

## CHAPTER 265—H.F.No. 700

*An act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies, maximum effort school loan bonds; authorizing the issuance of bonds; appropriating money; amending Minnesota Statutes 1990, sections 120.062, subdivisions 8a and 9; 120.08, subdivision 3; 120.101, by adding a subdivision; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 120.59; 120.60; 120.61; 120.62; 120.63; 120.64; 120.65; 120.66; 120.67; 121.11, subdivision 12; 121.14; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.165; 121.49, subdivision 1; 121.585, subdivision 3; 121.608; 121.609, subdivisions 2 and 3; 121.612, subdivision 9; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding subdivisions; 121.917, subdivision 3; 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and by adding subdivisions; 121.936, subdivisions 1, 2, and 4; 121.937, subdivision 1; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.241, subdivisions 1 and 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.247, subdivision 3, and by adding a subdivision; 122.41; 122.531, by adding subdivisions; 122.535, subdivision 6; 122.541, subdivision 7; 122.91, subdivision 5; 122.94, subdivision 6, and by adding a subdivision; 123.34, subdivisions 9 and 10; 123.35, by adding subdivisions; 123.351, subdivision 8; 123.3514, subdivisions 3, 4, 6, 6b, 8, and by adding a subdivision; 123.38, subdivision 2b; 123.58, by adding subdivisions; 123.702; 123.744; 123.951; 124.14, subdivision 7; 124.17, subdivisions 1, 1b, and by adding subdivisions; 124.19, subdivisions 1, 7, and by adding a subdivision; 124.195, subdivisions 9 and 11; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711; 124.2713, subdivisions 1, 3, 5, 6, and 9; 124.2721, subdivisions 2, 3, and by adding subdivisions; 124.2725, subdivisions 4, 5, 6, 8, and 10; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.493, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, by adding subdivisions; 124.646; 124.6472, subdivision 1; 124.83, subdivision 4; 124.86; 124A.02, subdivisions 16 and 23; 124A.03; 124A.04; 124A.22, subdivisions 2, 3, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124B.03, subdivision 2; 124C.03, subdivisions 2 and 16; 125.09, subdivision 4; 125.12, subdivision 3, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.113, subdivisions 1 and 2; 126.12, subdivision 1; 126.22, subdivisions 2, 3, 4, 8, and by adding subdivisions; 126.23; 126.266, subdivision 2; 126.51, subdivision 1a; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivisions 2 and 3; 126.665; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 128A.02, subdivision 4; 128A.05, subdivision 3; 128B.03, subdivisions 4, 5, 7, and by adding a subdivision; 128B.04; 128B.05, subdivisions 2 and 3; 128B.06, subdivision 1; 128B.08; 128B.09; 128B.10, subdivisions 1 and 2; 128C.01, by adding a subdivision; 128C.12, subdivision 3; 128C.20; 129C.10, subdivisions 3, 3a, 4a, and 6; 134.001, subdivisions 2 and 3; 134.31, subdivision 4; 134.35; 134.351, subdivision 7; 136D.22, by adding a subdivision; 136D.29; 136D.71; 136D.72, subdivision 1; 136D.76, subdivision 2; 136D.82, by adding a subdivision; 136D.90; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 171.29, subdivi-*

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sion 2; 203B.085; 214.10, by adding a subdivision; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6; 272.02, subdivision 8; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 4, 5, 5b, 5c, 11d, and by adding a subdivision; 279.03, subdivision 1a; 281.17; 298.28, subdivision 4; 364.09; 475.61, subdivision 3; and 631.40; Laws 1989, chapter 329, article 4, section 20; and article 6, section 53, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 122; 123; 124; 124C; 125; 127; 128B; 129C; 134; 136D; 171; 373; and 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 120.104; 120.105; 121.111; 121.15, subdivision 10; 121.91, subdivision 7; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivisions 3 and 5; 121.936, subdivision 5; 121.937, subdivision 2; 122.43, subdivision 1; 122.531, subdivision 5; 122.945, subdivision 4; 123.3514, subdivisions 6 and 6b; 123.706; 123.707; 123.73; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j; 124.252; 124.26, subdivisions 7 and 8; 124.2713, subdivision 4; 124.2721, subdivision 3a; 124.48, subdivision 2; 124.493, subdivision 2; 124.535, subdivision 3a; 124A.02, subdivision 19; 124C.01, subdivision 2; 124C.02; 124C.41, subdivisions 6 and 7; 125.231, subdivision 6; 128B.01; 128B.03, subdivisions 3 and 8; 128B.07; 128B.10, subdivision 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; 136A.044; 136D.27, subdivision 1; 136D.28; 136D.30; 136D.74, subdivision 2; 136D.87, subdivision 1; 136D.89; 136D.91; and 275.125, subdivisions 8b, 8c, and 8d; Laws 1989, chapter 329, article 12, section 8.

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

## ARTICLE 1

### GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1990, 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 sections 124.2721, subdivision 3; 124.575, subdivision 3; and 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 ~~31.0~~ 37.0 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

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(3) ~~31.0~~ 37.0 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 reserved 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 sections 124.2725, subdivision 15, 124.4945, and 275.125, subdivisions 4 and 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, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1990, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. **COOPERATION LEVY RECOGNITION.** (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

(b) In June of each year, the cooperative district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year; or

(2) ~~31.0~~ 37.0 percent of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

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(ii) the amount of transition aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 3. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 5a. SUPPLEMENTAL REVENUE. (a) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a consolidation, the newly created district's 1991-1992 revenue and 1991-1992 actual pupil units are the sum of the 1991-1992 revenue and 1991-1992 pupil units, respectively, of the former districts comprising the new district.

(b) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a dissolution and attachment, a district's 1991-1992 revenue is the revenue of the existing district plus the result of the following calculation:

(1) the 1991-1992 revenue of the dissolved district divided by

(2) the dissolved district's 1991-1992 actual pupil units, multiplied by

(3) the pupil units of the dissolved district in the most recent year before the dissolution allocated to the newly created or enlarged district.

(c) In the case of a dissolution and attachment, the department of education shall allocate the pupil units of the dissolved district to the newly enlarged district based on the allocation of the property on which the pupils generating the pupil units reside.

Sec. 4. Minnesota Statutes 1990, section 124.17, subdivision 1, is amended to read:

Subdivision 1. **PUPIL UNIT.** Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A handicapped prekindergarten pupil who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A handicapped prekindergarten pupil who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or

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(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A handicapped kindergarten pupil who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as one pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as ~~1.35~~ 1.3 pupil units.

Sec. 5. Minnesota Statutes 1990, section 124.17, subdivision 1b, is amended to read:

Subd. 1b. FISCAL YEAR 1992 AFDC PUPIL UNITS. AFDC pupil units for fiscal year 1992 shall be computed according to this subdivision. In a district in which the number of pupils from families receiving aid to families with dependent children ~~on October 1 of the previous school year~~ according to section 7 equals six percent or more of the actual pupil units in the district for the current school 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. In a district in which the percent of concentration is less than six, additional pupil units may not be counted for such pupils. A pupil may not be counted as more than .6 additional pupil unit under this subdivision. The weighting in this subdivision is in addition to the weighting provided in subdivision 1.

Sec. 6. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1d. AFDC PUPIL UNITS. AFDC pupil units for fiscal year 1993 and thereafter must be computed according to this subdivision.

(a) The AFDC concentration percentage for a district equals the product of 100 times the ratio of:

(1) the number of pupils enrolled in the district from families receiving aid to families with dependent children according to section 7; to

(2) the number of pupils in average daily membership according to section 7 enrolled in the district.

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(b) The AFDC pupil weighting factor for a district equals the lesser of one or the quotient obtained by dividing the district's AFDC concentration percentage by 11.5.

(c) The AFDC pupil units for a district for fiscal year 1993 and thereafter equals the product of:

(1) the number of pupils enrolled in the district from families receiving aid to families with dependent children according to section 7; times

(2) the AFDC pupil weighting factor for the district; times

(3) .65.

Sec. 7. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1e. AFDC PUPIL COUNTS. AFDC pupil counts and average daily membership for sections 5 and 6 shall be determined according to this subdivision:

(a) For districts where the number of pupils from families receiving aid to families with dependent children has increased over the preceding year for each of the two previous years, the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be those counted on October 1 of the previous school year. The average daily membership used shall be from the previous school year.

(b) For districts that do not meet the requirement of paragraph (a), the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be the average number of pupils on October 1 of the second previous school year and October 1 of the previous school year. The average daily membership used shall be the average number enrolled in the previous school year and the second previous school year.

Sec. 8. Minnesota Statutes 1990, section 124A.02, subdivision 16, is amended to read:

Subd. 16. PUPIL UNITS, AFDC. "AFDC pupil units" for fiscal year 1992 means pupil units identified in section 124.17, subdivision 1b.

"AFDC pupil units" for fiscal year 1993 and thereafter means pupil units identified in section 6.

Sec. 9. Minnesota Statutes 1990, section 124A.02, subdivision 23, is amended to read:

Subd. 23. TRAINING AND EXPERIENCE INDEX. "Training and experience index" means a measure of a district's teacher training and experience rel-

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ative to the education and experience of teachers in the state. The measure shall be determined pursuant to section 124A.04 ~~and according to a method published in the Minnesota Code of Administrative Rules. The published method shall include the data used and a reasonably detailed description of the steps in the method. The method shall not be subject to the provisions of chapter 14. At least biennially, the department shall recompute the index using complete new data.~~

Sec. 10. Minnesota Statutes 1990, section 124A.03, is amended to read:

124A.03 ~~REFERENDUM LEVY REVENUE.~~

Subd. 1b. REFERENDUM ALLOWANCE. A district's referendum revenue allowance equals the referendum revenue authority for that year divided by its actual pupil units for that school year.

Subd. 1c. REFERENDUM ALLOWANCE LIMIT. (a) Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1992; or
- (2) 35 percent of the formula allowance for that fiscal year.

Subd. 1d. SPARSITY EXCEPTION. A district that qualifies for sparsity revenue under section 124A.22 is not subject to a referendum allowance limit.

Subd. 1e. TOTAL REFERENDUM REVENUE. The total referendum revenue for each district equals the district's referendum allowance times the actual pupil units for the school year.

Subd. 1f. REFERENDUM EQUALIZATION REVENUE. A district's referendum equalization revenue equals ten percent of the formula allowance times the district's actual pupil units for that year.

Referendum equalization revenue must not exceed a district's referendum revenue allowance times the district's actual pupil units for that year.

Subd. 1g. REFERENDUM EQUALIZATION LEVY. A district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8.

Subd. 1h. REFERENDUM EQUALIZATION AID. (a) A district's referendum equalization aid equals the difference between its referendum equalization revenue and levy.

(b) For fiscal year 1993, a district's referendum equalization aid is equal to one-third of the amount calculated in clause (a).

(c) For fiscal year 1994, a district's referendum equalization aid is equal to two-thirds of the amount calculated in clause (a).

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(d) If a district's actual levy for referendum equalization revenue is less than its maximum levy limit, aid shall be proportionately reduced.

Subd. 1i. UNEQUALIZED REFERENDUM LEVY. Each year, a district may levy an amount equal to the difference between its total referendum revenue according to subdivision 1f and its equalized referendum aid and levy according to subdivisions 1g and 1h.

Subd. 2. REFERENDUM LEVY REVENUE. (a) The levy revenue authorized by section ~~124A.23~~ 124A.22, subdivision ~~2~~ 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity, the amount that will be raised by that local tax rate revenue per actual pupil unit, the estimated net tax capacity rate in the first year it is to be levied, and that the local tax rate revenue shall be used to finance school operations. The ballot shall designate the specific number of years, not to exceed five, for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy revenue proposed by (petition to) the board of ....., School District No. ..., be approved?"

If approved, the an amount provided by equal to the approved local tax rate applied to the net tax capacity revenue per actual pupil unit times the actual pupil units for the school year preceding beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer at the address listed on the school district's current year's assessment roll, a notice of the referendum and the proposed levy revenue increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

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The notice must include the following statement: "~~In 1989 the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. "Passage of this referendum will result in an increase in your property taxes."~~

(c) A referendum on the question of revoking or reducing the increased levy revenue amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy A referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be made received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce a levy referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

Sec. 11. Minnesota Statutes 1990, section 124A.04, is amended to read:

#### 124A.04 TRAINING AND EXPERIENCE INDEX.

Subdivision 1. FISCAL YEAR 1992. The training and experience index for fiscal year 1992 shall be constructed in the following manner:

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

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

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

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

Subd. 2. 1993 AND LATER. The training and experience index for fiscal year 1993 and later fiscal years must be constructed in the following manner:

(a) The department shall construct a matrix that classifies teachers by the extent of training received in accredited institutions of higher education and by the years of experience that districts take into account in determining teacher salaries.

(b) The average salary for each cell of the matrix must be computed as follows using data from the second year of the previous biennium:

(1) For each school district, multiply the salary paid to full-time equivalent teachers with that combination of training and experience according to the district's teacher salary schedule by the number of actual pupil units in that district.

(2) Add the amounts computed in clause (1) for all districts in the state and divide the resulting sum by the total number of actual pupil units in all districts in the state that employ teachers.

(c) For each cell in the matrix, compute the ratio of the average salary in that cell to the average salary for all teachers in the state. Cells of the matrix in lanes beyond the master's degree plus 30 credits lane must receive the same ratio as the cells in the master's degree plus 30 credits lane.

(d) The index for each district that employs teachers equals the sum of the ratios for each teacher in that district divided by the number of teachers in that district. The index for a district that employs no teachers is zero.

Sec. 12. Minnesota Statutes 1990, section 124A.22, subdivision 2, is amended to read:

Subd. 2. **BASIC REVENUE.** The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. ~~The formula allowance is \$2,838 for fiscal year 1990.~~ The formula allowance for 1992 and subsequent fiscal years is ~~\$2,953~~ \$3,050.

Sec. 13. Minnesota Statutes 1990, section 124A.22, subdivision 3, is amended to read:

Subd. 3. **COMPENSATORY EDUCATION REVENUE.** (a) For fiscal year 1992, the compensatory education revenue for each district equals the for-

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mula allowance times the AFDC pupil units counted according to section 124.17, subdivision 1b, ~~for the school year.~~

(b) For fiscal year 1993 and thereafter, the maximum compensatory education revenue for each district equals the formula allowance times the AFDC pupil units computed according to section 124.17, subdivision 1d.

(c) For fiscal year 1993 and thereafter, the previous formula compensatory education revenue for each district equals the formula allowance times the AFDC pupil units computed according to section 124.17, subdivision 1b.

(d) For fiscal year 1993, the compensatory education revenue for each district equals the district's previous formula compensatory revenue plus one-fourth of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(e) For fiscal year 1994, the compensatory education revenue for each district equals the district's previous formula compensatory education revenue plus one-half of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(f) For fiscal year 1995, the compensatory education revenue for each district equals the district's previous formula compensatory education revenue plus three-fourths of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(g) For fiscal year 1996 and thereafter, the compensatory education revenue for each district equals the district's maximum compensatory education revenue.

Sec. 14. Minnesota Statutes 1990, section 124A.22, subdivision 4, is amended to read:

Subd. 4. **TRAINING AND EXPERIENCE REVENUE.** (a) For fiscal year 1992, the training and experience revenue for each district equals the greater of zero or the result of the following computation:

(a) (1) subtract 1.6 from the training and experience index;

(b) (2) multiply the result in clause (a) (1) by the product of \$700 times the actual pupil units for the school year.

(b) For 1993 and later fiscal years, the maximum training and experience revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract .8 from the training and experience index;

(2) multiply the result in clause (1) by the product of \$575 times the actual pupil units for the school year.

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(c) For 1993 and later fiscal years, the previous formula training and experience revenue for each district equals the amount of training and experience revenue computed for that district according to the formula used to compute training and experience revenue for fiscal year 1992.

(d) For fiscal year 1993, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus one-fourth of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(e) For fiscal year 1994, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus one-half of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(f) For fiscal year 1995, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus three-fourths of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(g) For fiscal year 1996 and thereafter, the training and experience revenue for each district equals the district's maximum training and experience revenue.

Sec. 15. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 4a. TRAINING AND EXPERIENCE LEVY. A district's training and experience levy equals its training and experience revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified to the equalizing factor for the school year to which the levy is attributable.

Sec. 16. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 4b. TRAINING AND EXPERIENCE AID. A district's training and experience aid equals its training and experience revenue minus its training and experience levy times the ratio of the actual amount levied to the permitted levy.

Sec. 17. Minnesota Statutes 1990, section 124A.22, subdivision 5, is amended to read:

Subd. 5. **DEFINITIONS.** The definitions in this subdivision apply only to ~~subdivision~~ subdivisions 6 and 6a.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the dis-

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trict that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located ~~20~~ 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 18. Minnesota Statutes 1990, section 124A.22, subdivision 8, is amended to read:

Subd. 8. **SUPPLEMENTAL REVENUE.** (a) A district's supplemental revenue for fiscal year 1992 equals the product of the district's supplemental revenue for fiscal year 1991 times the ratio of:

(1) the district's 1991-1992 actual pupil units; to

(2) the district's 1990-1991 actual pupil units adjusted for the change in secondary pupil unit weighting from 1.35 to 1.3 made in section 4.

(b) If a district's minimum allowance exceeds the sum of its basic revenue, previous formula compensatory education revenue, previous formula training and experience revenue, secondary sparsity revenue, and elementary sparsity revenue per actual pupil unit for a school fiscal year, and the excess is less than

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\$250 per actual pupil unit, the district shall receive supplemental revenue equal to the amount of the excess times the actual pupil units for the school year. If the amount of the excess is more than \$250 per actual pupil unit, the district shall receive the greater of (1) \$250 times the actual pupil units; or (2) the amount of the excess times the actual pupil units less the sum of (i) the difference between the district's training and experience revenue and its previous formula training and experience revenue; and (ii) the difference between the district's compensatory education revenue and its previous formula compensatory education revenue.

Sec. 19. Minnesota Statutes 1990, section 124A.22, subdivision 9, is amended to read:

Subd. 9. **DEFINITIONS DEFINITION FOR SUPPLEMENTAL REVENUE.** (a) The ~~definitions~~ definition in this subdivision ~~apply~~ applies only to subdivision 8.

(b) "1987-1988 revenue" means the sum of the following categories of revenue for a district for the 1987-1988 school year:

(1) ~~basic foundation revenue, tier revenue, and declining pupil unit revenue, according to Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, chapter 124A, plus any reduction to second tier revenue, according to Minnesota Statutes 1986, section 124A.08, subdivision 5;~~

(2) ~~teacher retirement and FICA aid, according to Minnesota Statutes 1986, sections 124.2162 and 124.2163;~~

(3) ~~chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;~~

(4) ~~gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;~~

(5) ~~arts education aid, according to Minnesota Statutes 1986, section 124.275;~~

(6) ~~summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;~~

(7) ~~programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and~~

(8) ~~liability insurance levy, according to Minnesota Statutes 1986, section 466.06.~~

For the purpose of this subdivision, intermediate districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amount of their teacher retirement and FICA aid for fiscal year 1988 among their participating school districts.

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(e) "Minimum allowance" for a district means:

(1) the district's ~~1987-1988~~ general education revenue for fiscal year 1992, according to subdivision 1; divided by

(2) the district's ~~1987-1988~~ 1991-1992 actual pupil units; adjusted for the change in secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 398; plus

(3) ~~\$143 for fiscal year 1990 and \$258 for subsequent fiscal years.~~

Sec. 20. Minnesota Statutes 1990, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. **GENERAL EDUCATION TAX RATE.** ~~The general education tax rate for fiscal year 1991 is 26.3 percent. Beginning in 1990,~~ The commissioner of revenue shall establish the general education tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises ~~\$845,000,000 for fiscal year 1992 and \$887,000,000~~ \$916,000,000 for fiscal year 1993 and \$961,800,000 for fiscal year 1994 and subsequent later fiscal years. The general education tax rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.

Sec. 21. Minnesota Statutes 1990, section 124A.23, subdivision 4, is amended to read:

Subd. 4. **GENERAL EDUCATION AID.** A district's general education aid is the sum of the following amounts:

(1) the product of (i) the difference between the general education revenue, excluding supplemental revenue, and the general education levy, times (ii) the ratio of the actual amount levied to the permitted levy;

(2) the product of (i) the difference between the supplemental revenue and the supplemental levy, times (ii) the ratio of the actual amount levied to the permitted levy; ~~and~~

(3) shared time aid according to section 124A.02, subdivision 21;

(4) referendum aid according to section 10; and

(5) debt service equalization aid according to article 5, section 8. \* (The preceding paragraph beginning "(5)" was vetoed by the governor.)

Sec. 22. Minnesota Statutes 1990, section 124A.23, subdivision 5, is amended to read:

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Subd. 5. **USES OF REVENUE.** (a) General education revenue may be used during the regular school year and the summer for general and special school purposes.

(b) ~~General education revenue may not be used:~~

~~(1) for premiums for motor vehicle insurance protecting against injuries or damages arising from the operation of district-owned, leased, or controlled vehicles to transport pupils for which state aid is authorized under section 124.223; or~~

~~(2) for any purpose for which the district may levy according to section 275.125, subdivision 5e.~~

Sec. 23. Minnesota Statutes 1990, section 124A.24, is amended to read:

#### 124A.24 GENERAL EDUCATION LEVY EQUITY.

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapter 124, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education tax rate, according to section 124A.23, times the district's adjusted net tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding supplemental revenue, for the same school year, according to section 124A.22.

However, ~~for fiscal year 1989, the amount of the deduction shall be one-fourth of the difference between clauses (1) and (2); for fiscal year 1990, the amount of the deduction shall be one-third of the difference between clauses (1) and (2); for fiscal year 1991, the amount of the deduction shall be one-half of the difference between clauses (1) and (2); for fiscal year 1992, the amount of the deduction shall be four-sixths of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-sixths of the difference between clauses (1) and (2).~~

Sec. 24. Minnesota Statutes 1990, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. **REVENUE REDUCTION.** A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the prior school year exceeds \$600 times the fund balance pupil units in the prior year. For purposes of this subdivision only, fund balance pupil units means the number of resident pupil units in aver-

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age daily membership ~~enrolled in the district~~, including shared time pupils, according to section 124A.02, subdivision 20, plus

(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus

(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, and excluding plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. The amount of the reduction shall equal the lesser of:

- (1) the amount of the excess, or
- (2) \$150 times the actual pupil units for the school year.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

Sec. 25. Minnesota Statutes 1990, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. ~~GENERAL STAFF DEVELOPMENT AND PARENTAL INVOLVEMENT PROGRAMS.~~ (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$10 \$15 times the number of actual pupil units shall be reserved and may be used only to provide staff time for peer review under section 125.12 or 125.17 or staff development programs for out-come-based education, according to section 126.70, subdivisions 1 and 2a. Staff development revenue may be used only for staff time for peer review or out-come-based education activities. The school board shall determine which programs the staff development activities to provide, the manner in which they will be provided, and the extent to which other money local funds may be used for the programs to supplement staff development activities that implement out-come-based education.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 124C.61.

Sec. 26. Minnesota Statutes 1990, section 124A.30, is amended to read:

#### 124A.30 STATEWIDE AVERAGE REVENUE.

By October 1 of each year the commissioner shall estimate the statewide average general education revenue per actual pupil unit and the range in general education revenue among pupils and districts by computing the difference between the fifth and ninety-fifth percentiles of general education revenue. The commissioner must provide that information to all school districts.

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If the disparity in general education revenue as measured by the difference between the fifth and ninety-fifth percentiles increases in any year, the commissioner must propose a change in the general education formula that will limit the disparity in general education revenue to no more than the disparity for the previous school year. The commissioner must submit the proposal to the education committees of the legislature by January 15.

Sec. 27. Minnesota Statutes 1990, section 298.28, subdivision 4, is amended to read:

Subd. 4. **SCHOOL DISTRICTS.** (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed 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 distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which 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 indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) 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 paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established

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for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, 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) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 2 ~~1g~~, in the previous year, plus the amount certified pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 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 paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the north-east Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money only for outcome-based learning programs that enhance the academic quality of the district's curriculum. The programs must be approved by the commissioner of education.

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

#### Sec. 28. MORATORIUM ON REFERENDUM INCREASES.

A school district or an education district may not conduct an election in 1991 under Minnesota Statutes, section 124A.03, subdivision 2, paragraph (a), or 124B.03, subdivision 2, paragraph (a), for property taxes payable in 1992. An election may be conducted under section 124A.03, subdivision 2, paragraph (c), or 124B.03, subdivision 2, paragraph (e).

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**Sec. 29. 1991 REFERENDUM APPROVAL.**

(a) Notwithstanding any law to the contrary, the commissioner of education may authorize referendum levy elections under Minnesota Statutes, section 124A.03, or any successor section for 1991 taxes payable in 1992.

(b) The aggregate amount of referendum levies authorized by the commissioner may not exceed \$10,000,000.

(c) A school district that desires to hold an election under Minnesota Statutes, section 124A.03, must submit an application to the commissioner by August 1, 1991.

(d) The commissioner shall prioritize applications and grant authority to hold an election to districts in the following order:

(1) districts that are in statutory operating debt and have an approved plan or have received an extension from the department to file a plan to eliminate the statutory operating debt;

(2) districts that have referendum levy authority expiring in fiscal year 1992 or that have a documented hardship; and

(3) all other districts.

(e) The commissioner must approve, deny, or modify each district's application for referendum levy authority by August 31, 1991.

**Sec. 30. BADGER SCHOOL DISTRICT FUND BALANCE.**

If independent school district No. 676, Badger, receives payment of delinquent property taxes and the payment is more than five percent of the total property taxes paid in the fiscal year in which the payment is received, general education revenue for the district shall not be reduced according to Minnesota Statutes, section 124A.26, subdivision 1, for an excess fund balance for the following two fiscal years.

**Sec. 31. LEVY RECOGNITION DIFFERENCES.**

For each school district that levies under Minnesota Statutes, section 124A.03, the commissioner of education shall calculate the difference between:

(a) the total amount of the levy, under Minnesota Statutes, section 124A.03, that is recognized as revenue for fiscal year 1992 according to section 1; and

(b) the amount of the levy, under Minnesota Statutes, section 124A.03, that would have been recognized as revenue for fiscal year 1992 had the percentage according to section 1 not been increased.

The commissioner shall reduce other aids due the district by the amount of the difference. The total reduction is transferred to the appropriation for general and supplemental education aid in this article.

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Sec. 32. **APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. GENERAL AND SUPPLEMENTAL EDUCATION AID. For general and supplemental education aid:

1,625,240,000	.....	1992
1,725,543,000	.....	1993

The 1992 appropriation includes \$247,302,000 for 1991 and \$1,377,938,000 for 1992.

The 1993 appropriation includes \$257,763,000 for 1992 and \$1,467,780,000 for 1993.

Sec. 33. **REPEALER.**

Minnesota Statutes 1990, sections 122.531, subdivision 5, and 124A.02, subdivision 19, are repealed.

Sec. 34. **EFFECTIVE DATE.**

Sections 6; 10, subdivisions 1c, 1f, 1g, and 1h; 15; and 16 are effective July 1, 1992.

Section 26 is effective July 1, 1992, and applies beginning with the 1992-1993 school year.

Sec. 35. **EFFECTIVE DATE.**

Section 17 is effective retroactively to July 1, 1989. Section 18, paragraph (b), is effective for revenue for 1993 and thereafter.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1990, section 120.062, subdivision 9, is amended to read:

Subd. 9. **TRANSPORTATION.** If requested by the parent of a pupil, the nonresident district shall provide transportation within the district. The state shall pay transportation aid to the district according to section 124.225.

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation

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from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a nonresident district notifies a parent or guardian that an application has been accepted under subdivision 5 or 6, the nonresident district must provide the parent or guardian with the following information regarding the transportation of nonresident pupils under this section:

(1) a nonresident district may transport a pupil within the pupil's resident district under this section only with the approval of the resident district; and

(2) a parent or guardian of a pupil attending a nonresident district under this section may appeal under section 123.39, subdivision 6, the refusal of the resident district to allow the nonresident district to transport the pupil within the resident district.

Sec. 2. Minnesota Statutes 1990, section 123.3514, subdivision 8, is amended to read:

Subd. 8. **TRANSPORTATION.** A parent or guardian of a pupil enrolled in a course for secondary credit 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 reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school and the nearest post-secondary institution times ten. The state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

Sec. 3. Minnesota Statutes 1990, section 124.195, subdivision 11, is amended to read:

Subd. 11. **NONPUBLIC AIDS.** The state shall pay aid according to sections 123.931 to 123.947 for pupils attending nonpublic schools by October 31 of each fiscal year. If a payment advance to meet cash flow needs is requested by a district and approved by the commissioner, the state shall pay basic transportation aid according to section 124.225, ~~subdivision 8~~ attributable to pupils attending nonpublic schools by October 31. This subdivision applies to both the final adjustment payment for the prior fiscal year and the payment for the current fiscal year, as established in subdivision 10.

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Sec. 4. Minnesota Statutes 1990, section 124.223, subdivision 1, is amended to read:

Subdivision 1. **TO AND FROM SCHOOL; BETWEEN SCHOOLS.** (a) State transportation aid is authorized for 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 and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the schools the resident pupils attend for instructional classes; 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; transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school. State transportation aid is not authorized for late transportation home from school for pupils involved in after school activities. State transportation aid is not authorized for summer program transportation except as provided in subdivision 8.

(b) For the purposes of this subdivision, a district may designate a licensed day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends.

(c) State transportation aid is authorized for transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year. The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(+) (1) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and

(+) (2) the pupil withdrawal rate for the last year is more than 12 percent.

(d) A pupil withdrawal rate is determined by dividing:

(+) (1) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by

(+) (2) the number of pupils enrolled in the school.

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(e) The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

Sec. 5. Minnesota Statutes 1990, section 124.223, subdivision 8, is amended to read:

Subd. 8. **SUMMER INSTRUCTIONAL PROGRAMS.** State transportation aid is authorized for services described in subdivisions 1 to 7, 9, and 10 when provided for handicapped pupils in conjunction with a summer program that meets the requirements of section 124A.27, subdivision 9. State transportation aid is authorized for services described in subdivision 1 when provided during the summer in conjunction with a learning year program established under section 121.585.

Sec. 6. Minnesota Statutes 1990, 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 paragraph (e) (c), clause (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) 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) ~~"Regular transportation allowance" for the 1989-1990 school year means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.~~

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(e) ~~For purposes of this section,~~ "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; ~~late transportation home from school for pupils involved in after school activities;~~ transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone;

(2) Nonregular transportation is transportation services provided under section 124.223, subdivision 1, that are excluded from the regular category; and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10;

(3) Excess transportation is transportation to and from school during the regular school year for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards; ~~and~~.

(4) Desegregation transportation is transportation during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for handicapped pupils between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

(~~f~~) (d) "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.

(~~g~~) (e) "Current year" means the school year for which aid will be paid.

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

(~~i~~) (g) "Base cost" ~~for the 1986-1987 and 1987-1988 base years means the ratio of:~~

(1) the sum of:

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(i) the authorized cost in the base year for regular transportation as defined in clause (b), plus

(ii) the actual cost in the base year for excess transportation as defined in paragraph (e), clause (3);

(2) to the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of FTE pupils transported in the excess category in the base year.

(j) Base cost for the 1988-1989 base year and later years means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in ~~clause~~ paragraph (b) plus the actual cost in the base year for excess transportation as defined in ~~clause~~ paragraph (e);

(2) to the sum of the number of weighted FTE pupils transported in the regular and excess categories in the base year.

(k) "Predicted base cost" for the 1986-1987 and 1987-1988 base years means the base cost as predicted by subdivision 3.

(l) "Predicted base cost" for the 1988-1989 base year and later years means the predicted base cost as computed in subdivision 3a.

~~(m)~~ (h) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) Divide the square mile area of the school district by the number of FTE pupils transported in the regular and excess categories in the base year;

(2) Raise the result in clause (1) to the one-fifth power;

(3) Divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

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

~~(o)~~ (j) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's transported by the district in the regular and excess categories in the base year.

~~(p)~~ (k) "Density index" for a school district means the greater of one or the

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result obtained by subtracting the product of the district's sparsity index times 20 from two.

(g) (l) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

- (1) Multiply the district's sparsity index by 20½;
- (2) Select the lesser of one or the result in clause (1)½;

(3) Multiply the district's percentage of regular FTE's transported in the current year using vehicles that are not owned by the school district by the result in clause (2).

(h) (m) "Adjusted predicted base cost" for the ~~1988-1989~~ base year and after means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(i) (n) "Regular transportation allowance" for the ~~1990-1991~~ school year and after means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

(j) "Minimum regular transportation allowance" for the ~~1990-1991~~ school year and after means the result of the following computation:

(1) compute the sum of the district's basic transportation aid for the ~~1989-1990~~ school year according to subdivision 8a and the district's excess transportation levy for the ~~1989-1990~~ school year according to section 275.125, subdivision 5c, clause (a);

(2) divide the result in clause (1) by the sum of the number of weighted FTE's transported by the district in the regular and excess transportation categories in the ~~1989-1990~~ school year;

(3) select the lesser of the result in clause (2) or the district's base cost for the ~~1989-1990~~ base year according to paragraph (j).

Sec. 7. Minnesota Statutes 1990, section 124.225, subdivision 3a, is amended to read:

Subd. 3a. **PREDICTED BASE COST.** A district's predicted base cost for the ~~1988-1989~~ base year and later years equals the result of the following computation:

(a) Multiply the transportation formula allowance by the district's sparsity index raised to the one-fourth power. The transportation formula allowance is \$406 for the ~~1988-1989~~ base year and \$421 for the 1989-1990 base year and \$434 for the 1990-1991 base year.

(b) Multiply the result in clause paragraph (a) by the district's density index raised to the 35/100 power.

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(c) Multiply the result in ~~clause~~ paragraph (b) by the district's contract transportation index raised to the 1/20 power.

Sec. 8. Minnesota Statutes 1990, section 124.225, subdivision 7a, is amended to read:

Subd. 7a. **BASE YEAR SOFTENING FORMULA.** Each district's predicted base cost determined for the 1986-1987 and 1987-1988 base years according to subdivision 3 shall be adjusted as provided in this subdivision to determine the district's adjusted authorized predicted cost per FTE for that year.

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

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

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

(d) For the 1988-1989 base year and later years, Each district's predicted base cost determined according to subdivision 3a must be adjusted as provided in this subdivision to determine the district's adjusted predicted base cost for that year. The adjusted predicted base cost equals 50 percent of the district's base cost plus 50 percent of the district's predicted base cost, but the adjusted predicted base cost cannot be less than 80 percent, nor more than ~~110~~ 105 percent, of the base cost.

Sec. 9. Minnesota Statutes 1990, 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 4.1 percent to determine the district's regular transportation allowance for the 1988-1989 school year and by 5.8 percent to determine the district's regular transportation allowance for the 1989-1990 school year. The adjusted predicted base cost determined for a district under subdivision 7a for the base year must be increased by ~~5.4~~ 4.0 percent to determine the district's regular transportation allowance for the ~~1990-1991~~ 1991-1992 school year and by 2.0 percent to determine the district's regular transportation allowance for

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the 1992-1993 school year, but the regular transportation allowance for a district cannot be less than the district's minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t).

Sec. 10. Minnesota Statutes 1990, section 124.225, subdivision 7d, is amended to read:

Subd. 7d. **TRANSPORTATION REVENUE.** ~~Beginning in the 1990-1991 school year,~~ the Transportation revenue for each district equals the sum of the district's regular transportation revenue and the district's nonregular transportation revenue.

(a) The regular transportation revenue for each district equals the district's regular transportation allowance according to subdivision 7b times the sum of the number of FTE's transported by the district in the regular ~~and~~, desegregation, and handicapped categories in the current school year.

(b) The nonregular transportation revenue for each district for the 1991-1992 school year equals the lesser of the district's actual costs in the 1991-1992 school year for nonregular transportation services or the product of the district's actual cost in the current 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year according to section 124.17, subdivision 2, times 1.03, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation category and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the 1991-1992 school year according to subdivision 7e.

(c) For the 1992-1993 and later school years, the nonregular transportation revenue for each district equals the lesser of the district's actual cost in the current school year for nonregular transportation services or the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year according to section 124.17, subdivision 2, times the nonregular transportation inflation factor for the current year, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the current year according to subdivision 7e. The nonregular transportation inflation factor for the 1992-1993 school year is 1.061.

Sec. 11. Minnesota Statutes 1990, section 124.225, is amended by adding a subdivision to read:

Subd. 7e. **EXCESS NONREGULAR TRANSPORTATION REVENUE.** (a) A district's excess nonregular transportation revenue for the 1991-1992 school year equals an amount equal to 80 percent of the difference between:

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(1) the district's actual cost in the 1991-1992 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times 1.15, times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year.

(b) A district's excess nonregular transportation revenue for the 1992-1993 school year and later school years equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times 1.30, times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year.

(c) The state total excess nonregular transportation revenue must not exceed \$2,000,000 for the 1991-1992 school year and \$2,000,000 for the 1992-1993 school year. If the state total revenue according to paragraph (a) or (b) exceeds the limit set in this paragraph, the excess nonregular transportation revenue for each district equals the district's revenue according to paragraph (a) or (b), times the ratio of the limitation set in this paragraph to the state total revenue according to paragraph (a) or (b).

Sec. 12. Minnesota Statutes 1990, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. **TRANSPORTATION AID.** (a) ~~For the 1988-1989 and 1989-1990 school years, a district's transportation aid is equal to the sum of its basic transportation aid under subdivision 8b; its nonregular transportation aid under subdivision 8i; and its nonregular transportation levy equalization aid under subdivision 8j; minus its contracted services aid reduction under subdivision 8k and minus its basic transportation levy limitation for the levy attributable to that school year under section 275.125, subdivision 5.~~

(b) ~~For 1990-1991 and later school years, A district's transportation aid equals the product of:~~

~~(1) the difference between the transportation revenue and the sum of:~~

~~(i) the maximum basic transportation levy for that school year under section 275.125, subdivision 5, plus~~

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(ii) the maximum nonregular transportation levy for that school year under section 275.125, subdivision 5c, plus

(iii) the contracted services aid reduction under subdivision 8k,

(2) times the ratio of the sum of the actual amounts levied under section 275.125, subdivisions 5 and 5c, to the sum of the permitted maximum levies under section 275.125, subdivisions 5 and 5c.

(e) (b) 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 transportation levy of off-formula districts in the same proportion.

Sec. 13. Minnesota Statutes 1990, section 124.225, subdivision 8k, is amended to read:

Subd. 8k. **CONTRACTED SERVICES AID REDUCTION.** (a) Each year, a district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category.

(b) ~~For the 1988-1989 and 1989-1990 school years, the department of education shall compute this subtraction by conducting the multiple regression analysis specified in subdivision 3 and computing the district's aid under two circumstances, once including the coefficient of the factor specified in subdivision 4b, clause (3), and once excluding the coefficient of that factor. The aid subtraction shall equal the difference between the district's aid computed under these two circumstances.~~

(e) ~~For 1990-1991 and later school years, The department of education shall determine the subtraction by computing the district's regular transportation revenue, excluding revenue based on the district's minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t), under two circumstances, once including the factor specified in subdivision 3a, clause paragraph (c), and once excluding the factor. The aid subtraction equals the difference between the district's revenue computed under the two circumstances.~~

Sec. 14. Minnesota Statutes 1990, section 124.225, subdivision 10, is amended to read:

Subd. 10. **DEPRECIATION.** Any school district that owns school buses or mobile units shall transfer annually from the undesignated fund balance account in its transportation fund to the reserved 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

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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, paragraph (b), clause (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 or levy 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 district's transportation revenue under subdivision 7e 7d.

Sec. 15. Minnesota Statutes 1990, section 275.125, subdivision 5, is amended to read:

Subd. 5. **BASIC TRANSPORTATION LEVY.** Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax rate times the adjusted net tax capacity of the district for the preceding year. ~~The basic transportation tax rate for fiscal year 1991 is 2.04 percent. Beginning in 1990,~~ The commissioner of revenue shall establish the basic transportation tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The basic transportation tax rate shall be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax rate for transportation shall be the rate that raises ~~\$66,700,000~~ \$64,300,000 for fiscal year 1993 and \$68,000,000 for fiscal year 1992 1994 and subsequent fiscal years. The basic transportation tax rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.

Sec. 16. Minnesota Statutes 1990, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. **TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.** (a) ~~In the 1989 and 1990 fiscal years, if the basic transportation levy under subdivision 5 in a district attributable to the fiscal year 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 second year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) 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.~~

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(b) ~~For 1991 and later fiscal years,~~ In a district if the basic transportation levy under subdivision 5 attributable to that fiscal year is more than the difference between (1) the district's transportation revenue under section 124.225, subdivision 7e 7d, and (2) the sum of the district's maximum nonregular levy under subdivision 5c and the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a, the district's transportation levy in the second year following each fiscal year must be reduced by the amount of the excess.

Sec. 17. Minnesota Statutes 1990, section 275.125, subdivision 5c, is amended to read:

Subd. 5c. **NONREGULAR TRANSPORTATION LEVY.** A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall be the result of the following computation:

(a) multiply

(1) the amount of the district's nonregular transportation revenue under section 124.225, subdivision 7e 7d, that is more than the product of ~~30~~ 60 times the district's ~~actual pupil units~~ average daily membership, by

(2) ~~60~~ 50 percent;

(b) subtract the result in clause (a) from the district's total nonregular transportation revenue;

(c) multiply the result in clause (b) by the lesser of one or the ratio of (i) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the ~~actual pupil units~~ average daily membership in the district for the school year to which the levy is attributable, to (ii) ~~7,258~~ 8,000.

Sec. 18. **LEVY ADJUSTMENT.**

The department of education shall adjust the 1991 levy for each school district by the amount of the change in the district's nonregular transportation levy for fiscal year 1992 according to Minnesota Statutes, section 275.125, subdivision 5c, resulting from the changes to nonregular transportation revenue and levy under sections 5, 10, 11, and 17. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy must be recognized as revenue for fiscal year 1992.

Sec. 19. **APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

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Subd. 2. TRANSPORTATION AID. For transportation aid according to Minnesota Statutes, section 124.225:

<u>\$116,340,000</u>	<u>.....</u>	<u>1992</u>
<u>\$123,133,000</u>	<u>.....</u>	<u>1993</u>

The 1992 appropriation includes \$17,679,000 for 1991 and \$98,661,000 for 1992.

The 1993 appropriation includes \$17,146,000 for 1992 and \$105,987,000 for 1993.

\$1,500,000 in fiscal year 1992 and \$1,000,000 in fiscal year 1993 are for desegregation costs not funded in the regular or nonregular transportation formulas. The department shall allocate these amounts in proportion to the unfunded desegregation costs. Any excess of the 1992 amount is not available for transfer under Minnesota Statutes, section 124.14, subdivision 7 and is available for unfunded desegregation costs in 1993.

Subd. 3. TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS. For transportation of pupils attending post-secondary institutions according to Minnesota Statutes, section 123.3514:

<u>\$45,000</u>	<u>.....</u>	<u>1992</u>
<u>\$45,000</u>	<u>.....</u>	<u>1993</u>

Subd. 4. TRANSPORTATION AID FOR ENROLLMENT OPTIONS. For transportation of pupils attending nonresident districts according to Minnesota Statutes, section 120.0621:

<u>\$15,000</u>	<u>.....</u>	<u>1992</u>
<u>\$15,000</u>	<u>.....</u>	<u>1993</u>

Subd. 5. TRANSFER AUTHORITY. If the appropriation in subdivision 3 or 4 for either year exceeds the amount needed to pay the state's obligation for that year under that subdivision, the excess amount may be used to make payments for that year under the other subdivision.

Subd. 6. TRANSFER AUTHORITY: FISCAL YEAR 1990 APPROPRIATION. If the appropriation in Laws 1989, chapter 329, article 2, section 8, subdivision 3 or 4 for fiscal year 1990, exceeds the amount needed to pay the state's obligation under that subdivision, the excess amount may be used to make payments under the other subdivision.

Sec. 20. **REPEALER.**

Minnesota Statutes 1990, section 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j, are repealed.

Sec. 21. **EFFECTIVE DATE.**

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Section 19, subdivision 6, is effective the day following final enactment.

### ARTICLE 3

#### SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 3b, is amended to read:

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

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

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

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

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

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

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) The commissioner shall establish a mediation process to assist parents, school districts, or other parties to resolve disputes arising out of the identification, assessment, or educational placement of handicapped children. The mediation process must be offered as an informal alternative to the due process hearing provided under clause (e), but must not be used to deny or postpone the opportunity of a parent or guardian to obtain a due process hearing.

(e) Parents, guardians, and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted by and in the school

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district responsible for assuring that an appropriate program is provided in accordance with state board rules, if the parent or guardian continues to object to:

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

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

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

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

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

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

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

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

The local decision shall:

(1) be in writing;

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

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

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

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

~~(f)~~ (g) Any local decision issued pursuant to clauses ~~(d)~~ (e) and ~~(e)~~ (f) may be appealed to the hearing review officer within 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district responsible for assuring that an appropriate program is provided in accordance with state board rules.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final independent decision based on an impartial review of the local decision and the entire record within ~~30~~ 60 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

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

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

~~(h)~~ (i) The commissioner of education; ~~having delegated general supervision of special education to the appropriate staff;~~ shall be select an individual who has the qualifications enumerated in this paragraph to serve as the hearing review officer ~~except for appeals in which:~~

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(1) ~~the commissioner has~~ individual must be knowledgeable and impartial;

(2) the individual must not have a personal interest in or specific involvement with the student who is a party to the hearing;

(2) (3) ~~the commissioner has~~ individual must not have been employed as an administrator by the district that is a party to the hearing;

(3) (4) ~~the commissioner has~~ individual must not have been involved in the selection of the administrators of the district that is a party to the hearing;

(4) (5) ~~the commissioner has~~ individual must not have a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

(5) (6) ~~the appeal challenges~~ individual must not have substantial involvement in the development of a state or local policy which was developed with substantial involvement of the commissioner; or procedures that are challenged in the appeal;

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

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

(7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, the state department of education, the state board of education, or a parent advocacy organization or group.

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

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

(j) (l) The child's school district of residence, a resident district, and providing district shall receive notice of and may be a party to any hearings or appeals under this subdivision.

Sec. 2. Minnesota Statutes 1990, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. **ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.** Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota state academy for the deaf or the

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Minnesota state academy for the blind shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which the child's parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivision 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged shall not exceed the basic revenue of the district for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 124A.22, subdivision 2. The district of the child's residence shall pay the tuition and may claim general education aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision. ~~All~~ Tuition received by the state board, except for tuition received under clause (c), shall be deposited in the state treasury as provided in clause (g).

(c) In addition to the tuition charge allowed in clause (b), the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, if that aide is required by the child's individual education plan. Tuition received under this clause must be used by the academies to provide the required service.

~~(e)~~ (d) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

~~(d)~~ (e) Notwithstanding the provisions of clauses (b) and ~~(e)~~ (d), the state board may agree to make a tuition charge for less than the amount specified in clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause ~~(e)~~ (d) for providing appropriate educational programs to pupils attending the applicable school.

(e) (f) Notwithstanding the provisions of clauses (b) and ~~(e)~~ (d), the state board may agree to supply staff from the Minnesota state academy for the deaf and the Minnesota state academy for the blind to participate in the programs

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provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

(g) On May 1 of each year, the state board shall count the actual number of Minnesota resident elementary students and the actual number of Minnesota resident secondary students enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The state board shall deposit in the state treasury an amount equal to all tuition received less:

(1) the total number of students on May 1 less 175, times the ratio of the number of elementary students to the total number of students on May 1, times the general education formula allowance; plus

(2) the total number of students on May 1 less 175, times the ratio of the number of secondary students on May 1 to the total number of students on May 1, times 1.3, times the general education formula allowance.

(h) The sum provided by the calculation in clause (g), subclauses (1) and (2), must be deposited in the state treasury and credited to the general operation account of the academy for the deaf and the academy for the blind.

(i) There is annually appropriated to the department of education for the Faribault academies the tuition amounts received and credited to the general operation account of the academies under this section.

### **Sec. 3. [120.173] ALTERNATIVE DELIVERY OF SPECIALIZED INSTRUCTIONAL SERVICES.**

Subdivision 1. COMMISSIONER APPROVAL. The commissioner of education may approve applications from school districts to provide prevention services as an alternative to special education and other compensatory programs during three school years. A district with an approved program may provide instruction and services in a regular education classroom to eligible pupils. Pupils eligible to participate in the program are low-performing pupils who, based on documented experience, the professional judgment of a classroom teacher, or a team of licensed professionals, would eventually qualify for special education instruction or related services under section 120.17 if the intervention services authorized by this section were unavailable. Pupils may be provided services during extended school days and throughout the entire year.

Subd. 2. APPLICATION CONTENTS. The application must set forth:

(1) instructional services available to eligible pupils under section 124.311, subdivision 3, and handicapped pupils under section 120.03;

(2) criteria to select pupils for the program and the assessment procedures to determine eligibility;

(3) involvement in the program of parents of pupils in the program, parent advocates, and community special education advocates;

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(4) accounting procedures to document that federal special education money is used to supplement or increase the level of special education instruction and related services provided with state and local revenue, but in no case to supplant the state and local revenue, and that districts are expending at least the amount for special education instruction and related services required by federal law;

(5) the role of regular and special education teachers in planning and implementing the program; and

(6) other information requested by the commissioner.

Subd. 3. EVALUATION. The application shall also set forth the review and evaluation procedures to be used by the district addressing at least the following:

(1) the number of handicapped and nonhandicapped pupils served;

(2) the impact of the program on the academic progress and social adjustment of the pupils;

(3) the level of satisfaction teachers, parents, and pupils have with the program;

(4) the effect of the program on the number of referrals for special education, federal chapter 1, and other programs;

(5) the amount of time spent by teachers on procedural activities;

(6) the increased amount of time the pupil is in a regular education classroom; and

(7) cost implications.

Subd. 4. REVIEW FOR EXCESS EXPENDITURES. The commissioner shall review each application to determine whether the personnel, equipment, supplies, residential aid, and summer school are necessary to meet the district's obligation to provide special instruction and services to handicapped children according to section 120.17. The commissioner shall not approve revenue for any expenditures determined to be unnecessary.

Subd. 5. ANNUAL REPORT. Each year the district must submit to the commissioner a report containing the information described in subdivision 3 and section 124.311, subdivision 7.

Subd. 6. PUPIL RIGHTS. A pupil participating in the program must be individually evaluated according to the pupil's actual abilities and needs. A pupil who is eligible for services under section 120.17 is entitled to procedural protections provided under Public Law Number 94-142 in any matter that affects the identification, evaluation, placement, or change in placement of a pupil. The district must ensure the protection of a pupil's civil rights, provide equal educational opportunities, and prohibit discrimination. Failure to comply

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with this subdivision will at least cause a district to become ineligible to participate in the program. Notwithstanding rules of the state board of education, a pupil's rights under this section cannot be waived by the state board.

Sec. 4. Minnesota Statutes 1990, section 120.181, is amended to read:

**120.181 TEMPORARY PLACEMENTS FOR CARE AND TREATMENT OF NONHANDICAPPED PUPILS.**

The responsibility for providing instruction and transportation for a nonhandicapped pupil who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, and who is temporarily placed for care and treatment for that illness or disability, shall be determined in the following manner:

(a) The school district of residence of the pupil shall be the district in which the pupil's parent or guardian resides or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) Prior to the placement of a pupil for care and treatment, the district of residence shall be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, shall notify the district of residence of the emergency placement within 15 days of the placement.

(c) When a nonhandicapped pupil is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence shall provide instruction and necessary transportation for the pupil. The district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district.

(d) When a nonhandicapped pupil is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed shall provide instruction for the pupil and necessary transportation within that district while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district shall bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. When a nonhandicapped pupil is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil shall send timely written notice of the placement to the district of residence.

(e) The district of residence shall receive general education aid for the pupil and pay tuition and other instructional costs, excluding transportation costs, to

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the district providing the instruction. Transportation costs shall be paid by the district providing the transportation and the state shall pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision shall be included in the handicapped transportation category.

Sec. 5. Minnesota Statutes 1990, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. **TEACHERS SALARIES.** Each year the state shall pay a school district 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. Notwithstanding the foregoing, the state shall pay a portion of the salary, ~~calculated from the date of hire,~~ of one-half of a 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 ~~64~~ 55.2 percent of the salary or ~~\$17,000~~ \$15,320. The portion for a part-time or limited-time teacher shall be the lesser of ~~64~~ 55.2 percent of the salary or the product of ~~\$17,000~~ \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 6. Minnesota Statutes 1990, section 124.311, subdivision 4, is amended to read:

Subd. 4. **ELIGIBLE SERVICES.** Assurance of mastery revenue must be used to provide direct instructional services to an eligible pupil, or group of eligible pupils, under the following conditions:

(a) Instruction may be provided at one or more grade levels from kindergarten through grade 8. If an assessment of pupils' needs within a district demonstrates that the eligible pupils in grades kindergarten through 8 are being appropriately served, a district may serve eligible pupils in grades 9 through 12.

(b) Instruction must be provided in the usual and customary classroom of the eligible pupil.

(c) Instruction must be provided under the supervision of the eligible pupil's regular classroom teacher. Instruction may be provided by the eligible pupil's classroom teacher, by another teacher, by a team of teachers, or by an education assistant or aide. A special education teacher may provide instruction, but instruction that is provided under this section is not eligible for aid under section 124.32.

(d) The instruction that is provided must differ from the initial instruction the pupil received in the regular classroom setting. The instruction may differ by presenting different curriculum than was initially presented in the regular classroom, or by presenting the same curriculum:

(1) at a different rate or in a different sequence than it was initially presented;

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(2) using different teaching methods or techniques than were used initially;  
or

(3) using different instructional materials than were used initially.

Sec. 7. Minnesota Statutes 1990, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. **TEACHERS SALARIES.** (a) Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts. The state shall also pay to the Minnesota state academy for the deaf or the Minnesota state academy for the blind a part of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan.

(b) For the 1991-1992 school year, the portion for a full-time person shall be an amount not to exceed the lesser of ~~60~~ 56.4 percent of the salary or ~~\$16,727~~ \$15,700. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of ~~60~~ 56.4 percent of the salary or the product of ~~\$16,727~~ \$15,700 times the ratio of the person's actual employment to full-time employment.

(c) For the 1992-1993 school year and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is an amount not to exceed the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 8. Minnesota Statutes 1990, 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 subdivisions 1b, 1d, and 5 for the ~~preceding~~ current school year. The state shall also pay to the Minnesota state academy for the deaf or the Minnesota state academy for the blind a part of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan. 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.

Sec. 9. **[124.321] SPECIAL EDUCATION LEVY EQUALIZATION REVENUE.**

Subdivision 1. LEVY EQUALIZATION REVENUE. Special education levy equalization revenue for a school district, excluding an intermediate school district, equals the sum of the following amounts:

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(1) 66 percent of the 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 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) 66 percent of the 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 those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) 61 percent of the salaries paid to limited English proficiency program teachers in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable, plus

(4) the alternative delivery levy revenue determined according to section 10, subdivision 4, plus

(5) the amount allocated to the district by special education cooperatives or intermediate districts in which it participates according to subdivision 2.

A district that receives alternative delivery levy revenue according to section 10, subdivision 4, shall not receive levy equalization revenue under clause (1) or subdivision 2, clause (1), for the same fiscal year.

**Subd. 2. REVENUE ALLOCATION FROM COOPERATIVES AND INTERMEDIATE DISTRICTS.** (a) For purposes of this section, a special education cooperative or an intermediate district shall allocate to participating school districts the sum of the following amounts:

(1) 66 percent of the salaries paid to essential personnel in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these essential personnel under section 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) 66 percent of the 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 those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) 61 percent of the salaries paid to limited English proficiency program teachers in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable.

(b) A special education cooperative or an intermediate district that allocates

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amounts to participating school districts under this subdivision must report the amounts allocated to the department of education.

(c) For purposes of this subdivision, the Minnesota state academy for the deaf or the Minnesota state academy for the blind each year shall allocate an amount equal to 66 percent of salaries paid to instructional aides in either academy minus the amount of state aid and any federal aid, if applicable, paid to either academy for salaries of these instructional aides under sections 124.32, subdivisions 1b and 10, for the year to each school district that assigns a child with an individual education plan requiring an instructional aide to attend either academy. The school districts that assign a child who requires an instructional aide may make a levy in the amount of the costs allocated to them by either academy.

(d) When the Minnesota state academy for the deaf or the Minnesota state academy for the blind allocates unreimbursed portions of salaries of instructional aides among school districts that assign a child who requires an instructional aide, for purposes of the districts making a levy under this subdivision, the academy shall provide information to the department of education on the amount of unreimbursed costs of salaries it allocated to the school districts that assign a child who requires an instructional aide.

Subd. 3. SPECIAL EDUCATION LEVY. To receive special education levy revenue, a district may levy an amount equal to the district's special education levy equalization revenue as defined in subdivision 1 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to

(2) \$3,540.

Subd. 4. SPECIAL EDUCATION LEVY EQUALIZATION AID. A district's special education levy equalization aid is the difference between its special education levy equalization revenue and its special education levy. If a district does not levy the entire amount permitted, special education levy equalization aid must be reduced in proportion to the actual amount levied.

Subd. 5. PRORATION. In the event that the special education levy equalization aid for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

#### **Sec. 10. [124.322] ALTERNATIVE DELIVERY REVENUE.**

Subdivision 1. ELIGIBILITY. A district is eligible for alternative delivery revenue if the commissioner of education has approved the application of the district according to section 3.

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Subd. 2. AMOUNT OF ALTERNATIVE DELIVERY REVENUE. For the first fiscal year after approval of an application, a district shall receive the sum of the revenue it received for the preceding fiscal year for its special education program under sections 124.32, subdivisions 1b, 2, 5, and 10, and Minnesota Statutes 1990, section 275.125, subdivision 8c, or section 9, subdivisions 1 and 2, as applicable, multiplied by 1.03. For each of the next two fiscal years, the district shall receive the amount it received for the previous fiscal year multiplied by 1.03.

Subd. 3. ALTERNATIVE DELIVERY AID. For the first fiscal year after approval of an application, a district shall receive the sum of the aid it received for the preceding fiscal year under section 124.32, subdivisions 1b, 2, 5, and 10, multiplied by 1.03. The aid for the first year of revenue shall not be prorated. For each of the next two fiscal years, the district shall receive the amount of aid it received for the previous fiscal year multiplied by 1.03. A district that receives aid under this subdivision shall not receive aid under section 124.32, subdivisions 1b, 2, 5, and 10, for the same fiscal year.

Subd. 4. ALTERNATIVE DELIVERY LEVY REVENUE. A district shall receive alternative delivery levy revenue equal to the difference between the alternative delivery revenue and the alternative delivery aid. If the alternative delivery aid for a district is prorated for the second or third fiscal years, the alternative delivery levy revenue shall be increased by the amount not paid by the state due to proration. For fiscal year 1993 and thereafter, the alternative delivery levy revenue shall be included under section 9, subdivision 1, for purposes of computing the special education levy under section 9, subdivision 3, and the special education levy equalization aid under section 9, subdivision 4.

Subd. 5. USE OF REVENUE. Revenue under this section shall be used to implement the approved program.

Sec. 11. Minnesota Statutes 1990, section 124.332, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBILITY.** A district is eligible for individualized learning and development aid if the school board of the district has adopted a district instructor-learner ratio specified by the district's curriculum advisory committee and submits its ratio to the department of education by the April 15, 1990 preceding the year for which the district will receive aid.

Sec. 12. Minnesota Statutes 1990, section 124.332, subdivision 2, is amended to read:

Subd. 2. **AID AMOUNT.** An eligible district shall receive individualized learning and development aid in an amount equal to ~~\$62.25~~ \$64 for 1991-1992 and \$66 for 1992-1993 and thereafter times the district's average daily membership in kindergarten ~~and grade 1~~ to grade 2 for the 1991-1992 school year, and in kindergarten to grade 3 for the 1992-1993 school year and thereafter. Aid received under this subdivision must be used only to achieve the district's

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instructor-learner ratios and prepare and use individualized learning plans for learners in ~~kindergarten and grade 1~~ the grades for which the district is receiving aid. If the district has achieved and is maintaining the district's instructor-learner ratios, then the district may use the aid to work to improve program offerings throughout the district.

Sec. 13. Minnesota Statutes 1990, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. **SECONDARY VOCATIONAL AID.** ~~For 1989-1990 and later school years,~~ A district's or cooperative center's "secondary vocational aid" for secondary vocational education programs for a ~~school~~ fiscal year equals the sum of the following amounts for each program:

(a) the greater of zero, or 75 percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that program, and

(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in that program; and

(b) ~~30~~ 40 percent of approved expenditures for the following:

(1) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under section 124.573, subdivision 3a;

(2) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) specialized vocational instructional supplies.

Sec. 14. Minnesota Statutes 1990, 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. ~~For the 1986-1987 school year, the state shall pay each district or cooperative~~

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center 40 percent of the amount of a contract entered into pursuant to this subdivision. For the 1987-1988 school year, the state shall pay each district or cooperative center 35 percent of the amount of a contract entered into under 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.

Sec. 15. Minnesota Statutes 1990, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. **SALARIES.** Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person employed during that school fiscal year for services rendered in that district or center's secondary vocational education programs for handicapped children.

(a) For fiscal year 1992, the portion for a full-time person shall be an amount not to exceed the lesser of ~~60~~ 56.4 percent of the salary or ~~\$16,727~~ \$15,700. The portion for a part-time or limited-time person shall be the lesser of ~~60~~ 56.4 percent of the salary or the product of ~~\$16,727~~ \$15,700 times the ratio of the person's actual employment to full-time employment.

(b) For fiscal year 1993 and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 16. Minnesota Statutes 1990, section 124.86, is amended to read:

**124.86 STATE REVENUE FOR AMERICAN INDIAN TRIBAL CONTRACT OR GRANT SCHOOLS.**

Subdivision 1. **AUTHORIZATION.** Each year each American Indian-controlled tribal contract or grant school authorized by the United States Code, title 25, section 450f, that is located on a reservation within the state is eligible to receive tribal contract or grant school aid subject to the requirements in this subdivision.

(a) The school must plan, conduct, and administer an education program that complies with the requirements of this chapter and chapters 120, 121, 122, 123, 124A, 124C, 125, 126, 129, and 268A.

(b) The school must comply with all other state statutes governing independent school districts.

(c) The state tribal contract or grant school aid must be used to supplement, and not to replace, the money for American Indian education programs provided by the federal government.

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Subd. 2. **REVENUE AMOUNT.** An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the difference between (a) the actual pupil units as defined in section 124A.02, subdivision 15, ~~in attendance during the fall count week~~ in average daily membership and (b) the number of pupils for the current school year, weighted according to section 124.17, subdivision 1, receiving benefits under section 123.933 or 123.935 or for which the school is receiving reimbursement under section 126.23;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units in average daily membership; and

(4) multiplying the actual pupil units in average daily membership by the lesser of \$1,500 or the result in clause (3).

Subd. 3. ~~LAW WAIVER.~~ Notwithstanding subdivision 1, paragraphs (a) and (b), a tribal contract or grant school:

(1) is not subject to the Minnesota election law;

(2) has no authority under this section to levy for property taxes, issue and sell bonds, or incur debt; and

(3) may request through its managing tribal organization a recommendation of the state board of education, for consideration of the legislature, that a tribal contract or grant school not be subject to specified statutes related to independent school districts.

Subd. 4. **EARLY CHILDHOOD FAMILY EDUCATION REVENUE.** A school receiving aid under this section is eligible to receive early childhood family education revenue to provide early childhood family education programs for parents and children who are enrolled or eligible for enrollment in a federally recognized tribe. The revenue equals 1.5 times the statewide average expenditure per participant under section 124.2711, times the number of children and parents participating full time in the program. The program shall comply with

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section 121.882, except that the school is not required to provide a community education program or establish a community education advisory council. The program shall be designed to improve the skills of parents and promote American Indian history, language, and culture. The school shall make affirmative efforts to encourage participation by fathers. Admission may not be limited to those enrolled in or eligible for enrollment in a federally recognized tribe.

**Sec. 17. [125.62] GRANTS TO PREPARE INDIAN TEACHERS.**

Subdivision 1. ESTABLISHMENT. A grant program is established to assist American Indian people to become teachers and to provide additional education for American Indian teachers. The state board may award a joint grant to each of the following:

(1) the Duluth campus of the University of Minnesota and independent school district No. 709, Duluth;

(2) Bemidji state university and independent school district No. 38, Red Lake;

(3) Moorhead state university and one of the school districts located within the White Earth reservation; and

(4) Augsburg college and special school district No. 1, Minneapolis.

Subd. 2. APPLICATION. To obtain a joint grant, a joint application shall be submitted to the state board of education. The application must be developed with the participation of the parent advisory committee, established according to section 126.51, and the Indian advisory committee at the post-secondary institution. The joint application shall set forth:

(1) the in-kind, coordination, and mentorship services to be provided by the post-secondary institution; and

(2) the coordination and mentorship services to be provided by the school district.

Subd. 3. REVIEW AND COMMENT. The state board shall submit the joint application to the Minnesota Indian scholarship committee for review and comment.

Subd. 4. GRANT AMOUNT. The state board may award a joint grant in the amount it determines to be appropriate. The grant shall include money for the post-secondary institution, school district, student scholarships, and student loans.

Subd. 5. INFORMATION TO STUDENT APPLICANTS. At the time a student applies for a scholarship and loan, the student shall be provided information about the fields of licensure needed by school districts in the part of the state within which the district receiving the joint grant is located. The information shall be acquired and periodically updated by the recipients of the joint grant. Information provided to students shall clearly state that scholarship and loan decisions are not based upon the field of licensure selected by the student.

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Subd. 6. ELIGIBILITY FOR SCHOLARSHIPS AND LOANS. The following Indian people are eligible for scholarships:

(1) a student, including a teacher aide employed by a district receiving a joint grant, who intends to become a teacher and who is enrolled in a post-secondary institution receiving a joint grant;

(2) a licensed employee of a district receiving a joint grant, who is enrolled in a master of education program; and

(3) a student who, after applying for federal and state financial aid and an Indian scholarship according to section 124.48, has financial needs that remain unmet. Financial need shall be determined according to the uniform methodology for needs determination.

A person who has actual living expenses in addition to those addressed by the uniform methodology for needs determination may receive a loan according to criteria established by the state board. A contract shall be executed between the state and the student for the amount and terms of the loan.

Subd. 7. LOAN FORGIVENESS. The loan may be forgiven if the recipient is employed as a teacher, as defined in section 125.12 or 125.17, in an eligible school or program in Minnesota. One-fifth of the principal of the outstanding loan amount shall be forgiven for each year of eligible employment, or a pro rata amount for eligible employment during part of a school year, part-time employment as a substitute teacher, or other eligible part-time teaching. The following schools and programs are eligible for the purposes of loan forgiveness:

(1) a school or program operated by a school district;

(2) a tribal contract school eligible to receive aid according to section 124.86;

(3) a head start program;

(4) an early childhood family education program; or

(5) a program providing educational services to children who have not entered kindergarten.

If a person has an outstanding loan obtained through this program, the duty to make payments of principal and interest may be deferred during any time period the person is enrolled at least one-half time in an advanced degree program in a field that leads to employment by a school district. To defer loan obligations, the person shall provide written notification to the state board of education and the recipients of the joint grant that originally authorized the loan. Upon approval by the state board and the joint grant recipients, payments shall be deferred.

The loan forgiveness program, loan deferral, and procedures to administer the program shall be approved by the higher education coordinating board.

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Subd. 8. REVOLVING FUND. The Indian teacher preparation loan repayment revolving account is established in the state treasury. Any amounts repaid or contributed by a teacher who received a scholarship or loan under this program shall be deposited in the account. All money in the account is annually appropriated to the state board of education and shall be used to enable Indian students to participate in the program.

Sec. 18. Minnesota Statutes 1990, section 126.51, subdivision 1a, is amended to read:

Subd. 1a. RESOLUTION OF CONCURRENCE. Each year by September 15 and June 15 of each school year December 1, the school board or American Indian school shall submit to the department of education a copy of a resolution adopted by the parent committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian children offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations shall be submitted with the resolution. By resolution, the school board shall respond, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations.

**Sec. 19. [127.281] EXCLUSION AND EXPULSION OF HANDICAPPED PUPILS.**

When a pupil who has an individual education plan is excluded or expelled under sections 127.26 to 127.39 for misbehavior that is not a manifestation of the pupil's handicapping condition, the district shall provide special education and related services after a period of suspension, if suspension is imposed. The district shall initiate a review of the pupil's individual education plan within ten days of the commencement of an expulsion, exclusion, or a suspension of ten days or more.

**Sec. 20. [128B.011] PINE POINT SCHOOL GOVERNANCE AND STANDARDS.**

Subdivision 1. GOVERNANCE. The care, management, and control of Pine Point school is vested in the White Earth reservation tribal council. The council has the same powers and duties as a school board under chapters 120 to 129 and other provisions applicable to school boards. The tribal council may delegate powers and duties for the operation of the school to the Indian education committee. The committee may exercise powers and duties delegated to it.

Subd. 2. STANDARDS. The school is a public school providing instruction for pupils in kindergarten through the 8th grade. Instruction shall meet the same standards for instruction as are required for other public schools.

Subd. 3. COOPERATION WITH SCHOOL DISTRICTS. If the council determines it cannot adequately provide certain services, the council shall pur-

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chase or share services with one or more school districts or other provider for instruction, administration, or other requirements of operating the school, including curriculum, teachers, support services, supervision, administration, financial accounting and reporting, and other instructional and noninstructional programs. The council is encouraged to cooperate with school districts to increase and improve instructional and support services available to the pupils in the school.

Sec. 21. Minnesota Statutes 1990, section 128B.03, is amended by adding a subdivision to read:

Subd. 3a. STATE REVENUES. The state shall pay to the council for the support of the school all aids, revenues, and grants available to a school district as though the school were a school district. The aids, revenues, and grants include, but are not limited to, the following:

(1) general education revenue, as defined in section 124A.22, subdivision 1, including at least compensatory revenue;

(2) transportation revenue;

(3) capital expenditure facilities revenue;

(4) capital expenditure equipment revenue;

(5) special education revenue;

(6) limited English proficiency aid;

(7) career teacher aid;

(8) assurance of mastery revenue;

(9) school lunch revenue;

(10) school milk revenue;

(11) health and safety revenue;

(12) Indian language and culture grants;

(13) arts planning grants; and

(14) all other aids, revenues, or grants available to a school district.

If there are eligibility requirements for an aid, revenue, or grant, the requirements shall be met in order to obtain the aid, revenue, or grant, except that a requirement to levy shall be waived. To compute the amount of aid, revenue, or grant requiring a levy, the amount of the levy shall be zero.

If a school district obtains revenue from the proceeds of a levy, the council shall be deemed to have levied and the state shall pay aid equal to the amount

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that would have been levied. The amount shall be approved by the commissioner of education.

The proceeds of any aid, grant, or revenue shall be used only as provided in the applicable statute.

Sec. 22. Minnesota Statutes 1990, section 128B.03, subdivision 4, is amended to read:

Subd. 4. ~~DISTRICT 309 FEDERAL AID.~~ (a) The school board of independent school district No. 309 must transfer to the council, to the extent permissible, any federal aids or grants which the school district is eligible for or entitled to because of:

- (1) the population in the ~~experimental~~ school attendance area;
- (2) the pupils actually attending the ~~experimental~~ school;
- (3) the program of the ~~experimental~~ school;
- (4) the boundaries of the attendance area of the ~~experimental~~ school; or
- (5) a related reason.

(b) ~~For the sole purpose of receiving federal impact aid, the experimental school on the land comprising the former independent school district No. 25 is a local education agency, according to Code of Federal Regulations, title 34, section 222.80. The school and the land must not be included, for the purpose of determining federal impact aid, in independent school district No. 309.~~

Sec. 23. Minnesota Statutes 1990, section 128B.03, subdivision 5, is amended to read:

Subd. 5. ~~AUDITS; STATE AUDITOR LAW.~~ The council must have an audit done annually of the accounts of the ~~experimental~~ school. The audit must be finished within one year after the year for which the audit is made. ~~The council is subject to chapter 6, relating to the state auditor.~~

Sec. 24. Minnesota Statutes 1990, section 128B.03, subdivision 7, is amended to read:

Subd. 7. ~~INSURANCE.~~ The council may buy the insurance specified in sections 123.35, subdivision 13, and 123.41. The council must buy insurance to the extent required by chapter 466 and is not liable beyond the extent provided by ~~section 466.12, subdivision 3a~~ chapter 466. The term "average number of pupils" in section 466.12, subdivision 3a, means, for this subdivision, the average number of pupils attending the ~~experimental~~ school.

Sec. 25. Minnesota Statutes 1990, section 128B.04, is amended to read:

**128B.04 ALL PUPILS IN AREA ARE RESIDENT PUPILS.**

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~~For chapter 120,~~ A pupil in kindergarten through 8th grade who resides within former independent school district No. 25 is a resident pupil of the ~~experimental school attendance area, as if the area were a school district for the~~ purposes of chapter 120. Pupils enrolled in the school may not be counted by independent school district No. 309 for the purposes of receiving revenue according to chapters 120 to 129.

Sec. 26. Minnesota Statutes 1990, section 128B.05, subdivision 2, is amended to read:

Subd. 2. **COUNCIL TEACHERS ARE UNIT.** Teachers employed by the council are employees of the ~~experimental school council~~ and are an "appropriate unit" or a "unit" under chapter 179A, notwithstanding section 179A.03, subdivision 2.

Sec. 27. Minnesota Statutes 1990, section 128B.05, subdivision 3, is amended to read:

Subd. 3. **DISTRICT 309 TEACHERS.** Teachers employed by the school board of independent school district No. 309 who are assigned by the board to the ~~experimental~~ school remain employees of the board.

Sec. 28. Minnesota Statutes 1990, section 128B.06, subdivision 1, is amended to read:

Subdivision 1. **EDUCATION CODE.** The management of the ~~experimental~~ school by the council is governed by the education code and other law affecting ~~public~~ school districts.

Sec. 29. Minnesota Statutes 1990, section 128B.08, is amended to read:

**128B.08 REPORTS TO LEGISLATURE.**

Before December 1 of each year the council must submit a report to the legislature on the ~~experimental~~ school established by this chapter. The report must document the success or failure of the ~~experimental~~ school.

Sec. 30. Minnesota Statutes 1990, section 128B.09, is amended to read:

**128B.09 ~~END OF EXPERIMENT; TRANSFER BACK TO DISTRICT~~ 309.**

~~At any time before July 1, 1991, the experimental status of~~ The school may be ended ~~on closed by~~ unanimous vote of the officers of the ~~tribal~~ council and ~~30 days' notice to the school board of independent school district No. 309 effective June 30 of any year. Then~~ The school board of independent school district No. 309 ~~must resume management of the entire district shall assume responsibility for the pupils in the school on the next July 1.~~ shall assume responsibility for the pupils in the school on the next July 1.

Sec. 31. Minnesota Statutes 1990, section 128B.10, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.



Subdivision 1. **EXTENSION.** This chapter is repealed July 1, ~~1991~~ 1993.

Sec. 32. Minnesota Statutes 1990, section 128B.10, subdivision 2, is amended to read:

Subd. 2. **STATE AUDIT.** The state auditor shall conduct an audit of the school's finances for each even-numbered fiscal years 1989 and 1990 year without charge to the school. ~~A preliminary or, if completed, a final~~ The report for fiscal year 1989 of each audit shall be submitted by February 15, 1990, to the White Earth reservation tribal council, the Pine Point Indian education committee, and the commissioner of education committees of the legislature, and the legislative reference library.

Sec. 33. **CAPITAL EXPENDITURE REVENUE TRANSFER.**

Independent school district No. 309, Park Rapids, shall pay to the White Earth reservation tribal council capital expenditure facilities revenue and capital expenditure equipment revenue that the school district received as a result of including the pupils enrolled in Pine Point school in the school district's pupil count for those revenues. By June 30, 1991, Park Rapids shall pay the amount attributable to fiscal years 1988, 1989, 1990, and 1991. The amounts attributable to fiscal years before 1988 shall be paid according to a schedule agreed upon by the tribal council and the school board. The amounts to be paid shall reflect total revenue and not state aid.

Upon request of the tribal council or the school district, the amounts to be paid shall be approved by the state board of education.

Sec. 34. **STATE AUDITOR'S BILLING FOR PINE POINT SCHOOL.**

The state auditor may not bill the White Earth tribal council or the Pine Point Indian education committee for the costs or expenses of audits conducted of the school's finances for fiscal years 1989 and 1990. Any bills for the audits shall not be paid by the tribal council or the Indian education committee.

Sec. 35. **ESTABLISHMENT OF REVOLVING FUND AND APPLICABILITY OF LOAN REPAYMENTS.**

All loan repayments made by a person according to Laws 1989, chapter 329, article 3, section 22, shall be deposited in the Indian teacher preparation loan repayment revolving fund by the commissioner of finance.

Sec. 36. **1992 SPECIAL EDUCATION LEVY ADJUSTMENT.**

A district's maximum special education levy for fiscal year 1992 equals the district's special education levy revenue for fiscal year 1992 according to the provisions in this article for special education levy equalization revenue. A district may levy for taxes payable in 1992 an amount equal to the difference between its maximum special education levy for fiscal year 1992 and the amount it levied for taxes payable in 1991 under Minnesota Statutes 1990, section

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275.125, subdivision 8c. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

**Sec. 37. INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.**

Notwithstanding Minnesota Statutes, section 124.332, subdivision 1, a district may submit its instructor learner ratio to the commissioner for the 1991-1992 school year by August 1, 1991.

**Sec. 38. INSTRUCTION TO THE REVISOR.**

In the next edition of Minnesota Statutes, the revisor of statutes shall delete each term in column A and insert the term in column B wherever the terms in column A appear within the education code.

<u>Column A</u>	<u>Column B</u>
<u>Handicapped children</u>	<u>Children with a disability</u>
<u>Handicapping conditions</u>	<u>Disabling conditions</u>
<u>Handicapped pupil</u>	<u>Pupil with a disability</u>
<u>Nonhandicapped pupil</u>	<u>Pupil without a disability</u>
<u>Nonhandicapped children</u>	<u>Children without a disability</u>
<u>Handicapped student</u>	<u>Pupil with a disability</u>
<u>Handicapped child</u>	<u>Child with a disability</u>
<u>Children with handicaps</u>	<u>Children with disabilities</u>
<u>Handicapped youth</u>	<u>Youth with a disability</u>
<u>Handicapped individuals</u>	<u>Individuals with a disability</u>

**Sec. 39. APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. SPECIAL EDUCATION AID. For special education aid according to Minnesota Statutes, section 124.32:

\$167,105,000   ..... 1992  
\$167,238,000   ..... 1993

The 1992 appropriation includes \$24,996,000 for 1991 and \$142,109,000 for 1992.

The 1993 appropriation includes \$25,078,000 for 1992 and \$142,160,000 for 1993.

Subd. 3. SPECIAL PUPIL AID. For special education aid according to Minnesota Statutes, section 124.32, subdivision 6, for pupils with handicaps placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$395,000       ..... 1992  
\$436,000       ..... 1993

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If the appropriation for either year is insufficient, the appropriation for the other year is available. If the appropriations for both years are insufficient, the appropriation for special education aid may be used to meet the special pupil obligations.

**Subd. 4. SUMMER SPECIAL EDUCATION AID.** For special education summer program aid according to Minnesota Statutes, section 124.32, subdivision 10:

\$4,885,000	.....	1992
\$4,865,000	.....	1993

The 1992 appropriation is for 1991 summer programs.

The 1993 appropriation is for 1992 summer programs.

**Subd. 5. TRAVEL FOR HOME-BASED SERVICES.** For aid for teacher travel for home-based services according to Minnesota Statutes, section 124.32, subdivision 2b:

\$66,000	.....	1992
\$71,000	.....	1993

The 1992 appropriation includes \$7,000 for 1991 and \$59,000 for 1992.

The 1993 appropriation includes \$10,000 for 1992 and \$61,000 for 1993.

**Subd. 6. RESIDENTIAL FACILITIES AID.** For residential facilities aid under aid according to Minnesota Statutes, section 124.32, subdivision 5:

\$2,315,000	.....	1992
\$2,535,000	.....	1993

**Subd. 7. LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.** For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273:

\$3,853,000	.....	1992
\$3,994,000	.....	1993

The 1992 appropriation includes \$512,000 for 1991 and \$3,341,000 for 1992.

The 1993 appropriation includes \$589,000 for 1992 and \$3,405,000 for 1993.

**Subd. 8. AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.** For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124.481:

\$857,000	.....	1992
\$857,000	.....	1993

Any balance in the first year does not cancel but is available in the second year.

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**Subd. 9. AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.** For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1:

\$591,000 ..... 1992  
\$590,000 ..... 1993

The 1992 appropriation includes \$89,000 for 1991 and \$502,000 for 1992.

The 1993 appropriation includes \$88,000 for 1992 and \$502,000 for 1993.

Any balance in the first year does not cancel but is available in the second year.

**Subd. 10. SECONDARY VOCATIONAL; PUPILS WITH DISABILITIES.** For aid for secondary vocational education for pupils with disabilities according to Minnesota Statutes, section 124.574:

\$4,691,000 ..... 1992  
\$4,652,000 ..... 1993

The 1992 appropriation includes \$729,000 for 1991 and \$3,962,000 for 1992.

The 1993 appropriation includes \$699,000 for 1992 and \$3,953,000 for 1993.

**Subd. 11. ASSURANCE OF MASTERY.** For assurance of mastery aid according to Minnesota Statutes, section 124.311:

\$12,410,000 ..... 1992  
\$12,784,000 ..... 1993

The 1992 appropriation includes \$1,751,000 for 1991 and \$10,659,000 for 1992.

The 1993 appropriation includes \$1,881,000 for 1992 and \$10,903,000 for 1993.

**Subd. 12. INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.** For individualized learning and development aid according to Minnesota Statutes, section 124.331:

\$11,325,000 ..... 1992  
\$15,892,000 ..... 1993

The 1992 appropriation includes \$1,068,000 for 1991 and \$10,257,000 for 1992.

The 1993 appropriation includes \$1,810,000 for 1992 and \$14,082,000 for 1993.

**Subd. 13. SPECIAL PROGRAMS EQUALIZATION AID.** For special education levy equalization aid according to section 9:

\$9,215,000 ..... 1993

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This appropriation is based on a formula entitlement of \$10,841,000.

Subd. 14. AMERICAN INDIAN SCHOLARSHIPS. For American Indian scholarships according to Minnesota Statutes, section 124.48:

\$1,600,000	.....	1992
\$1,600,000	.....	1993

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Subd. 15. AMERICAN INDIAN EDUCATION. For certain American Indian education programs in school districts:

\$175,000	.....	1992
\$175,000	.....	1993

The 1992 appropriation includes \$26,000 for 1991 and \$149,000 for 1992.

The 1992 appropriation includes \$26,000 for 1992 and \$149,000 for 1993.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner must not approve the payment of any amount to a school district or school under this subdivision unless that school district or school is in compliance with all applicable laws of this state.

Up to the following amounts may be distributed to the following schools and school districts for each fiscal year: \$54,800 to Pine Point School; \$9,700 to independent school district No. 166; \$14,900 to independent school district No. 432; \$14,100 to independent school district No. 435; \$42,200 to independent school district No. 707; and \$39,100 to independent school district No. 38. These amounts shall be spent only for the benefit of American Indian pupils and to meet established state educational standards or statewide requirements.

Before a district or school can receive money under this subdivision, the district or school must submit to the commissioner of education evidence that it has complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917.

Subd. 16. INDIAN TEACHER PREPARATION GRANTS. For joint grants to assist Indian people to become teachers:

\$190,000	.....	1992
\$190,000	.....	1993

Up to \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

Up to \$40,000 each year is for a joint grant to each of the following:

(1) Bemidji state university and the Red Lake school district;

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(2) Moorhead state university and a school district located within the White Earth reservation; and

(3) Augsburg college and the Minneapolis school district.

Money not used for students at one location may be transferred for use at another location.

Any unexpended balance remaining the first year does not cancel but is available in the second year.

**Subd. 17. TRIBAL CONTRACT SCHOOLS.**

For tribal contract school aid according to Minnesota Statutes, section 124.86:

\$600,000	.....	1992
\$600,000	.....	1993

**Subd. 18. EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.**

For early childhood family education programs at tribal contract schools:

\$68,000	.....	1992
\$68,000	.....	1993

**Subd. 19. SECONDARY VOCATIONAL EDUCATION AID.** For secondary vocational education aid according to Minnesota Statutes, section 124.573:

\$11,452,000	.....	1992
\$11,977,000	.....	1993

The 1992 appropriation includes \$1,758,000 for 1991 and \$9,694,000 for 1992.

The 1993 appropriation includes \$1,710,000 for 1992 and \$10,267,000 for 1993.

**Subd. 20. COMMUNITY LIVING PROGRAMS FOR YOUTHS WITH DISABILITIES.** For grants throughout the state to develop programs to provide education-to-community living services for youths with disabilities:

\$500,000	.....	1992
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The appropriation shall be available until June 30, 1993.

**Sec. 40. REPEALER.**

Minnesota Statutes 1990, sections 128B.01; 128B.03, subdivisions 3 and 8; 128B.07; and 275.125, subdivision 8c, are repealed.

**Sec. 41. EFFECTIVE DATE.**

Section 9 is effective for revenue for fiscal year 1993 and thereafter. Section 17, subdivision 8, is effective the day following final enactment.

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## ARTICLE 4

## COMMUNITY SERVICES

Section 1. Minnesota Statutes 1990, section 121.88, subdivision 9, is amended to read:

Subd. 9. **YOUTH SERVICE PROGRAMS.** A school board may offer, as part of a community education program with a youth development program, a youth service program for pupils to promote active citizenship and to address community needs through youth service. The school board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district. The community education advisory council shall design the program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services. Programs must include:

(1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;

(2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;

(3) sufficient opportunity, in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self esteem and self worth, and to give genuine service to their community; ~~and~~

(4) integration of academic learning with the service experience; and

(5) integration of youth community service with elementary and secondary curriculum.

Youth service projects include, but are not limited to, the following:

(1) human services for the elderly, including home care and related services;

(2) tutoring and mentoring;

(3) training for and providing emergency services;

(4) services at extended day programs; and

(5) environmental services.

The commissioner shall maintain a list of acceptable projects with a description of each project. A project that is not on the list must be approved by the commissioner.

A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide addi-

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tional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

The commissioner must assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Sec. 2. Minnesota Statutes 1990, section 121.88, subdivision 10, is amended to read:

Subd. 10. **EXTENDED DAY PROGRAMS.** A school board may offer, as part of a community education program, an extended day program for children from kindergarten through grade 6 for the purpose of expanding students' learning opportunities. A program must include the following:

- (1) adult supervised programs while school is not in session;
- (2) parental involvement in program design and direction;
- (3) partnerships with the K-12 system, and other public, private, or non-profit entities; and
- (4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program.

The district may charge a sliding fee based upon family income for extended day programs. The district may receive money from other public or private sources for the extended day program. The school board of the district shall develop standards for school age child care programs. Districts with programs in operation before July 1, 1990, must adopt standards before October 1, 1991. All other districts must adopt standards within one year after the district first offers services under a program authorized by this subdivision. The state board of education may not adopt rules for extended day programs.

Sec. 3. Minnesota Statutes 1990, section 121.882, subdivision 2, is amended to read:

Subd. 2. **PROGRAM CHARACTERISTICS.** Early childhood family education programs are programs for children in the period of life from birth to kindergarten, 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;

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- (5) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;
- (6) educational materials which may be borrowed for home use;
- (7) information on related community resources; or
- (8) other programs or activities to improve the health, development, and learning readiness of children.

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.

Sec. 4. Minnesota Statutes 1990, section 121.882, subdivision 6, is amended to read:

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.

A district is encouraged to coordinate adult basic education programs provided to parents and early childhood family education programs provided to children to accomplish the goals of section 124C.61.

Sec. 5. Minnesota Statutes 1990, section 121.882, is amended by adding a subdivision to read:

Subd. 7a. **ALTERNATIVE COUNCIL.** A school board may direct the community education council, required according to section 121.88, subdivision 2, to perform the functions of the advisory council for early childhood family education.

Sec. 6. Minnesota Statutes 1990, section 123.702, is amended to read:

**123.702 SCHOOL BOARD RESPONSIBILITIES.**

Subdivision 1. Every school board shall provide for a ~~voluntary~~ mandatory program of early childhood ~~health and~~ developmental screening for children ~~once before entering kindergarten who are four years old and older but who have not entered kindergarten or first grade in a public school.~~ once before entering kindergarten who are four years old and older but who have not entered kindergarten or first grade in a public school. 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 family education programs, or by other existing programs. ~~No school board may make~~ This screening examination is a mandatory prerequisite to ~~enroll~~ enrolling a student in kindergarten or first grade in a public school. ~~A child need not submit to developmental screening provided by a school board if the child's health records indicate to the school board that the child has received comparable developmental screening from a public or private health care organization or~~

New language is indicated by underline, deletions by ~~strikeout~~.

individual health care provider. The school districts are encouraged to reduce the costs of preschool health developmental screening programs by utilizing volunteers in implementing the program.

Subd. 1a. A child must not be enrolled in this state in a public school until the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening. If a child is transferred from one kindergarten to another or from one first grade to another, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Subd. 1a 1b. A screening program shall include at least the following components to the extent the school board determines they are financially feasible: developmental assessments, hearing and vision screening or referral, review of health history and immunization status review and referral, and assessments of height and weight review of any special family circumstances that might affect development, identification of additional risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. All screening components shall be consistent with the standards of the state commissioner of health for early and periodic developmental screening programs. No child shall be required to submit to any component of this screening program to be eligible for any other component. No developmental screening program shall provide laboratory tests, a health history or a physical examination to any child who has been provided with those laboratory tests or a health history or physical examination within the previous 12 months. The school district shall request from the public or private health care organization or the individual health care provider the results of any laboratory test, health history or physical examination within the 12 months preceding a child's scheduled screening clinic. If a child is without health coverage, the school district shall refer the child to an appropriate health care provider. A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, and laboratory tests. State aid shall not be paid for additional components.

Subd. 2. If any child's screening indicates a condition which requires diagnosis or treatment, the child's parents shall be notified of the condition and the school board shall ensure that an appropriate follow-up and referral process is available, in accordance with procedures established pursuant to section 123.703, subdivision 1.

Subd. 3. The school board shall actively encourage participation inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state's requirement that a child receive developmental screening before enrolling in kindergarten or first grade in a public school.

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Subd. 4. ~~Every~~ A school board ~~shall~~ may contract with or purchase service from an approved early ~~and periodic~~ developmental screening program in the area ~~wherever possible~~. Developmental screening must be conducted by an individual who is licensed as, or has the training equal to, a special education teacher, school psychologist, kindergarten teacher, prekindergarten teacher, school nurse, public health nurse, registered nurse, or physician. The individual may be a volunteer.

Subd. 4a. The school district shall provide the parent or guardian of the child screened with a record indicating the month and year the child received developmental screening and the results of the screening. The district shall keep a duplicate copy of the record of each child screened.

Subd. 5. Every school board shall integrate and utilize volunteer screening programs in implementing sections 123.702 to ~~423.704~~ 123.705 wherever possible.

Subd. 6. A school board may ~~contract with health care providers to operate the screening programs and~~ shall consult with local societies of health care providers.

Subd. 7. In selecting personnel to implement the screening program, the school district shall give priority first to qualified volunteers ~~and second to other persons possessing the minimum qualifications required by the rules adopted by the state board of education and the commissioner of health.~~

#### Sec. 7. [123.7045] DEVELOPMENTAL SCREENING AID.

Each school year, the state shall pay a school district \$25 for each child screened according to the requirements of section 123.702.

Sec. 8. Minnesota Statutes 1990, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. **PROGRAM APPROVAL.** To receive aid under this section, a district must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;

New language is indicated by underline, deletions by ~~strikeout~~.

- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be approved according to the same criteria used for district programs.

Adult basic education programs may be approved under this subdivision for up to two years. Two-year program approval shall be granted to an applicant who has demonstrated the capacity to:

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;

(2) provide a participatory and experimental learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

New language is indicated by underline, deletions by ~~strikeout~~.

(6) participate in regional adult basic education peer program reviews and evaluations; and

(7) submit accurate and timely performance and fiscal reports.

Sec. 9. Minnesota Statutes 1990, section 124.26, subdivision 2, is amended to read:

Subd. 2. Each district or group of districts providing 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 adult basic ~~and continuing~~ education programs. In no case shall federal and state aid equal more than 90 percent of the actual cost of providing these programs.

Sec. 10. **[124.2601] ADULT BASIC EDUCATION REVENUE.**

Subdivision 1. FULL-TIME EQUIVALENT. In this section "full-time equivalent" means 408 contact hours for a student at the adult secondary instructional level and 240 contact hours for a student at a lower instructional level. "Full-time equivalent" for an English as a second language student means 240 contact hours.

Subd. 2. PROGRAMS FUNDED. Adult basic education programs established under section 124.26 and approved by the commissioner are eligible for revenue under this section.

Subd. 3. AID. Adult basic education aid for each district with an eligible program equals 65 percent of the general education formula allowance times the number of full-time equivalent students in its adult basic education program.

Subd. 4. LEVY. A district with an eligible program may levy an amount not to exceed the amount raised by .21 percent times the adjusted tax capacity of the district for the preceding year.

Subd. 5. REVENUE. Adult basic education revenue is equal to the sum of a district's adult basic education aid and its adult basic education levy.

Subd. 6. AID GUARANTEE. Any adult basic education program that receives less state aid under subdivision 3 than from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

Subd. 7. PRORATION. If the total appropriation for adult basic education aid is insufficient to pay all districts the full amount of aid earned, the department of education shall proportionately reduce each district's aid.

Sec. 11. **[124.2605] GED TEST FEES.**

New language is indicated by underline, deletions by ~~strikeout~~.

The commissioner of education shall pay 60 percent of the costs of a GED test taken by an eligible individual.

Sec. 12. Minnesota Statutes 1990, section 124.261, is amended to read:

**124.261 ADULT HIGH SCHOOL GRADUATION AID.**

Subdivision 1. AID ELIGIBILITY. Adult high school graduation aid for eligible pupils age 21 or over, equals 65 percent of the general education formula allowance times ~~1.35~~ 1.30 times the average daily membership under section 124.17, subdivision 2e. Adult high school graduation aid must be paid in addition to any other aid to the district. Pupils age 21 or over may not be counted by the district for any purpose other than adult high school graduation aid.

Subd. 2. AID FOLLOWS PUPIL. Adult high school graduation aid accrues to the account and the fund of the eligible programs, under section 126.22, subdivision 3, that serve adult diploma students.

Sec. 13. Minnesota Statutes 1990, section 124.2711, is amended to read:

**124.2711 EARLY CHILDHOOD FAMILY EDUCATION AID REVENUE.**

Subdivision 1. ~~MAXIMUM REVENUE.~~ (a) ~~The maximum revenue for early childhood family education programs for the 1989 and 1990 fiscal years for a school district is the amount of revenue derived by multiplying \$84.50 times the greater of 150 or the number of people under five years of age residing in the school district on September 1 of the preceding school year.~~

(b) ~~For 1991 and later fiscal years, The maximum revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$87.75~~ \$96.50 for fiscal year 1992 or \$101.25 for fiscal year 1993 times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the last 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 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.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2a. EARLY CHILDHOOD FAMILY EDUCATION LEVY. To obtain early childhood family education revenue, a district may levy an amount equal to the tax rate of .596 percent times the adjusted tax capacity of the district for the year preceding the year the levy is certified. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy shall equal the early childhood family education revenue.

Subd. 3. EARLY CHILDHOOD FAMILY EDUCATION AID. If a district complies with the provisions of section 121.882, it shall receive early childhood family education aid equal to:

(a) the difference between the ~~maximum~~ early childhood family education revenue, according to subdivision 1, and the permitted early childhood family education 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.

In fiscal year 1990 only, a district receiving early childhood family education aid under this subdivision or levy under section 275.125, subdivision 8b, shall receive an additional amount of aid equal to \$.95 times the greater of 150 or the number of people under five years of age residing in the district on September 1 of the last school year. If the district does not levy the entire amount permitted, the early childhood family education aid shall be reduced in proportion to the actual amount levied.

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 Early childhood family education revenue may be used only for early childhood family education programs. Not more than five percent of early childhood family education revenue may be used to administer early childhood family education programs. The increase in revenue for fiscal years 1992 and 1993 shall be used to:

(1) increase participation of families so that the total participation in early childhood family education programs in the district more nearly reflects the demographic, racial, cultural, and ethnic diversity of the district; and

(2) provide programs for families who, because of poverty and other barriers to learning, may need programs designed to meet their needs.

Sec. 14. Minnesota Statutes 1990, section 124.2713, subdivision 1, is amended to read:

Subdivision 1. **TOTAL COMMUNITY EDUCATION REVENUE.** Community education revenue equals the sum of a district's general community edu-

New language is indicated by underline, deletions by ~~strikeout~~.

cation revenue; ~~youth development plan revenue~~; and youth service program revenue.

Sec. 15. Minnesota Statutes 1990, section 124.2713, subdivision 3, is amended to read:

Subd. 3. **GENERAL COMMUNITY EDUCATION REVENUE.** ~~For fiscal year 1991 and thereafter,~~ The general community education revenue for a district equals \$5.95 times the greater of 1,335 or the population of the district. The population of the district is determined according to section 275.14.

Sec. 16. Minnesota Statutes 1990, section 124.2713, subdivision 5, is amended to read:

Subd. 5. **YOUTH SERVICE REVENUE.** Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals ~~25~~ 75 cents ~~for fiscal year 1992 and 85 cents for fiscal year 1993 and thereafter,~~ times the greater of 1,335 or the population of the district.

Sec. 17. Minnesota Statutes 1990, section 124.2713, subdivision 6, is amended to read:

Subd. 6. **COMMUNITY EDUCATION LEVY.** To obtain community education revenue, a district may levy the amount raised by a tax rate of 1.07 percent ~~for fiscal year 1992 and 1.095 percent for fiscal year 1993 and thereafter,~~ times the adjusted net tax capacity of the district ~~for taxes payable in 1991 and thereafter.~~ If the amount of the community education levy would exceed the community education revenue, the community education levy shall equal the community education revenue.

Sec. 18. Minnesota Statutes 1990, section 124.2713, subdivision 9, is amended to read:

Subd. 9. **USE OF YOUTH SERVICE REVENUE.** Youth ~~development service~~ revenue may be used ~~only~~ to implement the a youth development plan approved by the school board: ~~Youth service revenue may be used only and~~ to provide a youth service program according to section 121.88, subdivision 9.

Sec. 19. Minnesota Statutes 1990, section 124C.03, subdivision 2, is amended to read:

Subd. 2. **MEMBERS; MEETINGS; OFFICERS.** The interagency adult learning advisory council shall have ~~16~~ 20 to ~~18~~ 22 members. Members must have experience in educating adults or in programs addressing welfare recipients and incarcerated, unemployed, and underemployed people.

The members of the interagency adult learning advisory council are appointed as follows:

New language is indicated by underline, deletions by ~~strikeout~~.



- (1) one member appointed by the commissioner of the state planning agency;
- (2) one member appointed by the commissioner of jobs and training;
- (3) one member appointed by the commissioner of human services;
- (4) one member appointed by the director of the refugee and immigrant assistance division of the department of human services;
- (5) one member appointed by the commissioner of corrections;
- (6) one member appointed by the commissioner of education;
- (7) one member appointed by the chancellor of the state board of technical colleges;
- (8) one member appointed by the chancellor of community colleges;
- (9) one member appointed by the Minnesota adult literacy campaign or by another nonprofit literacy organization, as designated by the commissioner of the state planning agency;
- (10) one member appointed by the council on Black Minnesotans;
- (11) one member appointed by the Spanish-speaking affairs council;
- (12) one member appointed by the council on Asian-Pacific Minnesotans;
- (13) one member appointed by the Indian affairs council; and
- (14) one member appointed by the disability council.

Up to ~~four~~<sup>four</sup> additional members of the council may be nominated by the participating agencies. Based on the council's recommendations, the commissioner of the state planning agency must appoint at least ~~two~~ six, but not more than ~~four~~ eight, additional members. Nominees shall include, but are not limited to, representatives of local education, government, nonprofit agencies, employers, labor organizations, and libraries.

The council shall elect its officers.

Sec. 20. Minnesota Statutes 1990, section 126.22, subdivision 2, is amended to read:

Subd. 2. **ELIGIBLE PUPILS.** The following pupils are eligible to participate in the high school graduation incentives program:

(a) any pupil who is between the ages of 12 and 16, except as indicated in clause (6), and who:

(1) is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test; or

New language is indicated by underline, deletions by ~~strikeout~~.

(2) is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation; or

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

(5) has been excluded or expelled according to sections 127.26 to 127.39; or

(6) is between the ages of 12 and 21 and has been referred by a school district for enrollment in an eligible program or a program pursuant to section 126.23; or

(b) any pupil who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 consecutive school days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(d) any person who is at least 21 years of age and who:

(1) has received fewer than 14 years of public or nonpublic education, beginning at age 5;

(2) has ~~already completed the studies ordinarily required in the 10th grade but has not completed the requirements for a high school diploma or the equivalent;~~ and

(3) at the time of application, (i) is eligible for unemployment compensation benefits or has exhausted the benefits, (ii) is eligible for or is receiving income maintenance and support services, as defined in section 268.0111, subdivision 5, or (iii) is eligible for services under the displaced homemaker program, state wage-subsidy program, or any programs under the federal Jobs Training Partnership Act or its successor.

(e) an elementary school pupil who is determined by the district of attendance to be at risk of not succeeding in school is eligible to participate in the program.

Notwithstanding section 127.27, subdivision 7, the provisions of section 127.29, subdivision 1, do not apply to a pupil under age 21 who participates in the high school graduation incentives program.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 21. Minnesota Statutes 1990, section 126.22, subdivision 3, is amended to read:

Subd. 3. **ELIGIBLE PROGRAMS.** (a) A pupil who is eligible according to subdivision 2, clause (a), (b), (c), (d), or (e), may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, or area learning centers under sections 124C.45 to 124C.48, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2, clause (b), (c), or (d), may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, clause (a), (b), (c), (d), or (e), may enroll in any public elementary or secondary education program. However, a person who is eligible according to subdivision 2, clause (d), may enroll only if the school board has adopted a resolution approving the enrollment.

(d) A pupil who is eligible under subdivision 2, clause (a), (b), (c), or (e), may enroll part time or full time in any nonprofit, nonpublic, nonsectarian school that has contracted with the school district of residence to provide educational services.

(e) ~~An~~ A pupil who is eligible institution providing eligible programs as defined in this under subdivision 2, clause (c) or (d), may contract with an entity providing enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88 for actual program costs.

Sec. 22. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 3a. ADDITIONAL ELIGIBLE PROGRAM. A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (a), (b), or (c), and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this subdivision, may transfer to any nonprofit, nonpublic school that has contracted with the school district of residence to provide nonsectarian educational services. Such a school must enroll every eligible pupil who seeks to transfer to the school under this program subject to available space.

Sec. 23. Minnesota Statutes 1990, section 126.22, subdivision 4, is amended to read:

Subd. 4. **PUPIL ENROLLMENT.** Any eligible pupil ~~under subdivision 2 may apply to enroll in an eligible program under subdivision 3, using the form specified in section 120.0752, subdivision 2. Notwithstanding section 120.0752,~~ Approval of the resident district is not required for:

(1) ~~an eligible pupil under subdivision 2 to enroll in a nonresident district that has an any eligible program in a nonresident district under subdivision 3 or an area learning center established under section 124C.45; or~~

New language is indicated by underline, deletions by ~~strikeout~~.

(2) an eligible pupil under subdivision 2, clause (c) or (d), to enroll in an adult basic education program approved under section 124.26.

Sec. 24. Minnesota Statutes 1990, section 126.22, subdivision 8, is amended to read:

Subd. 8. **ENROLLMENT VERIFICATION.** For a pupil attending an eligible program ~~full time~~ under subdivision 3, paragraph (d), the department of education shall pay ~~85~~ 88 percent of the basic revenue of the district to the eligible program and ~~45~~ 12 percent of the basic revenue to the resident district within 30 days after the eligible program verifies enrollment using the form provided by the department. ~~For a pupil attending an eligible program part time, basic revenue shall be reduced proportionately, according to the amount of time the pupil attends the program, and the payments to the eligible program and the resident district shall be reduced accordingly.~~ A pupil for whom payment is made according to this section may not be counted by any district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made for a pupil under this subdivision, a school district shall not reimburse a program under section 126.23 for the same pupil.

Sec. 25. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 9. SEVERABILITY. If for any reason any portion of this section is found by a court to be unconstitutional, the remaining portions of the section shall remain in effect.

Sec. 26. Minnesota Statutes 1990, section 145.926, is amended to read:

**145.926 WAY TO GROW/SCHOOL READINESS PROGRAM.**

Subdivision 1. **ADMINISTRATION.** The commissioner of state planning shall administer the way to grow/school readiness program, in ~~consultation~~ collaboration with the commissioners of health, human services and education, to promote intellectual, social, emotional, and physical development and school readiness of children prebirth to age ~~five~~ six by coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

Subd. 2. **PROGRAM COMPONENTS.** (a) A way to grow/school readiness program must:

(1) collaborate and coordinate delivery of services with other community organizations and agencies serving children prebirth to age six and their families;

(2) target services to families with children prebirth to age six with services increasing based on need;

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(3) build on existing services and coordinate a continuum of prebirth to age six essential services, including but not limited to prenatal health services, parent education and support, and preschool programs;

(4) provide strategic outreach efforts to families using trained paraprofessionals such as home visitors; and

(5) support of neighborhood oriented and culturally specific social support, information, outreach, and other programs to promote healthy development of children and to help parents obtain the information, resources, and parenting skills needed to nurture and care for their children.

(b) A way to grow/school readiness program may include:

(1) a program of home visitors to contact pregnant women early in their pregnancies, encourage them to obtain prenatal care, and provide social support, information, and referrals regarding prenatal care and well-baby care to reduce infant mortality, low birth weight, and childhood injury, disease, and disability;

(2) a program of home visitors to provide social support, information, and referrals regarding parenting skills and to encourage families to participate in parenting skills programs and other family supportive services;

(3) support of neighborhood-based or community-based parent-child and family resource centers or interdisciplinary resource teams to offer supportive services to families with preschool children;

(4) staff training, technical assistance, and incentives for collaboration designed to raise the quality of community services relating to prenatal care, child development, health, and school readiness;

(5) programs to raise general public awareness about practices that promote healthy child development and school readiness;

(6) ~~support of neighborhood oriented and culturally specific social support, information, outreach, and other programs to promote healthy development of children and to help parents obtain the information, resources, and parenting skills needed to nurture and care for their children;~~

(7) programs to expand public and private collaboration to promote the development of a coordinated and culturally specific system of services available to all families;

~~(8)~~ (7) support of periodic screening and evaluation services for preschool children to assure adequate developmental progress;

(9) (8) support of health, educational, and other developmental services needed by families with preschool children;

~~(10)~~ (9) support of family prevention and intervention programs needed to address risks of child abuse or neglect;

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(11) (10) development or support of a jurisdiction-wide coordinating agency to develop and oversee programs to enhance child health, development, and school readiness with special emphasis on neighborhoods with a high proportion of children in need; and

(12) (11) other programs or services to improve the health, development, and school readiness of children in target neighborhoods and communities.

Subd. 3. **ELIGIBLE GRANTEES.** An application for a grant may be submitted by any of the following entities:

- (1) a city, town, county, school district, or other local unit of government;
- (2) two or more governmental units organized under a joint powers agreement;
- (3) a community action agency that satisfies the requirements of section 268.53, subdivision 1; or
- (4) a nonprofit organization, or consortium of nonprofit organizations, that demonstrates collaborative effort with at least one unit of local government.

Subd. 4. **PILOT PROJECTS DISTRIBUTION.** The commissioner of state planning shall award grants for one pilot project in each of the following areas of the state:

- (1) a first class city located within the metropolitan area as defined in section 473.121, subdivision 2;
- (2) a second class city located within the metropolitan area as defined in section 473.121, subdivision 2;
- (3) a city with a population of 50,000 or more that is located outside of the metropolitan area as defined in section 473.121, subdivision 2; and
- (4) the area of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2 give priority to funding existing programs at their current levels.

To the extent possible, the commissioner of state planning shall award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community-based approach.

Subd. 5. **APPLICATIONS.** Each grant application must propose a five-year program designed to accomplish the purposes of this section. The application must be submitted on forms provided by the commissioner of state planning. The grant application must include:

- (1) a description of the specific neighborhoods that will be served under the

New language is indicated by underline, deletions by ~~strikeout~~.

program and the name, address, and a description of each community agency or agencies with which the applicant intends to contract to provide services using grant money;

(2) a letter of intent from each community agency identified in clause (1) that indicates the agency's willingness to participate in the program and approval of the proposed program structure and components;

(3) a detailed description of the structure and components of the proposed program and an explanation of how each component will contribute to accomplishing the purposes of this section;

(4) a description of how public and private resources, including schools, health care facilities, government agencies, neighborhood organizations, and other resources, will be coordinated and made accessible to families in target neighborhoods, including letters of intent from public and private agencies indicating their willingness to cooperate with the program;

(5) a detailed, proposed budget that demonstrates the ability of the program to accomplish the purposes of this section using grant money and other available resources, including funding sources other than a grant; and

(6) a comprehensive evaluation plan for measuring the success of the program in meeting the objectives of the overall grant program and the individual grant project, including an assessment of the impact of the program in terms of at least three of the following criteria:

(i) utilization rates of community services;

(ii) availability of support systems for families;

(iii) birth weights of newborn babies;

(iv) child accident rates;

(v) utilization rates of prenatal care;

(vi) reported rates of child abuse; ~~and~~

(vii) rates of health screening and evaluation; and

(viii) school readiness of way to grow participants compared to nonparticipants.

Subd. 6. **MATCH.** Each dollar of state money must be matched with 50 cents of nonstate money. ~~The pilot project selected under subdivision 4, clause (4);~~ Programs may match state money with in-kind contributions, including volunteer assistance.

Subd. 7. **ADVISORY COMMITTEES.** The commissioner of state planning shall establish a program advisory committee consisting of persons knowledgeable in child development, child health and family services, ~~and the needs~~

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of people of color and high risk populations who reflect the geographic, cultural, racial, and ethnic diversity of the state; and representatives of the commissioners of state planning and education, human services, and health. This program advisory committee shall review grant applications, assist in distribution of the grants, and monitor progress of the way to grow/school readiness program. Each grantee must establish a program advisory board of 12 or more members to advise the grantee on program design, operation, and evaluation. The board must include representatives of local units of government and representatives of the project area who reflect the geographic, cultural, racial, and ethnic diversity of that community.

Subd. 8. **REPORT.** ~~The commissioner of state planning shall provide a biennial report to the legislature on the program administration and the activities of projects funded under this section.~~ The advisory committee shall report to the education committee of the legislature by January 15, 1993, on the evaluation required in subdivision 5, clause (6), and shall make recommendations for establishing successful way to grow programs in unserved areas of the state.

**Sec. 27. REPORT REQUIRED.**

School districts contracting with a nonprofit, nonpublic school must prepare for the department of education a report describing the nonsectarian educational services provided to eligible pupils under Minnesota Statutes, section 126.22, subdivision 3a. The department shall report to the education committees of the legislature at the end of each school year on districts' experiences in contracting.

**Sec. 28. COMMISSIONER OF EDUCATION TO ESTABLISH ELIGIBILITY STANDARDS.**

The commissioner of education shall establish standards to determine the eligibility of an individual to take a GED test at a reduced cost. The standards shall be established without rulemaking under Minnesota Statutes, chapter 14. The standards shall include the following:

(1) the individual shall have resided in Minnesota at least 90 days;

(2) the individual is not currently enrolled in a program leading to a high school diploma; and

(3) the individual shall not take more than three tests at a reduced cost.

**Sec. 29. EXPIRATION.**

Minnesota Statutes, section 126.22, subdivision 3a, expires July 1, 1993.

**Sec. 30. APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

New language is indicated by underline, deletions by ~~strikeout~~.



Subd. 2. ADULT BASIC EDUCATION AID. For adult basic education aid according to Minnesota Statutes, section 124.26 in fiscal year 1992 and 124.2601 in fiscal year 1993:

\$5,902,000	.....	1992
\$6,069,000	.....	1993

The 1992 appropriation includes \$761,000 for 1991 and \$5,141,000 for 1992.

The 1993 appropriation includes \$907,000 for 1992 and \$5,162,000 for 1993.

Up to \$275,000 each year may be used for contracts with private, nonprofit organizations for approved programs.

Subd. 3. ADULTS WITH DISABILITIES PROGRAM AID. For adults with disabilities programs according to Minnesota Statutes, section 124.2715:

\$670,000	.....	1992
\$670,000	.....	1993

Any balance in the first year does not cancel and is available for the second year.

Subd. 4. COMMUNITY EDUCATION AID. For community education aid according to Minnesota Statutes, section 124.2713:

\$3,636,000	.....	1992
\$3,464,000	.....	1993

The 1992 appropriation includes \$498,000 for 1991 and \$3,138,000 for 1992.

The 1993 appropriation includes \$552,000 for 1992 and \$2,912,000 for 1993.

Subd. 5. EARLY CHILDHOOD FAMILY EDUCATION AID. For early childhood family education aid according to Minnesota Statutes, section 124.2711:

\$12,856,000	.....	1992
\$12,624,000	.....	1993

The 1992 appropriation includes \$1,549,000 for 1991 and \$11,307,000 for 1992.

The 1993 appropriation includes \$1,996,000 for 1992 and \$10,628,000 for 1993.

Subd. 6. HEALTH AND DEVELOPMENTAL SCREENING AID. For health and developmental screening aid according to Minnesota Statutes, sections 123.702 and 123.7045:

\$1,489,000	.....	1992
\$1,607,000	.....	1993

New language is indicated by underline, deletions by ~~strikeout~~.

The 1992 appropriation includes \$86,000 for 1991 and \$1,403,000 for 1992.

The 1993 appropriation includes \$247,000 for 1992 and \$1,360,000 for 1993.

Any balance in the first year does not cancel but is available in the second year.

Subd. 7. HEARING IMPAIRED ADULTS. For programs for hearing impaired adults according to Minnesota Statutes, section 121.201:

\$70,000 ..... 1992

\$70,000 ..... 1993

Subd. 8. ADULT GRADUATION AID. For adult graduation aid:

\$1,331,000 ..... 1992

\$1,364,000 ..... 1993

The 1992 appropriation includes \$171,000 for 1991 and \$1,160,000 for 1992.

The 1993 appropriation includes \$204,000 for 1992 and \$1,160,000 for 1993.

Subd. 9. GED TESTS. For payment of 60 percent of the costs of GED tests:

\$180,000 ..... 1993

Subd. 10. EVALUATION OF BASIC SKILLS PROGRAMS. For continuing an independent statewide evaluation of basic skills programs:

\$75,000 ..... 1992

This appropriation is available until June 30, 1993. The commissioner shall contract with an organization that is not connected with the delivery system.

Subd. 11. GED AND LEARN TO READ ON TV. For statewide purchase of broadcast costs, publicity, and coordination of the GED on TV series and the learn to read on TV series:

\$100,000 ..... 1992

\$100,000 ..... 1993

The department may contract for these services.

Up to \$10,000 of this appropriation for each fiscal year is available to contract for these services.

#### Sec. 31. APPROPRIATION.

Subdivision 1. STATE PLANNING AGENCY. The sums indicated in this section are appropriated from the general fund to the state planning agency for the fiscal years designated.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. WAY TO GROW. For grants for way to grow programs according to Minnesota Statutes, section 145.926:  
\$950,000 ..... 1992

This appropriation is available until June 30, 1993.

Sec. 32. Laws 1989, chapter 329, article 4, section 20, is amended to read:

Sec. 20. **REPEALER.**

Minnesota Statutes 1988, sections 123.703; 123.705; 124.271, subdivisions 2b, 3, 4, and 7; 129B.48; and 275.125, subdivision 8, are repealed July 1, 1989. Section 12, subdivision 3a, is repealed July 1, 1990. ~~Minnesota Statutes, sections 123.702 and 123.704, and~~ Section 5, subdivision 3a, ~~are~~ is repealed July 1, 1993. Section 15 is repealed June 30, 1995.

Sec. 33. **REPEALER.**

Minnesota Statutes 1990, sections 123.706 and 123.707, are repealed.

Minnesota Statutes 1990, sections 124.2713, subdivision 4; and 275.125, subdivision 8b, are repealed. Minnesota Statutes 1990, section 124.26, subdivision 8, is repealed effective July 1, 1991. Minnesota Statutes 1990, section 124.26, subdivision 7, is repealed effective July 1, 1992.

Sec. 34. **EFFECTIVE DATE.**

Section 10, subdivision 4, is effective July 1, 1991. Section 10, subdivisions 1, 2, 3, 5, 6, and 7, are effective July 1, 1992. Reimbursements according to section 11 are available July 1, 1992.

## ARTICLE 5

### FACILITIES AND EQUIPMENT

Section 1. Minnesota Statutes 1990, section 121.148, subdivision 1, is amended to read:

Subdivision 1. **COMMISSIONER APPROVAL.** In determining whether to give a school facility a positive, negative, or unfavorable review and comment, the commissioner must evaluate the proposals for facilities using the information provided under section 121.15, subdivision 7.

The commissioner may submit a negative review and comment for a project if the district has not submitted its capital facilities plan required under section 124.243, subdivision 1, to the commissioner.

Sec. 2. Minnesota Statutes 1990, section 121.15, subdivision 7, is amended to read:

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Subd. 7. **INFORMATION REQUIRED.** A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the people proposed to be served, including census findings and projections for the next ten years of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

(d) a description of the construction in reasonable detail, including: the expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs; and a description of the telephone capabilities of the facility and its classrooms;

(e) a description of existing facilities within the area to be served and within school districts adjacent to the area to be served; the extent to which existing facilities or services are used; the extent to which alternate space is available, including other school districts, post-secondary institutions, other public or private buildings, or other noneducation community resources; and the anticipated effect that the facility will have on existing facilities and services;

(f) the anticipated benefit of the facility to the area;

(g) if known, the relationship of the proposed construction to any priorities that have been established for the area to be served;

(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility;

(i) desegregation requirements that cannot be met by any other reasonable means;

(j) the relationship of the proposed facility to the cooperative integrated learning needs of the area; and

(k) the effects of the proposed facility on the district's operating budget.

Sec. 3. Minnesota Statutes 1990, section 121.15, subdivision 9, is amended to read:

Subd. 9. **PUBLICATION.** At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids ~~to construct a facility described in subdivision 6;~~ for a project that has received a positive or unfavorable review and comment under section 121.148, the school board shall publish

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the commissioner's review and comment of that project in the legal newspaper of the district. Supplementary information shall be available to the public.

Sec. 4. Minnesota Statutes 1990, section 121.155, is amended to read:

**121.155 JOINT POWERS AGREEMENTS FOR ~~EDUCATIONAL~~ FACILITIES.**

**Subdivision 1. INSTRUCTIONAL FACILITIES.** Any group of districts may form a joint powers district under section 471.59 representing all participating districts to build or acquire a facility to be used for instructional purposes. The joint powers board must submit the project for review and comment under section 121.15. The joint powers board must hold a hearing on the proposal. The joint powers district must submit the question of authorizing the borrowing of funds for the project to the voters of the joint powers district at a special election. The question submitted shall state the total amount of funding needed from all sources. The joint powers board may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question vote in the affirmative and only after the school boards of each member district have adopted a resolution pledging the full faith and credit of that district. The resolution shall irrevocably commit that district to pay a proportionate share, based on pupil units, of any debt levy shortages that, together with other funds available, would allow the joint powers board to pay the principal and interest on the obligations. The district's payment of its proportionate share of the shortfall shall be made from the district's capital expenditure fund. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education.

**Subd. 2. SHARED FACILITIES.** A group of governmental units may form a joint powers district under section 471.59 representing all participating units to build or acquire a facility. The joint powers board must submit the project for review and comment under section 121.15. The joint powers board must hold a hearing on the proposal. The joint powers district must submit the question of authorizing the borrowing of funds for the project to the voters of the joint powers district at a special election. The question submitted shall state the total amount of funding needed from all sources. The joint powers board may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question vote in the affirmative and only after the boards of each member unit have adopted a resolution pledging the full faith and credit of that unit. The resolution must irrevocably commit that unit to pay an agreed upon share of any debt levy shortages that, together with other funds available, would allow the joint powers board to pay the principal and interest on the obligations. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education.

Sec. 5. Minnesota Statutes 1990, section 124.195, subdivision 9, is amended to read:

**Subd. 9. PAYMENT PERCENTAGE FOR CERTAIN AIDS.** One hun-

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dred percent of the aid for the current fiscal year must be paid for the following aids: management information center subsidies, according to section 121.935; reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; aid for the program for adults with disabilities, according to section 124.271, subdivision 7; school lunch aid, according to section 124.646; tribal contract school aid, according to section 124.85; hearing impaired support services aid, according to section 121.201; Indian post-secondary preparation grants according to section 124.481; ~~and~~ integration grants according to Laws 1989, chapter 329, article 8, section 14, subdivision 3; and debt service aid according to section 124.95, subdivision 5.

Sec. 6. Minnesota Statutes 1990, section 124.83, subdivision 4, is amended to read:

Subd. 4. **HEALTH AND SAFETY LEVY.** To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing ~~(a) the adjusted gross tax capacity for fiscal year 1991, and (b) the adjusted net tax capacity for 1992 and later fiscal years;~~ of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to

(2) ~~\$7,103.60 for fiscal year 1991 and \$5,304 for 1992 and later fiscal years~~ \$3,515.

Sec. 7. **[124.84] HANDICAPPED ACCESS AND FIRE SAFETY IMPROVEMENTS TO SCHOOL BUILDINGS.**

Subdivision 1. REMOVAL OF ARCHITECTURAL BARRIERS. If a school board has insufficient money in its capital expenditure fund to remove architectural barriers from a building it owns in order to allow a pupil to attend a school in the pupil's attendance area or to meet the needs of an employee with a disability, a district may submit an application to the commissioner of education containing at least the following:

(1) program modifications that the board considered, such as relocating classrooms, providing an accessible unisex bathroom, providing alternative library resources, or using special equipment, such as bookcarts, and the reasons the modifications were not feasible;

(2) a description of the proposed building modifications and the cost of the modifications; and

(3) the age and market value of the building.

Individuals developing an application for a school district shall complete a workshop, developed jointly by the commissioner of education and the council on disability, about access criteria.

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In consultation with the council on disability, the commissioner shall develop criteria to determine the cost effectiveness of removing barriers in older buildings.

The commissioner shall approve or disapprove an application within 60 days of receiving it.

Subd. 2. FIRE SAFETY MODIFICATIONS. If a school district has insufficient money in its capital expenditure fund to make modifications to a school building required by a fire inspection conducted according to section 121.1502, the district may submit an application to the commissioner of education containing information required by the commissioner. The commissioner shall approve or disapprove of the application according to criteria established by the commissioner. The criteria shall take into consideration the cost effectiveness of making modifications to older buildings.

Subd. 3. LEVY AUTHORITY. The district may levy up to \$150,000 each year for two years, as approved by the commissioner.

#### **Sec. 8. [124.95] DEBT SERVICE EQUALIZATION PROGRAM.**

Subdivision 1. DEFINITIONS. For purposes of this section, the required debt service levy of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district, including the amounts necessary for repayment of energy loans according to section 216C.37, debt service loans and capital loans, minus

(2) the amount of any surplus remaining in the debt service fund when the obligations and interest on them have been paid.

Subd. 2. ELIGIBILITY. To be eligible for debt service equalization revenue, the following conditions must be met:

(1) the required debt service levy of a district must exceed the amount raised by a level of eight percent times the adjusted net tax capacity of the district;

(2) for bond issues approved after July 1, 1990, the construction project must have received a positive review and comment according to section 121.15;

(3) the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, for new projects; and

(4) the bond schedule must be approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

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Subd. 3. DEBT SERVICE EQUALIZATION REVENUE. (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the required debt service levy minus the amount raised by a levy of 12 percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Subd. 4. EQUALIZED DEBT SERVICE LEVY. To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year to which the levy is attributable; or

(2) the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Subd. 5. DEBT SERVICE EQUALIZATION AID. A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. A district's debt service equalization aid must not be prorated.

Subd. 6. DEBT SERVICE EQUALIZATION AID PAYMENT SCHEDULE. Debt service equalization aid must be paid as follows: one-third before September 15, one-third before December 15, and one-third before March 15 of each year.

**Sec. 9. [124.96] ANNUAL DEBT SERVICE EQUALIZATION AID APPROPRIATION.**

There is annually appropriated from the general fund to the department of education the amount necessary for debt service equalization aid. This amount must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund. \* (Section 9 was vetoed by the governor.)

**Sec. 10. [124.97] DEBT SERVICE LEVY.**

A school district may levy the amounts necessary to make payments for bonds issued and for interest on them, including the bonds and interest on them, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7)(C); and the amounts necessary for repayment of debt service loans and capital loans, minus the amount of debt service equalization revenue of the district.

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Sec. 11. Minnesota Statutes 1990, section 272.02, subdivision 8, is amended to read:

Subd. 8. **PROPERTY LEASED TO SCHOOL DISTRICTS.** Property that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

(1) the lease must be for a period of at least 12 consecutive months;

(2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;

(3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12 ~~or~~; special education for handicapped children ~~or~~; adult basic and continuing education as described in section 124.26; preschool and early childhood family education; or community education programs, including provision of administrative services directly related to the educational program at that site; and

(4) the lease must provide that the school district has the exclusive use of the property during the lease period.

Sec. 12. Minnesota Statutes 1990, section 275.125, subdivision 4, is amended to read:

Subd. 4. **MISCELLANEOUS LEVY AUTHORIZATIONS.** (a) A school district may levy ~~the amounts necessary to make payments for bonds issued and for interest thereon; including the bonds and interest thereon, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7)(C); the amounts necessary for repayment of debt service loans and capital loans;~~ the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; the amounts necessary to pay the district's obligations under section 122.533; and for severance pay required by this section and section 122.535, subdivision 6.

(b) An education district that negotiates a collective bargaining agreement for teachers under section 122.937 may certify to the department of education the amount necessary to pay all of the member districts' obligations and the education district's obligations under section 268.06, subdivision 25.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(c) Each year, a member district of an education district that levies under

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this subdivision must transfer the amount of revenue certified under paragraph (b) to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in paragraph (b) minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 13. Minnesota Statutes 1990, section 275.125, subdivision 11d, is amended to read:

Subd. 11d. ~~EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS TO LEASE A BUILDING AND LAND.~~ When a district finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the capital expenditure facilities revenues authorized under section 124.243 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for leasing or renting a facility owned by a district or for custodial or other maintenance services.

Sec. 14. [373.42] COUNTY FACILITIES GROUP.

Subdivision 1. ESTABLISHMENT. Each county outside of the seven-county metropolitan area must establish a county facilities group by July 1, 1992.

Subd. 2. MEMBERSHIP. A county facilities group consists of at least one representative from the county board, one representative from each city located within the county, one representative from each school district located within the county, up to three representatives of townships selected by the county board, and two other members selected by the county board.

Subd. 3. DUTIES. The county facilities group shall develop an inventory of all public buildings located within the county. The inventory shall include an assessment of the condition of each public building and document any under used space in the buildings.

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Subd. 4. COMMENT. The county facilities group shall review and comment on any proposed joint facility and may submit comments to the commissioner of education on any school district facility that is proposed within the county.

**Sec. 15. [473.23] PUBLIC FACILITIES REVIEW.**

Subdivision 1. INVENTORY. The metropolitan council, in consultation with appropriate state agencies and local officials, must develop an inventory of all public buildings located within the metropolitan area. The inventory must include an assessment of the condition of each public building and document any under used space in the buildings.

Subd. 2. SHARED FACILITIES. The metropolitan council must review and comment on any joint facility proposed under section 121.155 and may submit comments to the commissioner of education on any school district facility that is proposed within the metropolitan area.

**Sec. 16. APPLICATION.**

Section 15 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

**Sec. 17. HEALTH AND SAFETY LEVY ADJUSTMENT.**

The department of education shall adjust the 1991 payable 1992 levy for each school district or intermediate district by the amount of the change in the district's health and safety levy for fiscal year 1992 according to Minnesota Statutes, section 124.83, subdivision 4, resulting from the change to the health and safety equalizing factor. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy must be recognized as revenue for fiscal year 1992.

**Sec. 18. BONDS FOR CERTAIN CAPITAL FACILITIES.**

In addition to other bonding authority, with approval of the commissioner, independent school districts No. 393, LeSueur, No. 508, St. Peter, and No. 734, Henderson, may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including equipping school buildings, improving handicap accessibility to school buildings, and bringing school buildings into compliance with fire codes.

Before a district issues bonds under this subdivision, it must publish notice of the intended projects, related costs, and the total amount of district indebtedness.

A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board's action. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before

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the petition is filed with the school board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

The bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with 50 percent of current and anticipated revenue for capital facilities under this section or a successor section for the current year plus projected revenue not greater than the current year for the next ten years. Once finally authorized, the district must set aside 50 percent of the current year's revenue for capital facilities under this section or a successor section each year in a separate account until all principal and interest on the bonds is paid. The district must annually transfer this amount from its capital fund to the debt redemption fund. The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with Minnesota Statutes, chapter 475, except as otherwise provided in this section.

**Sec. 19. HUTCHINSON SCHOOL DISTRICT LEASE PURCHASE LEVY.**

Notwithstanding Minnesota Statutes, section 275.125 or other law, independent school district No. 423, Hutchinson, may levy each year for the annual payments required on a lease purchase agreement for a facility for level V emotionally and behaviorally disturbed special education students.

**Sec. 20. ST. PAUL SCHOOL DISTRICT BONDS.**

Subdivision 1. BONDING AUTHORIZATION. To provide funds to acquire or better school facilities, independent school district No. 625 may by two-thirds majority vote of all the members of the board of directors issue general obligation bonds in one or more series in calendar years 1992 to 1996 as provided in this section. The aggregate principal amount of any bonds issued under this section in calendar year 1992 must not exceed \$12,700,000 and in calendar years 1993 to 1996 must not exceed \$9,000,000 each year. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. As with other bonds issued by independent school district No. 625, the first sentence of Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of Minnesota Statutes, chapter 124, or any other law other than Minnesota Statutes, section 475.53, subdivision 4.

Subd. 2. TAX LEVY FOR DEBT SERVICE. To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 625 must levy a tax annually in an amount required under Minnesota Statutes, section 475.61, subdivisions 1 and 3. The tax authorized under this section is in

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addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

**Sec. 21. TAXPAYER NOTIFICATION.**

Subdivision 1. APPLICABILITY. This section applies to bonding authority granted under section 20.

Subd. 2. NOTICE. (a) A school board must prepare a notice of the public meeting on the proposed sale of all or any of the bonds and mail the notice to each postal patron residing within the school district. The notice must be mailed at least 15 days but not more than 30 days before the meeting. Notice of the meeting must also be posted in the administrative office of the school district and must be published twice during the 14 days before the meeting in the official newspaper of the city in which the school district is located.

(b) The notice must contain the following information:

(1) the proposed dollar amount of bonds to be issued;

(2) the dollar amount of the levy increase necessary to pay the principal and interest on the newly authorized bonds;

(3) the estimated levy amount and net tax capacity rate necessary to make the debt service payments on any existing outstanding debt;

(4) the projected effects on individual property types; and

(5) the required levy and principal and interest on all outstanding bonds in addition to the bonds proposed under clause (1).

(c) To comply with paragraph (b), clause (4), the notice must show the projected annual dollar increase and net tax capacity rate increase for a representative range of residential homestead, residential nonhomestead, apartments, and commercial-industrial properties located within each state senate district in the school district.

Subd. 3. BOND AUTHORIZATION. A school board may vote to issue bonds newly authorized under section 20 only after complying with the requirements of subdivision 2.

**Sec. 22. EFFECTIVE DATE; LOCAL APPROVAL.**

Sections 20 and 21 are effective the day after the governing body of independent school district No. 625 complies with Minnesota Statutes, sections 645.021, subdivision 3.

**Sec. 23. MAXIMUM EFFORT CAPITAL LOAN DEBT REDEMPTION EXCESS.**

(a) Notwithstanding Minnesota Statutes, section 124.431, subdivision 11, or any other law to the contrary, a school district having an outstanding capital loan that has an excess amount in the debt redemption fund as calculated

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according to Minnesota Statutes, section 124.431, subdivision 11, may apply to the commissioner for an adjustment to the amount of excess owed to the state. The commissioner may reduce the excess that a district owes the state if a district's capital loan is outstanding and if the commissioner determines that any of the following conditions apply:

(1) a district is likely to incur a substantial property tax delinquency that will adversely affect the district's ability to make its scheduled bond payments;

(2) a district's agreement with its bondholders or its taxpayers could be impaired; or

(3) the district's tax capacity per pupil is less than one-tenth of the equalizing factor as defined in Minnesota Statutes, section 124A.02, subdivision 8.

(b) The amount of the excess that may be forgiven may not exceed \$200,000 in a single year for any district.

#### Sec. 24. APPROPRIATIONS.

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. CAPITAL EXPENDITURE FACILITIES AID. For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:

\$73,185,000	.....	1992
\$72,731,000	.....	1993

The 1992 appropriation includes \$10,920,000 for 1991 and \$62,265,000 for 1992.

The 1993 appropriation includes \$10,988,000 for 1992 and \$61,743,000 for 1993.

Subd. 3. CAPITAL EXPENDITURE EQUIPMENT AID. For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

\$36,593,000	.....	1992
\$36,365,000	.....	1993

The 1992 appropriation includes \$5,460,000 for 1991 and \$31,133,000 for 1992.

The 1993 appropriation includes \$5,493,000 for 1992 and \$30,872,000 for 1993.

Subd. 4. HEALTH AND SAFETY AID. For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,560,000	.....	1992
\$11,351,000	.....	1993

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The 1992 appropriation includes \$1,650,000 for 1991 and \$9,910,000 for 1992.

The 1993 appropriation includes \$1,748,000 for 1992 and \$9,603,000 for 1993.

For fiscal year 1993, total health and safety revenue may not exceed \$58,800,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. The criteria may not discriminate between the number of pupils in and the geographic location of school districts.

Subd. 5. MAXIMUM EFFORT SCHOOL LOAN FUND. For the maximum effort school loan fund:  
\$ 6,139,000 ..... 1993

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 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 to the general fund.

Subd. 6. DEBT SERVICE AID. For debt service aid according to Minnesota Statutes, section 124.95, subdivision 5:  
\$4,950,000\* ..... 1993

\*(The appropriation of \$4,950,000 was vetoed by the governor.)

Sec. 25. EFFECTIVE DATE.

Sections 5, 8, 9, 10, and 12 are effective for revenue for fiscal year 1993.

Section 7 is effective for revenue for fiscal year 1994.

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## ARTICLE 6

## EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1990, section 120.08, subdivision 3, is amended to read:

Subd. 3. **SEVERANCE PAY.** A district shall pay severance pay to a teacher who is:

(1) ~~placed on unrequested leave of absence by the district because the teacher's position is discontinued as a result of an agreement under this section; and~~

(2) ~~not employed by another district for the school year following the teacher's placement on unrequested leave of absence. A teacher is eligible under this subdivision if the teacher:~~

(1) is a teacher, as defined in section 125.12, subdivision 1, but not a superintendent;

(2) has a continuing contract with the district according to section 125.12, subdivision 4.

The amount of severance pay shall be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the school district that placed the teacher on unrequested leave of absence, another school district in Minnesota, an education district, an intermediate school district, an ECSU, a board formed under section 471.59, a technical college, a state residential academy, the Minnesota center for arts education, a vocational center, or a special education cooperative. These entities do not include a school district in another state, a Minnesota public post-secondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the

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teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further reinstatement rights under section 125.12, subdivision 6a or 6b. If the teacher receives severance pay, the teacher shall not receive credit for any years of service in the district paying severance pay prior to the year in which the teacher becomes eligible to receive severance pay.

The severance pay shall be equivalent to the teacher's salary for one year and is subject to section 465.72. The district may levy annually according to section 275.125, subdivision 4, for the severance pay.

Sec. 2. Minnesota Statutes 1990, section 121.912, is amended by adding a subdivision to read:

**Subd. 6. ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.** A school district that has reorganized according to section 122.22, 122.23, or sections 122.241 to 122.248 may make permanent transfers between any of the funds in the newly created or enlarged district with the exception of the debt redemption fund. Fund transfers under this section may be made only during the year following the effective date of reorganization.

**Sec. 3. [121.915] REORGANIZATION OPERATING DEBT.**

The "reorganization operating debt" of a school district means the net negative undesignated fund balance in all school district funds, other than capital expenditure, building construction, debt redemption, trust and agency, and post-secondary vocational technical education funds, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts as of:

(1) June 30 of the fiscal year before the first year that a district receives revenue according to section 124.2725; or

(2) June 30 of the fiscal year before the effective date of reorganization according to section 122.22 or 122.23.

Sec. 4. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

**Subd. 5a. DISTRICT COMPUTING SUBSIDIES.** The appropriation for regional management information centers shall be allocated among the centers according to the allocation for fiscal year 1991. Any part of the appropriation for fiscal year 1991 that was not distributed directly to the centers shall be added to the allocation according to the proportions each center received for fiscal year 1991. Payment of the amount appropriated shall be to school districts. Each school district shall receive a payment equal to:

(1) the number of pupil units in the district divided by the number of pupil units in all of the districts that are members of the center; times

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(2) the allocation for the center of which the district is a member.

The payment shall be used by the district to purchase services from a regional management information center, another school district, or other provider, or to provide the services. The payment shall be deposited in the district's capital expenditure fund.

Sec. 5. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

**Subd. 7. LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.** (a) No school district shall be required by any type of formal or informal agreement, including a joint powers agreement, or otherwise to participate in or provide financial support for the purposes of the agreement for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred as a result of any agreement before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the school board shall adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The governing body responsible for implementing the agreement shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

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(3) its intention to terminate participation in the agreement.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After the effective date of this section, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 6. Minnesota Statutes 1990, section 122.22, subdivision 7a, is amended to read:

Subd. 7a. Before the day of a hearing ordered pursuant to this section, each district adjoining the district proposed for dissolution shall provide the following information and resolution to the county auditor of the county containing the greatest land area of the district proposed for dissolution:

(a) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district;

(b) The net tax capacity of the district;

(c) The most current school tax rates for the district, including any referendum, discretionary, or other optional levies being assessed currently and the expected duration of the levies;

(d) A resolution passed by the school board of the district stating that if taxable property of the dissolved district is attached to it, one of the following requirements is imposed: (1) the taxable property of the dissolving district which is attached to its district shall not be liable for the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or the capital loan obligation of the district which existed as of the time of the attachment; (2) the taxable property of the dissolving district which is attached to its district shall be liable for the payment of the bonded debt, outstanding

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energy loans made according to section 216C.37 or sections 298.292 to 298.298, or the capital loan obligation of the district which existed as of the time of the attachment in the proportion which the net tax capacity of that part of the dissolving district which is included in the newly enlarged district bears to the net tax capacity of the entire district as of the time of attachment; or (3) the taxable property of the dissolving district which is attached to its district shall be liable for some specified portion of the amount that could be requested pursuant to subclause (2).

An apportionment pursuant to subclause (2) or (3) shall be made by the county auditor of the county containing the greatest land area of the district proposed for transfer.

An apportionment of bonded indebtedness, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or capital loan obligation pursuant to subclause (2) or (3) shall not relieve any property from any tax liability for payment of any bonded or capital obligation, but taxable property in a district enlarged pursuant to this section becomes primarily liable for the payment of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or capital loan obligation to the extent of the proportion stated.

Sec. 7. Minnesota Statutes 1990, section 122.22, subdivision 9, is amended to read:

Subd. 9. An order issued under subdivision 8, clause (b), shall contain the following:

(a) A statement that the district is dissolved unless the results of an election held pursuant to subdivision 11 provide otherwise;

(b) A description by words or plat or both showing the disposition of territory in the district to be dissolved;

(c) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district to be dissolved;

(d) A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding preexisting bonded indebtedness by any territory from the dissolving district which is attached to it;

(e) An effective date for the order. The effective date shall be at least three months after the date of the order, and shall be July 1 of an odd-numbered year; and

(f) Other information the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the order

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by mail upon the clerk of the district to be dissolved and upon the clerk of each district to which the order attaches any territory of the district to be dissolved and upon the auditor of each other county in which all or any part of the district to be dissolved or any district to which the order attaches territory lies, and upon the commissioner.

Sec. 8. Minnesota Statutes 1990, section 122.23, subdivision 2, is amended to read:

Subd. 2. (a) Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation.

(b) The resolution or petition may propose ~~either~~ the following:

(1) that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of all or a portion of the bonded debt previously incurred by any component district as provided in subdivision 16b. ~~The resolution or petition may also propose;~~

(2) that obligations for a capital loan or an energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding in a preexisting district as of the effective date of consolidation remain solely with the preexisting district that obtained the loan, or that all or a portion of the loan obligations will be assumed by the newly created or enlarged district and paid by the newly created or enlarged district on behalf of the preexisting district that obtained the loan;

(e) (3) that referendum levies previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued. ~~The resolution or petition may also propose;~~

(4) that the board of the newly created district consist of seven members; ~~and may also propose the establishment of; or~~

(5) that separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts be established. If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall forthwith prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected.

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(c) The plat shall show:

(a) (1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(b) (2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(c) (3) The boundaries of any proposed separate election districts, and

(d) (4) Other pertinent information as determined by the county auditor.

Sec. 9. Minnesota Statutes 1990, section 122.23, subdivision 3, is amended to read:

Subd. 3. A supporting statement to accompany the plat shall be prepared by the county auditor. The statement shall contain:

(a) The adjusted net tax capacity of property in the proposed district,

(b) If a part of any district is included in the proposed new district, the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district included shall be shown separately and the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district not included shall also be shown,

(c) The reasons for the proposed consolidation, including a statement that at the time the plat is submitted to the state board of education, no proceedings are pending to dissolve any district involved in the plat unless all of the district to be dissolved and all of each district to which attachment is proposed is included in the plat,

(d) A statement showing that the jurisdictional fact requirements of subdivision 1 are met by the proposal,

(e) Any proposal contained in the resolution or petition regarding the disposition of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, capital loan obligations, or referendum levies of component districts,

(f) Any other information the county auditor desires to include, and

(g) The signature of the county auditor.

Sec. 10. Minnesota Statutes 1990, section 122.241, subdivision 1, is amended to read:

Subdivision 1. **SCOPE.** Sections 122.241 to 122.248 establish procedures for school boards that adopt, by resolution, a five-year written agreement:

(1) to provide at least secondary instruction cooperatively for at least one or two years, if the districts cooperate according to subdivision 2; and

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(2) to combine into one district ~~after cooperating.~~

Sec. 11. Minnesota Statutes 1990, section 122.241, subdivision 2, is amended to read:

Subd. 2. **COOPERATION REQUIREMENTS.** Cooperating districts shall:

(1) implement a written agreement according to section 122.541 no later than the first year of cooperation;

(2) all be members of one education district, if any one of the districts is a member, no later than the end of the second year of cooperation; and

(3) all be members of one ECSU, if any one of the districts is a member.

Clause (1) does not apply to a district that implemented an agreement for secondary education, according to section 122.535, during any year before the 1991-1992 school year. If the districts cooperate for one or more years, the agreement may be continued during those years.

Sec. 12. Minnesota Statutes 1990, section 122.242, subdivision 9, is amended to read:

Subd. 9. **FINANCES.** The plan must state:

(1) whether debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether all or a portion of the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds;

(2) whether obligations for a capital loan or energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding at the time of combination remain solely with the district that obtained the loan, or whether all or a portion of all the loan obligations will be assumed by the combined district and paid by the combined district on behalf of the district that obtained the loan;

(3) the treatment of debt service levies and referendum levies;

~~(4)~~ (4) whether the cooperating or combined district will levy for reorganization operating debt according to section 3, clause (1); and

(5) two-, five-, and ten-year projections, prepared by the department of education upon the request of any district, of revenues, expenditures, and property taxes for each district if it cooperated and combined and if it did not.

Sec. 13. Minnesota Statutes 1990, section 122.243, subdivision 2, is amended to read:

Subd. 2. **VOTER APPROVAL.** ~~During the first or second year of cooperation,~~ A referendum on the question of combination shall be conducted during the first or second year of cooperation for districts that cooperate according to

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section 122.241, or no more than 18 months before the effective date of combination for districts that do not cooperate. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. If a question is submitted, the second referendum must be conducted on a date before October 1. If the referendum fails again, the same question may not be submitted districts shall modify their cooperation and combination plan. A different question third referendum may be submitted conducted on any date before October 1. Referendums shall be conducted on the same date in all districts.

Sec. 14. Minnesota Statutes 1990, section 122.247, is amended by adding a subdivision to read:

Subd. 2a. CAPITAL LOAN. The combined school board may levy for the obligations for a capital loan outstanding at the time of combination, consistent with the plan adopted according to section 122.242 and any subsequent modifications. The primary obligation to levy as required by the capital loan remains with taxable property in the preexisting district that obtained the capital loan. However, the obligation of a capital loan may be extended to all of the taxable property in the combined district.

Sec. 15. Minnesota Statutes 1990, section 122.247, subdivision 3, is amended to read:

Subd. 3. TRANSITIONAL LEVY. The board of the combined district, or the boards of combining districts that have received voter approval for the combination under section 122.243, subdivision 2, may levy for the expenses of negotiation, administrative expenses directly related to the transition from cooperation to combination, and the cost of necessary new athletic and music uniforms. The board or boards may levy this amount over three or fewer years. All expenses must be approved by the state board of education.

Sec. 16. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 4a. REORGANIZATION OPERATING DEBT LEVIES. (a) A district that is cooperating or has combined according to sections 122.241 to 122.248 may levy to eliminate reorganization operating debt as defined in section 3, clause (1). The amount of the debt must be certified over a period of five years. After the effective date of combination according to sections 122.241 to 122.248, the levy may be certified and spread only either on the property in the combined district that would have been taxable in the preexisting district that incurred the debt or on all of the taxable property in the combined district.

(b) A district that has reorganized according to section 122.22 or 122.23 may levy to eliminate reorganization operating debt as defined in section 3, clause (2). The amount of debt must be certified over a period not to exceed five years and may be spread either only on the property in the newly created or enlarged district which was taxable in the preexisting district that incurred the debt or on all of the taxable property in the newly created or enlarged district.

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Sec. 17. [122.5311] OBLIGATIONS UPON DISTRICT REORGANIZATION.

Subdivision 1. CAPITAL LOAN OBLIGATIONS. If a district has a capital loan outstanding at the time of reorganization according to section 122.22, 122.23, or sections 122.241 to 122.248, and if the plan for reorganization provides for payment of all or a portion of the capital loan obligation by the newly created or enlarged district or makes no provision for payment, all of the taxable property in the newly created or enlarged district is taxable for the payment to the extent stated in the plan. Notwithstanding any contract to the contrary, if all of the taxable property in the newly created or enlarged district is taxable for the payment of the capital loan and until the capital loan is retired or canceled, the maximum effort debt service levy shall be recalculated annually by the department of education to be equal to the required debt service levy plus an additional amount. The additional amount shall be the greater of:

(i) zero, or

(ii) the maximum effort debt service levy of the preexisting district minus the required debt service levy of the preexisting district that received the capital loan.

For the purpose of the recalculation, additional bond issues after the date of the reorganization shall not impact the maximum effort debt service levy or the required debt service levy.

Notwithstanding any contract to the contrary, the plan for reorganization may specify that the obligation for a capital loan remains solely with the preexisting district that incurred the obligation. This subdivision does not relieve any property from any tax liability for payment of any capital loan obligation.

Subd. 2. ENERGY LOAN OBLIGATIONS. If a district has an energy loan outstanding at the time of reorganization according to section 122.22, 122.23, or sections 122.241 to 122.248, and if the plan for reorganization provides for payment of all or a portion of the energy loan obligation by the newly created or enlarged district or makes no provision for payment, all of the taxable property in the newly created or enlarged district is taxable for the payment.

Notwithstanding any contract to the contrary, the plan for reorganization may specify that the obligation for an energy loan remains solely with the preexisting district that incurred the obligation. This subdivision does not relieve any property from any tax liability for payment of any energy loan obligation.

Sec. 18. Minnesota Statutes 1990, section 122.535, subdivision 6, is amended to read:

Subd. 6. SEVERANCE PAY. A district shall pay severance pay to a teacher who is:

(4) placed on unrequested leave of absence by the district because the teacher's position is discontinued as a result of the agreement; and

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(2) not employed by another district for the school year following the teacher's placement on unrequested leave of absence. A teacher is eligible under this subdivision if the teacher:

(1) is a teacher, as defined in section 125.12, subdivision 1, but not a superintendent;

(2) has a continuing contract with the district according to section 125.12, subdivision 4.

The amount of severance pay shall be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the school district that placed the teacher on unrequested leave of absence, another school district in Minnesota, an education district, an intermediate school district, an ECSU, a board formed under section 471.59, a technical college, a state residential academy, the Minnesota center for arts education, a vocational center, or a special education cooperative. These entities do not include a school district in another state, a Minnesota public post-secondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further reinstatement rights under section 125.12, subdivision 6a or 6b. If the teacher receives severance pay, the teacher shall not receive credit for any years of service in the district paying severance pay prior to the year in which the teacher becomes eligible to receive severance pay.

The severance pay shall be equivalent to the teacher's salary for one year and is subject to section 465.72. The district may levy annually according to section 275.125, subdivision 4, for the severance pay.

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Sec. 19. Minnesota Statutes 1990, section 122.91, subdivision 5, is amended to read:

Subd. 5. **JOINDER AND WITHDRAWAL.** (a) A member school district must not withdraw from an education district that receives revenue under section 124.2721 before the end of the fiscal year for which a levy under section 124.2721 has been certified.

(b) Notwithstanding paragraph (a), a school district that certified a levy under section ~~124.2725 for fiscal year 1991~~ 124.2721 may apply to the department of education to transfer from one the education district to another to comply with section 122.241, subdivision 2, clause (2), which it currently belongs to a different education district before June 1 of the calendar year after the levy was certified if any of the following conditions are met as a result of the transfer:

(1) all member school districts of a special education cooperative established under section 120.17 or 471.59, or a cooperative center for vocational education established under section 123.351 become members of the same education district;

(2) the location of the school district allows the education district into which the school district is applying to transfer to provide services more effectively than the current education district; or

(3) the number of boards governing special education cooperatives established under section 120.17 or 471.59, cooperative centers for vocational education established under section 123.351, or other educational organizations that operate within the geographic area of either education district is reduced.

(c) The department of education must accept or reject an application for transfer under this section within 30 days of receiving the application. The commissioner must adjust the revenue of both education districts so that the education district revenue attributable to the transferring school district is transferred from the previous education district to the new education district.

(e) (d) By August 1 of each year, an education district must notify the department of education concerning which school districts will be members of the education district for the purposes of certifying to the department of education the amount of revenue to be raised under section 124.2721.

Sec. 20. Minnesota Statutes 1990, section 122.94, is amended by adding a subdivision to read:

Subd. 1a. **LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.** (a) No district shall be required by an agreement or otherwise to participate in or provide financial support for a education district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of debt incurred by the education district board before the

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effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the education district or to withdraw from the education district, the school board of the school district shall adopt a resolution and notify the education district board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before incurring debt, the board of an education district shall adopt a resolution proposing to incur debt and the proposed financial effect of the debt upon each school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The board of the education district shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the education district, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the debt; or

(3) its intention to withdraw from the education district.

A school board adopting a resolution according to clause (1) is liable for its share of debt as proposed by the education district board. A school board adopting a resolution according to clause (2) is not liable for the debt, as proposed by the board of the education district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the debt proposed by the education district board.

(e) On and after July 1, 1993, a school district is liable according to paragraph (d) for its share of debt incurred by the education district to the extent that the debt is directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the debt is discharged and only according to the payment schedule in effect at the time the education district board provides notice to the school board, except that the payment schedule may be altered for the purpose of restructuring debt if the annual payments of the school district are not increased and if the total obligation of the school district for the debt is not increased.

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Sec. 21. Minnesota Statutes 1990, section 122.94, subdivision 6, is amended to read:

Subd. 6. **COMMON ACADEMIC CALENDAR.** For 1991-1992 and later school years, the agreement must require a common academic calendar for all member districts of an education district. For purposes of this subdivision, a common academic calendar must include ~~at least~~ the following:

(1) the number of days of instruction at least the same number of instructional days in common as are offered by the member district with the fewest number of instructional days;

(2) the same first and last days of instruction in a school year; and

(3) the specific days reserved for staff development at least the same number of staff development days in common as are provided by the member district with the fewest number of staff development days.

~~Before the 1990-1991 school year, each education district must report to the state board of education on ways that other components of the academic calendar in each member district will affect the implementation of the five-year plan described in section 122.945. Other components include the length of the school day, the time the school day begins and ends, and the number of periods in the day.~~

Sec. 22. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

Subd. 19. LIMITATION ON ALL AGREEMENTS. (a) No district shall be required by an agreement or otherwise to participate in or provide financial support for a regional center for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the center before the effective date of this section. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the center or to withdraw from the center, the school board shall adopt a resolution and notify the center of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

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(d) Before issuing bonds or incurring other debt, the board of a center shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The board of the center shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the center, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- (3) its intention to withdraw from the regional center.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the regional center. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the regional center, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the regional center.

(e) On and after July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the regional center to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the regional center provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 23. Minnesota Statutes 1990, section 123.351, subdivision 8, is amended to read:

Subd. 8. **ADDITION AND WITHDRAWAL OF DISTRICTS.** Upon approval by majority vote of a school board, of the center board, and of the state board of education, an adjoining school district may become a member in the center and be governed by the provisions of this section and the agreement in effect.

- (a) No district shall be required by an agreement or otherwise to participate

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in or provide financial support for a center for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the center before the effective date of this section. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the center or to withdraw from the center, the school board shall adopt a resolution and notify the center of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of a center shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The board of the center shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the center, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- (3) its intention to withdraw from the regional center.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the regional center. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the center, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the center.

(e) On and after July 1, 1993, a district is liable according to paragraph (d)

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for its share of bonded indebtedness or other debt incurred by the center to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the center provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Any participating district may withdraw from the center and from the agreement in effect by a majority vote of the full board membership of the participating school district desiring withdrawal and upon compliance with provisions in the agreement establishing the center. Upon receipt of the withdrawal resolution reciting the necessary facts, the center board shall file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective ~~at the end of the next~~ following school year July 1 but the withdrawal shall not affect the continued liability of the withdrawing district for bonded indebtedness it incurred prior to the effective withdrawal date.

Sec. 24. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 4a. LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT. (a) No district shall be required by an agreement or otherwise to participate in or provide financial support for an ECSU for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a district for its share of debts or obligations incurred by the ECSU before the effective date of this section. The district is liable only until the debt or obligation is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring or refunding debt or obligations outstanding on the effective date of this section if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding debt or obligations is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the ECSU or to withdraw from the ECSU, the school board shall adopt a resolution and notify the ECSU of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before incurring debt or obligations, the ECSU board shall adopt a resolution proposing to incur debt or obligations and the proposed financial effect of the debt or obligations upon each participating district. The resolution shall be

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adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The ECSU board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the ECSU board, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with incurring the debt or obligations;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the debt or obligations; or
- (3) its intention to withdraw from the ECSU.

A school board adopting a resolution according to clause (1) is liable for its share of debt or obligations as proposed by the ECSU board. A school board adopting a resolution according to clause (2) is not liable for the debt or obligations, as proposed by the ECSU board, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the debt or obligations proposed by the ECSU board.

(e) After the effective date of this section, a district is liable according to paragraph (d) for its share of debt or obligations incurred by the ECSU to the extent that the debt or obligations are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the debt or obligation is discharged and only according to the payment schedule in effect at the time the ECSU board provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding or restructuring debt or obligations if the annual payments of the district are not increased and if the total obligation of the district for the outstanding debt or obligation is not increased.

Sec. 25. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 9a. ALLOCATION OF STATE APPROPRIATION. The appropriation for ECSUs shall be allocated among the ECSUs according to the allocation for fiscal year 1991. Payment of the amount appropriated shall be to school districts. Each school district shall receive a payment equal to:

- (1) the number of pupil units in the district divided by the number of pupil units in all of the districts that are members of the ECSU; times
- (2) the allocation for the ECSU of which the district is a member.

The payment shall be used by the district to purchase educational services from an ECSU, another school district, or other provider, or to provide other educational services.

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Sec. 26. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 1a. ELIGIBILITY. A school district is eligible for education district revenue if the district certified a levy for education district revenue in 1992 for taxes payable in 1993. The pupil units of a school district that is a member of intermediate district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a school district may not be used to obtain revenue under this section and section 124.575.

Sec. 27. Minnesota Statutes 1990, section 124.2721, subdivision 2, is amended to read:

Subd. 2. **REVENUE.** Each year the education district board shall certify to the department of education the amount of education district revenue to be raised. Education district revenue shall be the lesser of:

(1) the amount certified by the education district board; or

(2) ~~the sum of:~~

~~(i) \$60 in basic education district revenue; and~~

~~(ii) \$50 for education districts authorized to receive revenue under Laws 1990, chapter 562, article 6, section 36, subdivision 2, \$50 times the actual pupil units in the education district.~~

Sec. 28. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 2a. REVENUE. For fiscal year 1994 and thereafter, education district revenue shall be \$50 times the number of pupil units in the district.

Sec. 29. Minnesota Statutes 1990, section 124.2721, subdivision 3, is amended to read:

Subd. 3. **LEVY.** The education district levy is equal to the following:

(1) the education district revenue according to subdivision 2, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the education district divided by the number of actual pupil units in the education district to an amount equal to ~~the sum of subdivision 2, clause (2), items (i) and (ii), for which the education district is eligible~~ \$50 divided by 1.87 percent.

The department of education shall allocate the levy amount proportionately among the member districts based on adjusted tax capacity. The member districts shall levy the amount allocated.

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Sec. 30. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 3b. LEVY. Beginning with the levy attributable to fiscal year 1994 and thereafter, the education district levy for a school district is equal to the following:

(1) the sum of the education district revenue according to subdivision 2 for all member school districts of the education district, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the education district divided by the number of actual pupil units in the education district to the amount in clause (1) divided by 1.87 percent, times

(3) the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the education district.

Sec. 31. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 4a. AID. For fiscal year 1994 and thereafter, education district aid equals the education district revenue minus the education district levy, times the ratio of the actual amount levied to the permitted levy. If the permitted education district levy exceeds the education district revenue, the department shall reduce other aids due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for aid payments under this subdivision.

Sec. 32. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 5a. USES OF REVENUE. For fiscal year 1994 and thereafter, education district revenue shall be used only for one or more of the following purposes:

(1) purchase educational programs offered by another school district, education district, secondary vocational cooperative, special education cooperative, intermediate school district, joint powers board, or an ECSU;

(2) provide educational programs offered by an education district;

(3) provide additional revenue for early childhood family education programs, head start programs, or other educational programs for children who have not entered kindergarten;

(4) provide additional revenue for early childhood health and developmental screening or other health services for children from birth through 12th grade;

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(5) provide services needed by pupils described in section 126.22 or children of any age who have characteristics, as designated by the district, that may interfere with learning and developing;

(6) provide secondary course offerings if the courses have specific learner outcomes and teachers participate in determining the outcomes;

(7) provide preparation time for elementary teachers or additional revenue for staff development for outcome-based education or site-based decision making;

(8) provide revenue for expenditures related to interdistrict cooperation according to section 122.541, agreements for secondary education according to section 122.535, additional revenue for cooperation and combination according to sections 122.241 to 122.248, dissolution and attachment according to section 122.22, or consolidation according to section 122.23;

(9) provide additional revenue for education programs for adults to earn high school diplomas or equivalency certificates;

(10) collaborate with local health and human service agencies to provide comprehensive and coordinated services for children and families;

(11) implement a career teacher program according to sections 124C.27 to 124C.31;

(12) provide extended day programs for children in elementary school;

(13) pay fees charged by a regional management information center, according to section 121.935, subdivision 6, or an educational cooperative service unit, according to section 123.58, subdivision 9; or

(14) make repairs or improvements to buildings as required by a fire safety inspection according to section 121.1502.

The school district may provide the programs and services itself or contract with a public education organization or a public or private health or human service organization. The school district shall not use education district revenue to increase the salaries of the employees of the school district.

Sec. 33. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 5b. FUND TRANSFER AUTHORIZED. For fiscal year 1994 and thereafter, notwithstanding section 121.912, a district using the education district revenue for fire safety improvements required by fire inspections shall transfer each year the amount needed to make the improvements from the general fund to the capital expenditure fund. A district using education district revenue for purposes that would otherwise be paid from the community service fund shall transfer each year the amount needed from the general fund to the community service fund.

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Sec. 34. Minnesota Statutes 1990, section 124.2725, subdivision 4, is amended to read:

Subd. 4. **INCREASING LEVY.** (a) For districts that combine without cooperating, the percentage in subdivision 3, clause (2), shall be:

(1) 50 percent for the first year of combination; and

(2) 25 percent for the second year of combination.

(b) For districts that combine after one year of cooperation, the percentage in subdivision 3, clause (2), shall be:

(1) 100 percent for the first year of cooperation;

(2) 75 percent for the first year of combination;

(3) 50 percent for the second year of combination; and

(4) 25 percent for the third year of combination.

(b) (c) For districts that combine after two years of cooperation, the percentage in subdivision 3, clause (2), shall be:

(1) 100 percent for the first year of cooperation;

(2) 75 percent for the second year of cooperation;

(3) 50 percent for the first year of combination; and

(4) 25 percent for the second year of combination.

Sec. 35. Minnesota Statutes 1990, section 124.2725, subdivision 5, is amended to read:

Subd. 5. **COOPERATION AND COMBINATION AID.** (a) Districts that combine without cooperating shall receive cooperation and combination aid for the first two years of combination. Cooperation and combination aid shall not be paid after two years of combining.

(b) Districts that combine after one year of cooperation shall receive cooperation and combination aid for the first year of cooperation and three years of combination. ~~Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.~~ Aid shall not be paid after three years of combining.

(b) (c) Districts that combine after two years of cooperation shall receive cooperation and combination aid for the first two years of cooperation and the first two years of combination. ~~Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.~~ Aid shall not be paid after two years of combining.

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(d) In each case, cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.

Sec. 36. Minnesota Statutes 1990, section 124.2725, subdivision 6, is amended to read:

Subd. 6. **ADDITIONAL AID.** In addition to the aid in subdivision 5, districts shall receive aid ~~under this subdivision. For the first year of cooperation, a district shall receive, for each resident and nonresident pupil receiving instruction in a cooperating district, \$100 times the actual pupil units. For the first year of combination, the combined district shall receive, for each resident and nonresident pupil receiving instruction in the combined district, \$100 times the actual pupil units~~ according to the following:

(1) for districts that combine without cooperating, \$100 times the actual pupil units in the district in the first year of combination; or

(2) for districts that combine after one year of cooperation, \$100 times the actual pupil units in each district for the first year of cooperation, for each resident and nonresident pupil receiving instruction in the cooperating district, and \$100 times the actual pupil units in the combined district for the first year of combination; or

(3) for districts that combine after two years of cooperation, \$100 times the actual pupil units in each district for the first year of cooperation, for each resident and nonresident pupil receiving instruction in the cooperating district, and \$100 times the actual pupil units in the combined district for the first year of combination.

Sec. 37. Minnesota Statutes 1990, section 124.2725, subdivision 8, is amended to read:

Subd. 8. **PERMANENT REVENUE.** (a) For the third year of combination and thereafter, When a combined district is no longer eligible for aid under subdivision 5, it may receive revenue according to this subdivision. A combined district that is not a member of an education district that receives revenue under section 124.2721 may levy each year the lesser of

(i) \$50 times the actual pupil units in the combined district; or

(ii) \$50,000.

(b) A combined district that is a member of an education district receiving revenue under section 124.2721 must not receive revenue under this subdivision.

Sec. 38. Minnesota Statutes 1990, section 124.2725, subdivision 10, is amended to read:

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Subd. 10. **REVENUE LIMIT.** Revenue under this section shall not exceed the revenue received by cooperating districts or a combined district with 2,000 actual pupil units. Revenue for cooperating districts subject to the limitation in this subdivision shall be allocated according to the number of pupil units in the districts.

Sec. 39. [124.2727] **INTERMEDIATE DISTRICT REVENUE.**

Subdivision 1. ELIGIBILITY. A school district is eligible for intermediate school district revenue if the property in the school district was subject to taxation by or on behalf of an intermediate school district for taxes payable in 1991. Independent school district Nos. 138 and 141 are eligible for intermediate school district revenue upon joining intermediate district No. 916.

Subd. 2. REVENUE. Intermediate school district revenues for an eligible school district are equal to the product of:

(1) the greater of:

(i) the quotient obtained by dividing five-sixths of the levy certified by the intermediate school district for taxes payable in 1989 by the sum of the actual pupil units of the eligible school districts for the fiscal year to which the levy is attributable; or

(ii) \$50, times

(2) the actual pupil units in the school district for the year to which the levy is attributable.

Subd. 3. LEVY. The intermediate school district levy for an eligible school district is equal to the product of:

(1) the quotient obtained by dividing the sum of the amounts computed in subdivision 2 for all eligible member districts of the intermediate school district by the total adjusted net tax capacity of the intermediate school district; times

(2) the adjusted net tax capacity of the school district.

Subd. 4. REVENUE ADJUSTMENTS. The intermediate school district revenue adjustment for an eligible school district is equal to the intermediate school district revenue minus the intermediate school district levy times the ratio of the actual amount levied to the permitted levy. If the permitted intermediate school district levy exceeds the intermediate school district revenue, the department shall reduce other aid due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for revenue adjustments under this subdivision.

Subd. 5. REVENUE USES. Five-elevenths of the proceeds of the revenue must be used for special education and six-elevenths of the proceeds of the reve-

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nue must be used for secondary vocational education. The district may provide special education or secondary vocational education, or both. The district may purchase some or all of either type of education from the intermediate district, another school district, or any other provider.

Subd. 6. ALTERNATIVE LEVY AUTHORITY. (a) An intermediate school district may levy, as a single taxing district, according to this paragraph, an amount that may not exceed the greater of:

(1) five-sixths of the levy certified for taxes payable in 1989; or

(2) the lesser of (i) \$50 times the actual pupil units in each participating district for the fiscal year to which the levy is attributable, or (ii) 1.43 percent of the adjusted net tax capacity. The levy shall be certified according to section 275.07. Upon such certification, the county auditors shall levy and collect the levies and remit the proceeds of the levy to the intermediate school district. The levies shall not be included in computing the limitation upon the levy of any of the participating districts.

(b) Five-sixths of the proceeds of the levy shall be used for special education. Six-elevenths of the proceeds of the levy shall be used for secondary vocational education.

(c) To levy according to paragraph (a), a majority of the full membership of the school board of each member of the intermediate school district shall adopt a resolution in August of any year stating its decision not to levy according to this section and authorizing the intermediate district to levy according to paragraph (a). Any member district may adopt a resolution by the following February 1 or February 1 of any subsequent year to levy as a school district the amount authorized by this section. The resolution may or may not also contain the school board's decision to withdraw from the intermediate school district or to cease participating in or providing financial support for any of the services or activities of the intermediate school district. Upon withdrawal from or cessation of participation in or support for the services or activities of the intermediate district, the board of the intermediate district shall pay to the district \$50 times the number of actual pupil units in the school district, or a prorated amount if the member district ceases participation in or providing financial support for any activities or services of the intermediate district.

Sec. 40. Minnesota Statutes 1990, section 124.493, is amended by adding a subdivision to read:

Subd. 3. APPLICATIONS. Districts that apply for a cooperative secondary facilities grant after May 1, 1991, shall:

(1) submit a plan as set forth in section 122.242 for approval by the state board of education; and

(2) comply with the provisions of sections 122.243 to 122.247, applicable to combined districts.

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The districts are not eligible for cooperation and combination revenue under section 124.2725. Sections 124.494, 124.4945, and 124.4946 do not apply to districts applying for a grant after May 1, 1991, except for provisions in the sections relating to acquiring, constructing, remodeling, or improving a building or site of a cooperative secondary facility.

Sec. 41. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 1a. ELIGIBILITY. Beginning in fiscal year 1994 a school district is eligible for secondary vocational cooperative revenue if the school district certified a levy for secondary vocational cooperative revenue in 1992 for taxes payable in 1993. The pupil units of a district that is a member of intermediate school district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a district may not be used to obtain revenue under this section and section 124.2721.

Sec. 42. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 2a. REVENUE. For fiscal year 1994 and thereafter, secondary vocational cooperative revenue shall be \$20 times the actual pupil units in the district.

Sec. 43. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 3b. LEVY. Beginning with the levy attributable to fiscal year 1994 and thereafter, the secondary vocational cooperative levy for a school district is equal to the following:

(1) the sum of the secondary vocational cooperative revenue according to subdivision 2 for all member school districts of the secondary vocational cooperative according to subdivision 1, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the secondary vocational cooperative divided by the number of actual pupil units in the secondary vocational cooperative to an amount equal to \$20 divided by .78 percent, times

(3) the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the secondary vocational cooperative.

Sec. 44. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

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Subd. 4a. AID. For fiscal year 1994 and thereafter, secondary vocational cooperative aid equals the secondary vocational cooperative revenue minus the secondary vocational cooperative levy, times the ratio of the actual amount levied to the permitted levy. If the permitted amount of the secondary vocational cooperative levy exceeds the secondary vocational cooperative revenue, the department shall reduce other aids due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for aid payments under this subdivision.

Sec. 45. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 5. USE OF REVENUE. Secondary vocational cooperative revenue shall be used to provide or purchase vocational offerings, special education for handicapped pupils, or other educational programs or services offered by a secondary vocational center, school district, or other provider.

Sec. 46. Minnesota Statutes 1990, section 124B.03, subdivision 2, is amended to read:

Subd. 2. **REFERENDUM LEVY.** (a) The amount of general education revenue certified by an education district board under section 124B.10 may be increased in any amount that is approved by the voters of the education district at a referendum called for the purpose. The referendum may be called by the education district board or must be called by the education district board upon written petition of qualified voters of the education district. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity per actual pupil unit, the total amount that will be raised by that local tax rate in the first year it is to be levied, and that the local tax rate proceeds of the levy must be used to finance school operations. The ballot shall designate a specific number of years for which the referendum authorization applies which may not exceed five years. The ballot may contain a text with the information required in this subdivision and a question stating substantially the following:

“Shall the increase in the levy proposed by (petition to) the board of ....., Education District No. ..., be approved?”

(b) If An approved, the amount provided by the approved local tax rate applied to the net tax capacity per actual pupil unit times the number of actual pupil units in the education district for the fiscal year before the year the levy is certified is authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the education district at a later referendum.

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(c) The education district board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the election to each taxpayer at the address listed on each member district's current year's assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the education district.

(d) The notice must include the following statement: "~~In 1989, the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase.~~ Passage of this referendum will result in an increase in your property taxes."

(e) A referendum on the question of revoking or reducing the increased levy amount authorized under paragraph (a) may be called by the education district board and must be called by the education district board upon the written petition of qualified voters of the education district. A levy approved by the voters of the education district under paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one election may be held to revoke or reduce a levy for any specific year and for later years.

(f) A petition authorized by paragraph (a) or (e) shall be effective if signed by a number of qualified voters in excess of 15 percent of the average number of voters at the two most recent districtwide school elections in all the member school districts. A referendum invoked by petition must be held on the day specified in paragraph (a).

(g) The approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(h) Within 30 days after the education district holds a referendum according to this subdivision, the education district shall notify the commissioner of education of the results of the referendum.

(i) The department shall allocate the amount certified by the education district board under paragraph (a) or subdivision 1 proportionately among the member districts based on net tax capacity. The member districts ~~shall~~ may levy an amount up to the amount allocated.

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(j) Each year, a member district shall transfer referendum revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in this subdivision minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 47. Minnesota Statutes 1990, section 136D.22, is amended by adding a subdivision to read:

Subd. 3. LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT. (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

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- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- (3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

#### Sec. 48. [136D.281] BONDS.

Subdivision 1. PURPOSE. The intermediate school board, acting in its own behalf, may issue bonds for the acquisition and betterment of school facilities or equipment or for the funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.

Subd. 2. GENERAL LAW. Chapter 475 shall be applicable in all respects.

Subd. 3. RESOLUTION. The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate school district. When the resolution has been adopted by the intermediate school board it shall be published once in a newspaper of general circulation in said district.

Subd. 4. REFERENDUM. The intermediate school board shall not sell and issue bonds for acquisition or betterment purposes until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for the intermediate district. The date of the election, the question to be submitted, and all other necessary conduct of the elec-

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tion shall be fixed by the intermediate school board. The election shall be conducted and canvassed under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.

If a majority of the total number of votes cast on the question within the intermediate school district is in favor of the question, the intermediate school board may proceed with the sale and issuance of the bonds.

Subd. 5. GENERAL OBLIGATION BONDS. The full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.

Subd. 6. LEVIES FOR PAYMENT. The intermediate school board upon awarding a contract for the sale of the bonds shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the intermediate school district.

Subd. 7. TAX EXEMPT SECURITIES. In all other respects chapter 475 shall apply and the bonds shall be deemed authorized securities within the provisions of section 50.14 and shall be deemed instruments of a public governmental agency.

Sec. 49. Minnesota Statutes 1990, section 136D.29, is amended to read:

**136D.29 TERM OF AGREEMENT; DISSOLUTION, BOND TAXES.**

The agreement shall state the term of its duration and may provide for the method of termination and distribution of assets after payment of all liabilities of the joint school board. No termination shall affect the obligation to continue to levy taxes required for payment of any bonds issued ~~as provided in section 136D.28~~ before termination.

Sec. 50. Minnesota Statutes 1990, section 136D.71, is amended to read:

**136D.71 LISTED DISTRICTS MAY FORM INTERMEDIATE DISTRICT.**

Subdivision 1. AGREEMENT. Notwithstanding any other law to the contrary, two or more of the independent school districts numbered 12 and 16 of Anoka county, independent school districts numbered 621, 622, 623, and 624 of Ramsey county, and independent school districts numbered 832, 833, and 834 of Washington county, are hereby authorized to enter into an agreement to establish a special intermediate school district upon majority vote of the full membership of each of the boards of the districts entering into the agreement. When such resolution has been adopted by the board of one of the districts, it shall be published once in a newspaper of general circulation in said district. If

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a petition for referendum on the question of said district entering into such agreement is filed with the clerk of the said board within 60 days after publication of such resolution, signed by the qualified voters of said district equal to five percent of the number of voters at the last annual school election. No board shall enter into such agreement until the question of whether the district shall enter into the agreement has been submitted to the voters of said district at a special election. Said election shall be conducted and canvassed in accordance with chapter 205A.

If a majority of the total number of votes cast on the question within said district is in favor of the question, the board of said school district may thereupon proceed to enter into an agreement to establish the special intermediate school district for purposes herein described. Such school district so created shall be known as northeastern metropolitan intermediate school district, state of Minnesota. The commissioner of education shall assign an appropriate identification number as provided by section 122.03.

**Subd. 2. LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.** (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

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- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- (3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

Sec. 51. Minnesota Statutes 1990, section 136D.72, subdivision 1, is amended to read:

Subdivision 1. **MEMBERS.** ~~The district shall be operated by a school board of not less than six nor more than 12 members. The board shall consist~~ consisting of at least one member from each of the school districts within the special intermediate school district. Board members shall be members of the school boards of the respective school districts and shall be appointed by their respective school boards. Members shall serve at the pleasure of their respective school boards and may be subject to recall by a majority vote of the school board. They shall report at least quarterly to their boards on the activities of the intermediate district.

Sec. 52. Minnesota Statutes 1990, section 136D.76, subdivision 2, is amended to read:

Subd. 2. **JOINER.** An independent school district must receive the approval of the state board of education and the state board of technical colleges to become a participant in the intermediate school district. Thereafter, upon approval of the majority vote of its board and of the intermediate school board

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as well as approval of the state board of education and without the requirement for an election, independent school district No. 138 of Chisago and Isanti counties and independent school district No. 141 of Chisago and Washington counties, and any other independent school district adjoining the territory embraced in the intermediate school district may become a participant in the intermediate school district and be governed by the provisions of sections 136D.71 to 136D.77 thereafter. The net tax capacity of the property within the geographic confines of such district shall become proportionately liable for any indebtedness issued, outstanding or authorized of the intermediate school district.

Sec. 53. Minnesota Statutes 1990, section 136D.82, is amended by adding a subdivision to read:

**Subd. 3. LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.** (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

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(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

(3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

#### Sec. 54. [136D.88] BONDS.

Subdivision 1. PURPOSE. The intermediate school board, acting in its own behalf, may issue bonds for the acquisition and betterment of school facilities or equipment or for the funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.

Subd. 2. GENERAL LAW. Chapter 475 shall be applicable in all respects.

Subd. 3. RESOLUTION. The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate school district. When the resolution has been adopted by the intermediate school board it shall be published once in a newspaper of general circulation in the district.

Subd. 4. REFERENDUM. The intermediate school board shall not sell and issue bonds for acquisition or betterment purposes until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for the intermediate district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the intermediate school board. The election shall be conducted and canvassed under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.

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If a majority of the total number of votes cast on the question within the intermediate school district is in favor of the question, the intermediate school board may thereupon proceed with the sale and issuance of the bonds.

Subd. 5. GENERAL OBLIGATION BONDS. The full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.

Subd. 6. LEVIES FOR PAYMENT. The intermediate school board upon awarding a contract for the sale of the bonds shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the intermediate school district.

Subd. 7. TAX EXEMPT SECURITIES. In all other respects chapter 475 shall apply and the bonds shall be deemed authorized securities within the provisions of section 50.14, and shall be deemed instruments of a public governmental agency.

Sec. 55. Minnesota Statutes 1990, section 136D.90, is amended to read:

136D.90 ~~TERM OF AGREEMENT; DISSOLUTION, BOND TAXES.~~

Subdivision 1. TERM OF AGREEMENT AND TERMINATION. The agreement shall state the term of its duration and may provide for the method of termination and distribution of assets after payment of all liabilities of the joint school board. No termination shall affect the obligation to continue to levy taxes required for payment of any bonds issued as provided in section 136D.89 before termination.

Subd. 2. WITHDRAWAL. (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of

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the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- (3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

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Sec. 56. Minnesota Statutes 1990, section 275.125, by adding a subdivision.

Subd. 11g. EXTRA CAPITAL EXPENDITURE LEVY FOR INTERACTIVE TELEVISION. A school district with its central administrative office located within economic development region one, two, three, four, five, seven, eight, and ten may levy up to .5 percent of the adjusted net tax capacity of the district for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 11d shall apply to the levy authority in this subdivision.

Sec. 57. Laws 1989, chapter 329, article 6, section 53, subdivision 6, as amended by Laws 1990, chapter 562, article 7, section 13, is amended to read:

Subd. 6. TELECOMMUNICATIONS GRANT. For grants of up to \$20,000 each to independent school districts Nos. 356, 353, 444, 441, 524, 564, 592, 440, 678, 676, 682, 690, 390, 593, 595, 630, 600, 599, 447, 742, 627, 628, 561, and 454 to support cooperative educational technology programs: \$340,000 ..... 1991.

The amount appropriated shall not cancel but shall be available until June 30, 1992.

After June 30, 1991, any remaining amount is available for grants of up to \$20,000 each to independent school districts Nos. 402, 403, 404, 409, 411, 412, 413, 414, 418, 584, 601, 603, 791, 891, and 896. Any other district listed in this section that have not received a grant prior to June 30, 1991, may apply for a grant from any remaining amount. The department may establish a deadline for grant applications.

Sec. 58. AID PAYMENTS.

(a) Notwithstanding Minnesota Statutes, section 122.541, or any other law to the contrary, it is the intent of the legislature that all pupils residing in independent school district No. 483, Motley, who are enrolled and attending school in kindergarten through grade 12 in independent school district No. 793, Staples, be treated as nonresident pupils enrolled and attending school in independent school district No. 793, Staples, under Minnesota Statutes, section 120.062 beginning with the 1990-1991 school year.

(b) The department of education shall:

(1) determine the amount of state education aid calculated under Minnesota Statutes, section 120.062, subdivision 12, due district No. 793 as a result of this section;

(2) reduce state education aid for district No. 483 in an amount equal to the amount of aid due district No. 793 under clause (1) plus \$110,198.19 for the cost to district No. 793 of educating 48 resident pupils of district No. 483 who attended kindergarten through grade 6 in district No. 793 during the 1989-1990 school year; and

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(3) deposit the amount of state education aid calculated under clauses (1) and (2) in a separate account in the state treasury.

Notwithstanding any law to the contrary, the state treasurer shall use the revenue deposited in the account under clause (3) to pay to independent school district No. 793 that amount of state education aid, plus a proportionate share of the interest earned on the account, representing partial or total satisfaction of any final judgment entered against independent school district No. 483 in the cases of independent school district No. 483, Motley v. Tom Nelson, in his official capacity as commissioner of education, file numbers C8-90-9736 and C6-90-2671, and independent school district No. 793 v. Ervin Bjergarfile number C6-90-2059, after all time for appeal from the judgments has expired. The treasurer shall pay any remaining revenue plus proportionate interest to independent school district No. 483. For independent school district No. 793 or independent school district No. 483 to receive payment, the attorney representing the district shall submit to the state treasurer a certified copy of the judgment and an affidavit stating that the judgment is a final judgment and the time for appeal from the judgment has expired.

**Sec. 59. RUSHFORD-PETERSON FUND TRANSFER AUTHORIZATION.**

Independent school district No. 239, Rushford-Peterson, may make permanent transfers between any of the funds in the district, with the exception of the debt redemption fund, during the 90 days following the effective date of this section.

**Sec. 60. REVENUE ADJUSTMENTS.**

(a) The department of education shall adjust the 1991 payable 1992 levy for each school district by the amount of the change in the district's education district levy for fiscal year 1992 according to Minnesota Statutes, section 124.2721, subdivision 3, resulting from the change to education district revenue under this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

(b) The department of education shall adjust the 1991 payable 1992 levy for each member district of an intermediate district that levies according to section 39, subdivision 3, by the amount of the change in the school district's intermediate district levy for fiscal year 1992 according to section 39, subdivision 3, resulting from the change to intermediate district revenue under this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

The department of education shall adjust the 1991 payable 1992 levy for each intermediate district that levies according to section 39, subdivision 6, by the amount of the change in the intermediate district's levy for fiscal year 1992

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according to section 39, subdivision 2, resulting from the change to intermediate district revenue under this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

**Sec. 61. DISTRICTS WITH SECONDARY EDUCATION AGREEMENTS.**

A district that has had an agreement for secondary education according to Minnesota Statutes, section 122.535, with one or more districts continuously since the 1987-1988 school year is eligible for cooperation and combination revenue if it meets the requirements of Minnesota Statutes, sections 122.241 to 122.248, not later than the first year of cooperation. The department of education shall extend the deadline for submitting a plan in 1991.

**Sec. 62. FINLAYSON AND HINCKLEY COOPERATION AND COMBINATION.**

Independent school district Nos. 570, Finlayson, and 573, Hinckley, may cooperate and combine under Minnesota Statutes, sections 122.241 to 122.248, and receive revenue under Minnesota Statutes, section 124.2725, even if the districts are not contiguous. The districts shall comply with all other requirements for cooperation and combination.

**Sec. 63. APPLICABILITY.**

The provisions relating to capital loans for cooperating and combining districts apply to all districts that have contracts for capital loans the day following final enactment of this act.

**Sec. 64. PREK-12 AND COMMUNITY EDUCATION SERVICE DELIVERY SYSTEM.**

Subdivision 1. PURPOSE. The purpose of this section is to design and implement a statewide delivery system for educational services that will reduce the number of different cooperative organizations and the multiple levels of administration that accompany those organizations.

Subd. 2. SCOPE OF THE SYSTEM. (a) A new statewide delivery system must be designed and implemented by the state board of education by June 30, 1995, for all prekindergarten through grade 12 and community education services provided by the organizations enumerated in this paragraph:

- (1) the Minnesota department of education;
- (2) educational cooperative service units established under Minnesota Statutes, section 123.58;
- (3) intermediate school districts established under Minnesota Statutes, chapter 136D;

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- (4) education districts established under Minnesota Statutes, section 122.91;
- (5) regional management information centers established under Minnesota Statutes, section 121.935;
- (6) secondary vocational cooperatives established under Minnesota Statutes, section 123.351;
- (7) special education cooperatives established under Minnesota Statutes, section 120.17 or 471.59;
- (8) technology cooperatives; and
- (9) other joint powers agreements established under Minnesota Statutes, section 471.59.

(b) The state board shall compile a list of services and programs provided or administered by each type of organization listed in paragraph (a), clauses (1) to (9).

**Subd. 3. REQUIREMENTS FOR THE SYSTEM.** The new statewide delivery system must provide for no more than three organizations for education service delivery:

- (1) a school district, as defined in Minnesota Statutes, chapter 123;
- (2) an area education organization to provide those programs and services most efficiently and effectively provided through a joint effort of school districts; and
- (3) a state level administrative organization comprised of a state board of education and a state department of education with central and regional delivery centers.

**Subd. 4. LOCAL SCHOOL DISTRICT PLANNING.** To assist the state board in designing a new education delivery system as described in subdivision 3, each school district shall develop a plan for the efficient and effective delivery of educational programs and services within the new education delivery system. The plan developed by each district must contain the following components enumerated in this subdivision:

- (1) a list of necessary services provided by the organizations listed in subdivision 2;
- (2) a description of the necessary services to be provided by the school district, the area education organization, and the central and regional delivery centers of the department of education described in subdivision 3;
- (3) a specification of the optimal number of school districts and number of pupils that an area education organization and regional center of the department of education should serve;

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(4) a method for determining the boundaries of area education organizations and regional centers of the department;

(5) a description of how services provided in the area education organizations should be funded;

(6) a determination of the role of the school district, the area education organization, and the central and regional centers of the department in ensuring that health and other social services necessary to maximize a pupil's ability to learn are provided to pupils; and

(7) any additional information requested by the state board of education.

In the development of its plan, each district shall confer with teachers and residents within the district, hold public meetings as necessary, and inform the public concerning its plan and any recommendations. School districts must meet jointly to discuss aspects of the plan which involve multiple school districts. Each district must submit the plan to the state board by a date specified by the board. School districts cooperating under Minnesota Statutes, sections 122.241 to 122.248, 122.535, or 122.541 must submit a joint plan.

**Subd. 5. STATE BOARD OF EDUCATION TO DIRECT LOCAL SCHOOL DISTRICT PLANNING.** The state board of education shall direct local school district efforts to develop the plan described in subdivision 4. To assist school districts in planning, the board shall provide each school district with the list of services and programs compiled according to subdivision 2. The commissioner of education shall provide staff assistance to the state board as required by the board to direct this planning process.

**Subd. 6. STATE BOARD OF EDUCATION REPORTS TO THE LEGISLATURE.** (a) The state board of education shall set a date by which school districts must submit their plan to the board. The board shall report to the legislature by February 1, 1992, on school district progress in the planning process. The board shall make a final report to the legislature by January 1, 1993. The final report must contain recommendations for the design of an education service delivery system in accordance with this section and recommendations for legislation required to implement the system.

(b) The report must include recommendations specifying at which organizational level of the education delivery system described in subdivision 3 collective bargaining could take place most effectively and efficiently. The board must consult with the bureau of mediation services in developing these recommendations.

(c) The final report must include recommendations of the legislative commission on children, youth, and their families established according to article 8, section 1 on coordinating local health, correctional, educational, job, and human services to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services.

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Sec. 65. **EARLY RECOGNITION OF COOPERATION REVENUE.**

Independent school district Nos. 543, Deer Creek, and 819, Wadena, may recognize cooperation revenue received for fiscal year 1993 according to Minnesota Statutes, section 124.2725, subdivision 6, in fiscal year 1992.

Sec. 66. **APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. EDUCATION DISTRICT AID. For education district aid according to Minnesota Statutes, section 124.2721:

<u>\$2,798,000</u>	<u>.....</u>	<u>1992</u>
<u>\$2,290,000</u>	<u>.....</u>	<u>1993</u>

The 1992 appropriation includes \$555,000 for 1991 and \$2,243,000 for 1992.

The 1993 appropriation includes \$395,000 for 1992 and \$1,895,000 for 1993. \* (The language "\$1,895,000 for 1993" was vetoed by the governor.)

Subd. 3. COOPERATION AND COMBINATION AID. For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

<u>\$2,327,000</u>	<u>.....</u>	<u>1992</u>
<u>\$4,148,000</u>	<u>.....</u>	<u>1993</u>

The 1992 appropriation includes \$210,000 for 1991 and \$2,116,000 for 1992.

The 1993 appropriation includes \$373,000 for 1992 and \$3,775,000 for 1993.

Subd. 4. SECONDARY VOCATIONAL COOPERATIVE AID. For secondary vocational cooperative aid according to Minnesota Statutes, section 124.575:

<u>\$178,000</u>	<u>.....</u>	<u>1992</u>
<u>\$165,000</u>	<u>.....</u>	<u>1993</u>

The 1992 appropriation includes \$24,000 for 1991 and \$154,000 for 1992.

The 1993 appropriation includes \$27,000 for 1992 and \$138,000 for 1993. \* (The language "\$138,000 for 1993" was vetoed by the governor.)

Subd. 5. EDUCATIONAL COOPERATIVE SERVICE UNITS. For educational cooperative service units:

<u>\$748,000</u>	<u>.....</u>	<u>1992</u>
<u>\$748,000</u>	<u>.....</u>	<u>1993</u>

New language is indicated by underline, deletions by ~~strikeout~~.

The 1992 appropriation includes \$112,000 for 1991 and \$636,000 for 1992.

The 1993 appropriation includes \$112,000 for 1992 and \$636,000 for 1993.

Money from this appropriation may be transmitted to ECSU boards of directors for general operations in amounts of up to \$68,000 per ECSU for each fiscal year. The ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight may receive up to \$136,000 for each fiscal year.

Before releasing money to the ECSUs, the department of education shall ensure that the annual plan of each ECSU explicitly addresses the specific educational services that can be better provided by an ECSU than by a member district. The annual plan must include methods to increase direct services to school districts in cooperation with the state department of education. The department may withhold all or a part of the money for an ECSU if the department determines that the ECSU has not been providing services according to its annual plan.

Subd. 6. MANAGEMENT INFORMATION CENTERS. For management information centers according to Minnesota Statutes, section 121.935, subdivision 5:

\$3,411,000	....	1992
\$3,411,000	....	1993

\$356,000 each year is for software support of the ESV information system.

#### Sec. 67. REPEALER.

Subdivision 1. JULY 1, 1991. Minnesota Statutes 1990, 124C.02; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; and 275.125, subdivisions 8d, are repealed.

Subd. 2. IMMEDIATE. Minnesota Statutes 1990, sections 124.493, subdivision 2; 136D.28; 136D.30; 136D.89; 136D.91; and Laws 1990, chapter 562, article 6, section 36, are repealed.

The repeal of Minnesota Statutes, sections 136D.28 and 136D.89, shall not affect any rights or duties relating to bonds issued according to the repealed sections.

Subd. 3. July 1, 1993. Minnesota Statutes 1990, sections 121.935, subdivision 5; 121.91, subdivision 7; 122.945, subdivision 4; 124.2721, subdivision 3a; and 124.535, subdivision 3a.

#### Sec. 68. EFFECTIVE DATE.

Sections 2, 3, 6, 7, 8, 9, 12, 14, 16, and 17 are effective for school districts with an effective date of reorganization according to Minnesota Statutes, section 122.22 or 122.23 after June 30, 1990, and for school districts that certified a levy according to Minnesota Statutes, section 124.2725 after July 1, 1989.

New language is indicated by underline, deletions by ~~strikeout~~.

Sections 39, 47, 48, 49, 50, 51, 52, 53, 54, 55, 57, 58, 59, and 67, subdivision 2, are effective the day following final enactment.

Sections 4, 5, 20, 22, 23, 24, 25, 26, 28, 30, 31, 32, 33, 41, 42, 43, 44, 45, and 67, subdivision 3, are effective July 1, 1993.

Sec. 69. **RETROACTIVE EFFECT.**

Notwithstanding the effective date of Laws 1990, chapter 562, article 6, section 6, a district shall pay severance pay, according to section 18, to a teacher who was placed on unrequested leave of absence as a result of an agreement for secondary education according to Minnesota Statutes 1990, section 122.535, effective on or about the close of the 1989-1990 school year, if the teacher is otherwise eligible according to section 18. The amount of the severance pay is the amount specified in section 18.

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**ARTICLE 7**

**OTHER AIDS AND LEVIES**

Section 1. **[120.0111] MISSION STATEMENT.**

The mission of public education in Minnesota, a system for lifelong learning, is to ensure individual academic achievement, an informed citizenry, and a highly productive work force. This system focuses on the learner, promotes and values diversity, provides participatory decision-making, ensures accountability, models democratic principles, creates and sustains a climate for change, provides personalized learning environments, encourages learners to reach their maximum potential, and integrates and coordinates human services for learners.

Sec. 2. Minnesota Statutes 1990, section 120.101, is amended by adding a subdivision to read:

Subd. 5b. INSTRUCTIONAL DAYS. Every child required to receive instruction according to subdivision 5 shall receive instruction for at least the number of days per year required in the following schedule:

(1) 1995-1996, 172;

(2) 1996-1997, 174;

(3) 1997-1998, 176;

(4) 1998-1999, 178;

(5) 1999-2000, 180;

(6) 2000-2001, 182;

New language is indicated by underline, deletions by ~~strikeout~~.

(7) 2001-2002, 184;

(8) 2002-2003, 186;

(9) 2003-2004, 188; and

(10) 2004-2005, and later school years, 190.

Sec. 3. Minnesota Statutes 1990, section 121.585, subdivision 3, is amended to read:

Subd. 3. **HOURS OF INSTRUCTION.** Pupils participating in a program must be able to receive the same total number of hours of instruction they would receive if they were not in the program. If a pupil has not completed the graduation requirements of the district after completing the minimum number of secondary school hours of instruction, the district may allow the pupil to continue to enroll in courses needed for graduation.

For the purposes of section 120.101, subdivision 5, the minimum number of hours for a year determined for the appropriate grade level of instruction shall constitute ~~470~~ the number of days of instruction required under section 120.101, subdivision 5b. Hours of instruction that occur after the close of the instructional year in June shall be attributed to the following fiscal year.

Sec. 4. Minnesota Statutes 1990, section 121.608, is amended to read:

#### 121.608 EDUCATIONAL EFFECTIVENESS PLAN.

The commissioner of education shall develop a comprehensive statewide plan for maintaining and improving educational effectiveness in ~~the schools~~ early childhood family education programs through secondary education programs. The plan shall include provisions for the participation of post-secondary teacher preparation programs and early childhood family education programs. The plan shall encourage implementation of educational effectiveness strategies based on research findings in the area, develop in-service programs for school district staff, integrate developments in educational technology with classroom instruction, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in 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. 5. Minnesota Statutes 1990, section 121.609, subdivision 2, is amended to read:

Subd. 2. **RESEARCH AND DEVELOPMENT OF IN-SERVICE PROGRAM.** The commissioner shall administer a research and development program of educational effectiveness and outcome-based education in-service. The advisory task force established in subdivision 1 may recommend modifications in the in-service program as necessary.

New language is indicated by underline, deletions by ~~strikeout~~.

**Sec. 6. [121.831] LEARNING READINESS PROGRAMS.**

Subdivision 1. ESTABLISHMENT. A district or a group of districts may establish a learning readiness program for eligible children.

Subd. 2. CHILD ELIGIBILITY. A child is eligible to participate in a learning readiness program if the child is:

(1) at least four years old but has not entered kindergarten; and

(2) has participated or will participate in an early childhood screening program according to section 123.702.

A child may participate in a program provided by the district in which the child resides or by any other district.

Subd. 3. PROGRAM ELIGIBILITY. A learning readiness program shall include the following:

(1) a comprehensive plan to coordinate social services to provide for the needs of participating families and for collaboration with agencies or other community-based organizations providing services to families with young children;

(2) a development and learning component to help a child develop socially, intellectually, physically, and emotionally in a manner appropriate to the child;

(3) health referral services to address the medical, dental, mental health, and nutritional needs of the children;

(4) a nutrition component to meet the nutritional needs of the children; and

(5) involvement of parents in the educational, health, social service, and other needs of the children.

Subd. 4. PROGRAM CHARACTERISTICS. Learning readiness programs may include the following:

(1) an individualized service plan to meet the individual needs of each child;

(2) participation by families who are representative of the racial, cultural, and economic diversity of the community;

(3) parent education to increase parents' knowledge, understanding, skills, and experience in child development and learning;

(4) substantial parent involvement, that may include developing curriculum or serving as a paid or volunteer educator, resource person, or other staff;

(5) identification of the needs of families with respect to the child's learning readiness;

New language is indicated by underline, deletions by ~~strikeout~~.

(6) a plan to expand collaboration with public organizations, businesses, nonprofit organizations, or other private organizations to promote the development of a coordinated system of services available to all families with eligible children;

(7) coordination of treatment and follow-up services for all identified physical and mental health problems;

(8) staff and program resources, including interpreters, that reflect the racial and ethnic population of the children in the program;

(9) transportation for eligible children and their parents for whom other forms of transportation are not available or would constitute an excessive financial burden; and

(10) substantial outreach efforts to assure participation by families with greatest needs.

**Subd. 5. PURCHASE OR CONTRACT FOR SERVICES.** Whenever possible, a district may contract with a public organization or nonprofit organization providing developmentally appropriate services meeting one or more of the program requirements in subdivision 3, clauses (1) to (4). A district may also pay tuition or fees to place an eligible child in an existing program or establish a new program. Services may be provided in a site-based program or in the home of the child or a combination of both. The district may not limit participation to residents of the district.

**Subd. 6. COORDINATION WITH OTHER PROVIDERS.** The district shall optimize coordination of the learning readiness program with existing service providers located in the community. To the extent possible, resources shall follow the children based on the services needed, so that children have a stable environment and are not moved from program to program.

**Subd. 7. ADVISORY COUNCIL.** Each learning readiness program shall have an advisory council which shall advise the school board in creating and administering the program and shall monitor the progress of the program. The council shall ensure that children at greatest risk receive appropriate services. The school board shall:

(1) appoint parents of children enrolled in the program who represent the racial, cultural, and economic diversity of the district and representatives of early childhood service providers as representatives to an existing advisory council; or

(2) appoint a joint council made up of members of existing boards, parents of participating children, and representatives of early childhood service providers.

New language is indicated by underline, deletions by strikeout.

Subd. 8. PRIORITY CHILDREN. The district shall give high priority to providing services to eligible children identified, through a means such as the early childhood screening process, as being developmentally disadvantaged or experiencing risk factors that could impede their learning readiness.

Subd. 9. CHILD RECORDS. A record of a child's progress and development shall be maintained in the child's cumulative record while enrolled in the learning readiness program. The cumulative record shall be used for the purpose of planning activities to suit individual needs and shall become part of the child's permanent record.

Subd. 10. SUPERVISION. A program provided by a school board shall be supervised by a licensed early childhood teacher or a certified early childhood educator. A program provided according to a contract between a school district and a nonprofit organization or another private organization shall be supervised according to the terms of the contract.

Subd. 11. DISTRICT STANDARDS. The school board of the district shall develop standards for the learning readiness program.

Subd. 12. PROGRAM FEES. A district may adopt a sliding fee schedule based on a family's income but shall waive a fee for a participant unable to pay. The fees charged must be designed to enable eligible children of all socioeconomic levels to participate in the program.

Subd. 13. ADDITIONAL REVENUE. A district or an organization contracting with a district may receive money or in-kind services from a public or private organization.

Sec. 7. Minnesota Statutes 1990, section 123.3514, subdivision 3, is amended to read:

Subd. 3. DEFINITIONS. For purposes of this section, an "eligible institution" means a Minnesota public post-secondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. "Course" means a course or program.

Sec. 8. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 11. PUPILS AT A DISTANCE FROM AN ELIGIBLE INSTITUTION. A pupil who is enrolled in a secondary school that is located 40 miles or more from the nearest eligible institution may request that the resident district offer at least one accelerated or advanced academic course within the resident district in which the pupil may enroll for post-secondary credit. A pupil may enroll in a course offered under this subdivision for either secondary or post-secondary credit according to subdivision 5.

New language is indicated by underline, deletions by ~~strikeout~~.



A district must offer an accelerated or advanced academic course for post-secondary credit if one or more pupils requests such a course under this subdivision. The district may decide which course to offer, how to offer the course, and whether to offer one or more courses. The district must offer at least one such course in the next academic period and must continue to offer at least one accelerated or advanced academic course for post-secondary credit in later academic periods.

Sec. 9. Minnesota Statutes 1990, section 123.951, is amended to read:

**123.951 SCHOOL SITE MANAGEMENT AGREEMENT.**

(a) A school board may enter into an agreement with a school site management team concerning the governance, management, or control of ~~a~~ any school in the district. Upon a written request from a proposed school site management team, an initial school site management team shall be appointed by the school board and ~~shall~~ may include the school principal, representatives of teachers in the school, representatives of other employees in the school, representatives of parents of pupils in the school, representatives of pupils in the school, representatives of other members in the community, ~~and~~ or others determined appropriate by the board. The ~~permanent~~ school site management team shall ~~consist of~~ at least include the school principal ~~and representatives elected by each group represented on the initial team or other person having general control and supervision of the school.~~

The school board may delegate any of its powers or duties to the school site management team.

(b) School site management agreements must focus on creating management teams and in involving staff members in decision making.

(c) An agreement may include:

(1) a strategic plan for districtwide decentralization of resources developed through staff participation;

(2) a decision-making structure that allows teachers to identify problems and the resources needed to solve them; and

(3) a mechanism to allow principals, or other persons having general control and supervision of the school, to make decisions regarding how resources are best allocated and to act as advocates for additional resources on behalf of the entire school.

(d) Any powers or duties not ~~specifically~~ delegated to the school site management team in the school site management agreement shall remain with the school board.

(e) Approved agreements shall be filed with the commissioner. If a school board denies a request to enter into a school site management agreement, it shall provide a copy of the request and the reasons for its denial to the commissioner.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 10. Minnesota Statutes 1990, section 124.19, subdivision 1, is amended to read:

Subdivision 1. **INSTRUCTIONAL TIME.** Every district shall maintain school in session or provide instruction in other districts for at least ~~175~~ the number of days required in subdivision 1b, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between ~~175~~ the required number of days and the number of days school is held bears to ~~175~~ the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if 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 meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, ~~not more than five days may~~ be devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 1b. For kindergarten, ~~not more than ten days may~~ be devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 11. Minnesota Statutes 1990, section 124.19, is amended by adding a subdivision to read:

Subd. 1b. REQUIRED DAYS. Each district shall maintain school in session or provide instruction in other districts for at least the number of days required for the school years listed below:

(1) 1995-1996, 177;

(2) 1996-1997, 179;

(3) 1997-1998, 181;

(4) 1998-1999, 183;

(5) 1999-2000, 185;

(6) 2000-2001, 187;

New language is indicated by underline, deletions by ~~strikeout~~.

(7) 2001-2002, 189;

(8) 2002-2003, 191;

(9) 2003-2004, 193; and

(10) 2004-2005, and later school years, 195.

Sec. 12. Minnesota Statutes 1990, section 124.19, subdivision 7, is amended to read:

Subd. 7. **ALTERNATIVE PROGRAMS.** (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 124C.49.

(c) In addition to the requirements in paragraph (b), to receive general education revenue for a pupil in an alternative program that has an independent study component, a school district must meet the requirements in this paragraph.

The school district must develop with the pupil a continual learning plan for the pupil. A district must allow a minor pupil's parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year.

General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full school year, or its equivalent.

General education revenue for a pupil in an approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by ~~1,020 hours~~ the product of the number of instructional days required for that year and six, but not more than one, except as otherwise provided in section 121.585.

For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the

New language is indicated by underline, deletions by ~~strikeout~~.

courses, and the means of measuring student performance against the expected outcomes.

Sec. 13. [124.2615] LEARNING READINESS AID.

Subdivision 1. PROGRAM REVIEW AND APPROVAL. By February 15, 1991, for the 1991-1992 school year or by January 1 of subsequent school years, a district must submit to the commissioners of education, health, human services, and jobs and training:

(1) a description of the services to be provided;

(2) a plan to ensure children at greatest risk receive appropriate services;

(3) a description of procedures and methods to be used to coordinate public and private resources to maximize use of existing community resources, including school districts, health care facilities, government agencies, neighborhood organizations, and other resources knowledgeable in early childhood development;

(4) comments about the district's proposed program by the advisory council required by section 6, subdivision 7; and

(5) agreements with all participating service providers.

Each commissioner may review and comment on the program, and make recommendations to the commissioner of education, within 30 days of receiving the plan.

Subd. 2. AMOUNT OF AID. A district is eligible to receive learning readiness aid if the program plan as required by subdivision 1 has been approved by the commissioner of education. For fiscal year 1992, the aid is equal to:

(1) \$200 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) \$100 times the result of:

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1).

For fiscal year 1993 and thereafter, a district shall receive learning readiness aid equal to:

(1) \$500 times the number of all participating eligible children; plus

(2) \$200 times the number of participating eligible children identified according to section 6, subdivision 8.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 3. USE OF AID. Learning readiness aid shall be used only to provide a learning readiness program and may be used to provide transportation. Not more than five percent of the aid may be used for the cost of administering the program. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings.

Subd. 4. SEPARATE ACCOUNTS. The district shall deposit learning readiness aid in a separate account within the community education fund.

**Sec. 14. [124C.10] CITATION.**

Sections 15 and 16 may be cited as the Minnesota local partnership act.

**Sec. 15. [124C.11] PURPOSE OF THE MINNESOTA LOCAL PARTNERSHIP ACT.**

The purpose of the Minnesota local partnership act is to design methods to focus on the development and learning of children and youth in Minnesota in the 1990's and the next century. Cooperation and collaboration of all services, including education, health, and human services for children and youth will be encouraged at the local and state level. The program will provide incentives to design a system of child-focused coordinated services to enhance the learning and development of individual children and youth.

**Sec. 16. [124C.12] MINNESOTA LOCAL PARTNERSHIP PROGRAM.**

Subdivision 1. ESTABLISHMENT. A program is established under the direction of the state board of education, with the cooperation of the commissioners of education, health, and human services. It is expected that participants and other districts will become exemplary districts by the year 2000.

Subd. 2. ELIGIBILITY. An applicant for revenue may be any one of the following:

(1) a school district located in a city of the first class offering a program in cooperation with other districts or by itself, in one or more areas in the district or in the entire district;

(2) at least two cooperating school districts located in the seven-county metropolitan area but not located in a city of the first class;

(3) a group of school districts that are all members of the same education district;

(4) an education district;

(5) a group of cooperating school districts none of which are members of any education district; or

(6) a school district.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 3. COMMUNITY EDUCATION COUNCIL. Each revenue recipient must establish one or more community education councils. A community education council may be composed of elected representatives of local governments, an education district board, school boards, human service providers, health providers, education providers, community service organizations, clergy, local education sites, and local businesses. The community education council shall plan for the education, human service, and health needs of the community and collaborative ways to modify or build facilities for use by all community residents. A council formed under this subdivision may be an expansion of and replace the community education advisory council required by section 121.88, subdivision 2.

Subd. 4. APPLICATION PROCESS. To obtain revenue, a district or districts must submit an application to the state board in the form and manner established by the state board. Additional information may be required by the state board.

Subd. 5. REVENUE. The state board may award revenue to up to four applicants. The board may determine the size of the award based upon the application. Recipients must be located throughout the state.

Subd. 6. PROCEEDS OF REVENUE. Revenue may be used for initial planning expenses and for implementing child-focused learning and development programs.

Sec. 17. Minnesota Statutes 1990, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall adopt rules to license public school teachers and interns subject to chapter 14. 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 shall adopt rules to approve teacher education programs. The board of teaching shall provide the leadership and shall adopt rules by October 1, 1988, for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teaching education program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

These rules shall ~~encourage~~ require teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain a periodic exposure to the elementary or secondary teaching experience environment. The board shall also grant licenses to interns and to candidates for initial licenses. The board shall design and implement an assessment system which requires candidates for initial licensure and first continuing licensure to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels. The board shall receive recommendations from local

New language is indicated by underline, deletions by ~~strikeout~~.

committees as established by the board for the renewal of teaching licenses. The board shall 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 technical colleges.

Sec. 18. Minnesota Statutes 1990, section 125.185, subdivision 4a, is amended to read:

Subd. 4a. Notwithstanding section 125.05, or any other law to the contrary, the authority of the board of teaching and the state board of education to approve teacher education programs and to issue teacher licenses expires on June 30, 1996. Any license issued by the board of teaching or the state board of education after the effective date of this section must expire by June 30, 1996.

The board of teaching, in cooperation with the state board of education and the higher education coordinating board, shall develop policies and corresponding goals for making teacher education curriculum more consistent with the purpose of state public education. The revised teacher education curriculum must be consistent with the board of teaching rules required under subdivision 4 for redesigning teacher education programs to implement a research-based, results-oriented curriculum. The revised teacher education curriculum may include a requirement that teacher education programs contain a one-year mentorship program. The mentorship program must provide students with elementary or secondary teaching experience and appropriate professional support and evaluation from licensed classroom teachers, including mentor teachers. By February 1, 1992, the board of teaching shall provide the education committees of the legislature with detailed written guidelines, strategies, and programs to implement the revised teacher education curriculum. By February 1, 1993, the board of teaching and the state board of education shall adopt rules under chapter 14 that are consistent with the guidelines, strategies, and programs provided to the legislature, including amending board rules governing the issuing, expiring, and renewing of teacher licenses.

The higher education coordinating board shall assist the state's teacher preparation institutions in developing teacher education curriculum for their students that is consistent with the guidelines, programs, and strategies approved by the legislature. The institutions must use the revised teacher education curriculum to instruct their students beginning in the 1996-1997 school year.

Subd. 4b. Prior to the adoption by the board of teaching of any rule which must be submitted to public hearing, a representative of the commissioner shall appear before the board of teaching and at the hearing required pursuant to section 14.14, subdivision 1, to comment on the cost and educational implications of that proposed rule.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 19. [125.1885] **ALTERNATIVE PREPARATION LICENSING FOR ADMINISTRATORS.**

Subdivision 1. REQUIREMENTS. (a) A preparation program that is an alternative to a graduate program in education administration for public school administrators to acquire an entrance license is established. The program may be offered in any administrative field.

(b) To participate in the alternative preparation program, the candidate must:

(1) have a master's degree in an administrative area;

(2) have been offered an administrative position in a school district, group of districts, or an education district approved by the state board of education to offer an alternative preparation licensure program;

(3) have five years of experience in a field related to administration; and

(4) document successful experiences working with children and adults.

(c) An alternative preparation license is of one year duration and is issued by the state board of education to participants on admission to the alternative preparation program.

Subd. 2. CHARACTERISTICS. The alternative preparation program has the characteristics enumerated in this subdivision:

(1) staff development conducted by a resident mentorship team made up of administrators, teachers, and post-secondary faculty members;

(2) an instruction phase involving intensive preparation of a candidate for licensure before the candidate assumes responsibility for an administrative position;

(3) formal instruction and peer coaching during the school year;

(4) assessment, supervision, and evaluation of a candidate to determine the candidate's specific needs and to ensure satisfactory completion of the program;

(5) a research-based and results-oriented approach focused on skills administrators need to be effective;

(6) assurance of integration of education theory and classroom practices; and

(7) the shared design and delivery of staff development between school district personnel and post-secondary faculty.

Subd. 3. PROGRAM APPROVAL. (a) The state board of education shall approve alternative preparation programs based on criteria adopted by the board, after receiving recommendations from an advisory task force appointed by the board.

New language is indicated by underline, deletions by ~~strikeout~~.



(b) An alternative preparation program at a school district, group of schools, or an education district must be affiliated with a post-secondary institution that has a graduate program in educational administration for public school administrators.

Subd. 4. APPROVAL FOR STANDARD ENTRANCE LICENSE. The resident mentorship team must prepare for the state board of education an evaluation report on the performance of the alternative preparation licensee during the school year and a positive or negative recommendation on whether the alternative preparation licensee shall receive a standard entrance license.

Subd. 5. STANDARD ENTRANCE LICENSE. The state board of education shall issue a standard entrance license to an alternative preparation licensee who has successfully completed the school year in the alternative preparation program and who has received a positive recommendation from the licensee's mentorship team.

Subd. 6. QUALIFIED ADMINISTRATOR. A person with a valid alternative preparation license is a qualified administrator within the meaning of section 125.04.

#### Sec. 20. [125.189] LICENSURE REQUIREMENTS.

In addition to other requirements, a candidate for a license or an applicant for a continuing license to teach hearing-impaired students in kindergarten through grade 12 must demonstrate the minimum level of proficiency in American sign language as determined by the Quality Assurance Systems Project of the department of education.

Sec. 21. Minnesota Statutes 1990, section 126.23, is amended to read:

#### 126.23 AID FOR PRIVATE ALTERNATIVE PROGRAMS.

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least ~~85~~ 88 percent of the basic revenue of the district for each pupil attending the program full time. For a pupil attending the program part time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made to a district or program for a pupil under this section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8.

Sec. 22. Minnesota Statutes 1990, section 126.661, subdivision 5, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 5. **ESSENTIAL LEARNER OUTCOMES.** "Essential learner outcomes" means the specific basic learning experiences that ~~must be~~ are provided for all students and are used as the basis for assessing educational progress state-wide.

Sec. 23. Minnesota Statutes 1990, section 126.661, is amended by adding a subdivision to read:

Subd. 7. **OUTCOME-BASED EDUCATION.** Outcome-based education is a pupil-centered, results-oriented system premised on the belief that all individuals can learn. In this system:

- (1) what a pupil is to learn is clearly identified;
- (2) each pupil's progress is based on the pupil's demonstrated achievement;
- (3) each pupil's needs are accommodated through multiple instructional strategies and assessment tools; and
- (4) each pupil is provided time and assistance to realize her or his potential.

Sec. 24. Minnesota Statutes 1990, section 126.663, subdivision 2, is amended to read:

Subd. 2. **STATE LEARNER OUTCOMES.** The state board of education, with the assistance of the state curriculum advisory committee ~~and the office on educational leadership,~~ shall identify and adopt learner goals, essential learner outcomes, and integrated learner outcomes for curriculum areas, under section 120.101, subdivision 6, including the curriculum areas of communication skills, fine arts, mathematics, science, social studies, and health and physical education, and for career vocational curricula. Learner outcomes shall include thinking and problem solving skills. Learner outcomes shall consist of a sequence of outcomes beginning with early childhood programs through secondary education programs.

Sec. 25. Minnesota Statutes 1990, section 126.663, subdivision 3, is amended to read:

Subd. 3. **MODEL LEARNER OUTCOMES.** The department shall develop and maintain model learner outcomes in state board identified subject areas, including career vocational learner outcomes. The department shall make learner outcomes available upon request by a district. Learner outcomes shall be for pupils in ~~kindergarten to~~ early childhood through grade 12. The department shall consult with each of the public post-secondary systems and with the higher education coordinating board in developing model learner outcomes appropriate for entry into post-secondary institutions. Learner outcomes shall include thinking and problem solving skills.

Sec. 26. Minnesota Statutes 1990, section 126.666, subdivision 2, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **CURRICULUM ADVISORY COMMITTEE.** Each school board shall establish a curriculum advisory committee to permit active community participation in all phases of the PER process. The district advisory committee, to the extent possible, shall be representative of the diversity of the community served by the district and the learning sites within the district, and include principals, teachers, parents, support staff, pupils, and other community residents. The district may establish building teams as subcommittees of the district advisory committee. The district committee shall retain responsibility for recommending to the school board districtwide learner outcomes, assessments, and program evaluations. Learning sites may establish expanded curriculum, assessments, and program evaluations. Whenever possible, parents and other community residents shall comprise at least two-thirds of the advisory committee. The committee shall make recommendations to the board about the programs enumerated in section 124A.27, that the committee determines should be offered. The recommendations shall be based on district and learning site needs and priorities.

Sec. 27. Minnesota Statutes 1990, section 126.666, is amended by adding a subdivision to read:

Subd. 4a. STUDENT EVALUATION. The school board shall annually provide high school graduates or GED recipients who received a diploma or its equivalent from the school district with an opportunity to report to the board on the following:

- (1) the quality of district instruction and services;
- (2) the quality of district delivery of instruction and services;
- (3) the utility of district facilities; and
- (4) the effectiveness of district administration.

Sec. 28. Minnesota Statutes 1990, section 126.666, is amended by adding a subdivision to read:

Subd. 4b. PERIODIC REPORT. Each school district at least once per six school years shall collect consumers' opinions, including the opinions of currently enrolled students, parents, and other district residents, regarding their level of satisfaction with their school experience. The district shall report the results of the consumer evaluation according to the requirements of subdivision 4.

Sec. 29. Minnesota Statutes 1990, section 126.67, subdivision 2b, is amended to read:

Subd. 2b. **DISTRICT ASSESSMENTS.** As part of the PER process, each year a district shall, in at least three grades or for three age levels, conduct assessments among at least a sample of pupils for each subject area in that year of the curriculum review cycle. The district's curriculum review cycle shall not

New language is indicated by underline, deletions by ~~strikeout~~.

exceed six years. Assessments may not be conducted in the same curriculum area for two consecutive years. The district may use tests from the assessment item bank, the local assessment program developed by the department, or other tests. As they become available, districts shall use state developed measures to assure state progress toward achieving the state core board adopted essential learner outcomes in each subject area at least once during the curriculum review cycle. Funds are provided for districts that choose to use the local assessment program or the assessment item bank.

Sec. 30. Minnesota Statutes 1990, section 126.70, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBILITY FOR REVENUE.** A school board may use the revenue authorized in section 124A.29 for staff time for peer review under section 125.12 or 125.17, or if it establishes a an outcome-based staff development advisory committee and adopts a staff development plan on outcome-based education according to this subdivision. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include ~~representatives of parents;~~ and administrators. The advisory committee shall develop a staff development plan containing proposed outcome-based education activities and related expenditures and shall submit it the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section 124A.29. Copies of approved plans must be submitted to the commissioner.

Sec. 31. Minnesota Statutes 1990, section 126.70, subdivision 2, is amended to read:

Subd. 2. **CONTENTS OF THE PLAN.** The plan may include:

- (1) ~~procedures the district will use to analyze and identify teaching and curricular~~ outcome-based education 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) ~~(3) goals to be achieved and the means to be used; and~~
- (5) ~~(4) procedures for evaluating progress; and~~
- (6) ~~whether the school board intends to offer contracts under the excellence in teaching program.~~

Sec. 32. Minnesota Statutes 1990, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. **PERMITTED USES.** A school board may approve a plan ~~for~~ to accomplish any of the following purposes:

New language is indicated by underline, deletions by ~~strikeout~~.

(1) for in-service education to increase the effectiveness of teachers in responding to children and young people at risk of not succeeding at school  Foster readiness for outcome-based education by increasing knowledge and understanding of and commitment to outcome-based education;

(2) to participate in the educational effectiveness program according to section 121.609  facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs through outcome-based education;

(3) to provide in-service education for elementary and secondary teachers to improve the use of technology in education  develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning plans and by encouraging pupils and their parents to assume responsibility for their education;

(4) to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area  design and develop outcome-based education programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;

(5) to use experienced teachers, as mentors, to assist in the continued development of new teachers;  evaluate the effectiveness of outcome-based education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators; and

(6) to increase the involvement of parents, business, and the community in education, including training teachers to plan and implement parental involvement programs that will more fully involve parents in their children's learning development;

(7) for experimental delivery systems;

(8) for in-service education to increase the effectiveness of principals and administrators;

(9) for in-service education or curriculum development for programs for gifted and talented pupils;

(10) for in-service education or curriculum development for cooperative efforts to increase curriculum offerings;

(11) for improving curriculum, according to the needs identified under the planning, evaluation, and reporting process set forth in section 126.666;

(12) 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;

New language is indicated by underline, deletions by ~~strikeout~~.

(13) for in-service education or curriculum modification for handicapped pupils and low-achieving pupils;

(14) for short-term contracts as described in section 126.72; or

(15) to employ teachers for an extended year to perform duties directly related to improving curriculum or teaching skills provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers.

Sec. 33. Minnesota Statutes 1990, section 260.015, subdivision 19, is amended to read:

Subd. 19. **HABITUAL TRUANT.** "Habitual truant" means a child under the age of 16 years ~~through the 1999-2000 school year and under the age of 18 beginning with the 2000-2001 school year~~ who is absent from attendance at school without lawful excuse for seven school days if the child is in elementary school or for one or more class periods on seven school days if the child is in middle school, junior high school, or high school.

Sec. 34. **LEARNING READINESS PROGRAM REPORT.**

Each school district receiving learning readiness aid shall report to the commissioner of education by January 1 of 1992 and 1993 about the types of services provided through the program, progress made by participating children, the number of participating children receiving services without charge, the number of participating children paying reduced fees, the number of participating children paying the full fee, total expenditures for services, and the amount of money and in-kind services received from public or private organizations. A district shall report actual information to the extent the information is available, and other information as required in section 13, subdivision 1.

Sec. 35. **STATE BOARD RECOMMENDATIONS.**

By February 1, 1993, the state board of education shall present to the education committees of the legislature recommendations for integrating education funding and the achievement of state and local outcomes.

Sec. 36. **RULE REVIEW.**

Subdivision 1. REPORT. The state board of education shall review each board rule to determine whether it is necessary, reasonable, and cost-effective and whether it is consistent with legislative policy adopted since the rule was enacted. The board shall report to the education committees of the legislature by January 1, 1993, on any amendment required to make a rule necessary, reasonable, or cost-effective or consistent with legislative policy and on any rule required to be repealed.

Subd. 2. STAFF. The commissioner of education shall provide staff assistance to the state board of education, at the request of the board, to complete the report required under subdivision 1.

New language is indicated by underline, deletions by ~~strikeout~~.

**Sec. 37. OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.**

Subdivision 1. DEFINITION. For the purposes of this section, outcome-based education has the meaning given it in Minnesota Statutes, section 126.661, subdivision 7.

Subd. 2. ESTABLISHMENT. A process for contracting between a public school, school district, or group of districts and the department of education to develop outcome-based education programs is established. The purpose of the contract is to enable public schools, school districts, and groups of districts to develop outcome-based programs that improve pupils' educational achievement through instructional opportunities that recognize pupils' individual needs.

Subd. 3. ELIGIBILITY. A school, school district, or group of districts seeking to contract with the department to develop an outcome-based education program must agree to serve as a demonstration site during the term of the contract and for a minimum of one school year after the expiration date of the contract.

Subd. 4. CONTRACTING PROCESS. The commissioner of education shall establish an outcome-based education contract committee of qualified department staff to determine the areas to be included in the outcome-based education program contracts and other contract terms and conditions. The committee, after consulting with the commissioner and the state board of education, shall determine the form and manner by which a school, a school district, or a group of districts may seek a contract. The committee shall disseminate information about the contracts and the contracting process.

Subd. 5. CONTRACT APPROVAL. By October 1 of the current school year, the committee shall award outcome-based education program contracts to qualified schools, school districts, or groups of districts. In awarding contracts, the committee shall consider the geographical location of the school, school district, or group of districts seeking the contract, whether the outcome-based education program would be available to elementary, middle, or secondary pupils and the areas to be included in the outcome-based education program. For programs addressing specific subject areas, the outcome-based education contract committee shall consult with curriculum experts in those subject areas to evaluate those program proposals.

Subd. 6. CONTRACT FUNDS. Any unexpended contract funds awarded to a school, school district, or group of districts in one fiscal year do not cancel but are available in the next fiscal year.

Subd. 7. EVALUATION. The commissioner shall provide for an evaluation of the demonstration site programs and shall disseminate throughout the state information on the components of successful outcome-based education programs.

**Sec. 38. AID TRANSFER.**

New language is indicated by underline, deletions by ~~strikeout~~.

A district that has established a designated account for early childhood programs in fiscal year 1991 for revenue from a referendum levy authorized in November 1990 under Minnesota Statutes, section 124A.03, may transfer learning readiness aid from the community service fund to the general fund.

**Sec. 39. BOARD OF TEACHING APPROPRIATION.**

Subdivision 1. BOARD OF TEACHING. The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal years indicated.

Subd. 2. TEACHER EDUCATION IMPROVEMENT. For board of teaching responsibilities specified in Minnesota Statutes, section 125.185, subdivisions 4 and 4a:

\$165,000 ..... 1992

Any balance in the first year does not cancel but is available in the second year. This appropriation is only available if teacher license fees are increased to raise an equivalent amount.

**Sec. 40. HECB APPROPRIATION.**

Subdivision 1. HIGHER EDUCATION COORDINATING BOARD. The sums indicated in this section are appropriated from the general fund to the higher education coordinating board for the fiscal years designated.

Subd. 2. SUMMER PROGRAM SCHOLARSHIPS. To the higher education coordinating board, for scholarship awards for summer programs according to Minnesota Statutes, section 126.56:

\$214,000 ..... 1992

\$214,000 ..... 1993

Of this appropriation, any amount required by the higher education coordinating board may be used for the board's costs of administering the program.

**Sec. 41. DEPARTMENT OF EDUCATION APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. AREA LEARNING CENTER GRANTS. For grants to area learning centers:

\$150,000 ..... 1992

\$150,000 ..... 1993

Subd. 3. ARTS PLANNING GRANTS. For grants for arts planning according to Minnesota Statutes, section 124C.08:

\$38,000 ..... 1992

\$38,000 ..... 1993

New language is indicated by underline, deletions by ~~strikeout~~.



Any balance in the first year does not cancel but is available in the second year.

Subd. 4. OUTCOME-BASED EDUCATION PROGRAM CONTRACTS. For entering into contracts for outcome-based education programs according to section 37:

\$675,000	.....	1992
\$675,000	.....	1993

\$55,000 each year is for evaluation and administration of the program.

#### Sec. 42. APPROPRIATIONS.

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. LEARNING READINESS PROGRAM REVENUE. For revenue for learning readiness programs:

\$ 8,000,000	.....	1992
\$20,000,000*	.....	1993

\* (The appropriation of \$20,000,000 was vetoed by the governor.)

Any excess appropriations from fiscal year 1992 shall be allocated among school districts providing learning readiness programs according to the proportion of aid determined under section 13, subdivision 2, for a school district to the amount of aid determined under section 13, subdivision 2, for all school districts providing learning readiness programs. The total amount of aid paid to a school district shall not exceed \$2,000 per participating eligible child.

The 1992 appropriation includes \$8,000,000 for 1992.

The 1993 appropriation includes \$3,000,000 for 1992 and \$17,000,000 for 1993. \* (The preceding paragraph beginning "The 1993" was vetoed by the governor.)

Any unexpended balance in the first year does not cancel but is available in the second year.

Subd. 3. MINNESOTA LOCAL PARTNERSHIP REVENUE. For revenue for the Minnesota local partnership act:

\$100,000	.....	1992*
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\* (The appropriation of \$100,000 in subdivision 3 was vetoed by the governor.)

Up to \$5,000 may be used for the expenses of a task force to advise the state board about the program and to make recommendations to the state board about revenue applications.

New language is indicated by underline, deletions by ~~strikeout~~.

The amount appropriated is available until June 30, 1992.

Sec. 43. **REPEALER.**

(a) Minnesota Statutes 1990, sections 120.011 and 121.111 are repealed.

(b) Minnesota Statutes 1990, section 124C.41, subdivisions 6 and 7, are repealed effective July 1, 1991. In the next edition of Minnesota Statutes, the revisor of statutes shall change the first grade and section headnotes to read "Teacher Centers" to reflect the changes made by the repealer in this paragraph.

Sec. 44. **EFFECTIVE DATE.**

Section 8 is effective July 1, 1993. Section 20 is effective August 1, 1994.

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**ARTICLE 8**

**OTHER EDUCATION PROGRAMS**

**Section 1. [3.873] LEGISLATIVE COMMISSION ON CHILDREN, YOUTH, AND THEIR FAMILIES.**

Subdivision 1. ESTABLISHMENT. A legislative commission on children, youth, and their families is established to study state policy and legislation affecting children and youth and their families. The commission shall make recommendations about how to ensure and promote the present and future well-being of Minnesota children and youth and their families, including methods for helping state and local agencies to work together.

Subd. 2. MEMBERSHIP AND TERMS. The commission consists of 16 members that reflect a proportionate representation from each party. Eight members from the house shall be appointed by the speaker of the house and eight members from the senate shall be appointed by the subcommittee on committees of the committee on rules and administration. The membership must include members of the following committees in the house and the senate: health and human services, governmental operations, education, judiciary, and appropriations or finance. The commission must have representatives from both rural and metropolitan areas. The terms of the members are for two years beginning on January 1 of each odd-numbered year.

Subd. 3. OFFICERS. The commission shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house and a member of the senate. When the chair is from one body, the vice-chair must be from the other body.

Subd. 4. STAFF. The commission may use existing legislative staff to provide legal counsel, research, fiscal, secretarial, and clerical assistance.

New language is indicated by underline, deletions by strikeout.

**Subd. 5. INFORMATION COLLECTION; INTERGOVERNMENTAL COORDINATION.** (a) The commission may conduct public hearings and otherwise collect data and information necessary to its purposes.

(b) The commission may request information or assistance from any state agency or officer to assist the commission in performing its duties. The agency or officer shall promptly furnish any information or assistance requested.

(c) Before implementing new or substantially revised programs relating to the subjects being studied by the commission under subdivision 7, the commissioner responsible for the program shall prepare an implementation plan for the program and shall submit the plan to the commission for review and comment. The commission may advise and make recommendations to the commissioner on the implementation of the program and may request the changes or additions in the plan it deems appropriate.

(d) By July 1, 1991, the responsible state agency commissioners, including the commissioners of education, health, human services, jobs and training, and corrections, shall prepare data for presentation to the commission on the state programs to be examined by the commission under subdivision 7, paragraph (a).

(e) To facilitate coordination between executive and legislative authorities, the governor shall appoint a person to act as liaison between the commission and the governor.

**Subd. 6. LEGISLATIVE REPORTS AND RECOMMENDATIONS.** The commission shall make recommendations to the legislature to implement combining education, and health and human services and related support services provided to children and their families by the departments of education, human services, health and other state agencies into a single state department of children and families to provide more effective and efficient services. The commission also shall make recommendations to the legislature or committees, as it deems appropriate to assist the legislature in formulating legislation. To facilitate coordination between executive and legislative authorities, the commission shall review and evaluate the plans and proposals of the governor and state agencies on matters within the commission's jurisdiction and shall provide the legislature with its analysis and recommendations. Any analysis and recommendations must integrate recommendations for the design of an education service delivery system under article 6, section 31. The commission shall report its final recommendations under this subdivision and subdivision 7, paragraph (a), by January 1, 1993. The commission shall submit a progress report by January 1, 1992.

**Subd. 7. PRIORITIES.** The commission shall give priority to studying and reporting to the legislature on the matters described in this subdivision.

(a) The commission must study and report on methods of improving legislative consideration of children and family issues and coordinating state agency programs relating to children and families, including the desirability, feasibility,

New language is indicated by underline, deletions by ~~strikeout~~.

and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(b) The commission must study and report on methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services.

(c) The commission must study and report on methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must include an evaluation of the following: early childhood health and development screening services, headstart, child care, and early childhood family education.

(d) The commission must study and report on methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment.

Subd. 8. EXPENSES AND REIMBURSEMENTS. The per diem and mileage costs of the members of the commission must be reimbursed as provided in section 3.101. The health and human services, governmental operations, education, judiciary, and appropriations or finance committees in the house and the senate shall share equally the responsibility to pay commission members' per diem and mileage costs from their committee budgets.

Subd. 9. EXPIRATION. The commission expires on June 30, 1994.

Sec. 2. Minnesota Statutes 1990, section 121.912, is amended by adding a subdivision to read:

Subd. 7. UNEMPLOYMENT RESERVE BALANCE. The reserved fund balance for unemployment insurance as of June 30 of each year may not exceed \$10 times the number of pupil units for that year. The department shall reduce the levy certified by the district, according to section 275.125, subdivision 4, the following year for obligations under section 268.06, subdivision 25, by the amount of the excess.

Sec. 3. [123.709] CHEMICAL ABUSE PREVENTION PROGRAM.

Subdivision 1. DEFINITION. "Targeted children and young people" means those individuals, whether or not enrolled in school, who are under 21 years of age and who are susceptible to abusing chemicals. Included among these individuals are those who:

New language is indicated by underline, deletions by ~~strikeout~~.

- (1) are the children of drug or alcohol abusers;
- (2) are at risk of becoming drug or alcohol abusers;
- (3) are school dropouts;
- (4) are failing in school;
- (5) have become pregnant;
- (6) are economically disadvantaged;
- (7) are victims of physical, sexual, or psychological abuse;
- (8) have committed a violent or delinquent act;
- (9) have experienced mental health problems;
- (10) have attempted suicide;
- (11) have experienced long-term physical pain due to injury;
- (12) have experienced homelessness;
- (13) have been expelled or excluded from school under sections 127.26 to 127.39; or
- (14) have been adjudicated children in need of protection or services.

Subd. 2. PURPOSE. Schools, school districts, groups of school districts, community groups, or other regional public or nonprofit entities may contract with the commissioner of education to provide programs to prevent chemical abuse and meet the developmental needs of targeted children and young people, and to help these individuals overcome barriers to learning.

Subd. 3. OBJECTIVES. The commissioner of education may enter into contracts to:

- (1) train individuals to work with targeted children and young people;
- (2) expand the ability of the community to meet the needs of targeted children and young people and their families by locating appropriated services and resources at or near a school site; and
- (3) involve the parents and other family members of these targeted children and young people more fully in the education process.

Subd. 4. CONTRACT TERMS. The commissioner may enter into contracts for programs that the commissioner determines are meritorious and appropriate and for which revenue is available. All contractors must offer vocational training or employment services, health screening referrals, and mental health or family counseling. A contractor receiving funds in one fiscal year may carry forward any unencumbered funds into the next fiscal year.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 5. COMMISSIONER'S ROLE. (a) The commissioner shall develop criteria, which the commissioner shall periodically evaluate, for entering into program contracts.

(b) The criteria must include:

- (1) targeted families confronting social or economic adversity;
- (2) offering programs to targeted children and young people during and after school hours and during the summer;
- (3) integrating the cultural and linguistic diversity of the community into the school environment;
- (4) involving targeted children and young people and their families in planning and implementing programs;
- (5) facilitating meaningful collaboration among the service providers located at or near a school site;
- (6) locating programs throughout the state; and
- (7) serving diverse populations of targeted children and young people, with a focus on children through grade 3.

Subd. 6. EVALUATION. The commissioner shall evaluate contractors' programs and shall disseminate successful program components statewide.

**Sec. 4. [124.278] MINORITY TEACHER INCENTIVES.**

Subdivision 1. ELIGIBLE DISTRICT. A district is eligible for reimbursement under this section if the district has:

- (1) a minority enrollment of more than ten percent; or
- (2) a desegregation plan approved by the state board of education.

Subd. 2. ELIGIBLE EMPLOYEE. The following employees are eligible for reimbursement under this section:

- (1) a teacher who is a member of a minority group and who has not taught in a Minnesota school district during the school year before the year the teacher is employed according to this section; and
- (2) an aide or an education assistant who is a member of a minority group and who has not been employed as an aide or an education assistant in a Minnesota school district during the school year before the year the aide or education assistant is employed according to this section.

Subd. 3. REIMBURSEMENT. Reimbursement shall equal one-half of the salary and fringe benefits, but not more than \$20,000. The district shall receive

New language is indicated by underline, deletions by ~~strikeout~~.

reimbursement for each year a minority teacher, aide, or education assistant is employed. The department of education shall establish application or other procedures for districts to obtain the reimbursement. The department shall not prorate the reimbursement.

Subd. 4. MINORITY GROUP. For the purposes of this section, a person is a member of a minority group if the person is African American, American Indian, Asian Pacific American, or an American of Mexican, Puerto Rican, or Spanish origin or ancestry.

Sec. 5. Minnesota Statutes 1990, section 124.646, is amended to read:

Subdivision 1. **SCHOOL LUNCH AID COMPUTATION.** Each school year, school districts participating in the national school lunch program shall be paid by the state in the amount of ~~7-5~~ 6.5 cents for each full paid, reduced, and free student lunch served to students in the district.

Subd. 2. School districts shall not be paid by the state for free or reduced price type "A" lunches served by the district.

Subd. 3. School districts shall apply to the state department of education for this payment on forms provided by the department.

Subd. 4. SCHOOL FOOD SERVICE FUND. (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each school district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program, including the costs attributable to the superintendent and the financial manager must be charged to the general fund.

(d) Capital expenditures for the purchase of food service equipment must be made from the capital fund and not the food service fund, unless two conditions apply:

(1) the unreserved balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased; and

(2) the department of education has approved the purchase of the equipment.

New language is indicated by underline, deletions by ~~strikeout~~.

(e) If the two conditions set out in paragraph (d) apply, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year.

Sec. 6. Minnesota Statutes 1990, section 124.6472, subdivision 1, is amended to read:

Subdivision 1. **BREAKFAST REQUIRED.** A school district shall offer a school breakfast program in every school building in which:

~~(1) at least 40 percent of the school lunches served during the 1989-1990 second preceding school year were served free or at a reduced price; or~~

~~(2) at least 15 percent of the children in the school would take part in the program, as indicated by a survey of the parents in the school.~~

Sec. 7. Minnesota Statutes 1990, section 125.231, is amended to read:

125.231 **TEACHER ASSISTANCE THROUGH MENTORSHIP PROGRAM.**

Subdivision 1. **TEACHER MENTORING PROGRAM.** School districts are encouraged to participate in a competitive grant program that explores the ~~potential of various~~ teacher mentoring programs for teachers new to the profession or district, or for teachers with special needs.

Subd. 2. **TEACHER MENTORING TASK FORCE.** The commissioner shall appoint and work with a teacher mentoring task force including representatives of the two teachers unions, the two principals organizations, school boards association, administrators association, board of teaching, parent teacher association, post-secondary institutions, foundations, and the private sector. Representation on the task force by ~~minority~~ populations of color shall reflect the proportion of ~~minorities~~ people of color in the public schools.

The task force shall:

~~(1) make recommendations for a system of incentives at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession;~~

~~(2) determine ways in which teachers can be empowered through expanding to new and more professional roles; and~~

~~(3) develop the application forms, criteria, and procedures for the mentorship program;~~

~~(2) select sites to receive grant funding; and~~

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(3) provide ongoing support and direction for program implementation.

Subd. 3. **APPLICATIONS.** The commissioner of education shall make application forms available ~~by October 1, 1987~~ to sites interested in developing or expanding a mentorship program. ~~By December 1, 1987,~~ A school district, a group of school districts, or a coalition of districts, teachers and teacher education institutions may apply for a teacher mentorship program grant. ~~By January 1, 1988,~~ The commissioner, in consultation with the teacher mentoring task force, shall approve or disapprove the applications. To the extent possible, the approved applications must reflect ~~a variety of mentorship program models~~ effective mentoring components, include a variety of coalitions and be geographically distributed throughout the state. The commissioner of education shall encourage the selected sites to consider the use of the assessment procedures developed by the board of teaching.

Subd. 4. **CRITERIA FOR SELECTION.** At a minimum, applicants must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources; and
- (7) share findings, materials, and techniques with other school districts.

Subd. 5. **ADDITIONAL FUNDING.** Applicants are required to seek additional funding and assistance from sources such as school districts, post-secondary institutions, foundations, and the private sector.

~~Subd. 6. **REPORT TO THE LEGISLATURE.** By January 1, 1991, the commissioner of education shall report to the legislature on how the teacher mentoring task force recommendations for a system of incentives are being implemented at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession and shall recommend ways to expand and enhance the responsibilities of teachers.~~

~~By January 1 of 1990 and 1991, the commissioner of education shall report to the legislature on the design, development, implementation, and evaluation of the mentorship program.~~

Subd. 7. **PROGRAM IMPLEMENTATION.** New and expanding mentorship sites that are funded to design, develop, implement, and evaluate their program must participate in activities that support program development and

New language is indicated by underline, deletions by ~~strikeout~~.

implementation. The department of education must provide resources and assistance to support new sites in their program efforts. These activities and services may include, but are not limited to: planning, planning guides, media, training, conferences, institutes, and regional and statewide networking meetings. Non-funded schools or districts interested in getting started may participate in some activities and services. Fees may be charged for meals, materials, and the like.

Sec. 8. Minnesota Statutes 1990, section 126.113, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The Minnesota education in agriculture leadership council is established to promote education about agriculture.

Sec. 9. Minnesota Statutes 1990, section 126.113, subdivision 2, is amended to read:

Subd. 2. **GOVERNANCE.** The council must be appointed by the governor and has 12 members. One member must be appointed from each congressional district and the remaining members must be appointed at large. Council terms and removal of members are as provided in section 15.0575. ~~Council members may receive reimbursement for expenses only if sources other than a direct legislative appropriation are available to pay the costs of members' reimbursement.~~ The council is governed by an executive board of directors. The council may organize and appoint committees as it considers necessary.

Sec. 10. Minnesota Statutes 1990, section 141.25, subdivision 8, is amended to read:

Subd. 8. **FEES AND TERMS OF LICENSE.** (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by ~~\$540~~ \$560 a nonrefundable application fee.

(b) All licenses shall expire on December 31 of each year. Each renewal application shall be accompanied by a nonrefundable renewal fee of ~~\$380~~ \$430.

(c) Application for renewal of license shall be made on or before October 1 of each calendar year. Each renewal form shall be supplied by the commissioner. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the commissioner.

Sec. 11. Minnesota Statutes 1990, section 141.26, subdivision 5, is amended to read:

Subd. 5. **FEE.** The initial and renewal application for each permit shall be accompanied by a nonrefundable fee of ~~\$190~~ \$210.

Sec. 12. Minnesota Statutes 1990, section 171.29, subdivision 2, is amended to read:

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Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$200 fee before the person's drivers license is reinstated to be credited as follows:

(1) 25 percent shall be credited to the trunk highway fund;

(2) 50 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account may be appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5;

(3) ten percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and shall be divided as follows: eight percent for laboratory costs; two percent for carrying out the provisions of section 299C.065;

(4) 15 percent shall be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for grants to develop alcohol-impaired driver education and chemical abuse prevention programs in elementary and secondary, and ~~post-secondary~~ schools. The state board of education shall establish guidelines for the distribution of the grants. ~~Each year the commissioner may use \$100,000 to administer the grant program and other traffic safety education programs.~~

Sec. 13. Minnesota Statutes 1990, section 475.61, subdivision 3, is amended to read:

Subd. 3. **IRREVOCABILITY.** Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified; ~~unless. The commissioner shall prescribe the form and calculation to be used in computing the excess amount. The school board determines that may, with the approval of the commissioner, retain the excess amount if it is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together~~

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with the levy required by subdivision 1, will exceed 106 percent of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to The school board may, with the approval of the commissioner, specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of money actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

#### Sec. 14. NONOPERATING FUND TRANSFERS.

On June 30, 1992, a school district may permanently transfer money from the capital expenditure fund and from the debt redemption fund, to the extent the transferred money is not needed for principal and interest payments on bonds outstanding at the time of transfer, to the transportation fund, capital expenditure fund, or the debt redemption fund. No levies shall be reduced as a result of a transfer. Each district transferring money according to this section shall report to the commissioner of education a report of each transfer. The commissioner of education shall report to the chairs of the education funding divisions of the house of representatives and the senate the aggregate transfers, by fund, made by school districts.

#### Sec. 15. FUND TRANSFER.

Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, in fiscal year 1992, the reserved fund balance for unemployment insurance that exceeds \$10 times the number of pupil units in the district during the 1990-1991 school year as of June 30, 1991, remaining, after the levy for unemployment insurance is reduced by the department of education, shall be transferred to the capital expenditure fund or the transportation fund.

#### Sec. 16. TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.

Subdivision 1. DEFINITION. For the purposes of this section, "education and employment transitions" means those processes and structures that provide an individual with awareness of employment opportunities, demonstrate the relationship between education and employment and the applicability of education to employment, identify an individual's employment interests, and assist the individual to make transitions between education and employment.

Subd. 2. TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS. The state council on vocational technical education shall establish a task force on education and employment transitions.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 3. PLAN. The task force shall develop a statewide plan for implementing programs for education and employment transitions. The plan shall identify:

(1) existing public and private efforts in Minnesota that assist students to make successful transitions between education and employment;

(2) programs in other states and countries that are successfully preparing individuals for employment;

(3) how to overcome barriers that may prevent public and private collaboration in planning and implementing programs for education and employment transitions;

(4) the role of public and private groups in education and employment transitions;

(5) new processes and structures to implement statewide programs for education and employment transitions;

(6) how to integrate programs for education and employment transitions and outcome-based education initiatives;

(7) how to implement programs for education and employment transitions in Minnesota; and

(8) models for administrative and legislative action.

Subd. 4. MEMBERSHIP. The task force shall include:

(1) the members of the higher education advisory council under Minnesota Statutes, section 136A.02, subdivision 6, or members' designees;

(2) the executive director of the higher education coordinating board or the executive director's designee;

(3) the commissioner of jobs and training or the commissioner's designee;

(4) the commissioner of trade and economic development or the commissioner's designee;

(5) the commissioner of human services or the commissioner's designee;

(6) the commissioner of labor and industry or the commissioner's designee;

(7) up to ten members who represent the interests of education, labor, business, agriculture, trade associations, local service units, private industry councils, and appropriate community groups selected by the state council on vocational technical education;

(8) two members from the house of representatives, appointed by the speaker of the house of representatives; and

New language is indicated by underline, deletions by ~~strikeout~~.

(9) two members from the senate, appointed by the subcommittee on committees of the committee on rules and administration.

Subd. 5. PLAN DESIGN. The state council on vocational technical education shall select up to nine members appointed to the task force who represent the interests of business, labor, community, and education to serve as a plan design group to develop the plan described in subdivision 3. The task force shall make recommendations to the plan design group on the merits of the plan design.

Subd. 6. ASSISTANCE OF AGENCIES. Task force members may request information and assistance from any state agency or office to enable the task force to perform its duties.

Subd. 7. REPORT AND RECOMMENDATION. The task force shall provide an interim report describing its progress to the legislature by February 15, 1992. The task force shall report its plan and recommendations to the legislature by January 15, 1993.

#### Sec. 17. BOARD OF TEACHING APPROPRIATION.

Subdivision 1. BOARD OF TEACHING. The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal year indicated.

Subd. 2. FELLOWSHIP GRANTS. For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:  
\$100,000 ..... 1993

A grant must not exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

#### Sec. 18. STATE BOARD OF TECHNICAL COLLEGES APPROPRIATION.

Subdivision 1. STATE BOARD OF TECHNICAL COLLEGES. The sum indicated in this section is appropriated from the general fund to the state board of technical colleges for the state council on vocational technical education for the fiscal year designated.

Subd. 2. TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS. For the task force on education and employment transitions:

\$40,000 ..... 1992

The appropriation is available until June 30, 1993.

New language is indicated by underline, deletions by ~~strikeout~~.

The commissioner of education and the chancellor of the technical college system shall provide additional resources, as necessary, through the use of money appropriated to the state under the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, Public Law Number 101-392, title II, part A, section 201.

Sec. 19. **APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF EDUCATION. The sums in this section are appropriated, unless otherwise indicated, from the general fund to the department of education for the fiscal years designated.

Subd. 2. ABATEMENT AID. For abatement aid according to Minnesota Statutes, section 124.214:

\$6,018,000 ..... 1992

\$6,018,000 ..... 1993

The 1992 appropriation includes \$902,000 for 1991 and \$5,116,000 for 1992.

The 1993 appropriation includes \$902,000 for 1992 and \$5,116,000 for 1993.

Subd. 3. INTEGRATION GRANTS. For grants to districts implementing desegregation plans mandated by the state board:

\$15,844,000 ..... 1992

\$15,844,000 ..... 1993

\$1,385,200 each year must be allocated to independent school district No. 709, Duluth; \$7,782,300 each year must be allocated to special school district No. 1, Minneapolis; and \$6,676,500 each year must be allocated to independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must continue to report its costs according to the uniform financial accounting and reporting system. As a further condition of receiving a grant, each district must submit a report to the chairs of the education committees of the legislature about the actual expenditures it made for integration using the grant money. These grants may be used to transport students attending a nonresident district under Minnesota Statutes, section 120.062, to the border of the resident district. A district may allocate a part of the grant to the transportation fund for this purpose.

Subd. 4. GRANTS FOR COOPERATIVE DESEGREGATION. For grants to develop interdistrict school desegregation programs:

\$400,000 ..... 1992

New language is indicated by underline, deletions by ~~strikeout~~.

\$200,000 ..... 1993

The commissioner of education shall award grants to school districts to develop pilot interdistrict cooperative programs to reduce segregation, as defined in Minnesota Rules, part 3535.0200, subpart 4, in school buildings.

To obtain a grant, a district that is required to submit a plan under Minnesota Rules, part 3535.0600, with the assistance of at least one adjacent district that is not required to submit a plan, shall submit an application to the commissioner.

The application shall contain a plan for:

(1) activities such as staff development, curriculum development, student leadership, student services, teacher and student exchanges, interdistrict meetings, and orientation for school boards, parents, and the community;

(2) implementation of the activities in clause (1) before possible student transfers occur; and

(3) possible voluntary transfer of students between districts beginning with the 1991-1992 school year.

A grant recipient shall submit a report about its activities.

Subd. 5. NONPUBLIC PUPIL AID. For nonpublic pupil education aid according to Minnesota Statutes, sections 123.931 to 123.947:

\$8,892,000 ..... 1992

\$8,892,000 ..... 1993

The 1992 appropriation includes \$1,333,000 for 1991 and \$7,559,000 for 1992.

The 1993 appropriation includes \$1,333,000 for 1992 and \$7,559,000 for 1993.

Subd. 6. SCHOOL LUNCH AND FOOD STORAGE AID. For school lunch aid according to Minnesota Statutes, section 124.646, and Code of Federal Regulations, title 7, section 210.17, and for food storage and transportation costs for United States Department of Agriculture donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates and for school milk aid according to Minnesota Statutes, section 124.648:

\$5,925,000 ..... 1992

\$5,925,000 ..... 1993

New language is indicated by underline, deletions by ~~strikeout~~.



Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

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.

Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.

Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

Subd. 7. TOBACCO USE PREVENTION. For tobacco use prevention aid according to Minnesota Statutes, section 124.252:

\$100,000 ..... 1992

The 1992 appropriation includes \$100,000 for 1991.

Subd. 8. CAREER TEACHER AID. For career teacher aid according to Minnesota Statutes, section 124.276:

\$750,000\*..... 1992

**\* (The appropriation of \$750,000 was vetoed by the governor.)**

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Notwithstanding Minnesota Statutes 1989 Supplement, section 124.276, subdivision 2, the aid may be used for the increased district contribution to the teachers' retirement association and to FICA resulting from the portion of the teaching contract that is in addition to the standard teaching contract of the district.

Subd. 9. MINORITY TEACHER INCENTIVES. For minority teacher incentives:

\$1,000,000 ..... 1992

Any unexpended balance remaining in 1992 does not cancel but is available in 1993.

Subd. 10. TEACHER MENTORSHIP. For grants to develop mentoring programs in school districts according to Minnesota Statutes, section 125.231:

\$350,000 ..... 1992

\$350,000 ..... 1993

New language is indicated by underline, deletions by ~~strikeout~~.

Any balance in the first year does not cancel and is available for the second year.

Subd. 11. EDUCATION IN AGRICULTURE LEADERSHIP COUNCIL. For operating expenses of the Minnesota education in agriculture leadership council:

\$25,000 ..... 1992\*

\* (The appropriation of \$25,000 was vetoed by the governor.)

Any balance in the first year does not cancel but is available in the second year.

Subd. 12. MINNESOTA PRINCIPAL ASSESSMENT CENTER. For the Minnesota principal assessment center:

\$70,000 ..... 1992\*

\$70,000 ..... 1993\*

\* (The appropriations in subdivision 12 were vetoed by the governor.)

Subd. 13. COMPUTER ASSISTED INSTRUCTIONAL STRATEGY GRANTS. For grants to school districts of up to \$10,000 for each site in a district to purchase, lease, or lease purchase computer assisted instructional strategy software and hardware:

\$250,000 ..... 1992\*

\* (The appropriation of \$250,000 was vetoed by the governor.)

Software obtained with grant money shall include programmed teaching instructions that allow for individualized student learning. The commissioner shall give preference to districts with a high level of low-achieving or at-risk pupils. A grant is contingent upon a district providing money to match the grant money.

The appropriation is available until June 30, 1993.

Subd. 14. APPROPRIATIONS FOR DISTRICTS. For grants to certain school districts:

\$115,000 ..... 1992

\$ 20,000 ..... 1993

\$25,000 in 1992 is for a grant to independent school district No. 518, Worthington, for planning the construction of new residential facilities for the Lakeview program for handicapped students. The grant must be matched with money from nonstate sources. \* (The language "\$25,000 in 1992" was vetoed by the governor.)

\$40,000 in 1992 is for a grant to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06.

New language is indicated by underline, deletions by ~~strikeout~~.

\$30,000 in 1992 is for the payment of the obligation of independent school district No. 707, Nett Lake, for transfer to the appropriate state agency for unemployment compensation.

\$20,000 in 1992 and \$20,000 in 1993 is for a grant to independent school district No. 695, Chisholm, for a leadership program. \* (The language "\$20,000 in 1992 and \$20,000 in 1993" was vetoed by the governor.)

Subd. 15. ALCOHOL-IMPAIRED DRIVER. For grants with funds received under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):

<u>\$695,000</u>	<u>.....</u>	<u>1992</u>
<u>\$695,000</u>	<u>.....</u>	<u>1993</u>

These appropriations are from the alcohol-impaired driver account of the special revenue fund. Any funds credited for the department of education to the alcohol-impaired driver account of the special revenue fund in excess of the amounts appropriated in this subdivision are appropriated to the department of education and available in fiscal year 1992 and fiscal year 1993.

Up to \$375,000 each year may be used by the department of education to contract for services to school districts stressing the dangers of driving after consuming alcohol. No more than five percent of this amount may be used for administrative costs by the contract recipients.

Up to \$100,000 each year may be used for grants to support student-centered programs to discourage driving after consuming alcohol.

Up to \$225,000 and any additional funds each year may be used for chemical abuse prevention grants under section 3.

Subd. 16. CHILDREN'S COMMISSION. For the legislative commission on children, youth, and their families:

<u>\$20,000</u>	<u>.....</u>	<u>1992*</u>
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\* (The appropriation of \$20,000 was vetoed by the governor.)

Any balance in the first year does not cancel but is available in the second year.

**Sec. 20. REPEALER.**

Minnesota Statutes 1990, sections 3.865; 3.866; 124.252; 124C.01, subdivision 2; and 124C.41, subdivision 7, are repealed.

New language is indicated by underline, deletions by ~~strikeout~~.

## ARTICLE 9

## MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 120.062, subdivision 8a, is amended to read:

Subd. 8a. ~~WAIVER OF EXCEPTIONS TO DEADLINES.~~ (a) Notwithstanding subdivision 4, the following pupil application procedures apply:

(a) Upon agreement of the resident and nonresident school districts, a pupil may submit an application to a nonresident district after January 15 for enrollment beginning the following school year. ~~The pupil, the pupil's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application and notice procedures in subdivisions 4 and 6, except that the application and notice deadlines do not apply.~~

(b) ~~Notwithstanding subdivision 4, If,~~ as a result of entering into, modifying, or terminating an agreement under section 122.541 or 122.535 entered into after January 1, a pupil is assigned after December 1 to a different school, the pupil, the pupil's siblings, or any other pupil residing in the pupil's residence may submit an application to a nonresident district after January 1 but at any time before June July 1 for enrollment beginning the following school year.

(c) A pupil who becomes a resident of a school district after December 1 may submit an application to a nonresident district on January 15 or any time after that date for enrollment beginning any time before the following December 1.

(d) If the commissioner of education and the commissioner of human rights determine that the policies, procedures, or practices of a school district are in violation of Title VI of the Civil Rights Act of 1964 (Public Law Number 88-352) or chapter 363, any pupil in the district may submit an application to a nonresident district at any time for enrollment beginning at any time.

For exceptions under this subdivision, the pupil applicant, the pupil's applicant's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application and notice procedures in subdivisions 4 and 6, except that the application and notice deadlines do not apply.

Sec. 2. [120.0621] ENROLLMENT OPTIONS PROGRAMS IN BORDER STATES.

Subdivision 1. OPTIONS FOR ENROLLMENT IN ADJOINING STATES. Minnesota pupils and pupils residing in adjoining states may enroll in school districts in the other state according to:

(1) section 120.08, subdivision 2; or

New language is indicated by underline, deletions by ~~strikeout~~.

(2) this section.

Subd. 2. PUPILS IN MINNESOTA. A Minnesota resident pupil may enroll in a school district in an adjoining state if the district is located in a county that borders Minnesota.

Subd. 3. PUPILS IN BORDERING STATES. A non-Minnesota pupil who resides in an adjoining state in a county that borders Minnesota may enroll in a Minnesota school district if either the school board of the district in which the pupil resides or state in which the pupil resides pays tuition to the school district in which the pupil is enrolled. The tuition must be an amount that is at least comparable to the tuition specified in section 120.08, subdivision 1.

Subd. 4. PROCEDURAL REQUIREMENTS. Except as otherwise provided in this section, the rights and duties set forth in section 120.062 apply to pupils, parents, and school districts if a pupil enrolls in a nonresident district according to this section.

Subd. 5. AID ADJUSTMENTS. The state of Minnesota shall make adjustments to general education aid, capital expenditure facilities aid, and capital expenditure equipment aid according to sections 124A.036, subdivision 5, and 124.245, subdivision 6, respectively, for the resident district of a Minnesota pupil enrolled in another state according to this section. The state of Minnesota shall reimburse the nonresident district, according to section 120.08, subdivision 1, in which a Minnesota pupil is enrolled according to this section.

Subd. 6. EFFECTIVE IF RECIPROCAL. This section is effective with respect to South Dakota upon enactment of provisions by South Dakota that are essentially similar to the rights and duties of pupils residing in districts located in all South Dakota counties that border Minnesota. After July 1, 1993, this section is effective with respect to any other bordering state upon enactment of provisions by the bordering state that are essentially similar to the rights and duties of pupils residing in and districts located in all counties that border Minnesota.

### Sec. 3. [120.064] OUTCOME-BASED SCHOOLS.

Subdivision 1. PURPOSES. The purpose of this section is to:

- (1) improve pupil learning;
- (2) increase learning opportunities for pupils;
- (3) encourage the use of different and innovative teaching methods;
- (4) require the measurement of learning outcomes and create different and innovative forms of measuring outcomes;
- (5) establish new forms of accountability for schools; or
- (6) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. APPLICABILITY. This section applies only to outcome-based schools formed and operated under this section.

Subd. 3. SPONSOR. (a) A school board may sponsor an outcome-based school.

(b) A school board may authorize a maximum of two outcome-based schools. No more than a total of eight outcome-based schools may be authorized. The state board of education shall advise potential sponsors when the maximum number of outcome-based schools has been authorized.

Subd. 4. FORMATION OF SCHOOL. (a) A sponsor may authorize one or more licensed teachers under section 215.182, subdivision 2, to form and operate an outcome-based school subject to approval by the state board of education. The teachers shall organize and operate a school as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.

(b) Before a teacher may begin to form and operate a school, the sponsor must file an affidavit with the state board of education stating its intent to authorize an outcome-based school. The affidavit must state the terms and conditions under which the sponsor would authorize an outcome-based school. The state board must approve or disapprove the sponsor's proposed authorization within 30 days of receipt of the affidavit. Failure to obtain state board approval precludes a sponsor from authorizing the outcome-based school that was the subject of the affidavit.

(c) The teachers authorized to organize and operate a school shall hold an election for members of the school's board of directors. All staff members employed at the school and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school must be a majority of the members of the board of directors.

(d) The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school.

Subd. 5. CONTRACT. The contract for an outcome-based school shall be in writing and contain at least the following:

(1) a description of a program that carries out one or more of the purposes in subdivision 1;

(2) specific outcomes pupils are to achieve under subdivision 10;

(3) admission policies and procedures;

(4) management and administration of the school;

New language is indicated by underline, deletions by ~~strikeout~~.

(5) requirements and procedures for program and financial audits;

(6) how the school will comply with subdivisions 8, 13, 15, and 21;

(7) assumption of liability by the outcome-based school;

(8) types and amounts of insurance coverage to be obtained by the outcome-based school; and

(9) the term of the contract which may be up to three years.

Subd. 6. ADVISORY COMMITTEE. (a) The state board of education shall appoint an advisory committee comprised of ten members. At least two members shall be African American, two members shall be American Indian, two members shall be Asian Pacific American, and two members shall be Hispanic. One of each of the two members shall reside within the seven-county metropolitan area and one shall reside within Minnesota but outside of the seven-county metropolitan area. In addition, at least one of each of the two members shall be a parent of a child in any of the grades kindergarten through 12. As least five of the ten members shall have family incomes that would make them eligible for free or reduced school lunches.

(b) Each sponsor listed in subdivision 3 shall request the advisory committee to review and make recommendations about a proposal it receives from an individual or organization that is predominately Caucasian to establish an outcome-based school in which one-half or more of the pupils are expected to be non-Caucasian.

(c) Each sponsor listed in subdivision 3 may request the advisory committee to review and make recommendations about a proposal it receives from an individual or organization that is predominately non-Caucasian if requested to do so by the individual or organization.

Subd. 7. EXEMPTION FROM STATUTES AND RULES. Except as provided in this section, an outcome-based school is exempt from all statutes and rules applicable to a school board or school district, although it may elect to comply with one or more provisions of statutes or rules.

Subd. 8. REQUIREMENTS. (a) An outcome-based school shall meet the same health and safety requirements required of a school district.

(b) The school must be located in Minnesota. Its specific location may not be prescribed or limited by a sponsor or other authority except a zoning authority.

(c) The school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize an outcome-based school or program that is affiliated with a nonpublic sectarian school or a religious institution.

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(d) The primary focus of the school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(e) The school may not charge tuition.

(f) The school is subject to and shall comply with chapter 363 and section 126.21.

(g) The school is subject to and shall comply with the pupil fair dismissal act, sections 127.26 to 127.39, and the Minnesota public school fee law, sections 120.71 to 120.76.

(h) The school is subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit must be consistent with the requirements of sections 121.901 to 121.917, except to the extent deviations are necessary because of the program at the school. The department of education, state auditor, or legislative auditor may conduct financial, program, or compliance audits.

(i) The school is a school district for the purposes of tort liability under chapter 466.

Subd. 9. ADMISSION REQUIREMENTS. The school may limit admission to:

(1) pupils within an age group or grade level;

(2) people who are eligible to participate in the high school graduation incentives program under section 126.22;

(3) pupils who have a specific affinity for the school's teaching methods, the school's learning philosophy, or a subject such as mathematics, science, fine arts, performing arts, or a foreign language; or

(4) residents of a specific geographic area if the percentage of the population of non-Caucasian people in the geographic area is greater than the percentage of the non-Caucasian population in the congressional district in which the geographic area is located, as long as the school reflects the racial and ethnic diversity of that area.

The school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils shall be accepted by lot.

The school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

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Subd. 10. PUPIL PERFORMANCE. An outcome-based school must design its programs to at least meet the outcomes adopted by the state board of education. In the absence of state board requirements, the school must meet the outcomes contained in the contract with the sponsor. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the state board.

Subd. 11. EMPLOYMENT AND OTHER OPERATING MATTERS. The school's board of directors shall employ and contract with necessary teachers, as defined by section 125.03, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. The board may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The board may discharge teachers and nonlicensed employees.

The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

Subd. 12. HANDICAPPED PUPILS. The school must comply with sections 120.03 and 120.17 and rules relating to the education of handicapped pupils as though it were a school district.

Subd. 13. LENGTH OF SCHOOL YEAR. An outcome-based school shall provide instruction each year for at least the number of days required by section 120.101, subdivision 5. It may provide instruction throughout the year according to sections 120.59 to 120.67 or 121.585.

Subd. 14. REPORTS. An outcome-based school must report at least annually to its sponsor and the state board of education the information required by the sponsor or the state board. The reports are public data under chapter 13.

Subd. 15. TRANSPORTATION. Transportation for pupils enrolled at a school shall be provided by the district in which the school is located, according to sections 120.062, subdivision 9, and 123.39, subdivision 6, for a pupil residing in the same district in which the outcome-based school is located. Transportation may be provided by the district in which the school is located, according to sections 120.062, subdivision 9, and 123.39, subdivision 6, for a pupil residing in a different district.

Subd. 16. LEASED SPACE. The school may lease space from a board eligible to be a sponsor or other public or private nonprofit nonsectarian organization.

Subd. 17. INITIAL COSTS. A sponsor may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. A sponsor may not authorize a school before the state board of education has approved the authorization.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 18. DISSEMINATE INFORMATION. The department of education must disseminate information to the public, directly and through sponsors, on how to form and operate an outcome-based school and how to utilize the offerings of an outcome-based school.

Subd. 19. LEAVE TO TEACH IN A SCHOOL. If a teacher employed by a school district makes a written request for an extended leave of absence to teach at an outcome-based school, the school district must grant the leave. The school district must grant a leave for any number of years requested by the teacher, and must extend the leave at the teacher's request. The school district may require that the request for a leave or extension of leave be made up to 90 days before the teacher would otherwise have to report for duty. Except as otherwise provided in this subdivision and except for section 125.60, subdivision 6a, the leave is governed by section 125.60, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the teachers' retirement association account by paying both the employer and employee contributions based upon the annual salary of the teacher for the last full pay period before the leave began. The retirement association may impose reasonable requirements to efficiently administer this subdivision.

Subd. 20. COLLECTIVE BARGAINING. Employees of the board of directors of the school may, if otherwise eligible, organize under chapter 179A and comply with its provisions. The board of directors of the school is a public employer, for the purposes of chapter 179A, upon formation of one or more bargaining units at the school. Bargaining units at the school are separate from any other units.

Subd. 21. CAUSES FOR NONRENEWAL OR TERMINATION. (a) The duration of the contract with a sponsor shall be for the term contained in the contract according to subdivision 5. The sponsor, subject to state board of education approval, may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor or the state board may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor, or the state board if the state board is acting to terminate a contract, shall notify the board of directors of the school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the school's board of directors may request in writing an informal hearing before the sponsor or the state board within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14 day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor or the state board shall give reasonable notice to the school's board of directors of the hearing date. The sponsor or the state board shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract by the last day of classes in the school year.

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(b) A contract may be terminated or not renewed upon any of the following grounds:

(1) failure to meet the requirements for pupil performance contained in the contract;

(2) failure to meet generally accepted standards of fiscal management;

(3) for violations of law; or

(4) other good cause shown.

If a contract is terminated or not renewed, the school shall be dissolved according to the applicable provisions of chapter 308A or 317A.

Subd. 22. PUPIL ENROLLMENT. If a contract is not renewed or is terminated according to subdivision 21, a pupil who attended the school, siblings of the pupil, or another pupil who resides in the same place as the pupil may enroll in the resident district or may submit an application to a nonresident district according to section 120.062 at any time. Applications and notices required by section 120.062 shall be processed and provided in a prompt manner. The application and notice deadlines in section 120.062 do not apply under these circumstances.

Subd. 23. GENERAL AUTHORITY. The board of directors of an outcome-based school may sue and be sued. The board may not levy taxes or issue bonds.

Subd. 24. IMMUNITY. The state board of education, members of the state board, a sponsor, members of the board of a sponsor in their official capacity, and employees of a sponsor are immune from civil or criminal liability with respect to all activities related to an outcome-based school they approve or sponsor. The board of directors shall obtain at least the amount of and types of insurance required by the contract, according to subdivision 5.

Sec. 4. Minnesota Statutes 1990, section 120.59, is amended to read:

**120.59 FLEXIBLE SCHOOL PURPOSE OF FLEXIBLE LEARNING YEAR PROGRAMS; PURPOSE.**

The purpose of sections 120.59 to 120.67 is to authorize ~~school~~ districts to evaluate, plan and employ the use of flexible ~~school~~ learning year programs. It is anticipated that the open selection of the type of flexible ~~school~~ learning year operation from a variety of alternatives will allow each district which seeks to utilize this concept to suitably fulfill the educational needs of its pupils. These alternatives shall include, but not be limited to, various 45-15 plans, four-quarter plans, quinmester plans, extended ~~school~~ learning year plans, flexible all-year plans, and four-day week plans.

Sec. 5. Minnesota Statutes 1990, section 120.60, is amended to read:

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**120.60 DEFINITION OF FLEXIBLE LEARNING YEAR.**

"Flexible ~~school~~ learning year program" means any ~~school~~ district plan approved by the state board of education which utilizes ~~school~~ buildings and facilities during the entire year and/or which provides forms of optional scheduling of pupils and ~~school~~ personnel during the ~~school~~ learning year in elementary and secondary schools or residential facilities for handicapped children.

Sec. 6. Minnesota Statutes 1990, section 120.61, is amended to read:

**120.61 ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.**

The ~~school~~ board of any district, with the approval of the state board of education, may establish and operate a flexible ~~school~~ learning year program in one or more of the ~~schools~~ day or residential facilities for handicapped children within the district.

Sec. 7. Minnesota Statutes 1990, section 120.62, is amended to read:

**120.62 DIVISION OF CHILDREN INTO GROUPS.**

The ~~school~~ board of any district operating a flexible ~~school~~ learning year program in one or more of the ~~schools~~ facilities within the district shall divide the students of each selected ~~school~~ facility into as many groups as necessary to accommodate this program. Students of the same family shall be placed in the same group unless one or more of these students is enrolled in a special education class or unless the parent or guardian of these students requests that the students be placed in different groups. No ~~school~~ board shall discriminate on the basis of race, color, creed, religion, marital status, status with regard to public assistance, sex, or national origin when assigning pupils to attendance groups pursuant to this section.

Sec. 8. Minnesota Statutes 1990, section 120.63, is amended to read:

**120.63 PUBLIC HEARING BEFORE IMPLEMENTATION.**

Prior to implementing a flexible ~~school~~ learning year program in any ~~school~~ facility of the district, the ~~school~~ board shall negotiate with the teachers, principals, assistant principals, supervisory personnel and employees of ~~the school~~ to the extent required by the public employment labor relations act, and shall consult with the parents of pupils who would be affected by the change, and with the community at large. These procedures shall include at least three informational meetings for which the board has given published notice to the teachers and employees and to the parents of pupils affected.

Sec. 9. Minnesota Statutes 1990, section 120.64, is amended to read:

**120.64 ASSIGNMENT OF TEACHERS.**

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Subdivision 1. In ~~school~~ districts where a flexible ~~school~~ learning year program is implemented in fewer than all of the ~~schools~~ facilities maintained by the ~~school~~ district, the board of the ~~school~~ district shall make every reasonable effort to assign qualified teachers who prefer ~~the regular school a~~ traditional schedule to ~~schools~~ facilities of the same level retaining ~~the regular school a~~ traditional schedule.

Subd. 2. A full-time ~~classroom~~ teacher currently employed by a ~~school~~ district which converts to a flexible ~~school~~ learning year program shall not, without the teacher's written consent, be required to teach under this program (1) more or less than the number of scheduled days or their equivalent the ~~schools~~ facilities of the district were maintained during the year preceding implementation of the flexible ~~school~~ learning year program; (2) in a period of the calendar year substantially different from the period in which the teacher taught during the year preceding implementation of the flexible learning year program.

Subd. 3. In no event shall a teacher's continuing contract rights to a position held the year preceding implementation of a flexible ~~school~~ learning year program or teaching experience earned during a probationary period the year preceding implementation be lost or impaired upon adoption of a flexible ~~school~~ learning year program. If the year of teaching preceding implementation was the end of a probationary period, the continuing contract right to a full year's contract which normally would be acquired for the next succeeding ~~school~~ learning year shall be acquired in the year of adoption of the flexible program.

Subd. 4. Any ~~school~~ district operating a flexible ~~school~~ learning year program shall enter into one contract governing the entire ~~school~~ learning year with each teacher employed in a flexible program. If individual teachers contract to teach less than a period of 175 days during a ~~school~~ learning year, each 175 days of employment accrued during any five-year period after the adoption of a flexible learning year program shall be deemed consecutive and shall constitute a full year's employment for purposes of establishing and retaining continuing contract rights to a full ~~school~~ learning year position pursuant to sections 125.12, subdivisions 3 and 4, and 125.17, subdivisions 2 and 3. A teacher who has not been discharged or advised of a refusal to renew the teacher's contract by the applicable date, as specified in section 125.12 or 125.17, in the year in which the teacher will complete the requisite number of days for securing a continuing contract shall have a continuing full ~~school~~ learning year contract with the district.

Subd. 5. Continuing contract rights established pursuant to this section shall not be impaired or lost by the termination of a flexible ~~school~~ learning year program.

Sec. 10. Minnesota Statutes 1990, section 120.65, is amended to read:

**120.65 ESTABLISHMENT AND APPROVAL.**

The state board of education shall:

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- (1) establish standards and requirements for the qualification of ~~school~~ districts which may operate on a flexible ~~school~~ learning year basis;
- (2) establish standards and evaluation criteria for flexible ~~school~~ learning year programs;
- (3) prepare and distribute all necessary forms for application by any ~~school~~ district for state authorization for a flexible ~~school~~ learning year program;
- (4) review the proposed flexible ~~school~~ learning year program of any qualified ~~school~~ district as to conformity to standards and the evaluation of appropriateness of priorities, workability of procedure and overall value;
- (5) approve or disapprove proposed flexible ~~school~~ learning year programs.

Sec. 11. Minnesota Statutes 1990, section 120.66, is amended to read:

#### 120.66 POWERS AND DUTIES OF THE STATE BOARD.

Subdivision 1. The state board of education shall:

- (1) Promulgate rules necessary to the operation of sections 120.59 to 120.67;
- (2) Cooperate with and provide supervision of flexible ~~school~~ learning year programs to determine compliance with the provisions of sections 120.59 to 120.67, the state board standards and qualifications, and the proposed program as submitted and approved;
- (3) Provide any necessary adjustments of (a) attendance and membership computations and (b) the dates and percentages of apportionment of state aids;
- (4) Consistent with the definition of "average daily membership" in section 124.17, subdivision 2, furnish the board of a district implementing a flexible ~~school~~ learning year program with a formula for computing average daily membership. This formula shall be computed so that tax levies to be made by the district, state aids to be received by the district, and any and all other formulas based upon average daily membership are not affected solely as a result of adopting this plan of instruction.

Subd. 2. Sections 120.59 to 120.67 shall not be construed to authorize the state board to require the establishment of a flexible ~~school~~ learning year program in any district in which the ~~school~~ board has not voted to establish, maintain, and operate such a program.

Sec. 12. Minnesota Statutes 1990, section 120.67, is amended to read:

#### 120.67 TERMINATION OF PROGRAM.

The ~~school~~ board of any district, with the approval of the state board of education, may terminate a flexible ~~school~~ learning year program in one or more of the ~~schools~~ day or residential facilities for handicapped children within the

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district. This section shall not be construed to permit an exception to section 120.101 or 124.19.

Sec. 13. Minnesota Statutes 1990, section 121.11, subdivision 12, is amended to read:

Subd. 12. **ADMINISTRATIVE RULES.** The state board may adopt new rules only upon specific authority other than under this subdivision. The state board may amend or repeal any of its existing rules. Notwithstanding the provisions of section 14.05, subdivision 4, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management ~~that attempt to make better use of community resources or available technology.~~ Notwithstanding any law to the contrary, and only upon receiving the agreement of the state board of teaching, the state board of education may grant a variance to its rules governing licensure of teachers for those teachers licensed by the board of teaching. The state board may grant a variance, without the agreement of the board of teaching, to its rules governing licensure of teachers for those teachers it licenses.

Sec. 14. [121.162] RECEIPTS; FUNDS.

Subdivision 1. CONFERENCE AND WORKSHOP FEES. The commissioner may establish procedures to set and collect fees to defray costs of conferences and workshops conducted by the department. The commissioner may keep accounts as necessary within the state's accounting system for the deposit of the conference and workshop fee receipts.

Subd. 2. APPROPRIATION. The receipts collected under subdivision 1 are appropriated for payment of expenses relating to the workshops and conferences.

Subd. 3. CARRY-OVER AUTHORITY. Unobligated balances under subdivision 1 may be carried over as follows:

(1) when expenditures for which the receipts have been designated occur in the following fiscal year; or

(2) to allow retention of minor balances in accounts for conferences that are scheduled annually.

Subd. 4. RECEIPTS AND REIMBURSEMENTS. The commissioner may accept receipts and payments from public and nonprofit private agencies for related costs for partnership or cooperative endeavors involving education activities that are for the mutual benefit of the state, the department, and the other agency. The commissioner may keep accounts as necessary within the state's accounting system. The receipts must be deposited in the special revenue fund.

Sec. 15. Minnesota Statutes 1990, section 121.931, subdivision 6a, is amended to read:

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Subd. 6a. **DATA STANDARD COMPLIANCE.** The department shall monitor and enforce compliance with the data standards. For financial accounting data and property accounting data, the department shall develop statistically based tests to determine data quality. The department shall annually test the data submitted by districts or regional centers and determine which districts submit inaccurate data. The department shall require these districts to review the data in question and, if found in error, to submit corrected data. The department shall develop standard editing checks for data submitted and shall provide these to districts and regional centers.

Sec. 16. Minnesota Statutes 1990, 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 and the information policy office of the department of administration, shall approve or disapprove the following, according to the criteria in section 121.937 and rules adopted pursuant to subdivision 8:

(a) the creation of regional management information centers pursuant to section 121.935; and

(b) ~~the transfer by a district of its affiliation from one regional management information center to another;~~

(c) ~~the use by a district of a management information system other than the ESV-IS subsystem through the regional management information center or a state board approved alternative system~~ management information systems 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. 17. Minnesota Statutes 1990, section 121.931, subdivision 8, is amended to read:

Subd. 8. **RULES.** The state board shall adopt rules prescribing criteria for its decisions pursuant to subdivision 7. These rules shall include at least the criteria specified in section 121.937. The state board shall also adopt rules specifying the criteria and the process for determining which data and data elements are included in ~~the data element dictionary and the annual data acquisition calendar~~ developed pursuant to section 121.932, ~~subdivisions 4 and subdivision 2.~~ The state board shall adopt rules requiring regional management information centers to use cost accounting procedures which will account by district for resources consumed at the center for support of each ESV-IS subsystem and of any approved alternative financial management information systems. The adoption of the systems architecture plan and the long range plan pursuant to subdivisions 3 and 4 shall be exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

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Sec. 18. Minnesota Statutes 1990, section 121.932, subdivision 2, is amended to read:

Subd. 2. **DATA ACQUISITION CALENDAR.** The department of education shall maintain a current annual data acquisition calendar specifying the reports which ~~districts are required to provide to the department, the reports which regional management information centers are required to provide~~ must be provided to the department for their affiliated districts, and the dates when these reports are due.

Sec. 19. Minnesota Statutes 1990, section 121.932, subdivision 3, is amended to read:

Subd. 3. **EXEMPTION FROM CHAPTER 14.** Except as provided in section 121.931, subdivision 8, the ~~data element dictionary~~, annual data acquisition calendar, and the essential data elements are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

Sec. 20. Minnesota Statutes 1990, section 121.932, subdivision 5, is amended to read:

Subd. 5. **ESSENTIAL DATA.** The department shall maintain a list of essential data elements which must be recorded and stored about each pupil, licensed and nonlicensed staff member, and educational program. Each school district shall send the essential data to the ESV regional computer center to which it belongs, ~~where it shall be assembled and transmitted~~ or to the department in the form and format prescribed by the department.

Sec. 21. Minnesota Statutes 1990, section 121.933, subdivision 1, is amended to read:

Subdivision 1. **PERMITTED DELEGATIONS.** The state board of technical colleges, the state board of education, and the department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 121.931, subdivision 5, ~~by the Minnesota educational computing consortium~~, by a regional management information center or by any other appropriate provider.

Sec. 22. Minnesota Statutes 1990, section 121.934, subdivision 7, is amended to read:

Subd. 7. **ADVISORY DUTIES.** (a) Pursuant to section 121.931, the ESV computer council shall advise and assist the state board in:

(1) the development of the long-range plan and the systems architecture plan;

(2) the development of applications software for ESV-IS and SDE-IS;

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(3) the approval of the creation ~~and alteration~~ of regional management information centers;

(4) the approval ~~of the use by districts~~ of alternative management information systems; and

(5) the statewide applicability of alternative management information systems proposed by districts; and

(6) ~~the approval of annual and biennial plans and budgets of regional management information centers; and~~

(7) ~~the monitoring and enforcement of compliance with data standards.~~

(b) The council shall also review the data standards recommended by the council on uniform financial accounting and reporting standards and the advisory task forces on uniform standards for student reporting and personnel/payroll reporting and make recommendations to the state board concerning:

(1) the consistency of the standards for finance, property, student and personnel/payroll data with one another;

(2) the implications of the standards for implementation of ESV-IS and SDE-IS; and

(3) the consistency of the standards with the systems architecture plan and the long-range plan.

(c) Pursuant to section 121.932, the council shall advise the department in the development and operation of SDE-IS.

Sec. 23. Minnesota Statutes 1990, section 121.935, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** Any group of two or more independent, special or common school districts may with the approval of the state board pursuant to sections 121.931 and 121.937 create a regional management information center pursuant to section 123.58 or 471.59 to provide computer services to school districts. A regional management information center ~~which is not in existence on July 1, 1979~~ shall not come into existence until the first July 1 of an ~~odd-numbered~~ year after its creation is approved by the state board or until it can be accommodated by state appropriations, whichever occurs first. Each member of the center board shall be a current member of a member school board.

Sec. 24. Minnesota Statutes 1990, section 121.935, subdivision 4, is amended to read:

Subd. 4. ~~BIENNIAL~~ **ANNUAL BUDGET ESTIMATES.** Every regional management information center shall submit to the department by July 1 of

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~~each even-numbered year a biennial~~ an annual budget estimate for its administrative and management computer activities. The ~~biennial~~ budget estimates shall be in a program budget format and shall include all estimated and actual revenues, expenditures, and fund balances of the center for the ~~appropriate fiscal years~~. Budget forms developed pursuant to section 16A.10 may be used for these estimates. The department of education shall assemble this budget information into a supplemental ~~biennial~~ budget summary for the statewide elementary, secondary, and vocational management information system. Copies of ~~this supplemental biennial~~ the budget summary shall be provided to the ESV computer council ~~and the department of finance~~; and shall be available to the legislature upon request.

Sec. 25. Minnesota Statutes 1990, section 121.935, subdivision 6, is amended to read:

Subd. 6. **FEES.** Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and the district's proportionate share of outstanding regional ~~debt obligations~~, as defined in section 475.51, for computer hardware. If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, the district is liable for its contracted proportionate share of the outstanding regional ~~debt obligation~~. The district is not liable for any additional outstanding regional ~~debt obligations~~ that ~~occurs~~ occur after written notice is given to transfer or use an alternative finance system. A regional management information center must not charge a district for transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state. If a district transfers to another regional center, the center shall transfer to the district within 90 days after the end of the fiscal year the district's per actual pupil share of the center's unreserved fund balance in each fund. The fund balance shall be determined as of June 30 preceding the year the district transfers.

Sec. 26. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 8. COMPUTER HARDWARE PURCHASE. A regional management information center may not purchase or enter into a lease-purchase agreement for computer hardware in excess of \$100,000 without unanimous consent of the center board.

Sec. 27. Minnesota Statutes 1990, section 121.936, subdivision 1, is amended to read:

Subdivision 1. **MANDATORY PARTICIPATION.** (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multidimensional 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 121.917.

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(b) 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 financial management accounting reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) the district shall process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center 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 and is reporting directly to the state as of January 1, 1987.

(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 may transfer their affiliation from one regional management information center to another. At least one year prior to July 1 of the year in which the transfer is to occur, the district shall give written notice to its current region of affiliation of its intent to transfer to another region. The one year notice requirement may be waived if the two regions mutually agree to the transfer.

Sec. 28. Minnesota Statutes 1990, section 121.936, subdivision 2, is amended to read:

Subd. 2. **ALTERNATIVE MANAGEMENT INFORMATION SYSTEMS.** 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~~ uses another financial management information system approved by the state board. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a 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 another management information system not previously approved by the state board shall submit a detailed proposal to the state board and the ESV computer council. 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.

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Sec. 29. Minnesota Statutes 1990, section 121.936, subdivision 4, is amended to read:

Subd. 4. **ALTERNATIVE SYSTEMS; STATE BOARD.** Upon approval of the proposal by the state board the district may proceed in accordance with its approved proposal. Except as provided in section 121.931, subdivision 5, an alternative system approved pursuant to this subdivision shall be developed and purchased at the expense of the district. Notwithstanding any law to the contrary, when an alternative system has been approved by the state board, another district may use the system without state board approval. A district which has submitted a proposal for an alternative system which has been disapproved may not submit another proposal for that fiscal year, but it may submit a proposal for the subsequent fiscal year.

Sec. 30. Minnesota Statutes 1990, section 121.937, subdivision 1, is amended to read:

Subdivision 1. **APPROVAL CRITERIA.** The criteria adopted by the state board for approval of the creation of a regional management information center; ~~the transfer of a school district's affiliation from one regional management information center to another;~~ and the approval of an alternative management information system shall include:

(a) The provisions of the plans adopted by the state board pursuant to section 121.931, subdivisions 3 and 4;

(b) The cost effectiveness of the proposed center; ~~transfer~~ or alternative;

(c) The effect of the proposed center; ~~transfer~~ or alternative on existing regional management information centers; and

(d) Whichever of the following is applicable:

(i) The ability of a proposed center to comply with section 121.935, ~~or the effect of a transfer on a center's ability to comply with section 121.935;~~ or

(ii) The ability of a proposed alternative financial management information system to comply with section 121.936, subdivision 1, clauses (a) and (b) (1), or

(iii) The ability of a proposed alternative fixed assets property management information system to comply with section 121.936, subdivision 1, clause (b)(1); ~~and 121.936, subdivision 1a, clause (a).~~

Sec. 31. Minnesota Statutes 1990, section 122.41, is amended to read:

**122.41 POLICY DUTY TO MAINTAIN ELEMENTARY AND SECONDARY SCHOOLS.**

~~The policy of the state is to encourage organization of school districts into units of administration to afford better educational opportunities for all pupils, make possible more economical and efficient operation of the schools; and~~

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insure more equitable distribution of public school revenue. To this end all area of the state shall be included in an independent or special school district maintaining Each school district shall maintain classified elementary and secondary schools, grades 1 through 12, unless a the district is exempt according to section 122.34 or 122.355, has made an agreement with another district or districts as provided in sections 122.535, 122.541, or sections 122.241 to 122.248, or 122.93, subdivision 8, or has received a grant under sections 124.492 to 124.495. A district that has an agreement according to sections 122.241 to 122.248 or 122.541 shall operate a school with the number of grades required by those sections. A district that has an agreement according to section 122.535 or 122.93, subdivision 8, or has received a grant under sections 124.492 to 124.495 shall operate a school for the grades not included in the agreement, but not fewer than three grades.

Sec. 32. Minnesota Statutes 1990, section 122.541, subdivision 7, is amended to read:

Subd. 7. **MEETING LOCATION.** Notwithstanding any law to the contrary, school boards that have an agreement may hold a valid joint meeting at any location that would be permissible for one of the school boards participating in the meeting. A school board that has an agreement may hold a meeting in any district that is a party to the agreement. The school board shall comply with section 471.705 and any other law applicable to a meeting of a school board.

Sec. 33. **[122.895] EMPLOYEES OF COOPERATIVE DISTRICTS UPON DISSOLUTION OR WITHDRAWAL.**

Subdivision 1. DEFINITIONS. For purposes of this section, "teacher" means a teacher as defined in section 125.12, subdivision 1, who is employed by a district or center listed in subdivision 2, except that it does not include a superintendent. "Cooperative" means any district or center to which this section applies.

Subd. 2. APPLICABILITY. This section applies to:

- (1) an education district organized according to sections 122.91 to 122.95;
- (2) a cooperative vocational center organized according to section 123.351;
- (3) a joint powers district or board organized according to section 471.59 which employs teachers to provide instruction;
- (4) a joint vocational technical district organized according to sections 136C.60 to 136C.69;
- (5) an intermediate district organized according to chapter 136D; and
- (6) an educational cooperative service unit which employs teachers to provide instruction.

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**Subd. 3. NOTIFICATION OF TEACHERS.** In any year in which a cooperative dissolves or a member withdraws from a cooperative, the governing board of a cooperative shall provide all teachers employed by the cooperative written notification by March 10 of:

(1) the dissolution of the cooperative and the effective date of dissolution;  
or

(2) the withdrawal of a member of the cooperative and the effective date of withdrawal.

**Subd. 4. RIGHTS OF A TEACHER WITH A CONTINUING CONTRACT IN A MEMBER DISTRICT UPON DISSOLUTION.** (a) This subdivision applies to a teacher previously employed in a member district who:

(1) had a continuing contract with that member district;

(2) has been continuously employed immediately after leaving that member district by one or more cooperatives that provided instruction to pupils enrolled in that member district; and

(3) is either a probationary teacher or has a continuing contract with the cooperative that is dissolving.

(b) A teacher may elect to resume the teacher's continuing contract with the member district by which the teacher was previously employed by filing a written notice of the election with the member school board on or before March 20. Failure by a teacher to file a written notice by March 20 of the year the teacher receives a notice according to subdivision 3 constitutes a waiver of the teacher's rights under this subdivision.

The member district shall make reasonable realignments of positions to accommodate the seniority rights of a teacher electing to resume continuing contract rights in the member district according to this subdivision.

Upon returning the teacher shall receive credit for:

(1) all years of continuous service under contract with the cooperative and the member district for all purposes relating to seniority, compensation, and employment benefits; and

(2) the teacher's current educational attainment on the member district's salary schedule.

(c) A teacher who does not elect to return to the member district according to this subdivision may exercise rights under subdivision 5.

**Subd. 5. RIGHTS OF OTHER TEACHERS UPON DISSOLUTION.** (a) This subdivision applies to a teacher who:

(1) has a continuing contract with the cooperative; and

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(2) either did not have a continuing contract with any member district or does not return to a member district according to the procedures set forth in subdivision 4, paragraph (b).

(b) By May 10 of the school year in which the cooperative provides the notice required by subdivision 3, clause (1), the cooperative shall provide to each teacher described in subdivision 4 and this subdivision a written notice of available teaching positions in any member district to which the cooperative was providing services at the time of dissolution. Available teaching positions are all teaching positions that, during the school year following dissolution:

(1) are positions for which the teacher is licensed; and

(2) are not assigned to a continuing contract teacher employed by a member school district after any reasonable realignments which may be necessary under the applicable provisions of section 125.12, subdivision 6a or 6b, to accommodate the seniority rights of teachers employed by the member district.

(c) On or before June 1 of the school year in which the cooperative provides the notice required by subdivision 3, clause (1), any teacher wishing to do so must file with the school board a written notice of the teacher's intention to exercise the teacher's rights to an available teaching position. Available teaching positions shall be offered to teachers in order of their seniority within the dissolved cooperative.

(d) Paragraph (e) applies to:

(1) a district that was a member of a dissolved cooperative; or

(2) any other district that, except as a result of open enrollment according to section 120.062, provides essentially the same instruction provided by the dissolved cooperative to pupils enrolled in a former member district.

(e) For five years following dissolution of a cooperative, a district to which this subdivision applies may not appoint a new teacher or assign a probationary or provisionally licensed teacher to any position requiring licensure in a field in which the dissolved cooperative provided instruction until the following conditions are met:

(1) a district to which this subdivision applies has provided each teacher formerly employed by the dissolved cooperative, who holds the requisite license, written notice of the position; and

(2) no teacher holding the requisite license has filed a written request to be appointed to the position with the school board within 30 days of receiving the notice.

If no teacher files a request according to clause (2), the district may fill the position as it sees fit. During any part of the school year in which dissolution occurs and the first school year following dissolution, a teacher may file a

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request for an appointment according to this paragraph regardless of prior contractual commitments with other member districts. Available teaching positions shall be offered to teachers in order of their seniority on a combined seniority list of the teachers employed by the cooperative and the appointing district.

(f) A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the appointing district's salary schedule for the teacher's years of continuous service under contract with the cooperative and the member district and the teacher's educational attainment at the time of appointment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits as if the teacher had been employed by the member district during the teacher's years of employment by the cooperative.

**Subd. 6. RIGHTS OF A TEACHER WITH A CONTINUING CONTRACT IN A MEMBER DISTRICT UPON WITHDRAWAL OF THE DISTRICT.** (a) This subdivision applies to a teacher previously employed by a member district who:

(1) had a continuing contract with the member district which withdraws from a cooperative;

(2) has been continuously employed immediately after leaving that member district by one or more cooperatives that provided instruction to pupils enrolled in that member district; and

(3) is either a probationary teacher or has a continuing contract with the cooperative from which the member district is withdrawing.

(b) A teacher may elect to resume the teacher's continuing contract with the withdrawing district by which the teacher was previously employed by filing a written notice of the election with the withdrawing school board on or before March 20. Failure by a teacher to file written notice by March 20 of the year the teacher receives a notice according to subdivision 3 constitutes a waiver of a teacher's rights under this subdivision.

The member district shall make reasonable realignments of positions to accommodate the seniority rights of a teacher electing to resume continuing contract rights in the member district according to this subdivision.

Upon returning, the teacher shall receive credit for:

(1) all years of continuous service under contract with the cooperative and the member district for all purposes relating to seniority, compensation, and employment benefits; and

(2) the teacher's current educational attainment on the member district's salary schedule.

**Subd. 7. RIGHTS OF A TEACHER PLACED ON UNREQUESTED**

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LEAVE UPON WITHDRAWAL. (a) This subdivision applies to a teacher who is placed on unrequested leave of absence, according to section 125.12, subdivision 6a or 6b, in the year in which the cooperative provides the notice required by subdivision 3, clause (2), by a cooperative from which a member district is withdrawing.

This subdivision applies to a district that, except as a result of open enrollment according to section 120.062, provides essentially the same instruction provided by the cooperative to pupils enrolled in the withdrawing district.

(b) A teacher shall be appointed by a district to which this subdivision applies to an available teaching position which:

(1) is in a field of licensure in which pupils enrolled in the withdrawing district received instruction from the cooperative; and

(2) is within the teacher's field of licensure.

For the purpose of this paragraph, an available teaching position means any position that is vacant or would otherwise be occupied by a probationary or provisionally licensed teacher.

(c) A board may not appoint a new teacher to an available teaching position unless no teacher holding the requisite license on unrequested leave from the cooperative has filed a written request for appointment. The request shall be filed with the board of the appointing district within 30 days of receiving written notice from the appointing board that it has an available teaching position. If no teacher holding the requisite license files a request according to this paragraph, the district may fill the position as it sees fit. Available teaching positions shall be offered to teachers in order of their seniority on a combined seniority list of the teachers employed by the cooperative and the withdrawing member district.

(d) A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the appointing district's salary schedule for the teacher's years of continuous service under contract with the cooperative and the member district and the teacher's educational attainment at the time of appointment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits as if the teacher had been employed by the member district during the teacher's years of employment by the cooperative.

Subd. 8. NONLICENSED EMPLOYEES UPON DISSOLUTION. A nonlicensed employee who is terminated by a cooperative that dissolves shall be appointed by a district that is a member of the dissolved cooperative to a position that is created within 12 months of the dissolution of the cooperative and is created as a result of the dissolution of the cooperative. A position shall be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the dissolved cooperative.

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Subd. 9. NONLICENSED EMPLOYEES UPON WITHDRAWAL. A nonlicensed employee of a cooperative whose position is discontinued as a result of the withdrawal of a member district from the cooperative shall be appointed by the withdrawing member district to a position that is created within 12 months of the withdrawal and is created as a result of the withdrawal of the member district. A position shall be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the cooperative from which a member district withdraws.

Sec. 34. Minnesota Statutes 1990, section 123.34, subdivision 9, is amended to read:

Subd. 9. SUPERINTENDENT. All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. An individual employed by a school board as a superintendent shall have an initial employment contract for a period of time no longer than ~~four~~ three years from the date of employment. ~~The initial employment contract must terminate on June 30 of an odd-numbered year. Any subsequent employment contract between a school board and the same individual to serve as a superintendent may not extend beyond June 30 of the next odd-numbered year. Any subsequent employment contract must not exceed a period of three years.~~ A school board, at its discretion, may or may not renew; ~~at its discretion,~~ an initial employment contract ~~or a subsequent employment contract.~~ A school board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 125.12, subdivision 6 or 8. A superintendent shall not rely upon an employment contract with a school board to assert any other continuing contract rights in the position of superintendent under section 125.12. Notwithstanding the provisions of sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on ~~seniority or~~ order of employment in any district. If two or more school districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on ~~seniority or~~ order of employment in a contracting district. ~~An individual who holds a position as superintendent in one of the contracting districts, but is not selected to perform the services, may be placed on unrequested leave of absence or may be reassigned to another available position in the district for which the individual is licensed.~~ The superintendent of a district shall perform the following:

- (1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;
- (2) recommend to the board employment and dismissal of teachers;

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- (3) superintend school grading practices and examinations for promotions;
- (4) make reports required by the commissioner of education; and
- (5) perform other duties prescribed by the board.

Sec. 35. Minnesota Statutes 1990, section 123.34, subdivision 10, is amended to read:

Subd. 10. **PRINCIPALS.** Each public school building, as defined by section 120.05, subdivision 2, clauses (1), (2) and (3), in an independent school district shall be under the supervision of a principal who is assigned to that responsibility by the board of education in that school district upon the recommendation of the superintendent of schools of that school district. If pupils in kindergarten through grade 12 attend school in one building, one principal may supervise the building.

Each principal assigned the responsibility for the supervision of a school building shall hold a valid ~~certification~~ license in the assigned position of supervision and administration as established by the rules of the state board of education.

The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the school district and in accordance with the policies, rules, and regulations of the board of education, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

Sec. 36. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

**Subd. 20. LEGAL COUNSEL; REIMBURSEMENT.** If reimbursement is requested by a school district employee, the board may, after consulting with its legal counsel, reimburse the employee for any costs and reasonable attorney fees incurred by the person to defend criminal charges brought against the person arising out of the performance of duties for the school district. A board member who is a witness or an alleged victim in the case may not vote on the reimbursement. If a quorum of the board is disqualified from voting on the reimbursement, the reimbursement shall be approved by a judge of the district court.

Sec. 37. Minnesota Statutes 1990, section 123.3514, subdivision 4, is amended to read:

Subd. 4. **AUTHORIZATION; NOTIFICATION.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered at that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice

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to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used by the institution.

Sec. 38. Minnesota Statutes 1990, section 123.3514, subdivision 6, is amended to read:

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 for courses that were taken for secondary credit. 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 taken by the secondary pupil; or

(2) an amount equal to the difference between the basic revenue of the district for that pupil and an amount computed by multiplying the basic revenue of the district for 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 per pupil in that pupil's resident district.

~~The amount paid for each pupil shall be subtracted from the general education aid paid to the pupil's district of attendance. If the amount to be subtracted is greater than the amount of general education aid due the district, the excess reduction shall be made from other state aids due to the district. For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:~~

(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus

(2) for a pupil who attends a secondary school part time, the formula allowance, according to section 124.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in the average daily membership only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at a post-secondary institution for secondary credit.

The department shall not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

For fiscal year 1993 and thereafter, a post-secondary institution shall be reimbursed according to the following:

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(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

For fiscal year 1993 and thereafter, a school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; or

(2) for a pupil who attends a secondary school part time, 88 percent of the product of the formula allowance, according to section 124.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

Sec. 39. Minnesota Statutes 1990, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. **FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.** At the end of each school year, the department of education shall pay the tuition reimbursement amount to the post-secondary institutions for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid. The amount of the tuition reimbursement equals the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program taken by the pupil; or

(2) an amount equal to the difference between the adult high school graduation aid attributable to that pupil and an amount computed by multiplying the adult high school graduation aid by the ratio of 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 per pupil in that pupil's resident district.

~~The amount of tuition reimbursement paid for each pupil shall be subtracted from the adult high school graduation aid paid to the pupil's district of attendance. For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:~~

(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus

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(2) for a pupil who attends a secondary school part time, the adult high school graduation aid times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in average daily membership as computed under section 120.17, subdivision 1, only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at the post-secondary institution for secondary credit.

The department must not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

For fiscal year 1993 and thereafter, a post-secondary institution shall be reimbursed according to the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

For fiscal year 1993 and thereafter, a school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the adult high school graduation aid, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, 88 percent of the product of the adult high school graduation aid, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 40. Minnesota Statutes 1990, section 123.38, subdivision 2b, is amended to read:

Subd. 2b. (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities shall mean all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member.

(b) Extracurricular activities have all of the following characteristics:

(a) (1) they are not offered for school credit nor required for graduation;

(b) (2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

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(e) (3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fundraising events. The general fund or the technical colleges fund, if applicable, shall reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded according to the "Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges." Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues; and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, no such activity shall be participated in by the teachers or pupils in the district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 41. Minnesota Statutes 1990, section 123.744, is amended to read:

#### 123.744 SCHOOL BOARDS; STUDENT MEMBERS.

The board of directors of any school district ~~may~~ shall appoint a student to serve as an advisory member to the school board or shall establish a youth advisory council to make formal and informal recommendations to the school board. If a student advisory member is appointed to the board, the student shall serve as an advisory member to the board only while attending school in the district, and shall not receive any compensation or be reimbursed for any expenses incurred while serving in this capacity.

A student advisory member ~~may~~ shall be permitted to attend school board meetings, to be furnished with agenda materials, to introduce items for inclusion in the agenda, and to participate in discussion but shall not be entitled to vote.

If a youth advisory council is established, the board shall meet with council members at least three times per year to discuss education matters and board actions affecting the district student population.

Neither the student member nor youth advisory council members may participate in any closed discussion concerning the negotiation or implementation of a collective bargaining agreement and must not be present at a closed meeting permitted under section 471.705, subdivision 1a or 1d.

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Sec. 42. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1c. FOREIGN EXCHANGE PUPILS. Notwithstanding section 123.35, subdivision 8c, or any other law to the contrary, a foreign exchange pupil enrolled in a district under a cultural exchange program may be counted as a resident pupil for the purposes of chapters 124 and 124A and section 275.125 even if the pupil has graduated from high school or the equivalent.

Sec. 43. [124.248] REVENUE FOR AN OUTCOME-BASED SCHOOL.

Subdivision 1. GENERAL EDUCATION REVENUE. General education revenue shall be paid to an outcome-based school as though it were a school district. The general education revenue for each pupil unit is the state average general education revenue per pupil unit, calculated without compensatory revenue, plus compensatory revenue as though the school were a school district.

Subd. 2. CAPITAL EXPENDITURE EQUIPMENT REVENUE. Capital expenditure equipment aid shall be paid to an outcome-based school according to section 124.245, subdivision 6, as though it were a school district. Capital expenditure equipment aid shall equal capital expenditure equipment revenue. Notwithstanding section 124.244, subdivision 4, an outcome-based school may use the revenue for any purpose related to the school.

Subd. 3. SPECIAL EDUCATION AID. Special education aid shall be paid to an outcome-based school according to section 124.32 as though it were a school district. The school may charge tuition to the district of residence as provided in section 120.17, subdivision 4. The district of residence shall levy as provided in section 275.125, subdivision 8c, as though it were participating in a cooperative.

Subd. 4. OTHER AID, GRANTS, REVENUE. An outcome-based school is eligible to receive other aids, grants, and revenue according to chapters 120 to 129, as though it were a school district. However, it may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section. Federal aid received by the state must be paid to the school, if it qualifies for the aid as though it were a school district.

Subd. 5. USE OF STATE MONEY. Money received from the state may not be used to purchase land or buildings. The school may own land and buildings if obtained through nonstate sources.

Sec. 44. Minnesota Statutes 1990, section 125.09, subdivision 4, is amended to read:

Subd. 4. MANDATORY REPORTING. A school board shall report to the board of teaching, the state board of education, or the state board of technical colleges, whichever has jurisdiction over the teacher's license, when its teacher is discharged or resigns from employment after a charge is filed with the school

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board under section 125.17, subdivisions 4, clauses (1), (2), and (3), and 5, or after charges are filed that are ground for discharge under section 125.12, subdivision 8, clauses (a), (b), (c), (d), and (e), or when a teacher is suspended or resigns while an investigation is pending under section 125.12, subdivision 8, clauses (a), (b), (c), (d), and (e); 125.17, subdivisions 4, clauses (1), (2), and (3), and 5; or 626.556. The report must be made to the board within ten days after the discharge, suspension, or resignation has occurred. The board to which the report is made shall investigate the report for violation of subdivision 1 and the reporting school board shall cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the teacher's license, a school board or school superintendent shall provide the licensing board with information about the teacher from the school district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a school board or school superintendent may, at the discretion of the school board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the school district. Any data transmitted to any board under this section shall be private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

The board to which a report is made shall transmit to the attorney general's office any record or data it receives under this subdivision for the sole purpose of having the attorney general's office assist that board in its investigation. When the attorney general's office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's license within 45 days of receiving a stipulation executed by the teacher under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

Sec. 45. Minnesota Statutes 1990, section 125.12, subdivision 3, is amended to read:

Subd. 3. **PROBATIONARY PERIOD.** The first three consecutive years of a teacher's first teaching experience in Minnesota in a single school district shall be deemed to be a probationary period of employment, and after completion thereof, the probationary period in each school district in which the teacher is thereafter employed shall be one year. The school site management team, or the school board if there is no school site management team, shall adopt a plan for written evaluation of teachers during the probationary period according to subdivision 3a or 3b. Effective July 1, 1988, Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3a shall

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occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. During the probationary period any annual contract with any teacher may or may not be renewed as the school board, after consulting with the peer review committee charged with evaluating probationary teachers under subdivision 3a, shall see fit; provided, however, that the school board shall give any such teacher whose contract it declines to renew for the following school year written notice to that effect before June 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the school board shall give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 123.35, subdivision 5.

Sec. 46. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

**Subd. 3a. PEER REVIEW FOR PROBATIONARY TEACHERS.** A school must have a peer review committee charged with evaluating each probationary teacher at least three times each year for a period of three years as required under subdivision 3. The purpose of the evaluation procedure is to improve the probationary teacher's instructional effectiveness. The school site management team, or the school board if there is no school site management team, after consulting with a representative of the peer review committee and the school principal or other person having general control and supervision of the school, shall adopt a procedure for written evaluations of probationary teachers. The evaluation procedure must be structured as a continuing and cooperative process between the probationary teacher, the peer review committee, and the school principal or other person having general control and supervision of the school. The school site management team, or the school board if there is no school site management team, shall make available a written description of the evaluation procedure, including evaluation policies and criteria, to each newly hired teacher and to each probationary teacher. As part of the evaluation procedure, the school and the school district shall provide the necessary resources to assist a probationary teacher to improve those areas of instruction identified by the teacher, the peer review committee, or the principal or other person having general control and supervision of the school as in need of improvement. The school and the school district also shall provide to each probationary teacher opportunities for professional growth experiences, including in-service training.

Sec. 47. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

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Subd. 3b. APPLICABILITY. Subdivision 3a does not apply to a school district that has formally adopted a probationary teacher review process that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 48. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 4a. PEER REVIEW FOR CONTINUING CONTRACT TEACHERS. A school must have a peer review committee for continuing contract teachers to provide the teachers with the opportunity for positive interaction and professional growth to help students learn more effectively. The peer review committee must not judge teacher competency nor determine whether to suspend or terminate a teacher. Members of the peer review committee must be selected by the school site management team, or by the exclusive bargaining representative if there is no school site management team. The selecting body shall establish an equitable process for selecting members of the peer review committee and an orderly cycle for rotating members. Only teachers with continuing contracts shall serve as members of the peer review committee. The peer review committee shall review once each school year each teacher with a continuing contract performing services on 120 or more school days. The review process must allow experienced teachers to improve instructional effectiveness through professional learning and development opportunities that include exchanging and internalizing ideas about the components of competent teaching. An in-service training session must be held at the beginning of each school year to train members of the peer review committee to facilitate teachers' reflections about the assumptions, beliefs, and practices underlying teaching. The selecting body shall design the training sessions and give the members of the peer review committee the necessary time off from their classroom responsibilities to perform the duties listed in this subdivision.

Sec. 49. [125.135] STAFF EXCHANGE PROGRAM.

Subdivision 1. ESTABLISHMENT. A staff exchange program is established to allow local school districts to arrange temporary and voluntary exchanges among members of their kindergarten through grade 12 instructional and administrative staffs. The purpose of the program is to provide participants with an understanding of the educational concerns of other local school districts, including concerns of class organization, curriculum development, instructional practices, and characteristics of the student population.

The educational needs and interests of the host school district and the training, experience, and interests of the participants must determine the assignments of the participants in the host district. Participants may teach courses, provide counseling and tutorial services, work with teachers to better prepare students for future educational experiences, serve an underserved population in the district, or assist with administrative functions. The assignments participants perform for the host district must be comparable to the assignments the participants perform for the district employing the participants. Participation in the exchange program need not be limited to one school or one school district and may involve other education organizations including education districts and ECSUs.

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Subd. 2. PROGRAM REQUIREMENTS. All staff exchanges made under this section are subject to the requirements in this subdivision.

(a) A school district employing a participating staff member must not adversely affect the staff member's salary, seniority, or other employment benefits, or otherwise penalize the staff member for participating in the program.

(b) Upon completion or termination of an exchange, a school district employing a participating staff member must permit the staff member to return to the same assignment the staff member performed in the district before the exchange, if available, or, if not, a similar assignment.

(c) A school district employing a participating staff member must continue to provide the staff member's salary and other employment benefits during the period of the exchange.

(d) A participant must be licensed and tenured.

(e) Participation in the program must be voluntary.

(f) The length of participation in the program must be no less than one-half of a school year and no more than one school year, and any premature termination of participation must be upon the mutual agreement of the participant and the participating school district.

(g) A participant is responsible for transportation to and from the host school district.

(h) This subdivision does not abrogate or change rights of staff members participating in the staff exchange program or the terms of an agreement between the exclusive representative of the school district employees and the school district.

(i) Participating school districts may enter into supplementary agreements with the exclusive representative of the school district employees to accomplish the purpose of this section.

Subd. 3. APPLICATION PROCEDURES. The school board of a school district must decide by resolution to participate in the staff exchange program. A staff member wishing to participate in the exchange program must submit an application to the school district employing the staff member. The district must, in a timely and appropriate manner, provide to the exclusive bargaining representatives of teachers in the state the number and names of prospective participants within the district, the assignments available within the district, and the length of time for each exchange. The exclusive bargaining representatives are requested to cooperatively participate in the coordination of exchanges to facilitate exchanges across all geographical regions of the state. Prospective participants must contact teachers and districts with whom they are interested in making an exchange. The prospective participants must make all arrangements to

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accomplish their exchange and the superintendents of the participating districts must approve the arrangements for the exchange in writing.

**Sec. 50. [125.138] FACULTY EXCHANGE PROGRAM.**

Subdivision 1. ESTABLISHMENT. A program of faculty exchange is established to allow school districts and post-secondary institutions to arrange temporary exchanges between members of their instructional staffs. These arrangements must be made on a voluntary cooperative basis between a school district and post-secondary institution, or between post-secondary institutions. Exchanges between post-secondary institutions may occur among campuses in the same system or in different systems.

Subd. 2. USES OF PROGRAM. Each participating school district and post-secondary institution may determine the way in which the instructional staff member's time is to be used, but it must be in a way that promotes understanding of the needs of each educational system or institution. For example, a public school teacher may teach courses, provide counseling and tutorial services, assist with the preparation of future teachers, or take professional development courses. A post-secondary teacher might teach advanced placement courses or other classes to aid an underserved population at the school district, counsel students about future educational plans, or work with teachers to better prepare students for post-secondary education. Participation need not be limited to one school or institution and may involve other groups including educational cooperative service units.

Subd. 3. SALARIES; BENEFITS; CERTIFICATION. Exchanges made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding sections 123.35, subdivision 6, and 125.04, a member of the instructional staff of a post-secondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would otherwise be required without holding the applicable license. In addition, a licensed teacher employed by a school district may teach or perform a service, agreed upon according to this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A school district is not subject to section 124.19, subdivision 3, as a result of entering into an agreement according to this section that enables a post-secondary instructional staff member to teach or provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by each participating school district and post-secondary institution before implementation.

**Sec. 51. [125.1385] EXCHANGES BETWEEN EDUCATION FACULTY.**

Subdivision 1. AUTHORITY; LIMITS. The state university board and the board of regents of the University of Minnesota may develop programs to exchange faculty between colleges or schools of education and school districts, subject to section 125.138.

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The programs must be used to assist in improving teacher education by involving current teachers in education courses and placing post-secondary faculty in elementary and secondary classrooms. Programs must include exchanges that extend beyond the immediate service area of the institution to address the needs of different types of schools, students, and teachers.

Subd. 2. COMPENSATION. State money for faculty exchange programs is to compensate for expenses that are unavoidable and beyond the normal living expenses exchange participants would incur if they were not involved in this exchange. The state university board, the board of regents, or the University of Minnesota, and their respective campuses, in conjunction with the participating school districts, must control costs for all participants as much as possible, through means such as arranging housing exchanges, providing campus housing, and providing university, state, or school district cars for transportation. The boards and campuses may seek other sources of funding to supplement these appropriations, if necessary.

Sec. 52. Minnesota Statutes 1990, section 125.17, subdivision 2, is amended to read:

**Subd. 2. PROBATIONARY PERIOD; DISCHARGE OR DEMOTION.** All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 2a or 2b, shall see fit. The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivision 2a. Effective July 1, 1988, Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 2a shall occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

Sec. 53. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

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**Subd. 2a. PEER REVIEW FOR PROBATIONARY TEACHERS.** A school must have a peer review committee charged with evaluating each probationary teacher at least three times each year for a period of three years as required under subdivision 3. The purpose of the evaluation procedure is to improve the probationary teacher's instructional effectiveness. The school site management team, or the school board if there is no school site management team, after consulting with a representative of the peer review committee and the school principal or other person having general control and supervision of the school, shall adopt a procedure for written evaluations of probationary teachers. The evaluation procedure must be structured as a continuing and cooperative process between the probationary teacher, the peer review committee, and the school principal or other person having general control and supervision of the school. The school site management team, or the school board if there is no school site management team, shall make available a written description of the evaluation procedure, including evaluation policies and criteria, to each newly hired teacher and to each probationary teacher. As part of the evaluation procedure, the school and the school district shall provide the necessary resources to assist a probationary teacher to improve those areas of instruction identified by the teacher, the peer review committee, or the principal or other person having general control and supervision of the school as in need of improvement. The school and the school district also shall provide to each probationary teacher opportunities for professional growth experiences, including in-service training.

Sec. 54. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

**Subd. 2b. APPLICABILITY.** Subdivision 2a does not apply to a school district that has formally adopted a probationary teacher review process that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 55. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

**Subd. 3a. PEER REVIEW FOR NONPROBATIONARY TEACHERS.** A peer review committee for nonprobationary teachers shall exist in each school to provide nonprobationary teachers with the opportunity for positive interaction and professional growth to help students learn more effectively. The peer review committee must not judge teacher competency nor determine whether to discharge or demote a teacher. Members of the peer review committee must be selected by the school site management team, or by the exclusive bargaining representative if there is no school site management team. The selecting body shall establish an equitable process for selecting members of the peer review committee and an orderly cycle for rotating members. Only nonprobationary teachers shall serve as members of the peer review committee. The peer review committee shall review once each school year each nonprobationary teacher performing services on 120 or more school days. The review process must allow experienced teachers to improve instructional effectiveness through professional learning and development opportunities that include exchanging and internalizing ideas about the components of competent teaching. An in-service training session

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must be held at the beginning of each school year to train members of the peer review committee to facilitate teachers' reflections about the assumptions, beliefs, and practices underlying teaching. The selecting body shall design the training session and give the members of the peer review committee the necessary time off from the classroom responsibilities to perform the duties listed in this subdivision.

**Sec. 56. [125.191] LICENSE AND DEGREE EXEMPTION FOR HEAD COACH.**

Notwithstanding section 125.03, subdivision 1, a school district may employ as a head varsity coach of an interscholastic sport at its secondary school a person who does not have a license as head varsity coach of interscholastic sports and who does not have a bachelor's degree if:

(1) in the judgment of the school board, the person has the knowledge and experience necessary to coach the sport;

(2) the position has been posted as a vacancy within the present teaching staff for a period of 30 days and no licensed coaches have applied for the position;

(3) the person can verify completion of six quarter credits, or the equivalent, or 60 clock hours of instruction in first aid and the care and prevention of athletic injuries; and

(4) the person can verify completion of a coaching methods or theory course.

Notwithstanding section 125.121, a person employed as a head varsity coach under this section has an annual contract as a coach that the school board may or may not renew as the board sees fit, after annually posting the position as required in clause (2) and no licensed coach has applied for the position.

Sec. 57. Minnesota Statutes, section 126.12, subdivision 1, is amended to read:

Subdivision 1. Except for learning programs during summer ~~and for~~, flexible ~~school learning~~ year programs authorized pursuant to under sections 120.59 to 120.67, and learning year programs under section 121.585, a school district shall not commence an elementary or secondary school year prior to Labor Day. Days which are devoted to teachers' workshops may be held before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

Sec. 58. Minnesota Statutes 1990, section 126.266, subdivision 2, is amended to read:

Subd. 2. A teacher serving under an exemption as provided in subdivision 1 shall be granted a license as soon as that teacher qualifies for it. Not more than

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one year of service by a teacher under an exemption shall be credited to the teacher for the purposes of section 125.12; and not more than two years shall be credited to the teacher for purposes of section 125.17; and the one or two years shall be deemed to precede immediately and be consecutive with the year in which the teacher becomes licensed. For purposes of section 125.17, a teacher shall receive credit equal to the number of years the teacher served under an exemption.

Sec. 59. Minnesota Statutes 1990, section 128C.01, is amended by adding a subdivision to read:

**Subd. 5. CERTAIN COMMERCIAL RELATIONSHIPS PROHIBITED.** The board may not enter into corporate partnerships or similar agreements with any business or commercial organization that sells products or services used by student or adult participants in league activities while they participate in activities regulated by the league. The board may sell advertising to any such business or organization if the advertising is clearly identified as advertising paid for by the business or commercial organization.

Sec. 60. [171.3215] CANCELING A SCHOOL BUS DRIVER'S ENDORSEMENT FOR CRIMES AGAINST MINORS.

**Subdivision 1. DEFINITIONS.** As used in this section, the following terms have the meanings given them.

(1) "School bus driver" means a person possessing a school bus driver's endorsement on a valid Minnesota driver's license or a person possessing a valid Minnesota driver's license who drives a vehicle with a seating capacity of ten or less persons used as a school bus.

(2) "Crime against a minor" means an act committed against a minor victim that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, subdivision 1, 609.221, 609.222, 609.223, 609.342, 609.343, 609.344, 609.345, 609.352, or a felony violation of section 609.322, 609.323, 609.324, or 609.377.

**Subd. 2. CANCELLATION.** The commissioner within 10 days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has committed a crime against a minor shall permanently cancel the school bus driver's endorsement on the offender's driver's license. Upon canceling the offender's school bus driver's endorsement, the department shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

**Subd. 3. BACKGROUND CHECK.** Before issuing or renewing a driver's license with a school bus driver's endorsement, the department shall conduct an investigation to determine whether the applicant has been convicted of committing a crime against a minor. The department shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if the applicant has been convicted of committing a crime against a minor.

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Sec. 61. Minnesota Statutes 1990, section 203B.085, is amended to read:

**203B.085 COUNTY AUDITOR'S OFFICE TO REMAIN OPEN DURING CERTAIN HOURS PRECEDING ELECTION.**

The county auditor's office in each county must be open for acceptance of absentee ballot applications and casting of absentee ballots between the hours of 1:00 to 3:00 p.m. on Saturday and 5:00 to 7:00 p.m. on Monday immediately preceding a primary or general election. The school district clerk, when performing the county auditor's election duties, need not comply with this section.

Sec. 62. Minnesota Statutes 1990, section 214.10, is amended by adding a subdivision to read:

Subd. 9. ACTS AGAINST MINORS. (a) As used in this subdivision, the following terms have the meanings given them.

(1) "Licensed person" means a person who is licensed under this chapter by the board of nursing, the board of psychology, the social work licensing board, the board of marriage and family therapy, the board of unlicensed mental health service providers, or the board of teaching.

(2) "Crime against a minor" means conduct that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, 609.215, 609.221, 609.222, 609.223, 609.342, 609.343, 609.345, or a felony violation of section 609.377.

(b) In any license revocation proceeding, there is a rebuttable presumption that a licensed person who is convicted in a court of competent jurisdiction of committing a crime against a minor is unfit to practice the profession or occupation for which that person is licensed.

Sec. 63. Minnesota Statutes 1990, section 245A.03, subdivision 2, is amended to read:

Subd. 2. **EXCLUSION FROM LICENSURE.** Sections 245A.01 to 245A.16 do not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

(4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;

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(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten regular and special education programs that are operated by the commissioner of education or a school as defined in section 120.101, subdivision 4;

(6) nonresidential programs for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building or present on property that is contiguous with the physical facility where the nonresidential program is provided;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1990;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs whose primary purpose is to provide ~~social or recreational activities~~, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

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(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance; or

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules.

For purposes of clause (5), the department of education, after consulting with the department of human services, shall adopt standards applicable to pre-school programs administered by public schools that are similar to Minnesota rules, parts 9503.005 to 9503.0175. These standards are exempt from rulemaking under chapter 14.

Sec. 64. Minnesota Statutes 1990, section 275.065, subdivision 3, is amended to read:

Subd. 3. **NOTICE OF PROPOSED PROPERTY TAXES.** (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) or (e) and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.

(d) Except as provided in paragraph (e), for taxes levied in 1990 and 1991, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year,

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and for school districts, the increase or decrease in the number of pupils in average daily membership from the second previous school year to the immediately prior school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(e) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(f) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

Sec. 65. Minnesota Statutes 1990, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. **PUBLIC ADVERTISEMENT.** (a) A city, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, a property tax levy; to

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review its current budget and proposed property taxes payable the following year at a public hearing. The notice must be published not less than two days nor more than six days before the hearing.

The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 24-point. The text of the advertisement must be no smaller than 18-point, except that the property tax amounts and percentages may be in 14-point type. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form, except that the notice for a school district ~~must not~~ may include references to the current budget hearings or to adoption of a budget in regard to proposed property taxes.

“NOTICE OF

PROPOSED PROPERTY TAXES

(City/County/School District) of .....

The governing body of ..... will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199\_/school district services that will be provided in 199\_ and 199\_).

The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199\_ if the budget now being considered is approved.

199_	Proposed 199_	199_ Increase
Property Taxes	Property Taxes	or Decrease
\$.....	\$.....	.....%

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes, or in the case of a school district, its current budget and proposed property taxes, payable the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

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A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

Sec. 66. Minnesota Statutes 1990, section 275.065, subdivision 6, is amended to read:

Subd. 6. **PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.** Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124A.03, subdivision 2, or 124.82, subdivision 3, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified.

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At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body school districts, shall adopt its final property tax levy prior to adopting its final budget.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.

By August 1, the county auditor shall notify the clerk of each school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with those elected by or assigned to the counties and school districts in which the city is located.

The hearing dates so elected or assigned must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Sec. 67. Minnesota Statutes 1990, section 279.03, subdivision 1a, is amended to read:

Subd. 1a. **RATE AFTER DECEMBER 31, 1990.** (a) Except as provided in paragraph (b), interest on delinquent property taxes, penalties, and costs unpaid on or after January 1, 1991, shall be payable at the per annum rate determined in section 270.75, subdivision 5. If the rate so determined is less than ten percent, the rate of interest shall be ten percent. The maximum per annum rate shall be 14 percent if the rate specified under section 270.75, subdivision 5, exceeds 14 percent. The rate shall be subject to change on January 1 of each year.

(b) If a person is the owner of one or more parcels of property on which taxes are delinquent, and the aggregate tax capacity of that property exceeds 5 percent of the total tax capacity of the school district in which the property

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is located, interest on the delinquent property taxes, penalties, and costs unpaid after January 1, 1992, shall be payable at twice the rate determined under paragraph (a) for the year.

Sec. 68. Minnesota Statutes 1990, section 281.17, is amended to read:

**281.17 PERIOD FOR REDEMPTION.**

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 23, paragraph (c), or subdivision 25, paragraph ~~(d)(1)~~ or (c)(4), clause (5), in for which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and the aggregate tax capacity of that property exceeds 5 percent of the total tax capacity of the school district in which the property is located.

Sec. 69. Minnesota Statutes 1990, section 364.09, is amended to read:

**364.09 EXCEPTIONS.**

(a) This chapter shall not apply to the practice of law enforcement, to fire protection agencies, to eligibility for a private detective or protective agent license, to eligibility for a family day care license, a family foster care license, a home care provider license, to eligibility for a license issued or renewed by the board of teaching or state board of education, to eligibility for school bus driver endorsements, or to eligibility for juvenile corrections employment where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district.

(c) Nothing in this section shall be construed to preclude the Minnesota

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police and peace officers training board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

Sec. 70. Minnesota Statutes 1990, section 631.40, is amended to read:

**631.40 JUDGMENT ON CONVICTION; JUDGMENT ROLL DEFINED.**

Subdivision 1. When judgment upon a conviction is rendered, the court administrator shall enter the judgment upon the minutes, stating briefly the offense for which the conviction was had. The court administrator shall then immediately attach together and file the papers specified in clauses (1) to (5). The judgment roll consists of the papers specified in clauses (1) to (5):

(1) a copy of the minutes of challenge made by the defendant to the panel of the grand jury, or to an individual grand juror, and the proceedings and decisions on the challenges;

(2) the indictment or complaint and a copy of the minutes of the plea or motion to dismiss or to grant appropriate relief;

(3) a copy of the minutes of a challenge made to the panel of the trial jury or to an individual juror, and the proceedings and decision on the challenge;

(4) a copy of the minutes of the trial; and

(5) a copy of the minutes of the judgment.

Subd. 1a. When a person is convicted of committing a crime against a minor as defined in section 171.3215, subdivision 1, the court shall order that the presentence investigation include information about whether the offender is a school bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement on the offender's driver's license and in what school districts the offender drives a school bus. If the offender is a school bus driver or possesses a school bus driver's endorsement, the court administrator shall send a certified copy of the conviction to the department of public safety and to the school districts in which the offender drives a school bus.

Subd. 2. CRIMES AGAINST MINORS. When a person is convicted of committing a crime against a minor as defined in section 214.10, subdivision 9, the court shall order that the presentence investigation include information about any professional or occupational license held by the offender. If the offender is a licensed person under section 214.10, subdivision 9, the court administrator shall send a certified copy of the conviction to the board having jurisdiction over the offender's license. Within 30 days of receiving notice of the conviction, the appropriate licensing board must initiate proceedings to consider revoking the offender's license.

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**Sec. 71. RULEMAKING; TEACHER PREPARATION TIME.**

By May 1, 1992, the state board of education shall adopt a rule under Minnesota Statutes, chapter 14, establishing preparation time requirements for elementary school staff that are comparable to the preparation time requirements for secondary school staff established in Minnesota Rules, part 3500.3700, subpart 3. In adopting the rule, the state board shall consider the length and structure of the elementary day and, if appropriate, permit preparation time to be scheduled at more than one time during the school day. The rule must be effective for the 1992-1993 school year. The state board shall establish a process and criteria for granting one-year variances from the rule for districts that are unable to comply for the 1992-1993 school year.

**Sec. 72. SPECIAL EFFECTIVE DATE AND APPLICABILITY TO MID-RANGE SPECIAL EDUCATION COOPERATIVE NO. 932.**

Section 122.895, subdivisions 4 and 5, are applicable to the dissolution of the Mid-Range special education cooperative No. 932 on the day following final enactment. The member districts, independent school district No. 695, Chisholm, independent school district No. 698, Floodwood, and independent school district No. 701, Hibbing, shall be treated as if they were equal partners in the dissolution. The deadline specified in section 122.895, subdivision 4, paragraph (b), for notice of a teacher's exercise of rights under that subdivision is 11 days following the day following final enactment. The deadline specified in section 122.895, subdivision 5, paragraph (b), for notice to teachers of available positions is 21 days following the day following final enactment. Teachers employed by the Mid-Range special education cooperative No. 932 shall be notified under section 122.895, subdivision 5, paragraph (b), of available teaching positions as follows: teachers shall be given written notice of available teaching positions only in the member district or districts to which the teacher was providing services through the cooperative at the time of dissolution. The deadline specified in section 122.895, subdivision 5, paragraph (c), for notice of a teacher's exercise of rights under that subdivision is 37 days following the day following final enactment.

**Sec. 73. REGIONAL CENTER EXPENDITURE LIMIT.**

For fiscal year 1993, a regional management information center may not spend more money than the amount approved by the state board in June 1992.

**Sec. 74. REGIONAL SUBSIDY DISTRIBUTION.**

Notwithstanding any law to the contrary, a regional management information center may distribute regional subsidies to the member districts.

**Sec. 75. REPEALER.**

Minnesota Statutes 1990, sections 120.105; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivision 3; 121.937, subdivision 2; 122.43,

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subdivision 1; 123.3514, subdivisions 6 and 6b; and 123.73, are repealed. Minnesota Rules, parts 3560.0030, subparts 2(A), 4, and 5; 3560.0040, subparts 2 and 4; and 3560.0060, are repealed.

Minnesota Statutes 1990, section 123.744, is repealed. Laws 1988, chapter 703, article 1, section 23, as amended by Laws 1989, chapter 293, section 81; and Laws 1989, chapters 293, section 82, and 329, article 9, section 30, are repealed.

#### Sec. 76. EFFECTIVE DATE.

Section 123.38, subdivision 2b, is effective the day following final enactment and applies to the 1990-1991 school year and thereafter. Sections 123.33, subdivision 1; and 123.3514, subdivision 4 are effective the day following final enactment and apply to 1991-1992 and later school years.

Sections 122.895; 123.35, subdivision 20; 125.09, subdivision 4; 128C.01, subdivision 5; 214.10, subdivision 9 are effective the day following final enactment. Section 122.41 is effective July 1, 1992. Section 120.062, subdivision 8a, paragraphs (b) and (c), are effective retroactively to December 1, 1990. Sections 123.3514, subdivision 4; and 124.17, subdivision 1c are effective retroactively to July 1, 1990. Section 281.17 is effective for taxes deemed delinquent after December 31, 1991. Sections 125.12, subdivisions 3a and 4a; and 125.17, subdivisions 2a and 3a are effective July 1, 1993. Sections 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and 8; 121.936, subdivisions 1, 2, and 4; and 121.937, subdivision 1, are effective July 1, 1993.

Under Minnesota Statutes, section 123.34, subdivision 9, a contract executed before July 1, 1991, between a superintendent and a school board that continues in effect beyond June 30, 1991, shall continue until terminated under those terms that were lawful at the time the contract was executed.

Sections 15 to 30 are effective July 1, 1993. Section 74 is effective the day following final enactment.

## ARTICLE 10

### LIBRARIES

Section 1. Minnesota Statutes 1990, section 134.001, subdivision 2, is amended to read:

Subd. 2. "Public library" means any library that provides free access to all residents of a city or county without discrimination, receives at least half of its financial support from public funds and is organized under the provisions of chapter 134. Except as provided in section 3, it does not include libraries such

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as law, medical, school and academic libraries organized to serve a special group of persons, or libraries organized as a combination of a public library and another type of library.

Sec. 2. Minnesota Statutes 1990, section 134.001, subdivision 3, is amended to read:

Subd. 3. "Public library services" means services provided by or on behalf of a public library ~~and~~. Except as provided in section 3, it does not include services for elementary schools, secondary schools or post-secondary educational institutions.

**Sec. 3. [134.195] LIBRARY OPERATED BY CITY AND SCHOOL DISTRICT.**

Subdivision 1. ESTABLISHMENT. A school district and a city that has established a public library under sections 134.07 and 134.08, by ordinance or resolution, may jointly finance and operate a public library for use by school students and the public. If the city is already taxed for public library service by a county, approval of the board of county commissioners is required. If the city is served by a regional public library system, approval of the regional public library system board is required. Public library service established under this section may be discontinued by action of the city council or the school board upon one year's notice to the other party.

Subd. 2. APPOINTMENT OF JOINT LIBRARY BOARD. The ordinance or resolution shall establish a library board of five, seven, or nine members and shall state the number of members to be appointed by the mayor, with the approval of the city council, and the number of members to be appointed by the school board. One member of the city council and one member of the school board shall be appointed to the library board. The remaining members of the library board may not be members of either the city council or the school board. Board members shall be residents of the city or the school district.

Subd. 3. BOARD TERMS OF OFFICE. The terms of office for board members shall be established according to section 134.09, subdivision 2.

Subd. 4. REMOVAL OF BOARD MEMBERS. The mayor, with the approval of the council, or the school board may remove for misconduct or neglect any member it has appointed to the library board.

Subd. 5. ABOLISHMENT OF BOARD. Upon recommendation of a majority of the library board established under subdivision 2, the city council and the school board may abolish the library board provided that the city council and the school district shall immediately establish, by ordinance or resolution, a successor library board of five, seven, or nine members. The appointment of successor board members shall be as provided in subdivision 2 and the terms shall be as provided in subdivision 3.

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**Subd. 6. BOARD VACANCIES AND COMPENSATION.** The library board president shall report a vacancy on the board to the appointing authority who shall fill the vacancy by appointment for the unexpired term. Library board members shall receive no compensation for their services but may be reimbursed for actual and necessary travel expenses incurred in the discharge of library board duties and activities.

**Subd. 7. POWERS AND DUTIES OF BOARD.** Except as provided in subdivision 9, the library board has the powers and duties set forth in section 134.11, subdivision 2.

**Subd. 8. FUNDING.** The ordinance or resolution establishing the library shall provide for joint financing of the library by the school district and the city. The city shall provide at least the minimum dollar amount established in section 134.34, subdivision 1. The school district shall provide money for staff and materials for the library at least in proportion to the use related to curriculum, as determined by the circulation statistics of the library. Neither the city nor the school district shall reduce the financial support provided for operation of library or media services below the level of support provided in the preceding year.

**Subd. 9. CONTRACTS.** The library board may contract with the school board, the regional library board, or the city in which the library is situated to provide personnel, fiscal, or administrative services. The contract shall state the personnel, fiscal, and administrative services and payments to be provided by each party.

**Subd. 10. CRITERIA.** Public library services established according to this section, including materials, programs, equipment, and other public library services, whether located in an elementary or secondary school building or elsewhere, shall be available for simultaneous use by students and residents of the area. If public library services are located in an elementary or secondary school building, a separate entrance, accessible from the outside of the school building, shall be provided for use by the residents. The library shall meet all requirements in statutes and rules applicable to public libraries and school media centers. A media supervisor licensed by the board of teaching may be the director of the library. The library shall be centrally located in the community and available for use by residents during all hours the school is in session, at least 15 additional hours each week during evenings, and on Saturdays. The library shall continue to maintain approximately the same hours of operation when the school is not in session. The library shall have telephone service that is separate from the telephone service for the school. Public parking, restrooms, drinking water, and other necessities shall be easily accessible to residents.

Sec. 4. Minnesota Statutes 1990, section 134.35, is amended to read:

**134.35 REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS; DISTRIBUTION FORMULA.**

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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.

Subd. 2. ~~Sixty~~ Fifty-seven and one-half 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~~ Twelve and one-half 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. ~~Seven and one-half~~ Five percent of the available grant funds shall be paid to each system as a base grant for basic system services.

Subd. 5. ~~Seventeen and one-half~~ Twenty-five percent of the available grant funds shall be distributed to regional public library systems ~~which contain counties whose based upon the~~ adjusted net tax capacity per capita ~~were below the state average adjusted net tax capacity per capita for each member county or participating portion of a county as calculated~~ 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 net tax capacity per capita for each eligible county or participating portion of a county from the statewide average adjusted net tax capacity 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.~~

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(a) Multiply the adjusted net tax capacity per capita for each county or participating portion of a county by .0082.

(b) Add sufficient grant funds that are available under this subdivision to raise the amount of the county or participating portion of a county with the lowest value calculated according to paragraph (a) to the amount of the county or participating portion of a county with the next highest value calculated according to paragraph (a). Multiply the amount of the additional grant funds by the population of the county or participating portion of a county.

(c) Continue the process described in paragraph (b) by adding sufficient grant funds that are available under this subdivision to the amount of a county or participating portion of a county with the next highest value calculated in paragraph (a) to raise it and the amount of counties and participating portions of counties with lower values calculated in paragraph (a) up to the amount of the county or participating portion of a county with the next highest value, until reaching an amount where funds available under this subdivision are no longer sufficient to raise the amount of a county or participating portion of a county and the amount of counties and participating portions of counties with lower values up to the amount of the next highest county or participating portion of a county.

(d) If the point is reached using the process in paragraphs (b) and (c) at which the remaining grant funds under this subdivision are not adequate for raising the amount of a county or participating portion of a county and all counties and participating portions of counties with amounts of lower value to the amount of the county or participating portion of a county with the next highest value, those funds are to be divided on a per capita basis for all counties or participating portions of counties that received grant funds under the calculation in paragraphs (b) and (c).

Subd. 6. POPULATION DETERMINATION. Population shall be determined according to section 477A.011, subdivision 3.

#### **Sec. 5. FISCAL YEAR 1992 BASIC SUPPORT SYSTEM GRANTS POPULATION.**

For fiscal year 1992, the portions of the regional library basic support system grants determined under Minnesota Statutes, section 134.35, subdivisions 2 and 5, shall be based upon the population established by the 1980 federal census.

#### **Sec. 6. APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. BASIC SUPPORT GRANTS. For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

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\$6,118,000 ..... 1992

\$7,563,000 ..... 1993

The 1992 appropriation includes \$917,000 for 1991 and \$5,201,000 for 1992.

The 1993 appropriation includes \$917,000 for 1992 and \$6,646,000 for 1993.

Subd. 3. MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS. For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multi-county, multitype library systems:

\$486,000 ..... 1992

\$527,000 ..... 1993

The 1992 appropriation includes \$38,000 for 1991 and \$448,000 for 1992.

The 1993 appropriation includes \$79,000 for 1992 and \$448,000 for 1993.

#### Sec. 7. EFFECTIVE DATE.

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective July 1, 1992.

## ARTICLE 11

### STATE EDUCATION AGENCIES

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. **STATE INTERAGENCY COORDINATING COUNCIL.** An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of children under age seven with handicaps, three representatives of public or private providers of services for children under age five with handicaps, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one representative of advocacy organizations for children with handicaps, at least one representative of a school district or a school district cooperative, and other members knowledgeable about children under age five with handicaps. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly. A representative of each of the commissioners of education, health, and human services shall attend council meetings as a nonvoting member of the council.

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The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with handicaps and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with handicaps and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with handicaps to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.

Each year by January 15 the council shall submit its recommendations to ~~the education committees of the legislature~~; the governor; and the commissioners of education, health, and human services.

Sec. 2. Minnesota Statutes 1990, section 121.14, is amended to read:

#### 121.14 RECOMMENDATIONS; BUDGET.

The state board and the commissioner of education shall recommend to the governor and legislature such modification and unification of laws relating to the state system of education as shall make those laws more readily understood and more effective in execution. The state board and the commissioner of education shall prepare a biennial education budget which shall be submitted to the governor and legislature, such budget to contain a complete statement of finances pertaining to the maintenance of the state department and to the distribution of state aid to ~~public schools~~.

Sec. 3. Minnesota Statutes 1990, section 121.165, is amended to read:

#### 121.165 REPORTS BY THE COMMISSIONER.

Prior to January 15 of each year, the commissioner of education shall gather ~~and report to the committees on education of the senate and house of represen-~~

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tatives from presently available reports or from new reports it may require of school districts, the following types of information: the number of classroom teachers in every district at each training, experience and salary level; the ratio of pupils to full time equivalent certified classroom teachers in every district; and any other district staffing characteristics of fiscal import. This information shall be gathered in such a manner as to render it capable of district by district, regional and statewide comparison and analysis.

Sec. 4. Minnesota Statutes 1990, section 121.49, subdivision 1, is amended to read:

Subdivision 1. The department of education shall itemize for each school district in the state the total amount of money and the amount of money per pupil unit which accrues to the district for each fiscal year from each type of state and federal aid, refund, payment, credit, disbursement or monetary obligation of any kind, including but not limited to each special state aid, emergency aid, payments in lieu of taxes, and pension and retirement obligations for the benefit of personnel of the district. State agencies ~~which~~ that have information necessary for the itemization required by this section shall provide the information to the department of education. ~~The completed itemizations shall be reported to the appropriate standing committees of the legislature in convenient reference form not later than December 1 following the year for which they are made.~~

Sec. 5. Minnesota Statutes 1990, section 121.609, subdivision 3, is amended to read:

Subd. 3. **EVALUATION AND REPORT.** The commissioner shall provide for independent evaluation of the effectiveness of this section. ~~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 research and development sites and other districts utilizing the educational effectiveness program. The long-term evaluation instrument shall include a method for measuring student achievement.

Sec. 6. Minnesota Statutes 1990, section 121.612, subdivision 9, is amended to read:

Subd. 9. **REPORT.** The board of directors of the foundation shall submit an annual report to the ~~education committees of the legislature~~ state board of education on the progress of its activities. The annual report shall contain a financial report for the preceding year, including all receipts and expenditures of the foundation.

Sec. 7. Minnesota Statutes 1990, section 121.917, subdivision 3, is amended to read:

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Subd. 3. If a school district does not limit its expenditures in accordance with this section, the commissioner ~~shall~~ may so notify the appropriate committees of the legislature by no later than January 1 of the year following the end of that fiscal year.

Sec. 8. Minnesota Statutes 1990, section 124.14, subdivision 7, is amended to read:

Subd. 7. **APPROPRIATION TRANSFERS.** If a direct appropriation from the general fund to the department of education for any education aid or grant authorized in this chapter and chapters 121, 123, 124A, 124C, 125, 126, and 134 exceeds the amount required, the commissioner of education may transfer the excess to any education aid or grant appropriation that is insufficient. However, section 124A.032 applies to a deficiency in the direct appropriation for general education aid. Excess appropriations shall be allocated proportionately 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.~~ If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

Sec. 9. Minnesota Statutes 1990, section 124C.03, subdivision 16, is amended to read:

Subd. 16. **REPORTING AND EVALUATION.** The commissioner of the state planning agency shall evaluate the performance of the grantees ~~and report to the legislature by November 15 of each year; except that a preliminary report may be submitted by February 15, 1991.~~

Sec. 10. Minnesota Statutes 1990, section 126.665, is amended to read:

**126.665 STATE CURRICULUM ADVISORY COMMITTEE.**

The commissioner shall appoint a state curriculum advisory committee of 11 members to advise the state board and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a district curriculum advisory committee. The state committee shall provide information and recommendations about at least the following:

(1) department procedures for reviewing and approving reports and disseminating information;

(2) exemplary PER processes;

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(3) recommendations for improving the PER process and reports; and

(4) developing a continuous process for identifying and attaining essential learner outcomes.

~~By February 1 of each year, the commissioner, in cooperation with the state curriculum advisory committee, shall prepare a report for the education committees of the legislature. The report shall include the recommendations of the state curriculum advisory committee. The committee expires as provided in section 15.059, subdivision 5.~~

Sec. 11. Minnesota Statutes 1990, section 128A.02, subdivision 4, is amended to read:

Subd. 4. **PLAN.** (a) The state board must have a two-year plan for the academies and must update it annually.

(b) The plan must deal with:

(1) interagency cooperation;

(2) financial accounting;

(3) cost efficiencies;

(4) staff development;

(5) program and curriculum development;

(6) use of technical assistance from the department;

(7) criteria for program and staff evaluation;

(8) pupil performance evaluation;

(9) follow-up study of graduates;

(10) implementing this chapter;

(11) how to communicate with pupils' districts of residence; and

(12) coordinating instructional and residential programs.

(c) The plan may deal with other matters.

~~(d) The state board must submit the plan and recommendations for improvement of the academies to the education committees of the legislature by January 15 of each odd-numbered year.~~

Sec. 12. Minnesota Statutes 1990, section 128A.05, subdivision 3, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 3. **OUT-OF-STATE ADMISSIONS.** An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. The ~~commissioner state board~~ of education must ~~get reimbursed obtain reimbursement~~ from the other state for the costs of the out-of-state admission. The ~~commissioner state board~~ may ~~make enter into~~ an agreement with the appropriate authority in the other state ~~to get reimbursed for the reimbursement~~. Money received from another state must be ~~paid to the state treasurer and deposited by the treasurer~~ in the general fund ~~and credited to the general operating account of the academies~~. ~~The money is appropriated to the academies.~~

Sec. 13. Minnesota Statutes 1990, section 128C.12, subdivision 3, is amended to read:

Subd. 3. **COPIES.** The state auditor must file copies of the financial and compliance audit report with the commissioner of education; ~~the chairs of the house and senate education committees~~ and the director of the legislative reference library.

Sec. 14. Minnesota Statutes 1990, section 128C.20, is amended to read:

**128C.20 COMMISSIONER ~~TO REPORT ON~~ REVIEW OF LEAGUE TO LEGISLATURE.**

Subdivision 1. **ANNUALLY.** Each year the commissioner of education ~~must report to the legislature before each regular session on the activities of the league. The report must contain at least~~ shall obtain and review the following information about the league:

(1) an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes information about the compensation of and the expenditures by the executive director of the league and league staff;

(2) a list of all complaints filed with the league and all lawsuits filed against the league and the disposition of those complaints and lawsuits;

(3) an explanation of the executive director's performance review;

(4) information about the extent to which the league has implemented its affirmative action policy, its comparable worth plan, and its sexual harassment and violence policy and rules; and

(5) an evaluation of any proposed changes in league policy.

Subd. 2. **RECOMMEND LAWS.** The commissioner ~~must~~ may recommend to the legislature whether any legislation is made necessary by league activities.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 15. Minnesota Statutes 1990, section 129C.10, subdivision 3, is amended to read:

Subd. 3. **POWERS AND DUTIES OF BOARD.** (a) The board has the powers necessary for the care, management, and control of the Minnesota center for arts education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the center for arts education.

(c) The board may receive and award grants. The board may 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. The board shall adopt internal procedures to administer and monitor aids and grants.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.

(e) The board may identify pupils ~~in grades 9 to 12~~ who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) ~~a pilot~~ an interdisciplinary academic and arts program for pupils in the 11th and 12th grades, beginning with 135 pupils in the 11th grade in September 1989, and 135 pupils in the 11th grade and 135 pupils in the 12th grade in September 1990. The total number of pupils accepted under this clause and clause (2) shall not exceed 300;

(2) additional instruction to pupils for a thirteenth grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board. Criteria for admission into the thirteenth grade shall not be subject to chapter 14;

(3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

~~(4)~~ (4) summer arts institutes for pupils in grades 9 to 12;

~~(4)~~ (5) artist mentor and extension programs in regional sites; and

~~(5)~~ (6) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Minnesota center for arts education and any additional facilities related to the center, including the authority to lease a temporary facility.

New language is indicated by underline, deletions by ~~strikeout~~.



(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of education for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the center for arts education, including a store, operating in connection with the center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the center.

(m) The board may provide for transportation of pupils to and from the center for arts education for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the center for arts education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils. If the board provides room and board, it shall charge a reasonable fee for the room and board. The fee is not subject to chapter 14 and is not a prohibited fee according to sections 120.71 to 120.76.

(o) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 16. Minnesota Statutes 1990, section 129C.10, subdivision 3a, is amended to read:

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Subd. 3a. **CENTER FUND APPROPRIATION ACCOUNT.** There is established in the state treasury a center for arts education ~~fund account in the special revenue fund.~~ All money collected by the board, including rental income, shall be deposited in the ~~fund account.~~ Money in the ~~fund account,~~ including interest earned, is ~~annually~~ appropriated to the board for the operation of its services and programs.

Sec. 17. Minnesota Statutes 1990, section 129C.10, subdivision 4a, is amended to read:

Subd. 4a. **ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY.** (a) The board may adopt rules for admission to and discharge from the full-time programs for talented pupils, rules regarding discharge from the dormitory, and rules regarding the operation of the center, including transportation of its pupils. Rules covering admission are governed by chapter 14. Rules covering discharge from the full-time program for talented pupils must be consistent with sections 127.26 to 127.39, the pupil fair dismissal act. Rules covering discharge from the dormitory are not governed by the pupil fair dismissal act as set forth in sections 127.26 to 127.39. Rules regarding discharge and the operation of the center are not governed by chapter 14.

(b) Proceedings concerning the full-time program for talented pupils, including admission, discharge, a pupil's program, and a pupil's progress, are governed by the rules adopted by the board and are not contested cases governed by chapter 14.

Sec. 18. Minnesota Statutes 1990, section 129C.10, subdivision 6, is amended to read:

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

Sec. 19. **[129C.15] RESOURCE, MAGNET, AND OUTREACH PROGRAMS.**

Subdivision 1. RESOURCE AND OUTREACH. The center shall offer resource and outreach programs and services statewide aimed at the enhancement of arts education opportunities for pupils in elementary and secondary school. The programs and services shall include:

(1) developing and demonstrating exemplary curriculum, instructional practices, and assessment;

(2) disseminating information; and

(3) providing programs for pupils and teachers that develop technical and creative skills in art forms that are underrepresented and in geographic regions that are underserved.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. MAGNET PROGRAMS. The center shall identify at least one school district in each congressional district with interest and the potential to offer magnet arts programs using the curriculum developed by the Minnesota center for arts education.

Sec. 20. Minnesota Statutes 1990, section 134.31, subdivision 4, is amended to read:

Subd. 4. The department shall collect statistics on the receipts, expenditures, services, and use of the regional public library systems and the public libraries of the state. It shall also collect statistics on all activities undertaken pursuant to sections 134.31 to 134.35. ~~The department shall report its findings to the legislature prior to November 15 of each even-numbered year, together with a statement of its expenditures relating to these activities and any other matters as it deems appropriate.~~

Sec. 21. Minnesota Statutes 1990, section 134.351, subdivision 7, is amended to read:

Subd. 7. **REPORTS.** Each multicounty, multitype system receiving a grant pursuant to section 134.353 or 134.354 shall provide an annual progress report to the department of education. ~~The department shall report before November 15 of each even-numbered year to the legislature on all projects funded under sections 134.353 and 134.354.~~

Sec. 22. Minnesota Statutes 1990, section 268.08, subdivision 6, is amended to read:

Subd. 6. **SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.** Benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and (9), are payable in the same amount, on the same terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) Benefits based upon service performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school, or the Minnesota state academy for the deaf or Minnesota state academy for the blind, or the Minnesota center for arts education, or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304(a)(6)(A)(IV) of the Federal Unemployment Tax Act, shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform ser-

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vices in any such capacity for any institution of higher education, public school, nonpublic school, Minnesota state academies for the deaf and blind, the Minnesota center for arts education, an educational cooperative service unit, or other educational service agency, in the second of the academic years or terms, and

(b) With respect to service performed in any capacity other than those capacities described in clause (a) of this subdivision, for an institution of higher education, or a public school or nonpublic school, or the Minnesota state academy for the deaf or Minnesota state academy for the blind, or the Minnesota center for arts education, or in a public or nonpublic school or for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304(a)(6)(A)(IV) of the Federal Unemployment Tax Act, benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms. If benefits are denied to any individual under this clause and the individual was not offered an opportunity to perform the services in the second of the academic years or term, the individual shall be entitled to a retroactive payment of benefits for each week in which the individual filed a timely claim for benefits, but the claim was denied solely because of this clause; and

(c) With respect to services described in clauses (a) or (b), benefits payable on the basis of the services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess.

### Sec. 23. APPROPRIATIONS.

Subdivision 1. DEPARTMENT OF EDUCATION. (a) The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.

(b) The amounts that may be spent for each program are specified in the following subdivisions.

(c) The approved complement is:

	<u>1992</u>	<u>1993</u>
<u>General Fund</u>	<u>258.5</u>	<u>258.5</u>
<u>Federal</u>	<u>135.6</u>	<u>135.6</u>
<u>Other</u>	<u>28.9</u>	<u>28.9</u>
<u>Total</u>	<u>423.0</u>	<u>423.0</u>

(d) The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the education finance

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division of the education committee of the house of representatives and the education funding division of the education committee of the senate. During the biennium, the commissioner may transfer money among the various objects of expenditure categories and activities within each program, unless restricted by executive order.

(e) The commissioner of education may transfer complement among funds if necessary and must provide a listing of the transfers to the commissioner of finance at the end of each fiscal year. Material changes must be approved by the commissioner of finance and reported to the house education finance division and the senate education funding division.

(f) The expenditures of federal grants and aids as shown in the biennial budget document are approved and shall be spent as indicated.

(g) The commissioner shall continue to enforce Minnesota Statutes, section 126.21, and other civil rights laws as they apply to programs supervised by the commissioner. This function must not be performed by the same person who, with funding under a federal grant, is providing technical assistance to school districts in implementing nondiscrimination laws.

(h) It is the policy of the legislature to maximize the delivery of educational services to students. If a reduction in the number of employees of the department of education is necessary, the commissioner must make the reduction to personnel based on the following:

(1) Compute a ratio for each category of management, supervisory, line, and support personnel equal to:

(i) the salaries paid to personnel in each category, for the fiscal year ending June 30, 1991, divided by

(ii) the total salaries paid to employees in the department for the fiscal year ending June 30, 1991.

(2) Reduce the personnel budget in each category of personnel by an amount equal to the total budget reduction determined by the department for personnel reduction, times the ratio computed in clause (1).

(3) The total budget reduction is the difference between the general fund appropriation for the department and the amount recommended by the governor.

**Subd. 2. EDUCATIONAL SERVICES.**

\$7,701,000 ..... 1992

\$7,698,000 ..... 1993

\$21,000 each year is from the trunk highway fund.

\$75,000 each year is from the alcohol-impaired driver education account in the special revenue fund.

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\$104,000 each year is for the academic excellence foundation.

**Subd. 3. ADMINISTRATION AND FINANCIAL SERVICES.**

\$7,023,000 ..... 1992

\$7,033,000 ..... 1993

\$1,308,000 in 1992 and \$1,304,000 in 1993 are for the education data systems section, of which \$12,000 each year is for the expenses of the ESV computer council. Any balance in the first year does not cancel and is available for the second year.

\$1,298,000 in 1992 and \$1,294,000 in 1993 are for the education finance and analysis section.

\$219,000 each year is for the state board of education.

\$200,000 each year is for contracting with the state fire marshal to provide the services required according to Minnesota Statutes, section 121.1502.

The board of teaching budget is not exempt from internal reallocations and reductions required to balance the budget of the combined agencies.

The commissioner shall maintain no more than five total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, and executive assistant.

**Subd. 4. EDUCATIONAL EFFECTIVENESS.** For educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609:

\$900,000 ..... 1992

\$900,000 ..... 1993

**Subd. 5. ACADEMIC EXCELLENCE FOUNDATION.** For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$260,000 ..... 1992

\$260,000 ..... 1993

Up to \$50,000 each year is contingent upon the match of \$1 in the previous year from private sources consisting of either direct monetary contributions or in-kind contributions of related goods or services, for each \$1 of the appropriation. The commissioner of education must certify receipt of the money or documentation for the private matching funds or in-kind contributions. The unencumbered balance from the amount actually appropriated from the contingent amount in 1992 does not cancel but is available in 1993. The amount carried forward must not be used to establish a larger annual base appropriation for later fiscal years.

**Subd. 6. STATE PER ASSISTANCE.** For state assistance for planning, evaluating, and reporting:

\$601,000 ..... 1992

\$601,000 ..... 1993

New language is indicated by underline, deletions by ~~strikeout~~.

At least \$45,000 each year must be used to assist districts with the assurance of mastery program.

**Sec. 24. FARIBAULT ACADEMIES APPROPRIATION.**

The sums indicated in this section are appropriated from the general fund to the department of education for the Faribault Academies:

<u>\$7,801,000</u>	<u>.....</u>	<u>1992</u>
<u>\$7,773,000</u>	<u>.....</u>	<u>1993</u>

Any balance in the first year does not cancel and is available for the second year.

The approved complement is:

	<u>1992</u>	<u>1993</u>
<u>General fund</u>	<u>185.6</u>	<u>185.6</u>
<u>Federal</u>	<u>8.0</u>	<u>8.0</u>
<u>Total</u>	<u>193.6</u>	<u>193.6</u>

The state board of education may transfer complement among funds if necessary and must provide a listing of the transfers to the commissioner of finance at the end of each fiscal year. Material changes must be approved by the commissioner of finance and reported to the house education finance division and the senate education funding division.

The state board of education, with the approval of the commissioner of finance, may increase the complement above the approved levels if funds are available for the academies in addition to the amounts appropriated in this section.

**Sec. 25. MINNESOTA CENTER FOR ARTS EDUCATION APPROPRIATION.**

The sums indicated in this section are appropriated from the general fund to the Minnesota center for arts education for the fiscal years indicated:

<u>\$5,064,000</u>	<u>.....</u>	<u>1992</u>
<u>\$5,057,000</u>	<u>.....</u>	<u>1993</u>

Any balance in the first year does not cancel but is available in the second year.

The approved complement is:

	<u>1992</u>	<u>1993</u>
<u>General Fund</u>	<u>53</u>	<u>53</u>
<u>Total</u>	<u>53</u>	<u>53</u>

The complement may be increased by the number of staff currently on interchange agreements or contracts if adding these staff to the center complement will result in cost savings. The complement may also be increased if the board determines that additional complement is necessary to protect the health and safety of students.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 26. **REPEALER.**

Minnesota Statutes 1990, sections 120.104; 121.15, subdivision 10; 121.936, subdivision 5; 124.48, subdivision 2; 125.231, subdivision 6; 128B.10, subdivision 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; and 136A.044, are repealed.

Laws 1989, chapter 329, article 12, section 8, is repealed.

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**ARTICLE 12****MAXIMUM EFFORT SCHOOL LOAN BONDS****Section 1. [124.479] BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.**

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$45,065,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, sections 2 to 7, are sold and issued and the authorized project contracts have been initiated or abandoned.

**Sec. 2. 1991 MAXIMUM EFFORT LOANS.**

The commissioner of education shall make capital loans to independent school district No. 115, Cass Lake; independent school district No. 192, Farmington; independent school district No. 682, Roseau; independent school district No. 748, Sartell; independent school district No. 345, New London-Spicer; independent school district No. 533, Dover-Eyota; independent school district No. 95, Cromwell; and independent school district No. 255, Pine Island. Capital loans to these districts are approved.

New language is indicated by underline, deletions by ~~strikeout~~.



Districts approved in a law for a maximum effort loan shall have their project plans and budgets reviewed by the commissioner to determine optimum cost efficiency. The commissioner may reduce the amount of the loans in accord with this review. Costs incurred by the commissioner for professional services associated with the review may be recovered from the districts.

Notwithstanding any law to the contrary, if the available funding is inadequate to meet the loan requests of all the approved districts, the commissioner may reduce the amount of the loan. The reduction to each district's loan must be proportionate to the approved loan amount. Capital loans must be made to all approved districts.

Except for reductions in the loans made according to this section, the amount, terms, and forgiveness of the loans are governed by Minnesota Statutes 1990, section 124.431.

### Sec. 3. BONDING AUTHORITY.

Notwithstanding the election requirements of Minnesota Statutes, chapter 475, or any other law to the contrary, any school district with a capital loan approved in section 2 may issue general obligation bonds without an election in an amount not to exceed the difference between the state board approved capital loan project cost and the sum of the amount of the capital loan actually granted and the voter approved local bonding authority. If a project has been previously approved by the voters, changes in that project that do not change the total project cost do not require further voter approval. To pay the principal of and interest on bonds issued under this section, the school district shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3. The tax authorized under this section is in addition to any other taxes levied under Minnesota Statutes, chapter 124, 124A, or 275, or any other law.

### Sec. 4. APPROPRIATION; MAXIMUM EFFORT SCHOOL LOAN FUND.

\$3,795,000 is appropriated from the general fund to the department of education for fiscal year 1993 for the maximum effort school loan fund. This appropriation is added to the appropriation in article 5 for this purpose. All the conditions that apply to the maximum effort school loan fund appropriation in article 5 apply to this appropriation.

### Sec. 5. EFFECTIVE DATE.

Sections 1 to 3 are effective the day following final enactment.

Presented to the governor May 31, 1991

Signed by the governor June 4, 1991, 9:05 p.m.

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