appropriated for evening schools adult basic and continuing education programs may be for alternative programs.

Beginning in the 1985-1986 school year, aid shall be 75 percent of the salary paid to each adult education teacher, coordinator of volunteers, and nonlicensed instructional staff person; and 75 percent of expenditures for benefits, purchased services, and supplies and materials if the expenditures have been approved by the commissioner. Expenditures for which the district receives federal aid shall not qualify for state aid. All classes and other learning options shall be tuition free when taught by teachers subsidized under this section. No charge for registration, materials and supplies may be made except a security deposit for the return of materials, supplies, and equipment. Evening school Adult basic and continuing education programs are defined as those public day or evening school programs which are established for persons over 16 years of age not in attendance at the full time elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalency certificate or for academic achievement at the secondary level.

Subd. 2. Each district or group of districts providing evening school adult basic and continuing education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of evening school adult basic and continuing education programs. In no case shall a district pursuant to this section receive federal and state aid equal more than 90 percent of the actual cost of providing these programs.

Subd. 6. **APPLICATIONS; PRORATION.** By August 1 of each fiscal year, the commissioner shall approve or disapprove all applications for funding for that year pursuant to subdivision 4 under this section that were received by the preceding June 1, and shall notify the applicant districts of the decision. In any fiscal year when the total amount requested by districts for approved programs exceeds the amount appropriated, the commissioner shall, to the extent possible, fully fund the programs which were approved by August 1, and shall prorate any remaining funds among programs which are approved after August 1.

Sec. 4. Minnesota Statutes 1984, section 124.271, subdivision 2b, is amended to read:

Subd. 2b. **AID; 1985, 1986, 1987 AND AFTER.** (1) Each fiscal year a district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid. For

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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.

For fiscal year 1987 and each 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

\$7,140, or

\$5.35 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 (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 (1), to its maximum permissible levy under section 275.125, subdivision 8, clause (1). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause (1), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

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(3) In addition to the amount in clause (1), in fiscal year 1985 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. 5. Minnesota Statutes 1984, section 124.271, is amended by adding a subdivision to read:

**Subd. 7. HANDICAPPED ADULT PROGRAM AID.** A district or group of districts offering an approved program for handicapped adults shall receive aid equal to the lesser of \$25,000 or one-half of the amount of the approved budget. A district or group of districts shall provide the remaining half from other public or private sources, the levy authorized in section 275.125, subdivision 8, clause (4), or combinations of sources.

Sec. 6. Minnesota Statutes 1984, section 124.2711, is amended to read:

**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 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. For fiscal year 1987 and each year thereafter, the "maximum revenue" for early childhood family education programs for a school year means the amount of revenue equal to the product of five percent of the foundation aid formula allowance for the prior 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 121.882, it shall receive early childhood and family education aid equal to:

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

(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. 7. Minnesota Statutes 1984, section 275.125, subdivision 8, is amended to read:

Subd. 8. **COMMUNITY EDUCATION LEVY.** (1) Each year, 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) ~~\$5.25~~ \$5.35 times the population of the district, or

(b) ~~\$7,000~~ \$7,140.

(2) In addition to the levy authorized in clause (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

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

(ii) the community education levy authorized in clause (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 Minnesota Statutes 1984, 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.

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

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



(4) In addition to the levy amounts authorized in this subdivision, a district having an approved program and budget may levy for a handicapped adult program. The levy amount may not exceed the lesser of one-half of the amount of the approved budget for the program for the fiscal year beginning in the calendar year after the levy is certified or \$25,000 for one program. In the case of a program offered by a group of districts, the levy amount shall be divided among the districts according to the agreement submitted to the department. The proceeds of the levy shall be used only for a handicapped adult program or, if the program is subsequently not offered, for community education programs. For programs not offered, the department of education shall reduce the community education levy by the amount levied the previous year for handicapped adult programs.

(5) 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 121.882. 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.

~~(5)~~ (6) 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. 8. Minnesota Statutes 1984, section 275.125, subdivision 8b, is amended 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:

(a) .4 .5 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 124.2711, subdivision 1, for the school year for which the levy is attributable.

Sec. 9. **[1985 LEVY FOR HANDICAPPED ADULT PROGRAMS.]**

In addition to the levy authorized in Minnesota Statutes, section 275.125, subdivision 8, clause (4), a district may levy in 1985 for a handicapped adult

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

program for fiscal year 1986 according to this section. The additional levy amount shall not exceed the lesser of one-half of the program budget or \$25,000. In the case of a program offered by a group of districts, the levy amount shall be divided among the districts according to their agreement. The proceeds of the levy shall be used only for a handicapped adult program or, if the program is subsequently not offered, for community education programs. For programs not offered, the department of education shall reduce the community education levy authorized in 1986 by the amount levied in 1985 for handicapped adult programs.

**Sec. 10. EVALUATION OF EARLY CHILDHOOD FAMILY EDUCATION.**

By March 1, 1986, the department of education shall report to the education committees of the legislature on a plan for evaluation of early childhood family education programs. The report shall include at least the following:

(1) a summary of conclusions from past evaluations of the pilot early childhood family education programs administered by the council on quality education;

(2) a list of characteristics of successful programs;

(3) information on the number of districts implementing programs in the 1985-1986 school year, the extent of participation in the programs, the involvement of local advisory councils in the programs, administration by the department, and interdistrict cooperation in providing programs where applicable;

(4) a plan to assist districts in self-evaluation of programs;

(5) a plan for the collection and compilation of information that would be useful for monitoring and evaluation of programs; and

(6) a plan for a systematic long-term evaluation of the quality and cost-effectiveness of the programs.

**Sec. 11. APPROPRIATIONS.**

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

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

\$1,815,900.....1986,

\$1,845,000.....1987.

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

The amount appropriated for fiscal year 1986 includes \$285,900 for aid for fiscal year 1985 payable in fiscal year 1986, and \$1,530,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The amount appropriated for fiscal year 1987 includes \$270,000 for aid for fiscal year 1986 payable in fiscal year 1987, and \$1,575,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,800,000 for fiscal year 1986 and \$1,853,000 for fiscal year 1987.

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

\$1,671,800.....1986,

\$1,693,900.....1987.

The amount appropriated for fiscal year 1986 includes \$424,200 for aid for fiscal year 1985 payable in fiscal year 1986, and \$1,247,600 for aid for fiscal year 1986 payable in fiscal year 1986.

The amount appropriated for fiscal year 1987 includes \$220,200 for aid for fiscal year 1986 payable in fiscal year 1987, and \$1,473,700 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,467,800 for fiscal year 1986 and \$1,733,800 for fiscal year 1987.

Subd. 4. EARLY CHILDHOOD FAMILY EDUCATION AID. For early childhood family education aid according to section 124.2711 there is appropriated:

\$5,245,100.....1986,

\$6,028,600.....1987.

The appropriation for 1986 is for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$925,600 for aid for fiscal year 1986 payable in fiscal year 1987, and \$5,103,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$6,170,700 for fiscal year 1986 and \$6,003,500 for fiscal year 1987.

Subd. 5. ADULT HANDICAPPED PROGRAM AID. For aid for handicapped adult programs according to section 124.271 there is appropriated:

\$250,000.....1986,

\$350,000.....1987.

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

Of the amount appropriated in fiscal year 1987, \$100,000 shall be for new programs beginning in that year.

The appropriations are based on aid entitlements of \$250,000 for fiscal year 1986 and \$350,000 for fiscal year 1987.

**Subd. 6. DEPARTMENT ASSISTANCE FOR EARLY CHILDHOOD FAMILY EDUCATION.** For the department to provide assistance to districts in planning, implementing, and evaluating early childhood family education programs there is appropriated:

\$35,000.....1986,

\$35,000.....1987.

The department shall use the appropriation for personnel service contracts and expenses of conferences and workshops.

**Subd. 7. PRORATION.** Except as provided in section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated plus the amount of any transfers made according to section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any additional amount for these purposes.

#### **Sec. 12. APPROPRIATION FOR DEFICIENCY.**

There is appropriated from the general fund to the department of education the sum of \$399,600 for fiscal year 1985 for the payment of a deficiency in funds available for the payment of adult education aid in that fiscal year. This sum shall be added to the sum appropriated for fiscal year 1985 for this purpose in Laws 1983, chapter 314, article 4, section 11, subdivision 2.

#### **Sec. 13. REPEALER.**

Minnesota Statutes 1984, sections 124.271, subdivisions 2, 2a, and 2c, and 129B.03 are repealed.

#### **Sec. 14. EFFECTIVE DATE.**

Section 12 is effective the day following final enactment.

### **ARTICLE 5**

#### **ACCESS TO EXCELLENCE**

#### **Section 1. [123.3514] POST-SECONDARY ENROLLMENT OPTIONS ACT.**

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

Subdivision 1. CITATION. This section may be cited as the "post-secondary enrollment options act."

Subd. 2. PURPOSE. The purpose of this section is to promote rigorous academic pursuits and to provide a wider variety of options to high school pupils by encouraging and enabling secondary pupils to enroll full-time or part-time in nonsectarian courses or programs in eligible post-secondary institutions, as defined in subdivision 3.

Subd. 3. ELIGIBLE POST-SECONDARY INSTITUTIONS. For purposes of this section, an "eligible institution" means a Minnesota public post-secondary institution or a private, residential, four-year, liberal arts, degree-granting college or university located in Minnesota.

Subd. 4. AUTHORIZATION; NOTIFICATION. Notwithstanding any other law to the contrary, an 11th or 12th grade pupil may apply to an eligible institution, as defined in subdivision 3, to allow the pupil to enroll in nonsectarian courses or programs offered at that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course or programs and hours of enrollment of that pupil.

Subd. 5. CREDITS. A school district shall grant academic credit to a pupil enrolled in a course or program under this section if the pupil successfully completes the course or program attended. If no comparable course or program is offered by the district, the state board of education shall determine the number of credits that shall be granted to a pupil who successfully completes and passes the course or program. If a comparable course or program 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 or program, 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 course or program and credits granted shall be included in the pupil's secondary school record.

Subd. 6. FINANCIAL ARRANGEMENTS. At the end of each school year, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions that enroll pupils under this section. The amount of tuition reimbursement shall equal the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program charged for the secondary pupil enrolling in a course or program under this section; or

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

(2) an amount equal to the difference between the formula allowance plus the total tier revenue attributable to that pupil and an amount computed by multiplying the formula allowance plus the total tier revenue attributable to that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours in that pupil's resident district.

The amount paid for each pupil shall be subtracted from the foundation aid paid to the pupil's resident district. If the amount to be subtracted is greater than the amount of foundation aid due the district, the excess reduction shall be made from other state aids due to the district.

**Subd. 7. FEES; TEXTBOOKS; MATERIALS.** A post-secondary institution that receives reimbursement for a pupil under subdivision 6 may not charge that pupil for fees, textbooks, materials, or other necessary costs of the course or program in which the pupil is enrolled if the charge would be prohibited under section 120.74, except for equipment purchased by the pupil that becomes the property of the pupil.

**Subd. 8. TRANSPORTATION.** A parent or guardian of a pupil attending a post-secondary institution under this section may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled and the post-secondary institution that the pupil attends. The state board of education shall establish guidelines for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need. The state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

**Subd. 9. EXCEPTION; INTERMEDIATE DISTRICTS.** A secondary pupil who is a resident of a member district of an intermediate district, as defined in section 136C.02, subdivision 7, may not enroll in that intermediate district's vocational program as a post-secondary pupil under this section.

**Subd. 10. LIMIT; STATE OBLIGATION.** The provisions of subdivisions 6, 7, 8, and 9 shall not apply for any post-secondary courses or programs in which a pupil is enrolled in addition to being enrolled full time in that pupil's district.

## **Sec. 2. [124.275] ARTS EDUCATION AID.**

**Subdivision 1. PURPOSES.** Each school district shall receive arts education aid for arts education programs such as creative dramatics, dance, creative writing, music, visual arts, and film and video arts. Districts are encouraged to offer cooperative programs and share staff with other districts when appropriate to maximize the use of the aid.

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

Subd. 2. GUIDELINES. Each district may determine how to use its arts education aid. A district is encouraged to use the following guidelines in the order listed:

(1) develop a long-range, comprehensive arts education plan, develop an arts curriculum, and implement arts programs for grades kindergarten through six;

(2) provide professional development for teachers to increase their arts skill level and to enable them to provide improved opportunities for pupils to learn in, about, and through the arts; and

(3) provide arts enrichment activities for pupils in grades kindergarten through six.

(4) increase the number of elementary arts teachers, with a goal of at least one full-time art teacher and one full-time music teacher for 400 pupils in grades kindergarten to six;

Subd. 3. AID AMOUNT. Arts education aid shall equal the greater of: \$2.25 times the number of pupils in grades kindergarten to six in average daily membership in the district, or \$1,200.

Sec. 3. Minnesota Statutes 1984, section 129B.17, is amended to read:

**129B.17 AUTHORIZATION COMPREHENSIVE ARTS PLANNING PROGRAM.**

The department of education shall prescribe the form and manner of application for recipients of by school districts to be designated as a site to participate in the comprehensive arts in education planning grants program. Up to 30 sites may be selected. The state board department of education shall award grants designate sites in consultation with the Minnesota alliance for arts in education and the Minnesota state arts board.

Sec. 4. Minnesota Statutes 1984, section 129B.20, is amended to read:

**129B.20 CRITERIA FOR GRANT APPROVAL COMPREHENSIVE ARTS PLANNING PROGRAM SITES.**

Subdivision 1. FUNDING. Up to 30 grants of \$1,000 each may be approved for programs which include: Each site shall receive \$1,250 each year for two years. Before receiving money for the second year, a long-range plan for arts education must be submitted to the department.

Subd. 2. CRITERIA. The department of education, in consultation with the Minnesota alliance for arts in education, shall establish criteria for site selection. Criteria shall include at least the following:

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

(1) a needs assessment of arts education and planning in the school district  
a willingness by the district to designate a program chair for comprehensive arts  
planning with sufficient authority to implement the program;

(2) creation of a community-based arts education team of eight individuals  
from the a willingness by the district to create a committee comprised of school  
district and the community people whose function will be is to promote compre-  
hensive arts education in the school district;

(3) participation by commitment on the part of committee members of the  
arts education team to participate in training offered by the department of  
education; and

(4) establishment of an evaluation component a commitment of the  
committee to conduct a needs assessment of arts education;

(5) commitment by the committee to evaluating its involvement in the  
program;

(6) a willingness by the district to adopt a long-range plan for arts  
education in the district;

(7) no previous involvement of the district in the comprehensive arts  
planning program; and

(8) location of the district to assure representation of urban, suburban, and  
rural districts and distribution of sites throughout the states.

**Subd. 3. PROGRAM ACCOUNTS.** A district receiving funds shall  
maintain a separate account for the receipt and disbursement of all funds relating  
to the program. The funds shall be spent only for the purpose of arts education  
programs, including teacher release time.

**Subd. 4. ADDITIONAL FUNDING.** A district receiving funds may  
receive funds for the program from private sources and from other governmental  
agencies, including any state or federal funds available for arts education.

Sec. 5. Minnesota Statutes 1984, section 129B.21, is amended to read:

**129B.21 DEPARTMENT RESPONSIBILITY.**

The department of education, in cooperation with the Minnesota alliance  
for arts in education and the Minnesota state arts board, shall:

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

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

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



(3) submit a report to the education committees of the senate and house of representatives by January 1, 1985. The report shall include the status and implementation of comprehensive arts in education planning grants and the department's plans to promote arts education in the schools. The department may contract with the Minnesota alliance for arts in education for its involvement in providing services, including staff assistance, to the program.

**Sec. 6. [129C.10] MINNESOTA SCHOOL OF THE ARTS AND RESOURCE CENTER.**

**Subdivision 1. GOVERNANCE.** The board of the Minnesota school of the arts and resource center shall consist of 15 persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. At least one member must be appointed from each congressional district.

**Subd. 2. TERMS, COMPENSATION, AND OTHER.** The membership terms, compensation, removal of members, and filling of vacancies shall be as provided for in section 15.0575. A member may serve not more than two consecutive terms.

**Subd. 3. POWERS AND DUTIES OF BOARD.** The board has the powers necessary for the care, management, and control of the Minnesota school of the arts and resource center. The powers shall include, but are not limited to, the following:

(1) to employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the school and resource center;

(2) to establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance;

(3) to establish or coordinate evening, continuing education, extension, and summer programs through the resource center for teachers and pupils;

(4) to develop and pilot test an interdisciplinary education program. An academic curriculum must be offered with special programs in dance, literary arts, media arts, music, theater, and visual arts in both the popular and fine arts traditions;

(5) to determine the location for the Minnesota school of the arts and resource center and any additional facilities related to the school, including the authority to lease a temporary facility;

(6) to plan for the enrollment of pupils to ensure statewide access and participation;

(7) to establish advisory committees as needed to advise the board on policies and issues; and

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

(8) to request the commissioner of education for assistance and services.

Subd. 4. EMPLOYEES. (1) The board shall appoint a director of the school of the arts and resource center who shall serve in the unclassified service.

(2) The board shall employ, upon recommendation of the director, a coordinator of the resource center who shall serve in the unclassified service.

(3) The board shall employ, upon recommendation of the director, up to six department chairpersons who shall serve in the unclassified service. The chairpersons shall be licensed teachers unless no licensure exists for the subject area or discipline for which the chairperson is hired.

(4) The board may employ other necessary employees, upon recommendation of the director.

The employees hired under this subdivision and other necessary employees hired by the board shall be state employees in the executive branch.

Subd. 5. RESOURCE CENTER. Beginning in the 1985-1986 school year, the resource center shall offer programs that are directed at improving arts education in elementary and secondary schools throughout the state. The programs offered shall include at least summer institutes offered to pupils in various regions of the state, inservice workshops for teachers, and leadership development programs for teachers. The board shall establish a resource center advisory council composed of elementary and secondary arts educators, representatives from post-secondary educational institutions, department of education, state arts board, regional arts councils, educational cooperative service units, school district administrators, parents, and other organizations involved in arts education. The advisory council shall include representatives from a variety of arts disciplines and from various areas of the state. The advisory council shall advise the board about the activities of the center. Programs offered through the resource center shall promote and develop arts education programs offered by school districts and arts organizations and shall assist school districts and arts organizations in developing innovative programs. The board may contract with nonprofit arts organizations to provide programs through the resource center. The advisory council shall advise the board on contracts and programs related to the operation of the resource center.

Subd. 6. PUBLIC POST-SECONDARY INSTITUTIONS; PROVIDING SPACE. Public post-secondary institutions shall provide space for programs offered by the Minnesota school of the arts and resource center at no cost to the Minnesota school of the arts and resource center to the extent that space is available at the public post-secondary institutions.

#### Sec. 7. EVALUATION.

The department of education, in consultation with the higher education coordinating board, the public post-secondary systems and the participating

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

private colleges, shall collect and evaluate information about the implementation of the program established under section 1. By January 15, 1987, the commissioner of education shall submit a report to the education committees of the legislature on the implementation of this program.

**Sec. 8. REPORT.**

By February 1 of 1986 and 1987, the board of the school of the arts and resource center shall report to the education committees of the legislature on the activities of the board, activities of the resource center, and the planning for the school of the arts. The 1987 report shall include recommendations about continuation of the school of the arts and resource center.

**Sec. 9. TIMING FOR ARTS EDUCATION SITES AND AID.**

Comprehensive arts planning sites shall be selected by November 1, 1985, for the 1985-1986 and 1986-1987 school years. Funds for use during the 1985-1986 school year shall be paid by January 15, 1986. Funds for use during the 1986-1987 school year shall be paid by August 15, 1986.

**Sec. 10. APPROPRIATIONS TO DEPARTMENT OF EDUCATION.**

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

Subd. 2. COMPREHENSIVE ARTS PLANNING PROGRAMS. For comprehensive arts planning programs there is appropriated:

\$100,000.....1986,

\$100,000.....1987.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

Subd. 3. ARTS EDUCATION AID. For arts education aid there is appropriated:

\$990,000.....1986,

\$990,000.....1987.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

Subd. 4. SCHOOL OF THE ARTS AND RESOURCE CENTER. For the purpose of making a grant to the Minnesota school of the arts and resource center there is appropriated:

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

\$ 491,000.....1986,  
\$2,170,000.....1987.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

For fiscal years 1986 and 1987 a complement of 13 is authorized for the school of the arts and resource center. Of this complement, eight are in the categories of director, coordinator, and department chairs.

Subd. 5. PRORATION. Except as provided in Minnesota Statutes, section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated plus the amount of any transfers made according to Minnesota Statutes, section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any additional amount for these purposes.

**Sec. 11. REPEALER.**

Minnesota Statutes 1984, sections 129B.18 and 129B.19, are repealed.

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

Section 1. Minnesota Statutes 1984, section 121.151, is amended to read:

**121.151 STANDARDS FOR REMOVAL OF HAZARDOUS SUBSTANCES.**

Prior to using the revenue obtained according to sections 123.36, subdivision 13, 124.245, subdivisions ~~1b~~ 2 and ~~1c~~ 3, and 275.125, subdivisions 11b and 11c, a school district shall obtain approval from the department of education for its method of removal or encapsulation of asbestos or cleanup or disposal of polychlorinated biphenyls. The department of education shall consult with the pollution control agency, health department, environmental protection agency, or other appropriate governmental agency in approving or disapproving a district's method. If the pollution control agency or other appropriate governmental agency adopts rules establishing standards for asbestos removal or encapsulation or cleanup or disposal of polychlorinated biphenyls, the department of education shall approve only those district methods which are in compliance with the adopted rules.

Sec. 2. Minnesota Statutes 1984, section 123.702, subdivision 1, is amended to read:

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

Subdivision 1. Every school board shall provide for a voluntary program of early childhood health and developmental screening program for children once before entering kindergarten. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood and family education programs, or by other existing programs. No school board may make this screening examination a mandatory prerequisite to enroll a student. The school districts are encouraged to reduce the costs of preschool health screening programs by utilizing volunteers in implementing the program.

Sec. 3. Minnesota Statutes 1984, section 123.705, subdivision 1, is amended to read:

Subdivision 1. **AID AMOUNTS.** The department of education shall pay each school district for the cost of screening services provided pursuant to sections 123.701 to 123.705. The payment shall not exceed \$15 per child screened in fiscal year 1983, \$15 per child screened in fiscal year 1984, and \$15.60 per child screened in fiscal year 1985, \$16.15 per child screened in fiscal year 1986 and \$8.15 per child screened in fiscal year 1987.

Sec. 4. Minnesota Statutes 1984, section 124.246, subdivision 2, is amended to read:

Subd. 2. **AID.** An eligible district shall receive \$1.04 in fiscal year 1984 and \$1.08 in fiscal year years 1985, 1986, and 1987 for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational-technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than \$1,040 in fiscal year 1984 and \$1,080 in fiscal year years 1985, 1986, and 1987.

Sec. 5. Minnesota Statutes 1984, section 124.247, subdivision 3, is amended to read:

Subd. 3. **AID.** A district which establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to \$16.18 in the 1982-1983 school year, \$18.25 in the 1983-1984 school year, and \$19.00 in the 1984-1985 school year, times the number of gifted and talented students in the district. In the 1985-1986 school year and later school years, a district shall receive the greater of \$40 per gifted and talented student or \$500 per district. No more than five percent of the students enrolled in the district shall be counted as gifted and talented for the purpose of aid computations pursuant to this subdivision. No more than five percent of the moneys received by a district pursuant to this subdivision may be expended for the purpose of administration of the program for gifted and talented students.

Sec. 6. Minnesota Statutes 1984, section 124.245, is amended to read:

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

**124.245 CAPITAL EXPENDITURE EQUALIZATION AID.**

Subdivision 1. **BASIC COMPUTATION.** (a) Each 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 number of actual pupil units 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 seven EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

(b) 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 and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$90 per pupil unit or, in districts where the number of actual pupil units has increased from the prior year, \$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.

Subd. ~~1b~~, 2. **SPECIAL PURPOSE COMPUTATION.** For the ~~1983-1984 school year and~~ Each year ~~thereafter~~, the state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must levy ~~the maximum permissible amount~~ pursuant to section 275.125, subdivision 11b for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11b may be used.

Subd. ~~1c~~, 3. **HAZARDOUS SUBSTANCE COMPUTATION.** For the ~~1984-1985 school year and each year thereafter~~, The state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must levy ~~the maximum permissible amount~~ pursuant to section 275.125, subdivision 11c for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11c may be used.

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

Subd. 4. PROPORTIONATE AID. For any district that does not levy the maximum permissible levy under section 275.125, subdivision 11a, 11b, or 11c, the aid under subdivision 1, 2, or 3, that is attributable to the same school year shall be reduced by multiplying the aid amount by the ratio of the district's actual levy to its maximum permissible levy.

Subd. 2. 5. PUPIL UNITS. As used in this section, 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 means total pupil units.

Subd. 3. PAYMENT DEADLINE. All capital expenditure equalization aid shall be distributed prior to November 1 of each year.

Subd. 4. PAYMENT SCHEDULE. Starting in 1982-1983, Eighty-five percent of a district's capital expenditure equalization aid for each school year shall be distributed prior to November 1 of that school year. The final aid distribution to each district shall be made prior to November 1 of the following school year.

**Sec. 7. [124.252] TOBACCO USE PREVENTION PROGRAMS.**

Subdivision 1. ELIGIBILITY AND PURPOSE. Each school board which institutes a tobacco use prevention program that meets the criteria specified in subdivision 2 and submits the proposed program to the commissioner of education shall be eligible for state aid for the following purposes:

- (1) in-service training for public and nonpublic school staff;
- (2) tobacco use prevention curricula including materials;
- (3) community and parent awareness programs; and
- (4) evaluation of curriculum and programs for tobacco use prevention.

Subd. 2. CRITERIA. Each tobacco use prevention curriculum must include at least the following components:

- (1) in-service training of teachers and staff;
- (2) evaluation of programs and curriculum results;
- (3) a kindergarten through grade 12 continuum of educational intervention related to tobacco use; and
- (4) targeted intervention on tobacco use onset for students who are 12 to 14 years old based on evaluated curricula that have been shown to reduce tobacco use onset rates; and
- (5) prohibition of smoking cigarettes and the use of other tobacco products on the school premises by minors.

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

**Subd. 3. DISTRICT AID.** An eligible district shall receive 52 cents in fiscal year 1986 and 54 cents in fiscal year 1987 for each pupil in average daily membership enrolled in a public elementary, secondary, or area vocational technical institute or nonpublic elementary or secondary school. Aid for non-public school pupils shall be paid to the district upon request by or on behalf of the pupils. No school district shall receive less than \$1,000 in fiscal year 1986 and \$1,040 in fiscal year 1987.

**Subd. 4. APPLICATIONS.** A district that is eligible for aid shall apply to the commissioner of education by October 1 of each school year on the form supplied by the commissioner.

**Subd. 5. ASSISTANCE TO DISTRICTS.** The commissioner of education, with the consultation and assistance of the commissioner of health, shall:

(1) provide technical assistance to districts for the development, implementation, and evaluation of tobacco use prevention curricula and programs;

(2) provide to districts information about evaluation results of various curricula as reported in the scientific literature and elsewhere; and

(3) collect information from districts about prevention programs and evaluation results.

**Sec. 8. Minnesota Statutes 1984, section 124.272, subdivision 3, is amended to read:**

**Subd. 3. COOPERATION PLAN.** To receive aid or to levy pursuant to section 275.125, subdivision 8a a district shall submit to the commissioner of education an application for aid by August 15. The application shall contain the following:

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

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

(c) a copy of the cooperation agreement;

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

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

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



(f) the attributable administrative cost, that may not exceed five percent of the instructional costs, of the cooperation plan for the following fiscal year; and

(g) other information required by the commissioner.

Sec. 9. Minnesota Statutes 1984, section 124.573, subdivision 2, is amended to read:

Subd. 2. **SALARIES, EQUIPMENT AND TRAVEL.** ~~Except for the 1982-1983 school year, the state shall pay to any district or cooperative center 45 percent of The eligible expenses for secondary vocational aid are: (1) the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs. Except for the 1982-1983 school year, the state shall pay 45 percent of; (2) the costs of necessary travel between instructional sites by secondary vocational education teachers and 45 percent of; and (3) the costs of necessary travel by secondary vocational education teachers accompanying students to and from vocational student organization meetings held within the state for educational purposes. For the 1981-1982 school year, the state shall pay 45 percent of the costs of necessary equipment for these programs. No secondary vocational equipment aid shall be paid for the 1982-1983 school year and thereafter. The state shall pay to any district or cooperative center 41.5 percent of the eligible expenses for each school year. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source. In no event shall a district or center receive a total amount of state aid pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries, equipment and travel which exceeds 100 percent of the amount of its expenditures for salaries, equipment and travel in the program.~~

Sec. 10. Minnesota Statutes 1984, section 124.573, subdivision 3a, is amended to read:

Subd. 3a. **AID FOR CONTRACTED SERVICES.** In addition to the provisions of subdivisions 2 and 3, a school district or cooperative center may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education services. ~~Except for the 1982-1983 school year, The state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. The state board shall promulgate rules relating to program approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 4, the district or cooperative center contracting for these services shall be construed to be providing the services. For the purposes of subdivision 5, aid for these contracts shall be distributed on the same basis as aids for salaries and travel.~~

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

Sec. 11. Minnesota Statutes 1984, section 124.646, subdivision 1, is amended to read:

Subdivision 1. **SCHOOL LUNCH AID COMPUTATION.** (a) For the ~~1983-1984~~ 1985-1986 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 7.5 cents for each full paid student lunch served to students in the district.

(b) For the ~~1984-1985~~ 1986-1987 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 7.5 cents for each full paid student lunch served to students in the district.

Sec. 12. Minnesota Statutes 1984, section 125.60, subdivision 7, is amended to read:

Subd. 7. **APPLICATION PROCEDURES; LIMITS.** ~~No school board shall grant an extended leave of absence pursuant to this section without applying for and receiving authorization from the commissioner of education. The commissioner of education shall establish procedures for applications and shall approve or disapprove applications for extended leaves beginning before the 1984-1985 school year pursuant to this subdivision within the limits of the appropriation for the purposes of sections 354.094 and 354A.091. Each application shall state whether or not the teacher requesting the extended leave of absence pursuant to this section intends to pay the employee contribution and requests state payment of the employer contribution into the teacher's retirement fund pursuant to section 354.094 or 354A.091 in order to receive retirement service credit for years spent on leave. The commissioner shall approve no more than 250 applications for extended leaves beginning in the 1983-1984 school year for teachers who intend to pay employee contributions and request state payment of employer contributions.~~

If more than 250 applications for extended leaves beginning in any school year are received by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.

The commissioner shall not approve any applications for extended leaves beginning in the 1984-1985 or any subsequent school year for teachers who intend to pay employee contributions and request state payment of employer contributions. There is no limit on the number of applications which may be approved by school districts for extended leaves for teachers who do not intend to pay employee contributions or who do not request state payment of employer contributions.

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

Sec. 13. Minnesota Statutes 1984, section 129B.02, is amended by adding a subdivision to read:

**Subd. 2a. DISSEMINATION.** The council shall collect and disseminate education research and planning information. Available research and planning information shall include, but not be limited to, information from (a) council on quality education projects; (b) Minnesota post-secondary institutions; (c) technology demonstration sites; (d) private foundation research; (e) educational effectiveness sites; (f) school districts; (g) federally funded research projects; and (h) other state and national theoretical and applied research activities. The council shall notify school districts and other interested parties that this research information is available. The department of education shall assist the council in collecting and disseminating this information.

Sec. 14. Minnesota Statutes 1984, section 129B.04, is amended by adding a subdivision to read:

**Subd. 3. DECLINING GRANT AMOUNTS.** A grant awarded by the council on quality education shall be limited to three years. Beginning in the 1986-1987 school year the grant amount for the third year of a program shall not exceed 50 percent of the grant amount for the first year. Prior to awarding a grant the council shall notify an applicant that the applicant is expected to continue successful programs after the third year.

Sec. 15. Minnesota Statutes 1984, 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 and administrative costs of the interdistrict cooperation plan for the year to which the levy is attributable, but the levy shall not exceed the lesser of: (1) \$50 times the actual pupil units for that school year; (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 and administrative costs, that may not exceed five percent of the instructional costs, incurred in providing the program offerings resulting from the cooperation plan.

Sec. 16. Minnesota Statutes 1984, 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 number of actual pupil units has increased from the prior year. No levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

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

(b) The proceeds of the 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 purchase and lease computer systems hardware, software, and related ~~supporting materials to support software~~, and to purchase or lease photocopy machines and telecommunications equipment. The proceeds 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 may also be used for capital expenditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. The proceeds may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10. The proceeds may also be used to pay fees for capital expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors. The proceeds may also be used to pay principal and interest on loans from the state authorized by sections 116J.37 and 298.292 to 298.298.

(c) Subject to the commissioner's approval, the 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 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.

Sec. 17. Minnesota Statutes 1984, section 275.125, subdivision 11b, is amended to read:

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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, or asbestos-related repairs;

(e) for expenditures for the cleanup and disposal of polychlorinated biphenyls found in school buildings or property; and

(f) for the cleanup, removal, disposal, and repairs related to storing transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01; and

(g) to pay principal and interest on loans from the state authorized by sections 116J.37 and 298.292 to 298.298.

Sec. 18. Minnesota Statutes 1984, section 275.125, subdivision 11c, is amended to read:

Subd. 11c. **HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY.** 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 from school buildings or property, asbestos related repairs, ~~or the~~ cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01.

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

Sec. 19. Minnesota Statutes 1984, section 354.66, subdivision 3, is amended to read:

Subd. 3. For purposes of this section, the term "part time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding ~~60~~ 67 percent of the compensation established by the board for a full time teacher with identical education and experience within the district.

Sec. 20. Minnesota Statutes 1984, section 354A.094, subdivision 2, is amended to read:

Subd. 2. For purposes of this section, the term "part time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent of 50 full days calculated using the appropriate minimum number of hours which would result in a full day of service credit by the appropriate association and for which the teacher is compensated in an amount not to exceed ~~60~~ 67 percent of the compensation rate established by the board for a full time teacher with identical education and experience within the district.

**Sec. 21. MOUNTAIN IRON-BUHL SCHOOL DISTRICT; ADDITIONAL EXPENSES OF TRANSITION.**

In addition to the expenses specified in Minnesota Statutes, section 122.533, independent school district No. 712 may levy the following in 1985:

(a) An amount not to exceed \$63,000 for additional teacher salary expenses incurred as a result of the operation of Minnesota Statutes, section 122.532, the proceeds of this levy to be placed in the general fund of the district; and

(b) An amount not to exceed \$50,000 for the cost of new uniforms for the various athletic teams, bands, and choirs in the new district, the proceeds of this levy to be placed in the capital expenditure fund of the district.

**Sec. 22. SPECIAL LEVY.**

In addition to the levy authorized by Minnesota Statutes, section 275.125, subdivision 11a, independent school district No. 457, Trimont, may levy in 1985 an amount up to \$75,000 for capital expenditures. The proceeds of the levy may be used only to replace blacktop on the school parking lot.

By July 30, 1985, the school board shall hold a public hearing on the need for the proposed levy. Upon receipt, within 30 days after the hearing, of a petition objecting to the levy signed by a number of qualified voters in the district equal to the greater of 50 voters or 15 percent of the number of voters who voted in the most recent school board election, the board shall hold a referendum on

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the proposed levy. The referendum shall be held on the date set by the board but no later than October 1, 1985. If a valid petition is not received by the school board, within 30 days after the hearing, no referendum need be held.

**Sec. 23. SURPLUS SCHOOL LEVY; EDINA SCHOOL DISTRICT.**

In addition to the capital expenditure levy authorized in Minnesota Statutes, section 275.125, subdivision 11a, independent school district No. 273, Edina, may levy in 1985, and also in 1986, an amount not to exceed \$5 times the population of the district. This levy may be used only for repairs and capital improvements of surplus school buildings that are used substantially for public nonschool purposes.

**Sec. 24. GIFTED PROGRAM STUDY.**

The department of education, with the advice of an advisory group on gifted education, shall study and make recommendations about the following:

(1) an assessment of present programs in gifted education and pupils served;

(2) a review of current research and literature on education of the gifted and talented;

(3) a determination of the essential elements of a quality education program for gifted pupils;

(4) a review of gifted and talented programs in other states;

(5) the current roles of the state, educational cooperative service units, higher education institutions, local school districts, and communities in educating gifted and talented pupils;

(6) funding structures for gifted and talented programs at the state and district level;

(7) ways to expand educational opportunities statewide for all gifted and talented pupils;

(8) an implementation plan for improving gifted and talented programs, including short- and long-range goals, with an evaluation component for measuring progress toward achieving the goals of the plan; and

(9) the development of guidelines for the education of the gifted and talented, including identification, program development, parent and community involvement, and evaluation.

By February 1, 1986, the department shall report its recommendations to the education committees of the legislature.

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

**Sec. 25. JORDAN GRANT.**

Because of recent sexual abuse investigations and allegations, and resulting court actions in independent school district No. 717, Jordan, that have resulted in a loss of pupil units during the 1984-1985 school year, the department of education shall make a grant to that school district for fiscal year 1986 to compensate for that loss.

**Sec. 26. EXCESS CAPITAL LEVY FOR DOVER-EYOTA DISTRICT.**

Notwithstanding the levy limits in Minnesota Statutes, chapter 275, and in addition to all other levies authorized by law, independent school district No. 533, Dover-Eyota, may levy in 1985 only an amount not to exceed \$91,000. The proceeds of the levy may be used for any purpose for which the levies made under Minnesota Statutes, section 275.125, subdivisions 11a, 11b, 11c, and 12 may be used.

**Sec. 27. INSTRUCTION TO REVISOR.**

In the supplement to Minnesota Statutes 1984 and in subsequent editions and supplements thereafter, the revisor of statutes is requested to change the heading before section 123.701 from "PRESCHOOL HEALTH SCREENING" to "EARLY CHILDHOOD HEALTH AND DEVELOPMENTAL SCREENING."

**Sec. 28. DEPARTMENT OF EDUCATION APPROPRIATION.**

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

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

\$882,000.....1986,

\$527,400.....1987.

The appropriation for fiscal year 1986 includes \$121,000 for aid for fiscal year 1985 payable in fiscal year 1986 and \$761,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$134,300 for aid for fiscal year 1986 payable in fiscal year 1987 and \$393,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$895,300 for fiscal year 1986 and \$462,500 for fiscal year 1987.

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

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



\$4,886,000.....1986,

\$5,000,000.....1987.

Subd. 4. CAPITAL EXPENDITURE AID. For capital expenditure aid pursuant to Minnesota Statutes, section 124.245, subdivision 1 or 2, there is appropriated:

\$249,600.....1986,

\$256,700.....1987.

The appropriation for fiscal year 1986 includes \$34,900 for aid for fiscal year 1985 payable in fiscal year 1986 and \$214,700 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$37,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$218,800 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$252,600 for fiscal year 1986 and \$257,400 for fiscal year 1987.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for special purpose capital expenditure aid pursuant to Minnesota Statutes, section 124.245, subdivision 3.

Subd. 5. SPECIAL PURPOSE CAPITAL EXPENDITURE AID. For special purpose capital expenditure aid pursuant to Minnesota Statutes, section 124.245, subdivision 3, there is appropriated:

\$45,800.....1986,

\$50,800.....1987.

The appropriation for fiscal year 1986 includes \$6,400 for aid for fiscal year 1985 payable in fiscal year 1986 and \$39,400 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$7,000 for aid for fiscal year 1986 payable in fiscal year 1987 and \$43,800 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$46,300 for fiscal year 1986 and \$51,500 for fiscal year 1987.

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

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

**Subd. 6. HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE AID.** For hazardous substance capital expenditure aid pursuant to Minnesota Statutes, section 124.245, subdivision 4, there is appropriated:

\$42,100.....1986,

\$50,200.....1987.

The appropriation for fiscal year 1986 includes \$6,200 for aid for fiscal year 1985 payable in fiscal year 1986, and \$35,900 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$6,400 for aid for fiscal year 1986 payable in fiscal year 1987 and \$43,800 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$42,300 for fiscal year 1986 and \$51,500 for fiscal year 1987.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for capital expenditure aid pursuant to Minnesota Statutes, section 124.245, subdivision 1 or 2.

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

\$715,700.....1986,

\$743,700.....1987.

The appropriation for aid for fiscal year 1986 includes \$104,300 for aid for fiscal year 1985 payable in fiscal year 1986 and \$611,400 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$107,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$635,800 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$719,300 for fiscal year 1986 and \$748,000 for fiscal year 1987.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$65,390 per ECSU for fiscal year 1986 and \$68,000 per ECSU for fiscal year 1987; however, the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight shall each receive \$130,780 for fiscal year 1986 and \$136,000 for fiscal year 1987 for general operations.

The department may withhold all or a portion of these funds from an ECSU if the department determines that an ECSU has not developed an annual

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plan according to Minnesota Statutes, section 123.58, subdivision 8, or if the department determines the ECSU is not providing services according to its annual plan. If funds are withheld from an ECSU, the department may allocate the funds to other regional service providers or to a school district or group of districts providing services to districts within the ECSU region.

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

\$4,625,000.....1986,

\$4,625,000.....1987.

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

Participating schools are encouraged to promote the regular consumption of milk through the school's lunch and nutrition education programs. Every effort should also be made to promote milk and other wholesome dairy products wherever and whenever foods are sold within the context of school activities.

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

Subd. 9. INTERDISTRICT COOPERATION AID. For aid for inter-district cooperation programs according to Minnesota Statutes, section 124.272, there is appropriated:

\$1,494,300.....1986,

\$2,085,000.....1987.

The appropriation for fiscal year 1986 includes \$187,100 for aid for fiscal year 1985 payable in fiscal year 1986 and \$1,307,200 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$230,700 for aid for fiscal year 1986 payable in fiscal year 1987 and \$1,854,300 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,537,900 for fiscal year 1986 and \$2,181,500 for fiscal year 1987.

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

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

\$1,282,600.....1986,

\$1,395,500.....1987.

The appropriation for aid for fiscal year 1986 includes \$99,100 for aid for fiscal year 1985 payable in fiscal year 1986 and \$1,183,500 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$208,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$1,186,600 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,392,400 for fiscal year 1986 and \$1,396,000 for fiscal year 1987.

Subd. 11. GIFTED STUDY. For the gifted education program study there is appropriated:

\$35,000.....1986,

The appropriation is available until June 30, 1987. A portion of the appropriation may be used for administrative expenses.

Subd. 12. NONPUBLIC AIDS. For programs for nonpublic educational aid pursuant to sections 123.931 to 123.947 there is appropriated:

\$6,763,400.....1986,

\$7,184,100.....1987.

The appropriation for aid for fiscal year 1986 includes \$960,700 for aid for fiscal year 1985 payable in fiscal year 1986 and \$5,802,700 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$1,024,000 for aid for fiscal year 1986 payable in fiscal year 1987 and \$6,160,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$6,826,700 for fiscal year 1986 and \$7,247,200 for fiscal year 1987.

Subd. 13. INDIAN EDUCATION. For certain Indian education programs there is appropriated:

\$167,181.....1986,

\$173,747.....1987.

The appropriation for aid for fiscal year 1986 includes \$24,352 for aid for fiscal year 1985 payable in fiscal year 1986 and \$142,829 for aid for fiscal year 1986 payable in fiscal year 1986.

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The appropriation for fiscal year 1987 includes \$25,205 for aid for fiscal year 1986 payable in fiscal year 1987 and \$148,542 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$168,034 for fiscal year 1986 and \$174,755 for fiscal year 1987.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner shall not approve the payment of any amount to a school district pursuant to this subdivision unless that school district is in compliance with all applicable laws of this state.

Up to the following amounts may be distributed to the following school districts for fiscal year 1986: \$52,738 to independent school district No. 309-Pine Point School; \$9,313 to independent school district No. 166; \$14,374 to independent school district No. 432; \$13,513 to independent school district No. 435; \$40,541 to independent school district No. 707; and \$37,555 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 1987: \$54,848 to independent school district No. 309-Pine Point School; \$9,685 to independent school district No. 166; \$14,949 to independent school district No. 432; \$14,053 to independent school district No. 435; \$42,163 to independent school district No. 707; and \$39,057 to independent school district No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

These appropriations are available only if there will not be available for the districts enumerated in this subdivision for the applicable school year any operation support funds from the federal bureau of Indian affairs pursuant to the Johnson-O'Malley Act, Public Law Number 73-167 or 25 Code of Federal Regulations 273.31, or equivalent money from the same or another source.

Before a district can receive moneys pursuant to this subdivision, the district must submit to the commissioner of education evidence that it has:

(a) complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917. For each school year, compliance with Minnesota Statutes, 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 1987-1988 school year prepared according to Minnesota Statutes, section 121.908, subdivision 3a, shall

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be submitted to the commissioner of education at the same time as 1986-1987 budgets and shall not include any moneys appropriated in this subdivision;

(b) 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 Number 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

(c) compiled accurate daily pupil attendance records.

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 clauses (a), (b), and (c), and any other applicable laws, and each affected district's need for the moneys. Each affected district's net unappropriated fund balance in all operating funds as of June 30 of the previous school year shall be taken into consideration.

Subd. 14. CHEMICAL USE PROGRAMS. For aid for chemical dependency programs authorized pursuant to Minnesota Statutes, section 124.246, there is appropriated:

\$1,023,800....1986,

\$1,022,000....1987.

The appropriation for fiscal year 1986 includes \$153,900 for aid for fiscal year 1985 payable in fiscal year 1986 and \$869,900 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$153,500 for aid for fiscal year 1986 payable in fiscal year 1987 and \$868,500 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,023,400 for fiscal year 1986 and \$1,021,800 for fiscal year 1987.

Subd. 15. MAXIMUM EFFORT SCHOOL LOAN FUND. For the maximum effort school loan fund there is appropriated:

\$2,390,300.....1986,

\$2,585,300.....1987.

Any unexpended balance of this appropriation for fiscal year 1986 shall not cancel but shall be available for the second year of the biennium.

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in Minnesota Statutes, section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of

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principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to Minnesota Statutes, section 124.46, subdivision 3. Notwithstanding the provisions of Minnesota Statutes, section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel and revert to the general fund.

Subd. 16. SECONDARY VOCATIONAL EDUCATION AID. For secondary vocational education aid pursuant to Minnesota Statutes, section 124.573, there is appropriated:

\$21,117,400.....1986,

\$21,511,300.....1987.

The appropriation for 1986 includes \$3,422,400 for aid for fiscal year 1985 payable in fiscal year 1986. This amount also includes \$17,695,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$3,122,700 for aid for fiscal year 1986 payable in fiscal year 1987. This amount also includes \$18,388,600 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$20,817,700 for fiscal year 1986 and \$21,633,600 for fiscal year 1987.

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

Subd. 17. COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS. For the council on quality education venture fund grants pursuant to Minnesota Statutes, sections 129B.01 to 129B.05, there is appropriated:

\$717,700.....1986,

\$450,000.....1987.

The appropriation for fiscal year 1986 includes \$122,400 for grants for fiscal year 1985 payable in fiscal year 1986 and \$595,300 for grants for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$105,100 for grants for fiscal year 1986 payable in fiscal year 1987 and \$344,900 for grants for fiscal year 1987 payable in fiscal year 1987.

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

Any unexpended balance remaining from the appropriations in this subdivision for 1986 shall not cancel and shall be available for the second year of the biennium.

The appropriations are based on entitlements of \$700,400 for fiscal year 1986 and \$405,800 for fiscal year 1987.

The council may maintain a complement of up to three professionals and one clerical staff for fiscal year 1986 and two professionals and one clerical staff for fiscal year 1987.

Subd. 18. EXTENDED LEAVES OF ABSENCE. To meet the state's obligation prescribed in Minnesota Statutes, sections 354.094 and 354A.091, there is appropriated:

\$938,000.....1986,

\$602,000.....1987.

Subd. 19. PART-TIME TEACHING. To meet the state's obligation prescribed in Minnesota Statutes, sections 354.66 and 354A.094, there is appropriated:

\$118,000.....1986.

Subd. 20. SECONDARY VOCATIONAL STUDENT ORGANIZATIONS.

For aid for secondary vocational student organizations there is appropriated:

\$60,000.....1986,

\$60,000.....1987.

The appropriations for fiscal years 1986 and 1987 are available for expenditure if the commissioner of education authorizes an additional \$160,000 for each of fiscal years 1986 and 1987 from the department's biennial appropriations for this purpose.

Subd. 21. STATE MATCHING GRANT. For a grant for a leadership program in independent school district No. 695, Chisholm, there is appropriated:

\$60,000.....1986.

The sum shall be available until June 30, 1987.

The department shall pay the grant amount only if a federal matching grant is awarded to the district.

Subd. 22. JORDAN GRANT. There is appropriated \$36,570 for fiscal year 1986 for the purposes of section 25.

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



Subd. 23. SCHOOL BUS. For independent school district No. 707, Nett Lake, to purchase a school bus there is appropriated:

\$40,000.....1986.

Subd. 24. PRORATION. Except as provided in Minnesota Statutes, section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated plus the amount of any transfers made according to Minnesota Statutes, section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any additional amount for these purposes.

**Sec. 29. DEPARTMENT OF ECONOMIC SECURITY APPROPRIATION.**

There is appropriated from the general fund to the department of economic security the sum indicated in this section for the fiscal year ending June 30 in the year designated to pay the obligation of independent school district No. 707, Nett Lake, for unemployment compensation:

\$40,000.....1986.

The sum shall be available until June 30, 1987.

**Sec. 30. APPROPRIATIONS FOR DEFICIENCIES.**

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years indicated for the payment of deficiencies in funds available for the purposes indicated. These sums shall be added to the sums appropriated for fiscal year 1985 for the same purposes.

Subd. 2. ABATEMENT AID. For abatement aid deficiency according to Minnesota Statutes, section 124.214, there is appropriated:

\$1,798,453.....1985.

Subd. 3. CAPITAL EXPENDITURE. For capital expenditure aid deficiency according to Minnesota Statutes, section 124.245, subdivision 1, there is appropriated:

\$18,735.....1985.

Subd. 4. CHEMICAL USE PROGRAM. For chemical dependency aid deficiency according to Minnesota Statutes, section 124.246, there is appropriated:

\$12,825.....1985.

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

Subd. 5. SECONDARY VOCATIONAL PROGRAM. For secondary vocational aid deficiency according to Minnesota Statutes, section 124.573, there is appropriated:

\$1,105,000.....1985.

**Sec. 31. REPEALER.**

Minnesota Statutes 1984, sections 123.705, subdivision 2; 124.247, subdivision 6; and 125.611, subdivisions 3, 4, 5, 6, and 7, are repealed.

**Sec. 32. EFFECTIVE DATES.**

Subdivision 1. DEFICIENCIES. Section 30 is effective the day following final enactment.

Subd. 2. TOBACCO USE PREVENTION PROGRAM. Section 7 is effective upon enactment of an increase in the rate of the special sales and use tax imposed upon cigarettes, which provides that the proceeds shall be deposited in a public health fund and which appropriates money to fund the program established in section 7.

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**ARTICLE 7  
MISCELLANEOUS**

Section 1. Minnesota Statutes 1984, section 116J.37, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** In this section:

(a) "Commissioner" means the commissioner of energy, planning and development. Upon passage of legislation creating a body known as the Minnesota energy authority, the duties assigned to the commissioner in this section are delegated to the authority.

(b) "Maxi-audit" has the meaning given in section 116J.06, subdivision 12.

(c) "Energy conservation investments" mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less pay back period. Public school districts that received a federal institutional building grant in 1984 to convert a heating system to wood, and that apply for an energy conservation investment loan to match a federal grant for wood conversion, shall be allowed to calculate payback of conservation measures based on the costs of the traditional fuel in use prior to the wood conversion.

Sec. 2. Minnesota Statutes 1984, section 120.06, subdivision 1, is amended to read:

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

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 school board of education. No person shall be admitted to any public school ~~after September 1, 1971,~~ (1) as a kindergarten student pupil, unless ~~he~~ the pupil is at least five years of age on September 1 of the calendar year in which the school year for which ~~he~~ the pupil seeks admission commences; or (2) as a first grade student, unless ~~he~~ the pupil is at least six years of age on September 1 of the calendar year in which the school year for which ~~he~~ the pupil 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 1984, section 120.10, subdivision 1, is amended to read:

Subdivision 1. **AGES AND TERM.** Every child between seven and 16 years of age and every child under the age of seven who is enrolled in grade kindergarten or above shall attend a public school, or a private school, during the entire time that the school is in session during any school year. No child shall be required to attend a public school more than 200 days or their equivalent, during any school year. A parent may withdraw a child under the age of seven from school at any time.

Sec. 4. Minnesota Statutes 1984, section 120.11, is amended to read:

#### 120.11 SCHOOL BOARDS AND TEACHERS, DUTIES.

It shall be the duty of each board through its clerk or other authorized agent or employee, to report the names of children ~~between six and 16 years of age required to attend school,~~ with excuses, if any, granted in such district, to the superintendent or principals thereof, within the first week of school. Subsequent excuses granted shall be forthwith reported in the same manner. The clerk or principal shall provide the teachers in the several schools under his supervision, with the necessary information for the respective grades of school, relating to the list of pupils with excuses granted. On receipt of the list of such pupils of school age and the excuses granted, the clerk or principals shall report the names of children not excused, who are not attending school, with the names and addresses of their parents, to the district superintendent within five days after receiving the report.

Sec. 5. Minnesota Statutes 1984, section 120.15, is amended to read:

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**120.15 CLASSES FOR TRUANTS.**

A board may maintain ungraded classes for the instruction of children between seven and 16 years of age who are required to attend school and who are habitually truant or not in attendance.

All such children shall be deemed delinquent and the board may compel their attendance at such ungraded classes, or any department of the public schools, as the board may determine, and cause them to be brought before the juvenile court of the county for appropriate discipline.

**Sec. 6. [121.161] SHARED SERVICE AGREEMENTS.**

The commissioner may make a shared service agreement with another public agency. The agreement must be of mutual benefit to the state, the department, and the other agency. The term of the agreement must not be more than three years. The commissioner and the other agency need not consult the legislative advisory commission before making the agreement.

Charges by the department and the other agency must be on an actual cost basis, and the receipts are dedicated to the operation of the department or agency receiving them and are appropriated for that purpose.

Sec. 7. Minnesota Statutes 1984, section 121.912, subdivision 1, is amended to read:

Subdivision 1. **LIMITATIONS.** No Except as provided in this subdivision, section 7 of this article, and sections 123.36, 475.61, and 475.65, a school district shall may not permanently transfer money from (1) an operating fund to a nonoperating fund except as provided in this subdivision; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from ~~an operating any~~ fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner. The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

**Sec. 8. [121.912] EXCEPTIONS FOR PERMANENT FUND TRANSFERS.**

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

Subdivision 1. STATE BOARD AUTHORIZATION. The state board may authorize a board to transfer money from any fund or account to another fund or account according to this section.

Subd. 2. APPLICATION. A board requesting authority to transfer money shall apply to the state board and provide information requested. The application shall indicate the law or rule prohibiting the desired transfer. It shall be signed by the superintendent and approved by the school board.

Subd. 3. ADVISORY COUNCIL. The state board shall submit each application to the advisory council on uniform financial accounting and reporting standards for its recommendations. The advisory council shall develop and maintain guidelines for reviewing and approving requests.

Subd. 4. APPROVAL STANDARD. The state board may approve a request only when an event has occurred in a district that could not have been foreseen by the district. The event shall relate directly to the fund or account involved and to the amount to be transferred.

Subd. 5. APPROVAL. The state board shall use the advisory council guidelines and recommendation when it approves, disapproves, or modifies a request. It shall take action on a request within 75 days of receiving the request. If the state board action is different from the action recommended by the advisory council, the state board shall provide written reasons for the difference.

Subd. 6. PROCEDURES. The state board and advisory council may prepare forms and adopt procedures necessary to implement this section.

Subd. 7. REPORT TO LEGISLATURE. By January 15 each year the state board shall report to the education committees of the legislature about the requests for transfers, action taken for each request, and the reasons for the action. The report shall include the recommendations of the advisory council.

Sec. 9. Minnesota Statutes 1984, section 121.931, subdivision 7, is amended to read:

**Subd. 7. APPROVAL POWERS.** The state board, with the advice and assistance of the ESV computer council, shall approve or disapprove the following, according to the criteria in section 121.937 and ~~after promulgation, the rules~~ adopted pursuant to subdivision 8:

(a) the creation of regional management information centers pursuant to section 121.935;

(b) the transfer by a district of its affiliation from one regional management information center to another;

(c) the use by a district of an alternative a management information system ~~to~~ other than the ~~ESV-IS subsystem through the regional management~~

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information center or a state board approved alternative system pursuant to section 121.936, subdivisions 2 to 4; and

(d) annual and biennial plans and budgets submitted by regional management information centers pursuant to section 121.935, subdivisions 3 and 4.

Sec. 10. Minnesota Statutes 1984, 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 process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center to process every detailed financial transaction of the district or an alternative system approved by the state board.

Notwithstanding the foregoing, a district 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. 11. Minnesota Statutes 1984, section 121.936, subdivision 2, is amended to read:

Subd. 2. **ALTERNATIVE MANAGEMENT INFORMATION SYSTEMS.** After July 1, 1980 A district may be exempted from the requirement in subdivision 1, clause (b) (2), if it receives the approval of the state board to use an alternative another financial management information system. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a

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regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. A district may be exempted from the requirement in subdivision 1a, clause (b) if it receives the approval of the state board to use an alternative fixed assets property management information system. Any district desiring to use ~~an alternative~~ another management information system shall submit a detailed proposal to the state board, the ESV computer council and the regional management information center with which it is affiliated. The detailed proposal shall include a statement of all costs to the district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Sec. 12. Minnesota Statutes 1984, section 122.541, is amended by adding a subdivision to read:

Subd. 7. MEETING LOCATION. Notwithstanding any law to the contrary, the school boards of districts with an agreement under this section may hold a valid joint meeting at any location that would be permissible for one of the school boards participating in the meeting.

Sec. 13. Minnesota Statutes 1984, section 122.86, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** In order to provide for comprehensive and coherent planning for the delivery of educational services pursuant to sections 122.86 to ~~422.89~~ 122.88, each educational cooperative service unit shall establish an educational planning task force. ~~In the event an area has not established an ECSU by September 1, 1977, the commissioner shall establish a task force for that area.~~

Sec. 14. Minnesota Statutes 1984, section 123.36, subdivision 1, is amended to read:

Subdivision 1. When funds are available therefor, the board may locate and acquire necessary sites of school houses or enlargements, or additions to existing schoolhouse sites by lease, purchase or condemnation under the right of eminent domain; it may erect schoolhouses thereon; it may erect or purchase garages for district owned school buses. ~~In any city, the school sites, when practicable, shall contain at least one block and if outside of any city, two acres; and when any schoolhouse sites shall contain less than such amount, the board may acquire other land adjacent to or near such site to make, with such site, all or part of such amount.~~ When property is taken by eminent domain by authority of this subdivision when needed by the school district for such purposes, the fact that the property so needed has been acquired by the owner under the power of eminent domain or is already devoted to public use, shall not

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prevent its acquisition by the school district. The board may sell or exchange schoolhouses or sites, and execute deeds of conveyance thereof.

Sec. 15. Minnesota Statutes 1984, section 123.58, is amended by adding a subdivision to read:

Subd. 11. ANNUAL MEETING. Each ECSU shall conduct a meeting at least annually for districts that have entered into an agreement under section 471.59 and for districts cooperatively offering educational services to elementary and secondary pupils within the area served by the ECSU. The purpose of the meeting shall be to discuss issues of mutual concern and to facilitate coordination and cooperation in providing educational opportunities. The governing board formed under each cooperative agreement or each school board participating in a cooperative program, for programs having no governing board, shall designate at least one person to attend this meeting.

Sec. 16. [123.75] MISSING CHILDREN; VOLUNTARY FINGER-PRINTING PROGRAMS.

Subdivision 1. DEFINITION. For purposes of this section:

(a) "child" means a person under 18 years old; and

(b) "missing child" means a child who has run away or is otherwise missing from the home or the care, custody, and control of his or her parents, guardian, legal custodian, or other person having responsibility for the child.

Subd. 2. AUTHORITY. Each school district may develop a fingerprinting program for pupils and children who reside in the district. The principal or chief administrative officer of a nonpublic school may develop a fingerprinting program for pupils of the school. If developed, the program must be developed in conjunction with law enforcement agencies having jurisdiction within the school district or the place where the nonpublic school is located. The law enforcement agencies must cooperate fully with the school district or the nonpublic school in the development of its fingerprinting program.

Subd. 3. LIMITATIONS AND PROCEDURES. If developed, the fingerprinting program may be developed only for the purpose of assisting in the location and identification of missing children, and must be operated according to the following procedures:

(a) No child may be required to participate in the program.

(b) Before a child may participate in the program, the child's parents, guardian, legal custodian, or other person responsible for the child must authorize the child's participation by signing a form developed by the school district or the principal or chief administrative officer of the nonpublic school.

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(c) Fingerprinting of children must be done by law enforcement personnel on fingerprint cards provided to the school district or nonpublic school by the commissioner of public safety or on fingerprint cards acquired elsewhere.

(d) The school must give the fingerprint card to the child's parents, guardian, legal custodian, or other person responsible for the child. No copy of the fingerprint card may be retained by the law enforcement agency, school, or school district.

(e) The child's name, sex, hair and eye color, height, weight, and date and place of birth must be written on the fingerprint card.

School districts and nonpublic schools that develop fingerprinting programs under this section shall offer them on a periodic basis, and shall notify parents, guardians, legal custodians, and residents of the district or communities served by the school of the program and its purpose. Notification may be made by means of memoranda, letters, newspaper articles, or other reasonable means.

Subd. 4. EVIDENTIARY USE OF FINGERPRINTS. Fingerprints of a child obtained pursuant to this section are inadmissible as evidence against the child in any criminal or juvenile court proceeding.

Subd. 5. OTHER FINGERPRINTING PROGRAMS UNAFFECTED. This section does not apply to fingerprinting programs for children that are provided by private organizations other than nonpublic schools, or governmental entities other than school districts.

Sec. 17. Minnesota Statutes 1984, section 123.935, is amended by adding a subdivision to read:

Subd. 7. NONPUBLIC ADVISORY COMMITTEE. By September 1, 1985, the commissioner shall appoint a 15-member advisory committee on nonpublic schools. The 15 members shall be representative of the various areas of the state and shall be knowledgeable about nonpublic schools. The compensation, removal of members, filling of vacancies, terms and committee expiration date are governed by section 15.059. The committee shall advise the commissioner and the state board on nonpublic school matters under this section, and when requested by the commissioner or the state board, on other nonpublic school matters.

Sec. 18. Minnesota Statutes 1984, section 124.14, subdivision 4, is amended to read:

Subd. 4. FINAL DECISION AND RECORDS. A reduction of aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district shall be open to inspection by the state auditor, the state board, or the commissioner for the purpose of audits conducted under this section. Each district shall keep for a

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minimum of three years at least the following: (1) identification of the annual session days held, together with a record of the length of each session day, (2) a record of each pupil's daily attendance, with entrance and withdrawal dates, and (3) identification of the pupils transported who are reported for transportation aid.

Sec. 19. Minnesota Statutes 1984, section 124.19, subdivision 5, is amended to read:

Subd. 5. **SCHEDULE ADJUSTMENTS.** (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district, including a district operating a program pursuant to sections 120.59 to 120.68 120.67 or 129B.42 to 129B.47, may adjust the annual school schedule throughout the calendar year so long as the number of instructional hours in the year is not less than the number specified in the rules of the state board.

Sec. 20. Minnesota Statutes 1984, section 124.76, subdivision 2, is amended to read:

Subd. 2. **PUBLIC SALE EXCEPTION.** Public sale of tax and aid anticipation certificates of indebtedness according to subdivision 1 shall not be required (1) if the proposed borrowing is in an amount less than \$400,000, and if the sum of all outstanding tax and aid anticipation certificates issued by the board within the preceding six months does not exceed \$400,000 or, (2) if the certificates mature no later than 12 months after their date of issue. If no public sale is held, the certificates of indebtedness ~~must~~ may be sold in accordance with the most favorable of two or more proposals solicited privately or the interest rates may be determined by direct negotiation.

Sec. 21. Minnesota Statutes 1984, section 125.05, is amended by adding a subdivision to read:

Subd. 6. **LIMITED PROVISIONAL LICENSES.** The board of teaching may grant provisional licenses, which shall be valid for two years, in fields in which licenses were not issued previously or in fields in which a shortage of licensed teachers exists. A shortage shall be defined as a lack of or an inadequate supply of licensed personnel within a given licensure area in a school district that has notified the board of teaching of the shortage and has applied to the board of teaching for provisional licenses for that district's licensed staff.

Sec. 22. Minnesota Statutes 1984, section 125.12, is amended by adding a subdivision to read:

Subd. 2a. **EMPLOYMENT IN SUPERVISORY POSITIONS.** Notwithstanding other law, a teacher, as defined in section 179A.03, does not have a

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right to employment in a district as an assistant superintendent, as a principal defined in section 179A.03, as a confidential or supervisory employee defined in section 179A.03, or in a position that is a promotion from the position currently held, based on seniority, seniority date, or order of employment by the district; provided that this provision shall not alter the reinstatement rights of an individual who is placed on leave from an assistant superintendent, principal or assistant principal, or supervisory or confidential employee position pursuant to chapter 125.

Sec. 23. Minnesota Statutes 1984, section 125.60, subdivision 3, is amended to read:

Subd. 3. **REINSTATEMENT.** Except as provided in subdivisions 6a and 6b, a teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to a position for which the teacher is licensed at the beginning of any school year which immediately follows a year of the extended leave of absence, unless the teacher fails to give the required notice of intention to return or is discharged or placed on unrequested leave of absence or the contract is terminated pursuant to section 125.12 or 125.17 while the teacher is on the extended leave. The board shall not be obligated to reinstate any teacher who is on an extended leave of absence pursuant to this section, unless the teacher advises the board of the intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return or by February 1 in the calendar year in which the leave is scheduled to terminate. The board shall notify the commissioner within 30 days of being notified that a teacher intends to return from an extended leave.

Sec. 24. **[471.634] DEFINITION.**

For purposes of Laws 1985, chapter 144, section 1, the terms "municipal corporation" and "governmental subdivision," or instrumentality thereof, do not include school districts and other entities composed exclusively of school districts when school boards or school administrators are regulating school grounds, school facilities, school transportation services, school programs, or the conduct of students at any activities conducted under the direct or indirect supervision or control of the school board or administration.

Sec. 25. Laws 1973, chapter 683, section 26, as amended by Laws 1981, chapter 358, article 6, section 40, is amended to read:

Subd. 2a. **SCHOOL ADMINISTRATION; TRANSFER OF AUTHORITY.** The care, management, and control of the experimental school in Independent School District No. 309 is ~~transferred from the Indian education committee as defined in subdivision 2, to vested in the White Earth reservation business committee tribal council.~~ The Indian education committee, as defined in subdivision 2, shall serve in an advisory capacity to the White Earth reservation ~~business committee tribal council and may exercise the powers or~~

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duties delegated to it by the White Earth reservation tribal council. For purposes of this section, "committee" means the White Earth reservation ~~business committee~~ tribal council. The White Earth reservation ~~business committee~~ tribal council is eligible to receive federal aid to Indians pursuant to section 124.64. Notwithstanding any law to the contrary, the experimental school shall be considered a public school.

Sec. 26. Laws 1973, chapter 683, section 26, subdivision 17, as amended by Laws 1975, chapter 432, section 88, as amended by Laws 1977, chapter 447, article VII, section 28, as amended by Laws 1981, chapter 358, article 6, section 42, is amended to read:

Subd. 17. ~~The provisions of This section shall expire is repealed~~ July 1, 1985 ~~1989~~. At any time ~~before that date~~ the experimental school may be terminated upon unanimous vote of the officers of the committee and 30 days notice to the board of District No. 309, whereupon the board of District No. 309 shall resume the care, management, and control of the entire district on July 1 following. Prior to December 1 of each year the committee shall submit to the legislature a report of the experimental school established by this section. Such report shall document the success or failure of the experimental school.

#### Sec. 27. REDUCTION IN SEVERANCE PAY ACCOUNT.

By June 30, 1988, a district that has an amount in the appropriated fund balance for severance pay account in excess of the amount allowed by the uniform financial accounting and reporting standards shall eliminate the excess. Each year one-fourth of the amount determined to be excess in fiscal year 1985 shall be eliminated. However, adjustments to the excess may be made each fiscal year to account for changes in the amount needed in the account.

#### Sec. 28. CONSOLIDATION CONSTRUCTION FEASIBILITY STUDY.

The department of education shall study the feasibility of and develop alternate methods of financing construction costs for a secondary school based on the assumption that more than three school districts would consolidate. The study shall include the effect on district property taxes, an appropriate share paid by the school districts, credits paid to school districts, other local sources of funding, and any other financing methods. The department shall report its recommendations to the education committees of the legislature by January 15, 1986.

#### Sec. 29. K-3 CLASS SIZE STUDY.

The department of education shall conduct a study on reducing certain class sizes of grades kindergarten through three to an optimum pupil-teacher ratio in Minnesota. The study shall address at least the following: determining the number of teachers which would be required to reduce class sizes to an

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optimum pupil-teacher ratio in those grades in the areas of reading, writing, and mathematics; examining the feasibility of individual school districts to reduce class sizes to an optimum pupil-teacher ratio; and evaluating the existing research on the impact of reducing class sizes.

**Sec. 30. STUDY OF PROGRAMS TO MEET THE DEVELOPMENTAL NEEDS OF YOUNG CHILDREN.**

The department of education shall study programs designed to meet the developmental needs of young children. The study shall:

(1) Analyze the feasibility of providing full-day kindergarten and programs for aiding the developmental growth of four-year old children. It shall include recommendations relating to the purpose, possible curricula, staff and licensure requirements, and costs of providing these programs.

(2) Examine how programs for full-day kindergarten and four-year old children could be coordinated with existing services, including early childhood family education programs, early and periodic health screening, programs for handicapped children from birth to age three, community education, and special education for four and five-year old children.

(3) Examine the child care needs of parents whose children are ages four to 12 and provide recommendations relating to how these needs could be met by public schools.

By February 1, 1986, the department shall report the results of the study and its recommendations to the education committees of the legislature.

**Sec. 31. VOTER APPROVAL REQUIREMENT EXEMPTION.**

Notwithstanding Minnesota Statutes 1984, section 475.58, subdivision 1, special school district No. 1, Minneapolis, and independent school district No. 633, Lambertton, may accept interest free loans from the federal government, in the amounts of \$427,000 and \$95,000 respectively, under the Federal Asbestos School Hazard Abatement Act, without obtaining the approval of a majority of the voters in the respective districts.

**Sec. 32. INSTRUCTIONS TO REVISOR.**

The revisor of statutes shall include in the supplement to Minnesota Statutes 1984 and in subsequent editions and supplements, and edit as authorized by law, the uncoded permanent law relating to the experimental school established by Laws 1973, chapter 683, section 26.

**Sec. 33. REPEALER.**

Subdivision 1. JULY 1, 1985. Minnesota Statutes 1984, sections 120.68; 121.11, subdivision 7a; 122.84; 122.85; 122.89; 123.80, subdivisions 2 and 3; and 125.05, subdivision 5, are repealed.

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

Subd. 2. EFFECT OF CERTAIN REPEALS. Rules adopted according to provisions of Minnesota Statutes that are repealed in subdivision 1 remain in effect, under Minnesota Statutes, section 121.11, until amended or repealed by the state board of education.

**Sec. 34. EFFECTIVE DATES.**

Sections 7, 8, 20, 22, and 27 are effective the day following final enactment. Section 24 is effective August 1, 1985.

Section 23 is effective July 1, 1986.

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**ARTICLE 8**

**TECHNOLOGY AND EDUCATIONAL IMPROVEMENT**

Section 1. Minnesota Statutes 1984, section 121.608, is amended to read:

**121.608 INSTRUCTIONAL EDUCATIONAL EFFECTIVENESS PLAN.**

The commissioner of education shall develop a comprehensive statewide plan for maintaining and improving instructional educational effectiveness in the schools. The plan shall encourage implementation of school educational effectiveness strategies based on research findings in the area, develop inservice training models programs 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 educational 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. 2. Minnesota Statutes 1984, section 121.609, is amended to read:

**121.609 INSTRUCTIONAL EDUCATIONAL EFFECTIVENESS TRAINING INSTRUCTION.**

Subdivision 1. **ADVISORY TASK FORCE; PROGRAM MODEL IMPLEMENTATION.** 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 program for training providing in-service instruction to school district staff in instructional educational effectiveness. The training in-service 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 in-service program model shall take into account the diverse needs of the

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school districts due to such factors as district size and location, and shall be structured to facilitate regional delivery of the training in-service instruction through the educational cooperative service units.

Subd. 2. **PILOT TESTING RESEARCH AND DEVELOPMENT OF TRAINING MODEL IN-SERVICE PROGRAM.** ~~Between January 1, 1984, and June 30, 1985, The commissioner shall administer a pilot research and development program of the instructional educational effectiveness training models which shall be implemented in at least 20 pilot sites throughout the state in-service. The advisory task force established in subdivision 1 of this section may recommend modifications in the training models in-service program as necessary.~~

Subd. 3. **EVALUATION AND REPORT.** ~~The commissioner shall pay an provide for independent evaluator to conduct an evaluation of the effectiveness of this section. A preliminary evaluation, including a sample survey of district personnel trained at the pilot sites, shall be completed by January 1, 1985. The evaluation results shall be reported to the education committees of the legislature by January 15 of each year.~~

The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the pilot research and development sites and other districts utilizing the instructional educational effectiveness models program. 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 educational 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 EDUCATIONAL EFFECTIVENESS TRAINING IN-SERVICE.** Utilizing the statewide plan developed pursuant to section 121.608 and the regional support services authorized in subdivision 4 and based on the research from the educational effectiveness in-service programs authorized in subdivision 2, the department of education shall provide instructional educational effectiveness training in-service instruction for school district staff. The training in-service instruction shall be provided facilitated by building level leadership teams, as defined in the statewide plan developed pursuant to section 121.608. The training in-service instruction shall include clarification of

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individual school missions, goals and expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of instructional and organizational skills and instructional the climate of the school, and planning of staff development programs.

**Sec. 3. [121.611] NONLICENSED COMMUNITY EXPERTS; VARIANCE.**

Subdivision 1. AUTHORIZATION. Notwithstanding any law or state board of education rule to the contrary, the board of teaching may allow school districts to hire nonlicensed community experts to teach in the public schools on a limited basis according to this section.

Subd. 2. APPLICATIONS; CRITERIA. The school district shall apply to the board of teaching for approval to hire nonlicensed teaching personnel from the community. In approving or disapproving the district's application for each community expert, the board shall consider:

(1) the qualifications of the community person whom the district proposes to employ;

(2) the reasons for the district's need for a variance from the teacher licensure requirements;

(3) the district's efforts to obtain licensed teachers, who are acceptable to the school board, for the particular course or subject area;

(4) the amount of teaching time for which the community expert would be hired;

(5) the extent to which the district is utilizing other nonlicensed community experts under this section;

(6) the nature of the community expert's proposed teaching responsibility; and

(7) the proposed level of compensation to the community expert.

Subd. 3. APPROVAL OF PLAN. The board of teaching shall approve or disapprove an application within 60 days of receiving it from a school district.

**Sec. 4. [121.918] DEPARTMENT MANAGEMENT ASSISTANCE TO SCHOOL DISTRICTS.**

The department shall provide management assistance if requested by a district. The assistance may include:

(1) developing data and assumptions for the district to use in setting priorities and goals and in considering management and organizational alternatives; and

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(2) analyzing and assessing alternative methods of organization and management, including opportunities for coordination and cooperation with other districts, and assessing the relative costs and benefits of the alternatives.

Sec. 5. Minnesota Statutes 1984, section 123.741, subdivision 6, is amended to read:

Subd. 6. **REPORT.** 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 123.742, subdivision 2, and any additional appropriate test data;
- (d) the results of the consumer evaluation; and
- (e) the annual school district improvement plans; and
- (f) a plan for implementing an assurance of mastery program.

Every other year the report shall include an evaluation of the assessment ~~program~~ programs 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 be on file and available for inspection by the public. A copy of the report which is disseminated to the community shall be sent to the commissioner of education by September 1 of each year. The school board shall provide a copy of the commissioner's response to the report to the curriculum advisory committee. All activities and reports pursuant to this section shall comply with chapter 13, and any other law governing data on individuals in school districts.

Sec. 6. Minnesota Statutes 1984, section 123.741, subdivision 7, is amended to read:

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

- (a) written objectives of the testing ~~program~~ programs;
- (b) names of tests and grade levels tested; and
- (c) utilization of test results; and
- (d) implementation of assurance of mastery program.

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Sec. 7. Minnesota Statutes 1984, section 123.742, subdivision 1, is amended to read:

Subdivision 1. **TECHNICAL ASSISTANCE.** Insofar as possible, the 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~~ these data available upon request to any district seeking to use it for ~~purposes of~~ comparisons of ~~student~~ pupil performance. If requested, the department of education shall provide technical assistance to a district developing assurance of mastery programs, achievement testing programs, competency testing programs, or other methods of measuring group or individual pupil progress.

Sec. 8. Minnesota Statutes, section 123.742, is amended by adding a subdivision to read:

Subd. 1a. STATE CURRICULUM ADVISORY COMMITTEE; LEGISLATIVE REPORT. The commissioner shall appoint an 11-member state curriculum advisory committee to advise the state board and the department on the planning, evaluation, and reporting process. The committee shall consist of nine members, one appointed from each educational cooperative service unit, and two at-large members. The committee shall include representation from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a school district curriculum advisory committee. The committee shall provide information and recommendations on at least the following:

- (1) department procedures for approving reports and disseminating information;
- (2) exemplary planning, evaluation, and reporting processes; and
- (3) recommendations for improving the planning, evaluation, and reporting process.

By January 1 of each year, the commissioner shall prepare a report for the education committees of the legislature on the planning, evaluation, and reporting program, which shall include the recommendations of the state curriculum advisory committee.

Sec. 9. Minnesota Statutes 1984, section 123.742, is amended by adding a subdivision to read:

Subd. 2a. DISTRICT ASSESSMENTS. As part of the planning, evaluation, and reporting process, each year a district shall, in at least three grades, conduct assessments among at least a sample of pupils in two curriculum areas. One curriculum area shall be communication, mathematics, science, or social studies. The second area shall be selected by the district. Assessments may not

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be conducted in the same curriculum area during two consecutive years. The district may use tests from the assessment item bank, the local assessment option developed by the department, or other tests.

Sec. 10. Minnesota Statutes 1984, section 123.742, subdivision 3, is amended to read:

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. Each year the department of education shall determine which districts shall participate and which curriculum areas shall be assessed in a given school year.

Sec. 11. Minnesota Statutes 1984, section 123.742, is amended by adding a subdivision to read:

Subd. 3a. **ASSURANCE OF MASTERY.** Each school board shall adopt a policy establishing a process to assure individual pupil mastery in communications and mathematics. This process shall include at least the following:

(1) procedures, which may include multiple or separate criteria, for the evaluation and identification of nonspecial education pupils and pupils with limited English proficiency who are not making sufficient progress in the mastery of communications and mathematics;

(2) procedures for implementation in grades kindergarten to 12, beginning in the 1986-1987 school year, and requiring evaluation of progress toward mastery at least once during grades K to 3, once during grades 4 to 6, once during grades 7 to 9, and once during grades 10 to 12;

(3) procedures for parent conferences to establish an individualized remediation or modified instruction plan for each pupil who is not making sufficient progress toward mastery of communication or mathematic skills; and

(4) procedures which shall consider and address the special needs of handicapped pupils and pupils with limited English proficiency.

Sec. 12. Minnesota Statutes 1984, section 123.742, subdivision 4, is amended to read:

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 2a and 3. The district policy may provide for modifications in the testing procedures for handicapped students.

Sec. 13. Minnesota Statutes 1984, section 123.742, subdivision 5, is amended to read:

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Subd. 5. **ASSESSMENT ITEM BANK.** The department of education shall develop maintain an assessment item bank for the purpose of providing to provide assessment programs to individual districts which that are tailored to the specific educational objectives of the an individual school or 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 and maintain an item bank for at least ten different curriculum areas.

Sec. 14. Minnesota Statutes 1984, section 123.742, is amended by adding a subdivision to read:

Subd. 5a. **ADDITIONAL TESTS.** The department shall maintain additional tests for at least three grade levels. The tests shall be designed to measure the progress of individual pupils toward the core curriculum areas of communications, mathematics, science, and social studies. The department shall make the tests available for a district to use, at the option of the district, as a part of the department's local assessment program.

Sec. 15. Minnesota Statutes 1984, section 123.742, is amended by adding a subdivision to read:

Subd. 9. **MODEL LEARNER EXPECTATIONS.** The department shall develop and maintain sets of model learner expectations. The department shall make the expectations available for a district, for assistance purposes, to use at the option of the district. The expectations shall be for pupils in kindergarten to grade 12 in at least the core curriculum areas of communication, mathematics, science, and social studies. The department shall consult with each of the public post-secondary educational systems and with the higher education coordinating board in developing model learner expectations appropriate for entrance into post-secondary institutions.

Sec. 16. Minnesota Statutes 1984, section 123.7431, is amended to read:

**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 each year. An eligible school district shall receive \$1 times the number of pupils in average daily membership for the applicable prior 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,

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and reporting process. However, no aid may be paid prior to July 1 in any calendar year.

Sec. 17. Minnesota Statutes 1984, section 124.19, subdivision 1, is amended to read:

Subdivision 1. **INSTRUCTIONAL TIME.** Every district which receives special state aid shall maintain school in session or provide instruction in other districts, in state university laboratory school or in the university laboratory school, for at least 175 days, not including summer school, or the equivalent in a district operating a flexible school year program. A district which holds school for the required minimum number of days and is otherwise qualified is entitled to special state aid as provided by law. If school is not held for the required minimum number of days, special state aid shall be reduced by the ratio that the difference between 175 days and the number of days school is held bears to 175 days, multiplied by 60 percent of the product of the foundation aid formula allowance times its pupil units for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose special state aid, if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board and, if proper evidence is submitted and a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to teachers' institutes or other meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. Not more than five days may be devoted to parent-teacher conferences or, teachers' workshops, or other staff development opportunities as part of the required minimum number of days, except that, for kindergarten classes, not more than ten days may be devoted to parent-teacher conferences or, teachers' workshops, or other staff development opportunities as part of the required minimum number of days.

Sec. 18. Minnesota Statutes 1984, section 125.03, is amended by adding a subdivision to read:

Subd. 5. "Teachers" for the purpose of examination means persons applying for initial teaching licenses or persons applying for additional fields of licensure to provide direct instruction to pupils in prekindergarten, elementary, secondary, and special education programs. It does not mean persons applying for licenses as supervisory or support personnel nor does it mean librarians, school social workers, school psychologists, audio-visual directors or coordinators, or media generalists or supervisors.

Sec. 19. Minnesota Statutes 1984, section 125.05, subdivision 1, is amended to read:

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Subdivision 1. **QUALIFICATIONS.** The authority to license teachers as defined in section 125.03, subdivision 1, is vested in the board of teaching except that the authority to license supervisory and support personnel as defined in section 125.03, subdivision 4, is vested in the state board of education. Licenses shall be issued to such persons as the board of teaching or the state board of education finds to be competent for their respective positions. For teachers, as defined in section 125.03, subdivision 5, competency includes successful completion of an examination of academic knowledge in each field of licensure and, for persons applying for initial licenses, an examination of skills in reading, writing, and mathematics. Qualifications of teachers and other professional employees except supervisory and support personnel shall be determined by the board of teaching under the rules which it promulgates. Licenses under the jurisdiction of the board of teaching shall be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education shall be issued through the licensing section of the department of education.

Sec. 20. Minnesota Statutes 1984, section 125.182, subdivision 1, is amended to read:

Subdivision 1. For the purpose of sections 125.181 to 125.185, the terms defined in this section shall have the meanings ascribed to given them, unless another meaning is clearly indicated.

Sec. 21. Minnesota Statutes 1984, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall develop and create adopt rules for the licensure of to license public school teachers and interns, and from time to time 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 shall adopt rules for examination of teachers, as defined in section 125.03, subdivision 5. The rules may allow for completion of the examination of skills in reading, writing, and mathematics before entering or during a teacher education program. The board to establish shall adopt rules for the approval of to approve teacher education programs; provided. These rules shall encourage teacher educators to obtain periodic classroom teaching experience. The board shall also grant licenses to interns and to candidates for original initial licenses and receive recommendations from local committees as established by the board for the renewal of teaching licenses, grant life licenses to those who qualify according to requirements established by the board, 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 of education and the state board of vocational technical education.

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

**Sec. 22. [126.56] SUMMER SCHOLARSHIPS FOR ACADEMIC ENRICHMENT.**

Subdivision 1. ESTABLISHMENT. A scholarship program is established to enable secondary students to attend summer programs sponsored by post-secondary institutions.

Subd. 2. ELIGIBLE STUDENT. To be eligible for a scholarship, a student shall:

- (1) be a resident of Minnesota;
- (2) attend an eligible program;
- (3) have completed at least one year of secondary school but not have graduated from high school;
- (4) have earned at least a B average during the semester or quarter prior to application; and
- (5) demonstrate need for financial assistance.

Subd. 3. FINANCIAL NEED. Need for financial assistance shall be based on family income, family size, and special necessary expenditures of the family. The higher education coordinating board shall determine the financial need of each pupil based on the actual charges made by the institution sponsoring the summer program and shall award scholarships within the limits of the appropriation for this section. If the amount appropriated is insufficient to make a full award to each applicant, the board shall allocate the amount appropriated in the manner it determines. Scholarships shall not be less than \$100 or more than \$1,000.

Subd. 4. ELIGIBLE PROGRAMS. A scholarship may be used only for an eligible program. An eligible program shall be approved by the state board of education. An eligible program shall be sponsored by a post-secondary institution that:

- (1) is accredited by the North Central Association of Colleges;
- (2) offers at least an associate or baccalaureate degree program approved under section 136A.65, subdivision 1; and
- (3) is located in Minnesota.

An eligible program shall, as its primary purpose, provide academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign language. The program shall not be offered for credit to post-secondary students. It shall not provide remedial instruction. Additional requirements for eligibility may be established by the state board of education and the higher education coordinating board.

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

**Subd. 5. ADVISORY COMMITTEE.** An advisory committee shall assist the state board of education in approving eligible programs and shall assist the higher education coordinating board in planning, implementing, and evaluating the scholarship program. The committee shall consist of eleven members, to include the executive director of the higher education coordinating board or a representative, the commissioner of education or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of education, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college council, a community college representative appointed by the community college chancellor, a state university representative appointed by the state university chancellor, and a University of Minnesota representative appointed by the president of the University of Minnesota.

**Subd. 6. INFORMATION.** The academic excellence foundation shall assemble and distribute information about scholarships and eligible programs. It may seek nonstate funds to perform its duties.

**Subd. 7. ADMINISTRATION.** The state board of education and the higher education coordinating board shall determine the time and manner for scholarship applications, awards, and program approval.

**Subd. 8. EXEMPTION FROM RULEMAKING.** Sections 14.01 to 14.47 do not apply to this section.

**Sec. 23. [126.70] PLANNING FOR EXCELLENCE IN TEACHING AND CURRICULUM.**

**Subdivision 1. DEVELOPMENT OF PLAN.** Each school district is encouraged to develop and adopt a written comprehensive plan for excellence in teaching and curriculum. The plan shall be prepared in consultation with the curriculum advisory committee appointed according to section 123.741, subdivision 3.

**Subd. 2. CONTENTS OF THE PLAN.** The plan may include:

- (1) procedures the district will use to analyze and identify teaching and curricular needs, including the need for mentor teachers;
- (2) short- and long-term curriculum and staff development needs;
- (3) integration with in-service and curricular efforts already in progress;
- (4) goals to be achieved and the means to be used;
- (5) procedures for evaluating progress;
- (6) whether the school board intends to offer contracts under the excellence in teaching program; and
- (7) integration of areas listed under section 24.

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



Subd. 3. EXEMPLARY PLANS. In consultation with the educational effectiveness advisory task force, advisory committee on technology in education, educational cooperative service units, and other appropriate agencies, the department of education shall develop exemplary plans by November 30, 1985, for districts to use in developing their plans. The exemplary plans shall include a description of methods to provide a link between preservice teacher education and employment as a teacher, to reduce the attrition of new teachers, to create a career development option for experienced teachers, and to improve educational effectiveness in the schools.

**Sec. 24. [126.71] EXCELLENCE IN TEACHING AND CURRICULUM.**

A school board may implement a plan for excellence in teaching and curriculum for any of the following purposes:

(1) to provide educational effectiveness instruction according to section 121.609;

(2) to provide in-service education for elementary and secondary teachers to improve the use of technology in education;

(3) to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area;

(4) to use experienced teachers, as mentors, to assist in the continued development of new teachers;

(5) to increase the involvement of parents, business, and the community in education;

(6) for experimental delivery systems;

(7) for in-service education to increase the effectiveness of principals and administrators;

(8) for in-service education or curriculum development for programs for gifted and talented pupils;

(9) for in-service education or curriculum development for cooperative efforts to increase curriculum offerings, as set forth in section 124.272;

(10) for improving curriculum, according to the needs identified under the planning, evaluation, and reporting process set forth in section 123.741;

(11) for in-service education and curriculum development designed to promote sex equity in all aspects of education, with emphasis on curricular areas such as mathematics, science, and technology programs;

(12) for in-service education or curriculum modification for handicapped pupils and low-achieving pupils; or

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(13) for contracts for the excellence in teaching program as described in section 25.

**Sec. 25. [126.72] EXCELLENCE IN TEACHING CONTRACTS.**

Subdivision 1. AUTHORIZATION. As part of a program for excellence in teaching and curriculum, a school board may enter into short-term, limited contracts with classroom teachers employed by the district.

Subd. 2. PURPOSE. The school board shall determine the needs of its classroom teachers and the need for changes in its curriculum. In determining these needs, the school board shall obtain recommendations from classroom teachers, staff responsible for curriculum, and the curriculum advisory committee. It shall consider assessment results, other test results, the need for mentor teachers, and the district improvement plan portion of the report adopted according to section 123.741, subdivision 6. Contracts executed under this section shall relate directly to the identified needs.

Subd. 3. SELECTION COMMITTEE. A committee of six members appointed by the school board shall recommend teachers to receive contracts. Three members of the committee shall be classroom teachers. Three members shall be administrators, parents, members of the school board, or members of the community. The committee shall consider only classroom teachers who have background, knowledge, or expertise needed to perform duties in the areas of need identified by the school board. Years of service in the district shall not be a factor for consideration by the committee. No teacher shall have a right to a contract under this section based on seniority or order of employment in the district. The committee shall recommend to the school board names of individual teachers. The number of individual teachers recommended shall be approximately the number designated by the school board to meet the identified needs. The school board may award contracts to any of the recommended teachers but not to any others. The board may request the committee to recommend additional names of teachers.

Subd. 4. SHORT-TERM, LIMITED CONTRACTS. Contracts executed under this section shall provide classroom teachers any one or a combination of the following:

- (1) released time during the school day;
- (2) additional hours in a school day; or
- (3) additional days or weeks of employment during the summer.

Contracts executed under this section shall terminate within one year of the date of execution. During the term of a contract under this section a teacher may be discharged for cause from duties under this contract; a hearing shall be held on the discharge upon request of the teacher. A teacher has no rights in a subsequent year to a contract under this subdivision.

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

Subd. 5. APPLICATION OF OTHER LAWS. The provisions of section 125.12 or 125.17 shall not apply to initial awards, renewal, or termination of contracts under this section. The provisions of this section concerning short-term, limited contracts shall not be construed to alter any aspect of other contracts executed by a school board.

Subd. 6. REPORT. Each district awarding contracts under this section is encouraged to submit a report to the commissioner of education. The report shall indicate the number of contracts awarded, whether duties are to be performed before, during, or after the school day or during the summer, the total cost of all contracts, and a general description of the duties. The statement shall also describe how the recommendations required by subdivision 2 were obtained. Any problems associated with implementing this section may be included.

**Sec. 26. [126.80] CITATION.**

Section 27 may be cited as "the research, planning, and development act."

**Sec. 27. [126.81] EXEMPLARY TEACHER EDUCATION PROGRAM GRANTS.**

Subdivision 1. PURPOSE. The legislature recognizes that research, planning, and development is important in maintaining and improving the quality of education in Minnesota. The purpose of this section is to support research, planning, and developing alternative educational practices within teacher education institutions.

Subd. 2. GRANTS. The board of teaching shall award at least three grants to public post-secondary institutions to develop exemplary teacher education programs. The majority of grants shall be awarded for programs that are conducted jointly by an approved teacher education institution and one or more school districts.

Subd. 3. CONSULTATION WITH HECB. The board of teaching shall consult with the higher education coordinating board on the procedures for awarding grants and on the proposals submitted pursuant to this section.

Subd. 4. PROCEDURE. The board of teaching shall establish a procedure to apply for grants. Grants shall be awarded by January 1, 1986, and may be for fiscal years 1986 and 1987 or fiscal year 1987. To the extent possible, the grants awarded shall represent a broad range of proposals.

Subd. 5. ELIGIBILITY. Proposals must be designed to prepare college graduates to teach through structural internships in participating districts or other methods. To be eligible for a grant, a proposal must include:

(1) a learning-teaching program compatible with research in child development and teacher effectiveness;

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

(2) a description of how the program relates to sections 129B.45, 129B.46, and 129B.47; and

(3) a plan for integrating the educational needs of special education pupils into the program.

Subd. 6. EVALUATION AND DISSEMINATION. The board of teaching, in consultation with the higher education coordinating board, shall provide evaluation of programs that receive grants. The board of teaching and the higher education coordinating board shall provide for dissemination of the evaluation results and program models. This information shall be made available to all licensed teachers and all post-secondary students in teacher education programs.

Sec. 28. Minnesota Statutes 1984, section 129B.35, is amended to read:

**129B.35 REGIONAL COORDINATORS.**

The Minnesota educational computing consortium department of education shall contract to provide regional instructional computing coordinators with expertise in the use of technology in education. The Minnesota educational computing consortium and the department of education and school districts within an ECSU region shall agree on the services to be provided by the regional coordinators. Among other responsibilities, the regional coordinators shall serve as onsite consultants to districts participating in attempting to implement recently approved technology utilization planning plans and inservice training education.

Sec. 29. Minnesota Statutes 1984, section 129B.36, subdivision 1, is amended to read:

Subdivision 1. SITE DESIGNATION. By January 15, 1984 July 1, 1985, the state board commissioner, in consultation with the advisory committee, shall designate from eight to ten districts as which of the existing technology demonstration sites and award each district a grant for use during the 1983-1984 and 1984-1985 school years are eligible for continuation grants for use during the 1985-1986 and 1986-1987 school years. A site that does not receive a continuation grant under this subdivision may retain its designation as a technology demonstration site during the 1985-1986 and 1986-1987 school years to improve its opportunities to obtain funding from private or other public sources. The commissioner, in consultation with the advisory committee, shall determine the level of funding for each site. A grant shall be at least \$125,000 but not more than \$175,000. \$125,000 of each grant may be used to continue existing operations. Any grant amount exceeding \$125,000 may be used for the expenses of expanded efforts already planned or underway at the site. Grantees must continue matching the grant award in the manner agreed for the period from July 1, 1983, to June 30, 1985.

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

Sec. 30. Minnesota Statutes 1984, section 129B.36, subdivision 4, is amended to read:

Subd. 4. **GRANT AWARDS.** Applications for grants shall be submitted to the ~~state board~~ commissioner by ~~December 1, 1983~~ August 1, 1985, in the form and manner prescribed by the department. Grants shall be awarded by ~~January 15, 1984~~ September 1, 1985.

Sec. 31. Minnesota Statutes 1984, section 129B.36, subdivision 5, is amended to read:

Subd. 5. **RECIPIENT DUTIES AND USE OF MONEY.** A district selected for a grant shall work cooperatively with the advisory committee, department of education, ~~Minnesota educational computing consortium~~, higher education institutions in the area, and business and industry, as appropriate. ~~A district selected for a grant shall have a technology utilization plan according to section 129B.33.~~ The district shall conduct at least ~~one workshop~~ four work-shops each school year of the grant to demonstrate to other districts and interested parties its use of technology in education. Grant money may be used for equipment, consultants, curriculum development, and teacher ~~training~~ edu-cation.

Sec. 32. Minnesota Statutes 1984, section 129B.37, subdivision 1, is amended to read:

Subdivision 1. **LIST.** ~~By January 1, 1984,~~ The department of education shall compile, publish, and distribute to districts a list of high quality courseware packages for use in public elementary and secondary schools. Every six months ~~thereafter,~~ the department shall supplement the list with recently evaluated materials.

Sec. 33. **[129B.375] COURSEWARE INTEGRATION CENTERS.**

The commissioner of education shall establish educational courseware integration centers to provide (1) access for teachers to major exemplary courseware, (2) opportunities for teachers to become familiar with a variety of technology resources, and (3) assistance in integrating technology materials into the curriculum.

Sec. 34. Minnesota Statutes 1984, section 129B.38, is amended to read:

**129B.38 SUBSIDY FOR PURCHASE OF COURSEWARE PACK-AGES.**

Subdivision 1. **AID AMOUNT.** A district that purchases or leases courseware packages that qualify as high quality according to section 129B.37 shall receive state aid. The aid shall be equal to the lesser of:

(a) ~~\$1.60~~ \$1.00 times the number of pupils in average daily membership for the ~~1982-1983~~ 1984-1985 school year; or

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(b) 25 percent of the actual expenditures of the district for purchase or lease of the courseware packages between ~~January 1, 1984~~ July 1, 1985, and May 31, ~~1985~~ 1987.

Subd. 2. **AID PAYMENT APPLICATIONS.** Applications ~~Applica-~~  
~~tions~~ for aid shall be submitted in the form and manner prescribed by the department. ~~Payment of aid shall be made by July 31, 1984, for applications received by June 30, 1984. Payment of aid shall be made by June 30, 1985, for applications received between July 1, 1984, and May 31, 1985.~~

Sec. 35. Minnesota Statutes 1984, section 129B.39, is amended to read:

**129B.39 PURCHASE OF COURSEWARE PACKAGE DUPLICATION RIGHTS.**

Rights to duplication of courseware packages may be purchased, and volume purchase agreements may be established by the department of education, if the department determines that the courseware packages qualify as high quality according to section 129B.37, and if the courseware packages are available to the state at a lower cost than if purchased by school districts individually. The department shall make the courseware packages available to the Minnesota educational computing consortium for distribution to districts contract with any company that submits the lowest bid and that has the capability to duplicate and distribute courseware packages obtained by the department under this section. The materials shall be available to districts without cost except for nominal costs of reproduction and distribution.

Sec. 36. Minnesota Statutes 1984, section 129B.40, is amended to read:

**129B.40 COURSEWARE PACKAGE DEVELOPMENT.**

Subdivision 1. **NEW COURSEWARE PACKAGES.** ~~The Minnesota educational computing consortium, in consultation with the department of education, is authorized to develop and may contract with various organizations, commercial or nonprofit, for the design and development of courseware packages which will meet the needs of schools school districts and which otherwise are unavailable or too expensive for individual districts or the state to purchase. The Minnesota educational computing consortium department may:~~

(a) contract with school districts, private entrepreneurs, and other public or private agencies for the development of a specified courseware package;

(b) assist entrepreneurs to develop their own ideas for courseware packages that could be used in school districts, by providing funds for that purpose;

(c) secure copyrights for those materials in which it has a whole or part interest;

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(d) ~~sell developed contract to distribute~~ courseware packages ~~at cost to~~ school districts in Minnesota ~~and at commercial rates elsewhere at cost under~~ section 129B.39; and

(e) ~~sell or contract for the marketing of~~ courseware packages.

The department of education shall evaluate whether the courseware packages qualify as high quality according to the criteria and procedures established in section 129B.37.

Courseware packages developed according to this subdivision shall become the property of the ~~Minnesota educational computing consortium state~~. Revenue from the sale of these courseware packages shall be annually appropriated from the general fund to the department of education and shall be used to develop additional courseware packages according to this section and to evaluate the other commercial courseware under section 129B.37.

Subd. 2. **DISTRIBUTION.** ~~The Minnesota educational computing consortium may~~ Any company with which the department contracts to develop courseware packages must sell those courseware packages to Minnesota school districts at cost and may sell to school districts in other states and to the general public at commercial rates. Each contract with a developer who shares in the profits of distribution shall include a provision requiring sale of the courseware packages at cost to Minnesota school districts.

**Sec. 37. [129B.61] MASTERY LEARNING THROUGH INDIVIDUALIZED LEARNING PLANS ACT.**

Sections 38 to 42 may be cited as the "mastery learning through individualized learning plans act."

**Sec. 38. [129B.62] LEGISLATIVE FINDINGS; PURPOSE.**

The legislature finds that mastery learning is a process for managing learning that enhances mastery of clearly defined educational objectives for all pupils, because all pupils have the capacity to achieve defined levels of mastery with appropriate time and instruction. The legislature is committed to the goal of providing optimal educational outcomes in reading through mastery learning, using individualized learning plans, and encouraging parental involvement. The legislature recognizes that, because of recent developments, technology exists to assist teachers in managing a mastery learning system in reading. The legislature further recognizes that reading is a cognitive skill upon which most subsequent learning is based and that individual learner characteristics need not necessarily be a limitation on that learner's level of mastery of this basic skill. Therefore, the purposes of this legislation are to:

(1) offer mastery learning programs in reading that take into account the entry reading level of each pupil and provide individualized instruction and appropriate learning time based on that level;

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(2) provide design models of individualized pupil learning plans that demonstrate the use of mastery management programs in reading;

(3) encourage continuous progress in reading that uses variable class-size groupings;

(4) recognize that sequential, measurable learning for all pupils can occur in a reading program that is planned for mastery, taught for mastery, and managed for mastery.

**Sec. 39. [129B.63] GRADE LEVEL PARTICIPATION.**

The demonstration mastery learning reading programs that are designated under section 40 shall be available for pupils in grades kindergarten through three.

**Sec. 40. [129B.64] SITE DESIGNATION.**

By March 15, 1986, the commissioner of education shall designate ten districts as demonstration sites for mastery learning through individualized learning plans. By September 1, 1986, the commissioner shall pay to each designated district a grant for use during the 1986-1987 school year.

**Sec. 41. [129B.65] ADVISORY COMMITTEE.**

By August 15, 1985, the commissioner of education shall appoint a 15-member advisory committee to assist in the implementation of sections 38 to 42. Representation on the advisory committee shall include a technology in curriculum specialist from the department of education, an instructional effectiveness specialist from the department of education, a reading specialist from the department of education, an assessment specialist from the department of education, two representatives from post-secondary teacher education programs, two school district reading curriculum specialists, a superintendent, an elementary school principal, two school board members, a parent, and two teachers. Appointments to this advisory committee are not subject to section 15.0597.

**Sec. 42. [129B.66] GRANTS; APPLICATION PROCESS.**

Subdivision 1. DEVELOPMENT OF PLAN. Each school district is encouraged to develop and adopt a written plan for providing a program for mastery learning through individualized learning plans. This plan shall be developed in consultation with the curriculum advisory committee for planning, evaluation, and reporting appointed pursuant to section 123.741, subdivision 3.

Subd. 2. PRELIMINARY PROPOSAL. By September 15, 1985, each school district is encouraged to submit a brief preliminary proposal that indicates its intent to submit a detailed plan for implementing a program under this section. The proposal shall include an outline of the district's plan and shall be on forms provided by the department of education.

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



**Subd. 3. SELECTION OF FINALISTS; PLANNING AID.** By October 15, 1985, the commissioner, in consultation with the advisory committee, shall select 25 districts to submit detailed plans for implementing demonstration programs of mastery learning. By November 1, 1985, the commissioner shall pay planning aid in the amounts of \$1,000 to those selected districts with 600 pupil units or fewer, and \$1,500 to those selected districts with more than 600 pupil units.

**Subd. 4. DESIGN COMPONENTS.** The design of the programs developed under subdivision 3 shall demonstrate concise, measurable objectives in reading that clearly describe the criteria for mastery learning in reading. Each program design must include a process for:

- (1) identification of specific skills stated as measurable objectives;
- (2) diagnostic pre-instruction assessment that determines each pupil's entry level of reading skills;
- (3) development of an individualized plan for each participating pupil based on the diagnostic assessment, including the use of different instructional strategies and groupings to achieve the stated mastery of the measurable reading objectives;
- (4) diagnostic assessment of progress during instruction and reteaching;  
and
- (5) postinstruction assessment and evaluation to determine whether the identified reading skills have been mastered.

**Subd. 5. MANDATORY PLAN COMPONENTS.** In addition to the components specified in subdivision 4, the program plan must include:

- (1) sufficient allowance of time for teachers to identify specific skills and measurable objectives;
- (2) sufficient allowance of time for the development or acquisition of a locally-developed, state-developed, or a commercially-developed mastery management system;
- (3) a demonstration of how the participating school districts will reduce the size of reading classes by providing variable class size groupings;
- (4) a demonstration of how a skill-based computerized management system can be used to develop individualized pupil learning plans in reading, diagnose individual pupil levels of learning, retest to ascertain progress toward mastery of objectives, and post test to determine the extent of final mastery of the objectives;

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

(5) a plan for in-service staff development that addresses all components of mastery learning, including parent communication and involvement and reteaching; and

(6) a procedure for involving parents in the process of developing individualized instruction plans for mastery in reading and keeping them informed of the progress of their children, as well as suggestions on how the parents can assist in the individualized learning plan.

**Subd. 6. OPTIONAL COMPONENTS OF THE PLAN.** In addition to the required components specified in subdivisions 4 and 5, a district's plan may include:

(1) plans for all-day kindergarten;

(2) plans for coordination with early childhood family education programs;

(3) plans for expanding the program to grades four through six;

(4) plans to use volunteers;

(5) summer learning opportunities;

(6) a process for integrating the assessment of pupil affective levels;

(7) inclusion of foreign languages in the mastery reading program;

(8) plans for utilizing peer tutoring in the program; and

(9) an assessment of the feasibility of establishing a demonstration school to be operated by the school district for teacher education purposes.

**Subd. 7. SELECTION CRITERIA.** The commissioner of education, in consultation with the advisory committee, shall establish selection criteria for approving plans, which shall be distributed to the school districts by November 1, 1985.

**Subd. 8. GEOGRAPHIC DISTRIBUTION OF SITES.** To the extent possible, the selected sites shall be geographically distributed among urban, suburban, and rural areas. Some of the sites selected shall be existing exemplary programs.

**Subd. 9. DIFFERENTIATED STAFFING; TWO SITES.** At least two of the sites selected by the commissioner shall include plans for differentiated staffing that use master teachers and nonlicensed personnel, such as teachers' aides or paraprofessionals.

**Subd. 10. APPROVAL OF PLANS; GRANT AWARDS.** The districts shall submit a plan and application for a grant by February 1, 1986, in the form and manner prescribed by the department.

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

Subd. 11. EVALUATION OF SITES. The commissioner of education shall make a preliminary evaluation of the designated sites and report to the education committees of the legislature on the results of the preliminary evaluation by February 1, 1987. By December 1, 1987, and each year thereafter, the commissioner of education shall submit a report evaluating the program to the education committees of the legislature.

**Sec. 43. [136A.044] DATA ON TEACHER EDUCATION STUDENTS AND GRADUATES.**

The higher education coordinating board, in consultation with the board of teaching, shall publish annual data on the characteristics of students admitted to and graduating from teacher education programs. The data shall be collected from teacher preparation institutions in Minnesota and, if possible, from institutions in adjacent states. The board shall establish the reporting format in consultation with teacher education institutions and the board of teaching.

Sec. 44. Laws 1983, chapter 314, article 8, section 11, is amended to read:

**Sec. 11. ADVISORY COMMITTEE ON TECHNOLOGY IN EDUCATION.**

By July 1, 1983, A 15 member advisory committee on technology in education shall be appointed by the governor to assist in the implementation of sections 13 to 20 of this article. Representation on the advisory committee shall include public school teachers and administrators, school boards, parents, department of education, Minnesota educational computing consortium, at least one regional management information center, council on quality education, higher education, including representatives from teacher education programs, and at least two members from high technology business and industry. Advisory committee members shall be knowledgeable about the use of technology in elementary and secondary education. The advisory committee shall terminate on June 30, 1985 1987.

**Sec. 45. PHASE-IN OF ITEM BANK DEVELOPMENT.**

The department of education shall add two curricular areas to the item bank each year. The first curricular areas to be completed are communication, mathematics, science, and social studies.

**Sec. 46. ADOPTING PROPOSED EXAMINATIONS.**

Subdivision 1. TIMING. By September 1, 1986, the board of teaching shall adopt proposed examinations that have been validated by another state or reputable national testing organization.

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

**Subd. 2. SUBJECTS FOR EXAMINATION.** Proposed examinations must be adopted for reading, writing, and mathematics skills to indicate whether an individual possesses competency in each skill tested.

Proposed examinations must be adopted for each field of licensure for which people are examined. The examination must indicate whether an individual possesses the level of academic knowledge needed to teach in the field of licensure. The examination must measure academic knowledge only and not teaching theories, methodology, skills of teaching, or other areas traditionally associated with a teacher education program.

**Subd. 3. ADVISORY TASK FORCE.** The board shall appoint a task force of nine members to assist it in adopting and field testing proposed examinations. All members of the task force shall be licensed teachers. Compensation for members must be as provided in Minnesota Statutes, section 15.059, subdivision 3. The task force shall terminate June 30, 1987.

**Subd. 4. CONSULTATION AND ASSISTANCE.** The board shall consult with the commissioner of education and the executive director of the higher education coordinating board about adopting and field testing proposed examinations. The board may contract with consultants.

**Subd. 5. FIELD TESTING.** The board shall field test proposed examinations with students in at least three teacher education programs. The results must be used only to provide information for the board about the examinations.

**Subd. 6. REPORT TO LEGISLATURE.** By January 15, 1986, the board shall report its progress to the education committees of the legislature. By January 15, 1987, the board shall report to the education committees of the legislature about the process used to adopt examinations, how examinations were selected, the nature of the examinations, and the results of field testing.

#### **Sec. 47. TEACHER EDUCATION PROGRAM RULES.**

The board of teaching shall review its rules to approve teacher education programs after the recommendations of a task force on teacher education programs, appointed in cooperation with the higher education coordinating board, have been completed.

#### **Sec. 48. PLAN TO EVALUATE TEACHING SKILLS.**

By July 1, 1986, the board of teaching shall develop a plan to evaluate, before a continuing license is issued, the teaching skills of beginning teachers. The board shall report its plan to the education committee of the legislature by January 15, 1987.

#### **Sec. 49. TECHNOLOGY SEX EQUITY EVALUATION.**

The evaluation of the technology demonstration sites shall include an analysis of the extent to which each project provides equal participation in

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courses and other training opportunities by both boys and girls. This shall include, but not be limited to, collection of enrollment and participation data, the nature and quality of the participation, equipment usage, and information about in-service and staffing. The department of education shall make recommendations about methods to increase and improve participation opportunities for all pupils.

**Sec. 50. TECHNOLOGY DEMONSTRATION SITE LEVY.**

In 1985 a district that is a technology demonstration site may levy the lesser of an amount equal to 1 mill times the adjusted assessed valuation of the district or the unreimbursed cost of the expenses associated with the purchase of equipment and the operation of the site and additional program costs attributable to the site.

**Sec. 51. TECHNOLOGY GRANT; MID-STATE EDUCATIONAL COOPERATIVE.**

\$130,000 is appropriated in fiscal year 1986 from the general fund to the department of education to fund the technology demonstration site proposal of the mid-state educational cooperative. The appropriation is available until June 30, 1987. The grant is for use during the 1985-1986 and 1986-1987 school years.

**Sec. 52. TECHNOLOGY GRANT; FOUR SIBLEY COUNTY SCHOOL DISTRICTS.**

\$150,000 is appropriated in fiscal year 1986 from the general fund to the department of education. The appropriation is for a grant to the Arlington/Gaylord/Gibbon/Winthrop cable communications commission for an interactive educational interlink between independent school district Nos. 731, 732, 733, and 735.

**Sec. 53. TECHNOLOGY GRANT; SOUTHWEST MINNESOTA TELECOMMUNICATIONS PROJECT.**

Subdivision 1. APPROPRIATION. \$200,000 is appropriated in fiscal year 1986 from the general fund to the department of education to make a grant to the fiscal agent for the southwest Minnesota telecommunications project to complete a two-way interactive telecommunications system between the project's ten-member independent school districts to be used for the purposes in subdivision 2.

Subd. 2. PURPOSES. The purposes of the two-way interactive television network to be funded by the grant in subdivision 1 are:

(1) to offer an expanded curriculum to member schools including courses for the academically talented;

(2) to allow the districts to be in compliance with proposed department of education curriculum requirements;

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

(3) to allow these districts to retain their independence and continue to enjoy the benefits that a school adds to the community;

(4) to provide a convenient method of sharing teachers and other resources across school district boundary lines without the waste of time and expense of teacher or pupil travel;

(5) to provide a vehicle for adult education through linkage with area AVTI's, Southwest State University, and Worthington Junior College;

(6) to provide a vehicle for in-service opportunities for teachers, other professionals, business leaders including farmers, and public officials; and

(7) to serve as a model for other school district cooperatives who may be interested in the construction and implementation of a similar system.

**Sec. 54. TECHNOLOGY GRANT; SHERBURNE-WRIGHT EDUCATIONAL TECHNOLOGY COOPERATIVE.**

**Subdivision 1. APPROPRIATION.** \$130,000 is appropriated in fiscal year 1986 from the general fund to the department of education to make a grant to the fiscal agent for the Sherburne-Wright educational technology cooperative to complete a two-way interactive telecommunications system between the project's member school districts to be used for the purposes in subdivision 2.

**Subd. 2. PURPOSES.** The purposes of the two-way interactive television network are:

(1) to offer an expanded curriculum to member schools including courses for the academically talented;

(2) to allow the districts to be in compliance with proposed department of education curriculum requirements;

(3) to allow these districts to retain their independence and continue to enjoy the benefits that a school adds to the community;

(4) to provide a convenient method of sharing teachers and other resources across school district boundary lines without the waste of time and expense of teacher or student travel;

(5) to provide a vehicle for adult education through linkage with area AVTI's and St. Cloud State University;

(6) to provide a vehicle for in-service opportunities for teachers, other professionals, business leaders including farmers, and public officials; and

(7) to serve as a model for other school district cooperatives who may be interested in the construction and implementation of a similar system.

**Sec. 55. INTEGRATION CENTER DESIGNATION AND GRANTS.**

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

Subdivision 1. DESIGNATION. The commissioner of education shall designate and award grants to four courseware integration centers established under section 33. Two centers shall be model media centers at permanent locations and two shall be mobile centers. The commissioner shall assure access by all regions of the state when designating centers.

Subd. 2. CRITERIA. In consultation with the advisory committee, the department of education shall develop designation criteria for review by the commissioner. The commissioner shall establish the criteria and distribute them to applicants by October 1, 1985. Criteria must include at least the following:

- (1) a currently existing exemplary program;
- (2) a willingness to match the state grant; and
- (3) a willingness to provide a model for integrating technology into the school curriculum.

Subd. 3. GRANTS. The commissioner shall award a grant for each courseware integration center by January 15, 1986, for use during the 1986-1987 school year. Applications for grants must be submitted to the commissioner by December 1, 1985, in the form and manner determined by the commissioner.

Subd. 4. RECIPIENT DUTIES AND USE OF MONEY. A grant recipient shall work cooperatively with the advisory committee, the department of education, higher education institutions in the area, and business and industry, as appropriate. The recipient, using grant money, shall conduct at least four workshops during the school year of the grant to demonstrate to districts and interested parties its use of techniques for curriculum integration and ongoing opportunities for courseware review.

Subd. 5. EVALUATION OF CENTERS. The advisory committee shall evaluate the courseware integration centers. It may contract with independent evaluators for this purpose.

#### **Sec. 56. INDUSTRIAL TECHNOLOGY PROGRAM.**

The commissioner of education shall develop a curriculum for the industrial technology program that incorporates the instructional competencies found in secondary industrial arts and secondary vocational trade and industrial occupations programs.

#### **Sec. 57. REPORT TO LEGISLATURE.**

By January 15, 1987, the department of education shall submit a report and recommendations to the legislature about the data and issues reported by school districts relating to teacher contracts for the excellence in teaching and curriculum program.

#### **Sec. 58. USE OF 1985 SUMMER REVENUE.**

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

Notwithstanding any law to the contrary, a district may use the 1985 summer educational improvement revenue allowance during the school year as well as during the summer.

**Sec. 59. [129B.67] COMPUTERIZED MASTERY MANAGEMENT SYSTEM.**

The department of education shall develop, contract for the development, or purchase the state rights to a computerized mastery management system that may be utilized for individualized learning plan models to be implemented under sections 38 to 42. The computer models shall have a common management system and be able to utilize several banks of learner outcomes and objectives that reflect content found in major textbooks. The department shall also develop, contract for the development, or purchase the state rights to support and resource materials to be used in conjunction with the computerized mastery management system for reading. In future years, the department is encouraged to develop and acquire a similar system and supporting materials for mathematics.

**Sec. 60. TASK FORCE ON AN ACADEMIC HIGH SCHOOL LEAGUE.**

Subdivision 1. ESTABLISHMENT. A task force on an academic high school league is established. The task force shall consist of 15 members appointed by the academic excellence foundation. The foundation shall appoint at least one member from the state committee of the north central association and one member from the advisory committee for programs of excellence. The task force shall terminate by June 30, 1986.

Subd. 2. DUTIES. The task force shall study and make recommendations about establishing an academic high school league. The study shall include at least the following issues:

(1) utilization of high schools designated under the provisions of Minnesota Statutes, section 126.62, program of excellence, to create a league;

(2) utilization of high schools accredited by the north central association to create a league; and

(3) annual activities of the league including competition among schools, recognition of achievements, and the relationship of the activities to the Minnesota high school league.

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

Subd. 4. REPORT. The task force shall report its findings and recommendations to the academic excellence foundation and the education committees of the legislature by February 1, 1986.

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



**Sec. 61. INSTRUCTION TO REVISOR.**

The revisor shall renumber Minnesota Statutes, sections 123.74, 123.741, 123.742, and 123.743 as sections 126.65, 126.66, 126.67, and 126.68. The revisor shall renumber Minnesota Statutes, section 123.7431 with an appropriate number in chapter 124.

**Sec. 62. APPROPRIATIONS.**

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

Subd. 2. EDUCATIONAL EFFECTIVENESS. For educational effectiveness programs according to sections 121.608 and 121.609 there is appropriated:

\$1,034,000.....1986,

\$ 781,000.....1987.

The commissioner shall assign one additional position, from the department's existing complement, to educational effectiveness programs. The legislature intends that, beginning in fiscal year 1987, districts will pay the costs of educational effectiveness in-service for district staff.

Subd. 3. ACADEMIC EXCELLENCE FOUNDATION. For support of the academic excellence foundation according to Minnesota Statutes, section 121.612, there is appropriated:

\$89,000.....1986,

\$84,000.....1987.

\$5,000 of the fiscal year 1986 appropriation shall be used for expenses related to the operation of the task force established in section 60, subdivision 1.

Subd. 4. MANAGEMENT ASSISTANCE. For management assistance to school districts according to section 4 there is appropriated:

\$50,000.....1986,

\$50,000.....1987.

Subd. 5. LOCAL ASSESSMENT OPTION. For testing of pupils in districts using the local assessment option according to Minnesota Statutes, section 123.742, subdivision 2 or 2a, there is appropriated:

\$233,000.....1986.

Subd. 6. ASSESSMENT ITEM BANK. For development and implementation of the assessment item bank according to Minnesota Statutes, section 123.742, subdivision 5, there is appropriated:

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

\$300,000.....1986,

\$300,000.....1987.

**Subd. 7. AID FOR PLANNING, EVALUATION, AND REPORTING PROCESS.** For aid for the planning, evaluation, and reporting process according to Minnesota Statutes, section 123.7431, there is appropriated:

\$1,004,500.....1987.

**Subd. 8. PER ASSISTANCE.** For state assistance for planning, evaluation, and reporting, there is appropriated:

\$120,000.....1986,

\$120,000.....1987.

\$50,000 each year shall be used for assisting districts with the assurance of mastery program. Up to \$50,000 each year shall be used to develop and maintain model learner expectations. Up to \$20,000 each year shall be used for the state curriculum advisory committee; a portion of this money may be for administration.

**Subd. 9. TECHNOLOGY SERVICES.** For the purposes of Minnesota Statutes, sections 129B.35, 129B.37, 129B.39, and 129B.40, there is appropriated:

\$649,000.....1986,

\$649,000.....1987.

**Subd. 10. TECHNOLOGY DEMONSTRATION SITES.** For technology demonstration sites according to Minnesota Statutes, section 129B.36 there is appropriated:

\$2,347,600.....1986.

The sum is available until June 30, 1987.

**Subd. 11. COURSEWARE INTEGRATION CENTERS.** For courseware integration center grants according to section 55 there is appropriated:

\$710,000.....1986.

The sum is available until June 30, 1987.

**Subd. 12. COURSEWARE PURCHASE SUBSIDY.** For subsidies for purchases of courseware packages according to Minnesota Statutes, section 129B.38 there is appropriated:

\$351,000.....1986,

\$351,000.....1987.

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

Subd. 13. MASTERY LEARNING PROGRAM. For the purposes of section 42, subdivisions 3 and 10 and section 59, there is appropriated:

\$ 160,000.....1986,

\$1,290,000.....1987.

\$125,000 of the appropriation for fiscal year 1986 shall be used for a computerized mastery management system and support materials. The remaining \$35,000 in fiscal year 1986 shall be used for planning aid to districts under section 42, subdivision 3.

\$1,250,000 of the appropriation in fiscal year 1987 shall be used for mastery learning project grants. The remaining \$40,000 for fiscal year 1987 may be used by the department to administer and evaluate the program.

Subd. 14. SCHOOL MANAGEMENT ASSESSMENT CENTER. For support of the school management assessment center at the University of Minnesota, there is appropriated:

\$25,900.....1986,

\$26,900.....1987.

Subd. 15. PROGRAMS OF EXCELLENCE. For programs of excellence according to Minnesota Statutes, sections 126.60 to 126.64, there is appropriated:

\$25,000.....1986,

\$25,000.....1987.

Of this amount, the following sums may be used for the purposes indicated in each year: \$7,500 for program administration including expenses of the programs of excellence committee, according to Minnesota Statutes, section 126.60, subdivision 3 and \$17,500 for incentive grants according to Minnesota Statutes, section 126.60, subdivision 4.

Subd. 16. PROJECT GRANT. For a one-time grant to independent school district No. 621, Mounds View, for the purpose of the WICAT project, there is appropriated:

\$12,000.....1986,

\$12,000.....1987.

The grant shall be used for costs of a service contract and a portion of the coordinator's salary.

Subd. 17. INDUSTRIAL TECHNOLOGY PROGRAM. For development of curriculum for the industrial technology program according to section 56 there is appropriated:

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

\$30,000.....1986.

The sum is available until June 30, 1987.

Subd. 18. CANCELLATION AND PRORATION. Except as provided in Minnesota Statutes, section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated plus the amount of any transfers made according to Minnesota Statutes, section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

**Sec. 63. APPROPRIATIONS TO THE BOARD OF TEACHING.**

Subdivision 1. BOARD OF TEACHING. There is appropriated from the general fund to the board of teaching the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. TEACHER EXAMINATIONS. For duties related to teacher examinations there is appropriated:

\$105,000.....1986,

\$ 75,000.....1987.

\$30,000 of the fiscal year 1986 appropriation is to evaluate teaching skills of beginning teachers and \$75,000 each year is for development of teacher examinations.

Subd. 3. EXEMPLARY TEACHER EDUCATION PROGRAMS. For development of exemplary teacher education programs there is appropriated:

\$150,000.....1986,

\$150,000.....1987.

Up to \$30,000 of this sum may be used for evaluation. The sum is available until June 30, 1987.

**Sec. 64. APPROPRIATIONS TO THE HIGHER EDUCATION COORDINATING BOARD.**

Subdivision 1. HIGHER EDUCATION COORDINATING BOARD. There is appropriated from the general fund to the higher education coordinating board the sums indicated in this section for the fiscal years ending June 30 in the years designated. Any unexpended balance remaining from the appropriations for fiscal year 1986 shall not cancel, and shall be available for fiscal year 1987.

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

Subd. 2. SUMMER PROGRAM SCHOLARSHIPS. For scholarship awards for 1986 and 1987 summer programs according to section 22, there is appropriated:

\$500,000.....1986.

Of this appropriation, the amount required may be used for the higher education coordinating board's costs of administering the program.

Subd. 3. DATA COLLECTION ON TEACHER EDUCATION STUDENTS. For data collection and reporting on characteristics of teacher education students pursuant to section 43, there is appropriated:

\$20,000.....1986.

A portion of this appropriation may be used to defray the costs of teacher preparation institutions in providing requested data.

#### **Sec. 65. REPEALERS.**

Minnesota Statutes 1984, sections 124.247, subdivision 6; 124A.03, subdivision 5; 129B.10; 129B.33, subdivisions 2, 3, 4, and 6; 129B.34; and 129B.36, subdivisions 2 and 3, are repealed.

Minnesota Statutes 1984, sections 121.601 and 123.742, subdivision 2, are repealed on June 30, 1986.

Sections 45, 47, and 55 are repealed on June 30, 1987.

#### **Sec. 66. EFFECTIVE DATES.**

Section 9 is effective for the 1986-1987 school year and thereafter.

Sections 10 and 14 are effective for the 1987-1988 school year and thereafter.

Section 19 is effective for licenses issued on April 4, 1988, and thereafter.

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### **ARTICLE 9 LIBRARIES**

Section 1. Minnesota Statutes 1984, section 134.35, is amended to read:

#### **134.35 REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS; DISTRIBUTION FORMULA.**

Subdivision 1. **GRANT APPLICATION.** Any regional public library system which qualifies according to the provisions of section 134.34 may apply for an annual grant for regional library basic system support. The amount of each grant for each fiscal year shall be calculated as provided in this section.

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

Subd. 2. ~~Fifty-five~~ Sixty percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per capita. Each system's allocation pursuant to this subdivision shall be based on the population it serves.

Subd. 3. Fifteen percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per square mile. Each system's allocation pursuant to this subdivision shall be based on the area it serves.

Subd. 4. ~~The sum of \$35,000~~ Seven and one-half percent of the available grant funds shall be paid to each system as a base grant for basic system services.

Subd. 5. ~~After the allocations made pursuant to subdivisions 2, 3 and 4, any remaining available grant funds for basic system support~~ Seventeen and one-half percent of the available grant funds shall be distributed to those regional public library systems which contain counties whose adjusted assessed valuations per capita were below the state average adjusted assessed valuation per capita for the second year preceding the fiscal year for which the grant is made. Each system's entitlement shall be calculated as follows:

(a) Subtract the adjusted assessed valuation per capita for each eligible county or participating portion of a county from the statewide average adjusted assessed valuation per capita;

(b) Multiply the difference obtained in clause (a) for each eligible county or participating portion of a county by the population of that eligible county or participating portion of a county;

(c) For each regional public library system, determine the sum of the results of the computation in clause (b) for all eligible counties or portions thereof in that system;

(d) Determine the sum of the result of the computation in clause (b) for all eligible counties or portions thereof in all regional public library systems in the state;

(e) For each system, divide the result of the computation in clause (c) by the result of the computation in clause (d) to obtain the allocation factor for that system;

(f) Multiply the allocation factor for each system as determined in clause (e) times the amount of the remaining grant funds to determine each system's dollar allocation pursuant to this subdivision.

Sec. 2. Minnesota Statutes 1984, section 134.351, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The state board of education, upon the advice of the advisory council to the office of ~~public libraries and interlibrary~~

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

~~cooperation~~ library development and services, may approve the establishment of multi-county, multi-type library systems and the geographic boundaries of those systems.

Sec. 3. **APPROPRIATION.**

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

Subd. 2. BASIC SUPPORT GRANTS. For basic support grants pursuant to sections 134.32 to 134.35 for the provision of library service there is appropriated:

\$4,923,600.....1986,

\$5,047,300.....1987.

The appropriation for 1986 includes \$695,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$4,228,600 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$746,200 for aid for fiscal year 1986 payable in fiscal year 1987 and \$4,301,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$4,974,800 for fiscal year 1986 and \$5,060,100 for fiscal year 1987.

Subd. 3. MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEMS. For grants pursuant to sections 134.353 and 134.354 to multi-county, multi-type library systems there is appropriated:

\$205,100.....1986,

\$213,000.....1987.

The appropriation for 1986 includes \$30,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$175,100 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$30,900 for fiscal year 1986 payable in fiscal year 1987, and \$182,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$206,000 for fiscal year 1986, and \$214,200 for fiscal year 1987.

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

**ARTICLE 10  
CASH FLOW**

Section 1. Minnesota Statutes 1984, 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~~ 24 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~~ 24 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.

(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

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



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 1984, section 124.14, is amended by adding a subdivision to read:

**Subd. 7. APPROPRIATION TRANSFERS.** If a direct appropriation to the commissioner of education for education aids authorized in chapters 121, 123, 124, 124A, 125, 126, 129B, and 134 exceeds the amount required for payment of the corresponding aid entitlement, the commissioner may transfer the excess to any education aid or grant appropriation that is insufficient to meet the required payment, except that a deficiency in the direct appropriation for foundation aid must be met by use of the appropriation in section 124A.032. The commissioner shall determine the method for allocating excess appropriations among aids or grants that have insufficient appropriations. The commissioner of finance shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. The commissioner of education shall report appropriation transfers to the education committees of the legislature each year by January 15.

Sec. 3. Minnesota Statutes 1984, section 124.195, subdivision 7, is amended to read:

**Subd. 7. PAYMENTS TO SCHOOL NONOPERATING FUNDS.** Beginning in Each fiscal year 1984, state general fund payments to school for a district nonoperating funds fund shall be made at 85 percent of the estimated entitlement during the fiscal year of the entitlement, unless a higher rate has been established according to section 121.904, subdivision 4d. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid prior to October 31 of the following school year.

Sec. 4. Minnesota Statutes 1984, section 124.195, subdivision 8, is amended to read:

**Subd. 8. PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.** The following aids shall be paid at 100 percent of the entitlement for the prior fiscal year: special education summer foundation program aid according to section 124.201 124A.033; abatement aid according to section 124.214, subdivision 2; special education residential aid according to section 124.32, subdivision 5; special education summer school aid, according to section 124.32, subdivision 10; veterans farm management aid, according to section 124.625; early retirement aid according to section 125.611 planning, evaluating, and reporting process aid according to section 123.7431; and extended leave and part-time teacher aids according to chapters 354 and 354A.

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

Sec. 5. Minnesota Statutes 1984, 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: reimbursement for transportation to post-secondary institutions, according to section 1, subdivision 8, of article 5; reimbursement for transportation to a program of excellence, according to section 126.62, subdivision 6; handicapped adult program aid, according to section 124.271, subdivision 7; arts education aid according to section 124.275; school lunch aid, according to section 124.646; hearing impaired support services aid, according to section 121.201; and educational improvement aids technology demonstration site grants, according to sections 121.601, 129B.33, 129B.34, and section 129B.36 and courseware purchase subsidy according to section 129B.38.

Sec. 6. Minnesota Statutes 1984, section 124.195, subdivision 10, is amended to read:

Subd. 10. **AID PAYMENT PERCENTAGE.** Except as provided in subdivisions 8 and 9, beginning in each fiscal year 1984, all education aids and credits in chapters 121, 123, 124, 124A, 125, 126, 134, and section 273.1392, except post-secondary vocational shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement, unless a higher rate has been established according to section 121.904, subdivision 4d. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 7. Minnesota Statutes 1984, section 124.195, subdivision 11, is amended to read:

Subd. 11. **NONPUBLIC AIDS.** The state shall pay to each school district 85 percent, unless a higher rate has been established according to section 121.904, subdivision 4d, of its aid for pupils attending nonpublic schools and nonpublic transportation aid requested by a district and approved by the commissioner according to sections 123.931 to 123.947 by December October 31. The final aid distribution shall be made by December October 31 of the following school year.

Sec. 8. **APPROPRIATION FOR EDUCATION AIDS INCREASE.**

\$50,000,000 is appropriated from the education aids increase account to the general fund for fiscal year 1985 for the purpose of paying education aids for fiscal years 1986 and 1987.

Sec. 9. **REDUCTIONS FOR REVENUE EQUITY.**

Pursuant to Minnesota Statutes, sections 124.2138 and 124A.037, aid payments shall be reduced in fiscal year 1986 by approximately \$4,429,000.

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

**Sec. 10. REPEALER.**

Laws 1984, chapter 463, article 9, section 9, is repealed.

**Sec. 11. EFFECTIVE DATE.**

Section 8 is effective the day following final enactment.

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**ARTICLE 11  
TEACHER RETIREMENT****Section 1. [124.2161] TEACHER RETIREMENT AND F.I.C.A. AID AND LEVY; DEFINITIONS.**

Subdivision 1. APPLICABILITY. For the purposes of this article and section 275.125, the following terms have the meanings given them.

Subd. 2. F.I.C.A. "F.I.C.A." means the Federal Insurance Contribution Act.

Subd. 3. TEACHER RETIREMENT OBLIGATIONS. "Teacher Retirement Obligations" means a school district's obligations for employer contributions to a teacher retirement fund as required by sections 354.42, subdivisions 3 and 5, and 354A.12, subdivision 2, excluding contributions on behalf of teachers employed at an area vocational technical institute, and excluding contributions based upon salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

Subd. 4. F.I.C.A. OBLIGATIONS. "F.I.C.A. Obligations" means a school district's obligations for F.I.C.A. as required by sections 355.208 and 355.287, excluding contributions on behalf of teachers employed at an area vocational technical institute, and excluding contributions based upon salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

Subd. 5. TEACHER RETIREMENT INFLATION FACTOR. "Teacher Retirement Inflation Factor" means a factor to be multiplied by a district's teacher retirement obligations for the base year. For the base year of fiscal year 1985, the teacher retirement inflation factor shall be 1.1396. For base years after fiscal year 1985, the teacher retirement inflation factor shall be equal to the foundation aid formula allowance for the current year, divided by the foundation aid formula allowance for the base year.

Subd. 6. F.I.C.A. INFLATION FACTOR. "F.I.C.A. Inflation Factor" means a factor to be multiplied by a district's F.I.C.A. obligations for the base year. For the base year of fiscal year 1985, the F.I.C.A. inflation factor shall be 1.1806. For base years after fiscal year 1985, the F.I.C.A. inflation factor shall

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

be equal to the foundation aid formula allowance for the current year, divided by the foundation aid formula allowance for the base year.

**Subd. 7. BASE YEAR.** "Base year" means the second fiscal year preceding the fiscal year for which a district's aid is computed under the provisions of this section and section 124.2162.

**Subd. 8. CURRENT YEAR.** "Current year" means the fiscal year for which a district's aid is computed under the provisions of this section and section 124.2162.

**Subd. 9. INTERMEDIATE SCHOOL DISTRICT.** "Intermediate school district" means a school district organized under chapter 136D.

**Subd. 10. JOINT VOCATIONAL TECHNICAL DISTRICT.** "Joint vocational technical district" means a school district organized under chapter 136C.

**Subd. 11. OTHER EMPLOYING UNITS.** "Other employing units" means secondary vocational education cooperative centers established under section 123.351, special education cooperative centers established under section 120.17, educational cooperative service units established under section 123.58, and regional management information centers established under section 121.935.

**Subd. 12. FULL-TIME EQUIVALENT TEACHERS; JOINT VOCATIONAL TECHNICAL AND INTERMEDIATE DISTRICTS.** "Full-time equivalent teachers" means the full-time equivalent number of all teachers as defined in section 125.12, subdivision 1, employed in elementary and secondary programs at an intermediate school district or a joint vocational technical school district, excluding AVTI teachers and excluding teachers paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

**Subd. 13. FULL-TIME EQUIVALENT TEACHERS; OTHER EMPLOYING UNITS.** "Full-time equivalent teachers" at secondary vocational cooperative centers, special education cooperative centers, educational cooperative service units, and regional management information centers means the full-time equivalent number of all employees who are members of the state teacher retirement association, excluding employees paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

**Sec. 2. [124.2162] TEACHER RETIREMENT AID; SCHOOL DISTRICTS.**

**Subdivision 1. TEACHER RETIREMENT AND F.I.C.A. AID ALLOWANCE.** "Teacher Retirement and F.I.C.A. Aid Allowance" for a district that is not an intermediate school district or a joint vocational technical school district is the quotient of (a) the sum of (1) teacher retirement obligations in the base year, multiplied by the teacher retirement inflation factor, and (2) F.I.C.A. obligations in the base year, multiplied by the F.I.C.A. inflation factor, divided by

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

(b) the number of pupils in average daily membership in the district in the base year.

Subd. 2. AID. Beginning in fiscal year 1987, the state shall pay each district for each fiscal year, teacher retirement and F.I.C.A. aid in the amount of the teacher retirement and F.I.C.A. aid allowance under subdivision 1 times the number of pupils in average daily membership in the district for the current school year. However, in no case shall the amount of aid paid to a district for any fiscal year exceed the sum of the district's teacher retirement obligations and F.I.C.A. obligations for that year.

**Sec. 3. [124.2163] TEACHER RETIREMENT AID; INTERMEDIATE DISTRICTS AND OTHER EMPLOYING UNITS.**

Subdivision 1. CALCULATION. For an intermediate school district, a joint vocational technical school district or for other employing units, for each fiscal year the teacher retirement and F.I.C.A. aid is the product of (1) the sum of (A) teacher retirement obligations in the base year, multiplied by the teacher retirement inflation factor, and (B) F.I.C.A. obligations in the base year, multiplied by the F.I.C.A. inflation factor, times (2) the ratio of the number of full-time equivalent teachers or employees as defined in section 1, subdivisions 11 and 12 in the current year, to the number of full-time equivalent teachers or employees in the base year.

Subd. 2. AID. Each year beginning with fiscal year 1987, the state shall pay teacher retirement and F.I.C.A. aid to intermediate school districts, joint vocational technical school districts, and other employing units equal to the district's or employing unit's aid under subdivision 1. However, in no case shall the amount of aid paid to an intermediate school district, joint vocational technical school district, or the employing unit exceed the sum of the intermediate school district or other employing unit's teacher retirement obligations and F.I.C.A. obligations for that year.

Subd. 3. CHARGES PROHIBITED. An intermediate school district may not charge member districts for teacher retirement costs in excess of aid paid to the intermediate district under this section.

Sec. 4. Minnesota Statutes 1984, section 354.092, is amended to read:

**354.092 SABBATICAL LEAVE.**

If a member is granted a sabbatical leave, he may receive allowable service credit not exceeding three years in any ten consecutive years toward a retirement annuity by paying into the fund employee contributions during the period of leave. The employee contribution shall be based upon the appropriate rate of contributions and the salary received during the year immediately preceding the leave. This payment shall be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated, and shall be without interest.

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

A member shall not accrue more than three years allowable service by reason of this section unless the allowable service credit was paid for by the member prior to July 1, 1962. A sabbatical leave for the purpose of this section shall be compensated by a minimum of one-third of the salary the member received for a comparable period during the prior fiscal year. If the employee contributions during the period of the leave are less than the contributions based on the salary received during the year immediately preceding the leave, the formula service credit of the member shall be prorated according to section 354.05, subdivision 25, clause (3), except that if the member is paid full salary for any sabbatical leave of absence, either past or prospective, the formula service credit shall not be prorated. For sabbatical leaves taken after June 30, 1986, the required employer contribution, including the amortization amount specified in section 354.42, subdivisions 3 and 5, shall be paid by the employing unit within 30 days after notification by the association of the amount due.

Sec. 5. Minnesota Statutes 1984, section 354.094, subdivision 1, is amended to read:

Subdivision 1. **SERVICE CREDIT CONTRIBUTIONS.** A member granted an extended leave of absence pursuant to section 125.60 or 136.88, except as provided in subdivision 1a or 1b, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of the leave provided the member and the employing board make the required employer contribution in any proportion they may agree upon, during the period of the leave which shall not exceed five years. Except as provided in subdivision 1a or 1b, the state shall not pay employer contributions into the fund for any year for which a member is on extended leave. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received or within 30 days after notification by the association of the amount due, whichever is later.

Sec. 6. Minnesota Statutes 1984, section 354.43, subdivision 3, is amended to read:

Subd. 3. Each school district, state university, community college and any other employing authority of members of the fund shall ~~be obligated for pay~~ employer contributions at least once each month in accordance with the provisions of sections 354.42, subdivisions 3 and 5, and 355.46, subdivision 3, ~~as provided in this section.~~ Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the district's or area vocational technical institute's general fund. With respect to state employees, each department and agency shall pay the amounts required by section 354.42, subdivisions 3 and 5 from the accounts and funds

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

from which each department or agency receives its revenue, including appropriations from the general fund and from any other fund, now or hereafter existing, for the payment of salaries and in the same proportion as it pays therefrom the amounts of the salaries. The payments shall be charged as an administrative cost by these units of state government. For other reporting units, that portion of the employer contributions based on salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27 shall be remitted to the teachers retirement association. The remittance shall be accompanied by a satisfactory certification which shows the total of all salaries paid which are subject to teachers retirement deductions. The certification shall also show the total amount of salaries paid from normal school operating funds and the total amount of salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27. For each individual salary included in the total of all salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27, the certification shall show each person's name, his salary or related portion of salary and remittance of employer contributions related to the salary for each person included in the actual remittance.

Sec. 7. Minnesota Statutes 1984, section 354.51, subdivision 5, is amended to read:

Subd. 5. In the event that full required member contributions are not deducted from the salary of a teacher, payment shall be made as follows:

(a) Payment of shortages in member deductions on salary earned after July 1, 1961 and prior to July 1, 1981 shall be made within one year from the end of the fiscal year in which the shortage in deductions occurred in order to be accepted without an interest charge. If payment is not made within this period of time, it may be paid by the member any time prior to retirement provided that the payment shall include six percent interest compounded annually from the end of the fiscal year in which the shortage occurred to the end of the month in which payment is made and the interest shall be credited to the fund. If payment of a shortage in deductions is not made, the formula service credit of the member shall be prorated pursuant to section 354.05, subdivision 25, clause (3).

(b) Payment of shortages in member deductions on salary earned after June 30, 1981 shall be the sole obligation of the employing unit and shall be payable by the employing unit upon notification by the executive director of the shortage with interest at the rate of six percent per annum, compounded annually, from the end of the fiscal year in which the shortage occurred to the end of the month in which payment is made and the interest shall be credited to the fund. Effective July 1, 1986, the employing unit shall also pay the employer contributions as specified in section 354.42, subdivisions 3 and 5 for such shortages. If the shortage payment is not paid by the employing unit within 60 days of notification, the executive director shall certify the amount of the

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shortage payment to the applicable county auditor, who shall spread a levy in the amount of the shortage payment over the taxable property of the taxing district of the employing unit if the employing unit is supported by property taxes, or to the commissioner of finance, who shall deduct the amount from any state aid or appropriation amount applicable to the employing unit if the employing unit is not supported by property taxes.

Sec. 8. Minnesota Statutes 1984, section 354.53, subdivision 1, is amended to read:

Subdivision 1. Any employee given a leave of absence to enter military service and who returns to teaching service upon discharge from military service as provided in section 192.262, shall obtain credit for the period of military service but shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. The member shall obtain credit by paying into the fund an employee contribution based upon the salary of the member at the date of return from military service. The amount of this contribution shall be as follows:

Period	Basic Member	Coordinated Member
July 1, 1973 thru June 30, 1979	8 percent	4 percent
July 1, 1979 and thereafter	8.5 percent	4.5 percent

The contributions specified in this subdivision shall be multiplied by the number of years of military service together with interest thereon at the rate of six percent compounded annually from the time the military service was rendered to the first date of payment. The employer contribution and additional contribution provided in section 354.42 shall be paid by the state employing unit in the manner provided in section 354.43.

Sec. 9. Minnesota Statutes 1984, section 354.66, subdivision 4, is amended to read:

Subd. 4. **RETIREMENT CONTRIBUTIONS.** Notwithstanding any provision to the contrary in this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position pursuant to this section shall continue to make employee contributions to and to accrue allowable service credit in the retirement fund during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, except as provided in subdivision 4a, prior to June 30 each year, or within 30 days after notification by the association of the amount due, whichever is later, the member and the employing board make that portion of the required employer contribution to the retirement fund,

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in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for the services rendered in the part-time assignment. The state employing unit shall make that portion of the required employer contributions to the retirement fund on behalf of the teacher that is based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354.43, subdivisions 1 and 5 subdivision 3. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part-time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than ten years.

Sec. 10. Minnesota Statutes 1984, section 354A.092, is amended to read:  
**354A.092 SABBATICAL LEAVE.**

Any teacher in the coordinated program of either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association or any teacher in the new law coordinated program of the Duluth teachers retirement fund association who is granted a sabbatical leave shall be entitled to receive allowable service credit in the applicable association for periods of sabbatical leave. To obtain the service credit, the teacher on sabbatical leave shall make an employee contribution to the applicable association. No teacher shall be entitled to receive more than three years of allowable service credit pursuant to this section for a period or periods of sabbatical leave during any ten consecutive fiscal or calendar years, whichever is the applicable plan year for the teachers retirement fund association. If the teacher granted a sabbatical leave makes the employee contribution for a period of sabbatical leave pursuant to this section, the state employing unit shall make an employer contribution on behalf of the teacher to the applicable association for that period of sabbatical leave in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period. Payment of the employee contribution authorized pursuant to this section shall be made by the teacher on or before June 30 of year next following the year in which the sabbatical leave terminated and shall be made without interest. For sabbatical leaves taken after June 30, 1986, the required employer contributions shall be paid by the employing unit within 30 days after notification by the association of the amount due. If the employee contributions for the sabbatical leave period are less than an amount equal to the applicable contribution rate applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period, service credit

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shall be prorated. The prorated service credit shall be determined by the ratio between the amount of the actual payment which was made and the full contribution amount payable pursuant to this section.

Sec. 11. Minnesota Statutes 1984, section 354A.093, is amended to read:  
**354A.093 MILITARY SERVICE CREDIT.**

Any teacher in the coordinated program of either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association or any teacher in the new law coordinated program of the Duluth teachers retirement fund association who is granted a leave of absence to enter military service and who returns to active teaching service upon discharge from military service as provided in section 192.262, shall be entitled to receive allowable service credit in the applicable association for all or a portion of the period of military service but not for any voluntary extension of military service beyond the initial period of enlistment, induction or call to active duty which occurred at the instance of the teacher. If the teacher granted the military service leave of absence makes the employee contribution for a period of military service leave of absence pursuant to this section, the state employing unit shall make an employer contribution on behalf of the teacher to the applicable association for the period of the military service leave of absence in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's annual salary rate at the date of return from military service, multiplied by the number of years constituting the period of the military service leave of absence which the teacher seeks to purchase. Payment shall include interest on the amount payable pursuant to this section at the rate of six percent compounded annually from the year the military service was rendered to the date of payment. If the payments made by a teacher pursuant to this section are less than an amount equal to the applicable contribution rate applied to a salary figure equal to the teacher's annual salary rate at the date of return from military service, multiplied by the number of years constituting the period of the military service leave of absence, service credit shall be prorated. The prorated service credit shall be determined by the ratio between the amount of the actual payment which was made and the full contribution amount payable pursuant to this section. In order to be entitled to receive service credit under this section, payment shall be made within five years from the date of discharge from military service.

Sec. 12. Minnesota Statutes 1984, section 354A.094, subdivision 4, is amended to read:

Subd. 4. **RETIREMENT CONTRIBUTIONS.** Notwithstanding any provision to the contrary in this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of

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contributions or the accrual of service credit, a teacher assigned to a part-time position pursuant to this section shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, except as provided in subdivision 4a, prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the applicable association in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for services rendered in the part-time assignment. ~~The state shall make that portion of required the~~ employer contributions to the applicable association on behalf of the teacher ~~that is~~ shall be based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354.43, subdivisions 1 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12. Full membership, accrual of allowable service credit and employee contributions for part-time teaching service by a teacher pursuant to this section and section 354.66 shall not continue for a period longer than ten years.

Sec. 13. Minnesota Statutes 1984, section 354A.12, subdivision 2, is amended to read:

Subd. 2. **EMPLOYER CONTRIBUTIONS.** Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed ~~and the state shall assume the total employer obligation.~~

The state employing units shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the state employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the state employing unit shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

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Duluth teachers retirement fund association	5.79 percent
Minneapolis teachers retirement fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the state employing unit shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	13.35 percent
St. Paul teachers retirement fund association	12.63 percent

The state employer contributions shall be remitted directly to each teachers retirement fund association each month in accordance with the procedures described in section 354.43, subdivisions 1 and 5.

Once each month the executive secretary of each teachers retirement fund association shall determine the amount of money necessary and presently needed to meet the state obligation as provided in this subdivision by applying the percentage of payroll figure to the estimated payroll amounts for the current month and shall certify the amount to the commissioner of finance. The moneys required to meet the amounts certified by each executive secretary of a teachers retirement fund association shall be remitted directly to the applicable teachers retirement fund association from the general fund each month. If subsequent actual experience deviates from the anticipated experience upon which the amount certified was determined, the allocation to the first class city teachers retirement fund association involved next following the discovery of the deviation shall be adjusted. If the state makes an excess employer contribution to a teachers retirement fund association as the result of a false or wrongful certification, the state shall be entitled to recover the excess employer contribution by any appropriate means, including recovery from future state allocations, state aid or other funds payable to the school district in which the association is located. If an employee of that school district is responsible for the false or wrongful certification, any excess employer contribution recovered by the state shall be the obligation of the school district. Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the district's or area vocational technical institute's general fund.

Sec. 14. Minnesota Statutes 1984, section 355.208, is amended to read:

#### 355.208 EMPLOYER CONTRIBUTIONS.

Contributions required under the agreement or modification entered into pursuant to section 355.207 to be made by political subdivisions employing

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teachers, and payments required by section 355.49, which shall apply to political subdivisions employing teachers, shall be paid by the state political subdivisions. Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the district's or area vocational technical institute's general fund.

Sec. 15. Minnesota Statutes 1984, section 355.209, is amended to read:

**355.209 EMPLOYEE CONTRIBUTIONS; DEDUCTION FROM WAGES.**

After the date the agreement or modification is entered into pursuant to section 355.207, there shall be paid as a deduction from wages an employee contribution in an amount equal to the tax that would be imposed by the Federal Insurance Contribution Act if such service constituted employment within the meaning of that act. Contributions so made shall be paid into the contribution fund in partial discharge of the liability of the ~~state and each~~ political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the employee ~~of the state~~ or the political subdivision of liability therefor.

Sec. 16. Minnesota Statutes 1984, section 355.287, is amended to read:

**355.287 EMPLOYER CONTRIBUTIONS.**

Contributions required under the agreement or modification entered into pursuant to section 355.286 to be made by political subdivisions employing teachers, and payments required by section 355.49, which shall apply to political subdivisions employing teachers, shall be paid by the state political subdivision. Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the district's or area vocational technical institute's general fund.

Sec. 17. Minnesota Statutes 1984, section 355.288, is amended to read:

**355.288 EMPLOYEE CONTRIBUTIONS; DEDUCTION FROM WAGES.**

After the date the agreement or modification is entered into pursuant to section 355.286, there shall be paid as a deduction from wages an employee contribution in an amount equal to the tax that would be imposed by the Federal Insurance Contribution Act if such service constituted employment within the meaning of that act. Contributions so made shall be paid into the contribution fund in partial discharge of the liability of the ~~state and each~~ political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the employee ~~of the state~~ or the political subdivision of liability therefor.

Sec. 18. Minnesota Statutes 1984, section 355.46, subdivision 3, is amended to read:

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Subd. 3. **SOCIAL SECURITY CONTRIBUTIONS.** The employer taxes due with respect to employment by educational employees who have made their selection pursuant to section 218(d) (6) (C) of the Social Security Act, shall be paid in the following manner:

(a) Contributions required for retroactive coverage shall be made in the manner provided in subdivision 2.

(b) Contributions required to be made for current service by political subdivisions employing educational employees and payments required by section 355.49 shall be paid by the state political subdivision. Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the district's or area vocational technical institute's general fund. The state's obligation for services performed subsequent to the date of the agreement or modification shall be paid by the commissioner of employee relations at such times and in such amounts as may be determined by the state agency to be necessary state shall make payments for services rendered prior to July 1, 1986.

(c) (b) Contributions required to be made with respect to educational employees of state departments and institutions and payments required by section 355.49 shall be paid by the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.

**Sec. 19. STATE PAYMENT OF EMPLOYER RETIREMENT CONTRIBUTIONS.**

Notwithstanding any law to the contrary, the state shall pay the employer contributions to the teacher retirement fund after June 30, 1986, for the circumstances listed in this section. Payments shall be made according to Minnesota Statutes 1984, section 354.43, subdivision 1. The state shall pay employer contributions:

(1) for salaries paid to other than state employees for services rendered prior to July 1, 1986, or rendered by AVTI employees prior to July 1, 1985;

(2) for leaves of absence taken prior to July 1, 1986, or taken prior to July 1, 1985, by AVTI employees, and which are eligible for state payment of the employer contribution; and

(3) for eligible shortages in contributions for services rendered prior to July 1, 1986, or rendered by AVTI employees prior to July 1, 1985, which are eligible for state payment of the employer contribution.

**Sec. 20. INSTRUCTION TO REVISOR.**

The revisor of statutes is requested to change the headnote for section 355.46 to read "SOCIAL SECURITY CONTRIBUTIONS.."

**Sec. 21. APPROPRIATIONS.**

Subdivision 1. TO AGENCIES INDICATED. The sums indicated in this section are appropriated from the general fund to the agencies and for the

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purposes indicated, to be available for the fiscal years ending June 30 in the years indicated.

Subd. 2. TO COMMISSIONER OF FINANCE. To the commissioner of finance for payment of the state's obligation prescribed in Minnesota Statutes, sections 354.43, 354.55, subdivision 5, 354A.12, subdivision 2, 355.46, and 355.49, there is appropriated:

\$216,227,200.....1986,

\$ 500.....1987.

Subd. 3. TO DEPARTMENT OF EDUCATION. To the department of education to make the aid payments required by section 2, there is appropriated:

\$195,462,000.....1987.

This appropriation is for aid for fiscal year 1987 payable in fiscal year 1987. The appropriation is based on an aid entitlement of \$229,955,300 for fiscal year 1987.

Subd. 4. PRORATION. Except as provided in section 124.14, subdivision 7, the amount appropriated in subdivision 3 shall not be expended for a purpose other than the purpose indicated. If the appropriation amount in subdivision 3 plus the amount of any transfers made according to section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts.

**Sec. 22. REPEALER; JULY 1, 1986.**

Minnesota Statutes 1984, sections 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47, are repealed.

**Sec. 23. EFFECTIVE DATES.**

Subdivision 1. Sections 4 to 18 are effective July 1, 1985, for covered employees of area vocational technical institutes and July 1, 1986, for all other covered employees of school districts and other employing units.

Subd. 2. Section 13 is effective July 1, 1986.

Approved June 27, 1985

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**CHAPTER 13 — H.F.No. 16**

*An act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition; fixing and limiting fees; creating, modifying, transferring, and abolishing agencies and functions; amending Minnesota Statutes 1984, sections 2.722,*

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