

terms of one-half of the officials to be elected in 1998 must expire in January of 2002. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1998.

Sec. 28. **REPEALER.**

Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 205A.04, subdivision 2, are repealed.

Sec. 29. **EFFECTIVE DATE.**

Sections 4, 6, and 17 to 20 are effective on January 1, 1998. Section 2 is effective for school board members elected after January 1, 1995.

Presented to the governor May 9, 1994

Signed by the governor May 16, 1994, 3:14 p.m.

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**CHAPTER 647—H.F.No. 2189**

*An act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; independent school district No. 191, Burnsville; technical college funding shift; providing for appointments; providing for penalties; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1, and by adding a subdivision; 121.612, subdivision 7; 121.904, subdivision 4e; 121.908, subdivision 5; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivisions 3 and 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 123.78, by adding a subdivision; 123.932, subdivision 11; 124.19, subdivision 1b; 124.195, subdivisions 3, 3a, 6, and by adding a subdivision; 124.214, subdivision 2; 124.223, subdivisions 1, 4, 6, and by adding a subdivision; 124.225, by adding subdivisions; 124.242; 124.244, subdivision 4; 124.248, subdivision 3; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.32, subdivision 7; 124.46, subdivision 3; 124.573, by adding a subdivision; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85, subdivision 2, and by adding subdivisions; 124.86, subdivision 2; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.914, subdivision 1; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124A.28, by adding a subdivision; 124C.49; 125.03, by adding a subdivision; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.51, subdivision 1; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78;*

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126A.04, subdivision 5; 127.03, subdivision 3; 127.27, subdivision 5; 127.31, by adding a subdivision; 127.38; 127.43, subdivision 1; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136A.125, subdivision 3; 136D.23, subdivision 2; 136D.26; 136D.281, by adding a subdivision; 136D.74, subdivision 2a; 136D.741, by adding a subdivision; 136D.83, subdivision 2; 136D.86; 136D.88, by adding a subdivision; 169.01, subdivision 6; 169.21, subdivision 2; 169.441, subdivision 3; 169.442, subdivision 1; 169.443, subdivision 8; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3, and by adding subdivisions; 171.3215; 179A.07, subdivision 6; 252.21; 260.181, subdivision 2; 272.02, subdivision 8; 475.61, subdivision 4; 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 16A.152, subdivision 2; 120.064, subdivisions 3 and 16; 120.101, subdivision 5b; 120.17, subdivisions 3, 11a, 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.8355, subdivision 1; 121.885, subdivisions 1, 2, and 4; 121.904, subdivisions 4a and 4c; 121.931, subdivision 5; 123.351, subdivision 8; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.19, subdivision 1; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.243, subdivision 8; 124.244, subdivision 1; 124.248, subdivision 4; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6a, 6d, and by adding a subdivision; 124.573, subdivisions 2b, 2e, and 3; 124.6469, subdivision 3; 124.83, subdivision 1; 124.85, subdivisions 1, 4, and 5; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124.961; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, and 8; 124A.225, subdivisions 1, 4, and by adding a subdivision; 124A.23, subdivision 1; 124A.29, subdivision 1; 124A.292, subdivision 3; 124C.60; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.22, subdivisions 3, 3a, and 4; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 245.492, subdivision 10; 275.48; Laws 1992, chapter 499, article 6, section 34; 11, section 9; Laws 1993, chapter 224, articles 1, section 38; 2, section 15, subdivision, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 4, section 44, subdivisions 6 and 20; 5, sections 43, 46, subdivisions 2, 3, and 4; 6, sections 30, subdivision 2; 34, subdivision 2; 7, section 28, subdivisions 3, 4, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6 and 12; 12, section 39; 15, sections 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 123; 124; 124A; 125; 126; 134; 169; repealing Minnesota Statutes 1992, sections 121.904, subdivision 4e; 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivision 3; 136D.27; 136D.71, subdivision 2; 136D.73, subdivision 3; 136D.74, subdivisions 2a, 2b, and 4; 136D.82, subdivision 3; 136D.87; 169.441, subdivision 2; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; 169.45; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivisions 6, 7, and 8; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Laws 1993, chapter 224, article 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030.

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

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## ARTICLE 1

## GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1993 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **ADDITIONAL REVENUES; PRIORITY.** If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget reserve and cash flow account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning July 1, 1993, forecast unrestricted budgetary general fund balances are first appropriated to restore the budget reserve and cash flow account to \$500,000,000 and then to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before money is allocated to the budget reserve and cash flow account under the preceding sentence. \$180,000,000 of the budget reserve and cash flow account shall be dedicated to elementary and secondary education.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. **LEVY RECOGNITION.** (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to ~~sections 124.2721, subdivision 3; 124.575, subdivision 3; and section 124.914, subdivision 1; 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 May, 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 an amount equal to the levy recognized as revenue in June of the prior year plus ~~50.0~~ 37.4 percent for fiscal year 1994 and thereafter 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) ~~50.0~~ 37.4 percent for fiscal year 1994 and thereafter 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 124.914, subdivision 1, ~~and Laws 1976, chapter 20, section 4;~~

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4;

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 136C.411; and

(v) amounts levied under section 124.755.

(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. 3. Minnesota Statutes 1993 Supplement, section 121.904, subdivision 4c, is amended to read:

Subd. 4c. **PROPERTY TAX SHIFT REDUCTION.** (a) Money ~~made available~~ appropriated under section 16A.152, subdivision 2, must be used to reduce the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), for taxes payable in the succeeding calendar year.

(b) The levy recognition percent shall equal the result of the following computation: the current levy recognition percent, times the ratio of

(1) the statewide total amount of levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1, reduced by the difference between the amount of money made available appropriated under section 16A.152, subdivision 2, and the amount required for the adjustment payment under clause (d), to

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(2) the statewide total amount of the levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1.

The result shall be rounded up to the nearest ~~whole~~ one-tenth of a percent. However, in no case shall the levy recognition percent be reduced below zero or increased above the current levy recognition percent.

(c) The commissioner of finance must certify to the commissioner of education the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of education must notify school districts of a change in the levy recognition percent by January 15.

(d) For fiscal years 1994 and 1995, when the levy recognition percent is reduced as provided in this subdivision, a special adjustment payment shall be made to each school district with an operating referendum levy that received an aid reduction under Laws 1991, chapter 265, article 1, section 31, or Laws 1992, chapter 499, article 1, section 22. The special adjustment payment shall be in addition to the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. The amount of the special adjustment payment shall be computed by the commissioner of education such that any remaining portion of the aid reduction these districts received that has not been repaid is repaid on a proportionate basis as the levy recognition percent is reduced from 50 percent to 31 percent. The special adjustment payment must be included in the state aid payments to school districts according to the schedule specified in section 124.195, subdivision 3. An additional adjustment shall be made on June 30, 1995, for the final payment otherwise due July 1, 1995, under Minnesota Statutes 1992, section 136C.36.

(e) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education, the amounts needed to finance the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. Payments to a school district of additional state aids resulting from a reduction in the levy recognition percent must be included in the cash metering of payments made according to section 124.195 after January 15, and must be paid in a manner consistent with the percent specified in that section.

Sec. 4. Minnesota Statutes 1992, 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:

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(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 plus an amount equal to the levy recognized as revenue in June of the prior year; or

(2) ~~50.0~~ 37.4 percent for fiscal year 1994 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

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

Sec. 5. Minnesota Statutes 1993 Supplement, section 124.155, subdivision 2, is amended to read:

Subd. 2. **ADJUSTMENT TO AIDS.** (a) The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (1) general education aid authorized in sections 124A.23 and 124B.20;
- (2) secondary vocational aid authorized in section 124.573;
- (3) special education aid authorized in section 124.32;
- (4) secondary vocational aid for children with a disability authorized in section 124.574;
- (5) aid for pupils of limited English proficiency authorized in section 124.273;
- (6) transportation aid authorized in section 124.225;
- (7) community education programs aid authorized in section 124.2713;
- (8) adult education aid authorized in section 124.26;
- (9) early childhood family education aid authorized in section 124.2711;
- (10) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;
- (11) ~~secondary vocational cooperative aid according to section 124.575~~ school district cooperation aid authorized in section 124.2727;
- (12) assurance of mastery aid according to section 124.311;
- (13) ~~individual learning and development aid according to section 124.331~~;
- (14) ~~homestead credit under section 273.13 for taxes payable in 1989 and additional transition credit under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter~~;

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~~(15) agricultural credit under section 273.132 for taxes payable in 1989 and additional transition credit under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;~~

~~(16) homestead and agricultural credit aid and, disparity reduction credit and aid authorized in, and changes to credits for prior year adjustments according to section 273.1398, subdivision subdivisions 2, 3, 4, and 7;~~

~~(17) (14) attached machinery aid authorized in section 273.138, subdivision 3; and~~

~~(18) (15) alternative delivery aid authorized in section 124.322.~~

(b) The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 6. Minnesota Statutes 1993 Supplement, 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 prekindergarten pupil with a disability 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 prekindergarten pupil with a disability 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

(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 kindergarten pupil with a disability 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.

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(e) A kindergarten pupil who is not included in paragraph (d) is counted as ~~one-half~~ .515 of a pupil unit for fiscal year 1994 and .53 of a pupil unit for fiscal year 1995 and thereafter.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.03 pupil units for fiscal year 1994 and 1.06 pupil units for fiscal year 1995 and thereafter.

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

(h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 7. Minnesota Statutes 1992, section 124.195, subdivision 3, is amended to read:

Subd. 3. **PAYMENT DATES AND PERCENTAGES.** The commissioner of education shall pay to a school district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	2.25
Payment 2	July 30:	4.50
Payment 3	August 15: <u>the greater of (a) the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 6.75 percent</u>	<u>6.75</u>
Payment 4	August 30:	9.0
Payment 5	September 15: <del>the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 12.75 percent</del>	<u>12.75</u>
Payment 6	September 30: <del>the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 16.5 percent</del>	<u>16.50</u>
Payment 7	October 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 20.75 percent	

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Payment 8	October 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 25.0 percent	
Payment 9	November 15:	31.0
Payment 10	November 30:	37.0
Payment 11	December 15:	40.0
Payment 12	December 30:	43.0
Payment 13	January 15:	47.25
Payment 14	January 30:	51.5
Payment 15	February 15:	56.0
Payment 16	February 28:	60.5
Payment 17	March 15:	65.25
Payment 18	March 30:	70.0
Payment 19	April 15:	73.0
Payment 20	April 30:	79.0
Payment 21	May 15:	82.0
Payment 22	May 30:	90.0
Payment 23	June 20:	100.0

Sec. 8. Minnesota Statutes 1992, section 124.195, subdivision 3a, is amended to read:

Subd. 3a. **APPEAL.** The commissioner in consultation with the commissioner of finance may revise the payment dates and percentages in subdivision 3 for a district if it is determined that there is an emergency or there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness or if the commissioner determines that excessive short-term borrowing costs will be incurred by a district, because of the increase in the levy recognition percentage from 37 percent to 50 percent according to section 121.904, subdivisions 4a and 4c, and the district can document substantial harm to instructional programs due to these costs. The commissioner shall establish a process and criteria for school districts to appeal the payment dates and percentages established in subdivision 3.

Sec. 9. Minnesota Statutes 1992, section 124.195, is amended by adding a subdivision to read:

Subd. 3b. **CASH FLOW ADJUSTMENT.** During each year in which the cash flow low points for August, September, and October estimated by the commissioner of finance for invested treasurer's cash exceeds \$360,000,000, the commissioner of education shall increase the cumulative disbursement percentages established in subdivision 3 to the following amounts

<u>Payment 3</u>	<u>August 15:</u>	<u>12.75 percent</u>
<u>Payment 4</u>	<u>August 30:</u>	<u>15.00 percent</u>
<u>Payment 5</u>	<u>September 15:</u>	<u>17.25 percent</u>

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<u>Payment 6</u>	<u>September 30:</u>	<u>19.50 percent</u>
<u>Payment 7</u>	<u>October 15:</u>	<u>21.75 percent</u>

Sec. 10. Minnesota Statutes 1992, section 124.195, subdivision 6, is amended to read:

Subd. 6. **FINAL ADJUSTMENT PAYMENT.** For all aids and credits paid according to subdivision 10, the final adjustment payment shall include the amounts necessary to pay the district's full aid entitlement for the prior year based on actual data. This payment shall be used to correct all estimates used for the payment schedule in subdivision 3. The payment shall be made ~~in two installments, during September or October,~~ as specified in subdivision 3. In the event actual data are not available, the final adjustment payment may be computed based on estimated data. A corrected final adjustment payment shall be made when actual data are available.

Sec. 11. Minnesota Statutes 1992, section 124.2725, subdivision 16, is amended to read:

Subd. 16. **EXCLUSION FROM FUND BALANCE.** Revenue received by a district under this section for each year of cooperation and the first three years of combination shall be excluded from the net unreserved operating fund balance, for the purposes of ~~section~~ sections 124A.03, subdivision 3b, paragraph (c), and 124A.26.

Sec. 12. Minnesota Statutes 1993 Supplement, section 124.961, is amended to read:

**124.961 DEBT SERVICE APPROPRIATION.**

(a) ~~\$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. \$17,000,000 in fiscal year 1994 and \$26,000,000 in fiscal year 1995, and \$31,600,000 in fiscal year 1996 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. The 1994 appropriation includes \$3,000,000 for 1993 and \$14,000,000 for 1994.~~

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 13. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 3b. REFERENDUM MARKET VALUE. "Referendum market value" means the market value of all taxable property, except that any class of property, or any portion of a class of property, with a class rate of less than one percent under section 273.13 shall have a referendum market value equal to its net tax capacity multiplied by 100.

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Sec. 14. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

**Subd. 25. NET UNAPPROPRIATED OPERATING FUND BALANCE.** "Net unappropriated operating fund balance" means the sum of the fund balances in the general, transportation, food service, and community service funds minus the balances reserved for statutory operating debt reduction, bus purchase, severance pay, taconite, unemployment compensation, maintenance levy reduction, and encumbrances, computed as of June 30 each year.

Sec. 15. Minnesota Statutes 1993 Supplement, section 124A.029, subdivision 4, is amended to read:

**Subd. 4. PER PUPIL REVENUE OPTION.** A district may, by school board resolution, request that the department convert the levy authority under section 124.912, subdivisions 2 and 3, or its current referendum revenue, excluding authority based on a dollar amount, authorized before July 1, 1993, to an allowance per pupil. The district must adopt a resolution and submit a copy of the resolution to the department by July 1, 1993. The department shall convert a district's revenue for fiscal year 1995 and later years as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 124A.03 or 124.912, subdivisions 2 and 3, for fiscal year 1994 by the district's 1993-1994 actual pupil units. A district's maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's actual pupil units for that year. If a district has referendum authority under section 124A.03 and levy authority under section 124.912, subdivisions 2 and 3, and the district requests that each be converted, the department shall convert separate revenue allowances for each. However, if a district's referendum revenue is limited to a dollar amount, the maximum revenue under section 124A.03 must not exceed that dollar amount. If the referendum authority of a district is converted according to this subdivision, ~~the authority expires June 30, 1997, unless it is scheduled to expire sooner and the question on the referendum ballot did not provide for an expiration date, the authority shall expire according to section 124A.0311.~~

Sec. 16. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 1c, is amended to read:

**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 1994; or
- (2) 25 percent of the formula allowance for fiscal year 1995 and later.

~~(b) The allowance calculated in paragraph (a) must be reduced by the amount of the referendum allowance reduction computed in subdivision 3b.~~

Sec. 17. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 2, is amended to read:

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Subd. 2. **REFERENDUM REVENUE.** (a) The revenue authorized by section 124A.22, subdivision 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 shall be conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), 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 revenue per actual pupil unit, the estimated referendum tax rate as a percentage of market value in the first year it is to be levied, and that the revenue shall be used to finance school operations. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot shall designate the specific number of years, not to exceed five ~~ten~~, 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 revenue proposed by (petition to) the board of ....., School District No. ..., be approved?”

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year 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 a notice of the referendum and the proposed revenue increase. The school board need not mail more than one notice to any taxpayer. 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.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing refer-

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endum levy, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "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 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 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 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 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.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first class mail at least 20 days before the referendum.

Sec. 18. Minnesota Statutes 1992, section 124A.03, subdivision 2a, is amended to read:

Subd. 2a. **SCHOOL REFERENDUM LEVY; MARKET VALUE.** Notwithstanding the provisions of subdivision 2, a school referendum levy approved after November 1, 1992, for taxes payable in 1993 and thereafter, shall be levied against the referendum market value of all taxable property as defined in section 124A.02, subdivision 3b. Any referendum levy amount subject to the require-

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ments of this subdivision shall be certified separately to the county auditor under section 275.07.

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision.

Sec. 19. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 3b, is amended to read:

Subd. 3b. **REFERENDUM ALLOWANCE REDUCTION.** A district's referendum allowance under subdivision 1c is reduced by the amounts calculated in paragraphs (a), (b), ~~and~~ (c), and (d).

(a) The referendum allowance reduction equals the amount by which a district's supplemental revenue reduction exceeds the district's supplemental revenue allowance for fiscal year 1993.

(b) Notwithstanding paragraph (a), if a district's initial referendum allowance is less than ten percent of the formula allowance for that year, the reduction equals the lesser of (1) an amount equal to \$100, or (2) the amount calculated in paragraph (a).

(c) Notwithstanding paragraph (a) or (b), a school district's referendum allowance reduction equals (1) an amount equal to \$100, times (2) one minus the ratio of 20 percent of the formula allowance minus the district's initial referendum allowance limit to 20 percent of the formula allowance for that year if:

(i) the district's adjusted net tax capacity for assessment year 1992 per actual pupil unit for fiscal year 1995 is less than \$3,000;

(ii) the district's net unappropriated operating fund balance as of June 30, 1993, divided by the actual pupil units for fiscal year 1995 is less than \$200;

(iii) the district's supplemental revenue allowance for fiscal year 1993 is equal to zero; and

(iv) the district's initial referendum revenue authority for the current year divided by the district's net tax capacity for assessment year 1992 is greater than ten percent.

(d) Notwithstanding paragraph (a), (b), or (c), the referendum revenue reduction for a newly reorganized district is computed as follows:

(1) for a newly reorganized district created effective July 1, 1994, the referendum revenue reduction equals the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the districts as if they were still in existence for fiscal year 1995; or

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(2) for a newly reorganized district created after July 1, 1994, the referendum revenue reduction equals the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the year preceding the year of reorganization.

Sec. 20. [124A.0311] REFERENDUM AUTHORITY.

Subdivision 1. EXPIRATION. Unless scheduled to expire sooner, a referendum levy authorized under section 124A.03 expires July 1, 2000. This subdivision does not apply to a referendum levy that is authorized for ten or fewer years and that is levied against the referendum market value of all taxable property located within the school district.

Subd. 2. CONVERSION TO MARKET VALUE. (a) Prior to June 1, 1997, by June 1 of each year, a school board may, by resolution of a majority of its board, convert any remaining portion of its referendum authority under section 124A.03, subdivision 2, that is authorized to be levied against net tax capacity to referendum authority that is authorized to be levied against the referendum market value of all taxable property located within the school district. At the option of the school board, any remaining portion of its referendum authority may be converted in two or more parts at separate times. The board must notify the commissioner of education of the amount of referendum authority that has been converted from net tax capacity to referendum market value, if any, by June 15, of each year. The maximum length of a referendum converted under this paragraph is ten years.

(b) For referendum levy amounts converted between June 1, 1997, and June 1, 1998, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to seven years.

(c) For referendum levy amounts converted between June 1, 1998, and June 1, 1999, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to six years.

(d) For referendum levy amounts converted between June 1, 1999, and June 1, 2000, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to five years.

Subd. 3. ALTERNATIVE CONVERSION. A school district that has a referendum that is levied against net tax capacity that expires before taxes payable in 1998 may convert its referendum authority according to this subdivision. In the payable year prior to the year of expiration, the school board may authorize a referendum under section 124A.03. Notwithstanding any other law to the contrary, the district may propose, and if approved by its electors, have its referendum authority reauthorized in part on tax capacity and in part on market value according to a schedule adopted by resolution of the school board for years prior to taxes payable in 2001, provided that, for taxes payable in 2001 and later, the full amount of referendum authority is levied against market value. If the full

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amount of the referendum is reauthorized on market value prior to taxes payable in 1998, the referendum may extend for 10 years. If the referendum becomes fully reauthorized on market value for a later year, the referendum shall not extend for more than the maximum number of years allowed under subdivision 2.

Subd. 4. REFERENDUM. The school board must prepare and publish in the official legal newspaper of the school district a notice of the public meeting on the district's intent to convert any portion of its referendum levy to market value not less than 30 days before the scheduled date of the meeting. The resolution converting a portion of the district's referendum levy to referendum market value becomes final unless within 30 days after the meeting where the resolution was adopted a petition requesting an election signed by a number of people residing in the district equal to 15 percent of the number of people who voted in the last general election in the school district is filed with the recording officer. If a petition is filed, then the school board resolution has no effect and the amount of referendum revenue authority specified in the resolution cancels for taxes payable in the following year and thereafter. The school board shall schedule a referendum under section 124A.03, subdivision 2.

Sec. 21. Minnesota Statutes 1992, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. **CONTRACT DEADLINE AND PENALTY.** (a) The following definitions apply to this subdivision:

(1) "Public employer" means:

(i) a school district; and

(ii) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or 136D, or 268A, or section 136C.411.

(2) "Teacher" means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of technical colleges.

(b) Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers shall both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to sec-

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tion 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

(c)(1) For a district that reorganizes according to section 122.22 ~~or~~, 122.23, or 122.241 to 122.248 effective July 1 of an odd-numbered year, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers both sign a collective bargaining agreement on or before the March 15 following the effective date of reorganization. ~~This extension is available only in the calendar year following the effective date of reorganization.~~

(2) For a district that jointly negotiates a contract prior to the effective date of reorganization under section 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before the March 15 following the expiration of the teacher contracts in each district involved in the joint negotiation.

(3) Only one extension of the contract deadline is available to a district under this paragraph.

(d) The reduction shall equal \$25 times the number of actual pupil units:

(1) for a school district, that are in the district during that fiscal year; or

(2) for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in the programs. The department of education shall reduce general education aid; if general education aid is insufficient or not paid, the department shall reduce other state aids.

(e) Reductions from aid to school districts and public employers other than school districts shall be returned to the general fund.

Sec. 22. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 5, is amended to read:

Subd. 5. **DEFINITIONS.** The definitions in this subdivision apply only to 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 district that has pupils enrolled in at least the 10th, 11th, and 12th grades, and the

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school is at least 19 miles from the next nearest school, 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. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of ~~one-half~~ 55 percent of the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school. For a district in which there is located land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

(1) the square root of one-half of the attendance area; and

(2) the distance from the border of the district to 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 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. For a building in a district where the nearest elementary school is at least 65 miles distant, pupils served shall be used to determine average daily membership.

Sec. 23. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 6, is amended to read:

Subd. 6. **SECONDARY SPARSITY REVENUE.** (a) A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

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- (1) the formula allowance for the school year, multiplied by
- (2) the secondary average daily membership of the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by
- (4) the lesser of ~~one~~ 1.5 or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed school district that is the result of districts combining under the cooperation and combination program or consolidating under section 122.23 shall receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former school districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

Sec. 24. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 8, is amended to read:

Subd. 8. **SUPPLEMENTAL REVENUE.** (a) A district's supplemental revenue allowance for fiscal year 1994 and later fiscal years equals the district's supplemental revenue for fiscal year 1993 divided by the district's 1992-1993 actual pupil units.

(b) A district's supplemental revenue allowance is reduced for fiscal year 1995 and later according to subdivision 9.

(c) A district's supplemental revenue equals the supplemental revenue allowance, if any, times its actual pupil units for that year.

(d) A school district may cancel its supplemental revenue by notifying the commissioner of education prior to June 30, 1994. A school district that is reorganizing under section 122.22, 122.23, or 122.241 may cancel its supplemental revenue by notifying the commissioner of education prior to July 1 of the year of the reorganization. If a district cancels its supplemental revenue according to this paragraph, its supplemental revenue allowance for fiscal year 1993 for purposes of subdivision 9 and section 124A.03, subdivision 3b, equals zero.

Sec. 25. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 1, is amended to read:

Subdivision 1. **REVENUE.** ~~(a)~~ Of a district's general education revenue an amount equal to the sum of the number of elementary ~~pupil units~~ pupils in average daily membership defined in section 124.17, subdivision 1, clause (f) and one-half of the number of kindergarten pupil units pupils in average daily membership as defined in section 124.17, subdivision 1, clause (e), times .03 for fiscal year 1994 and .06 for fiscal year 1995 and thereafter times the formula allowance must be reserved according to this section.

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(b) For fiscal year 1995, a district must reserve an additional amount equal to the greater of

(i) \$0, or

(ii) \$100 minus the sum of the reduction for supplemental revenue under section 124A.22, subdivision 9, and the reduction for referendum revenue under section 124A.03, subdivision 3b, times the district's actual pupil units times the ratio of the district's elementary average daily membership to the district's average daily membership according to this section. The revenue must be placed in a learning and development reserved account and may only be used according to this section.

(c) The ratio in paragraph (a) for fiscal year 1995 is adjusted by adding an amount equal to the ratio of the difference between the formula allowance for fiscal year 1995 minus 3,150 to 10,000.

Sec. 26. Minnesota Statutes 1993 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. **GENERAL EDUCATION TAX RATE.** The commissioner shall establish the general education tax rate 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 \$969,800,000 for fiscal year 1994, \$1,044,000,000 for fiscal year 1995 and \$1,054,000,000 for fiscal year 1996 and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established.

Sec. 27. Minnesota Statutes 1992, sections 124A.26, is amended by adding a subdivision to read:

Subd. 5. ALLOCATION AMONG ACCOUNTS. The district must apportion any fund balance reduction under this section among all reserved and unreserved fund balance accounts included in the net unappropriated operating fund balance in the proportion that each account bears to the total.

Sec. 28. Minnesota Statutes 1992, section 124A.28, is amended by adding a subdivision to read:

Subd. 1a. BUILDING ALLOCATION. A district must consider the concentration of children from low-income families in each school building in the district when allocating compensatory revenue.

Sec. 29. Laws 1993, chapter 224, article 1, section 38, is amended to read:

Sec. 38. **TAX CREDIT ADJUSTMENT.**

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Prior to the computation of homestead and agricultural aid for taxes payable in 1994, the commissioner of revenue shall reduce a school district's homestead and agricultural aid by an amount equal to the homestead and agricultural aid for calendar year 1993 times the ratio of referendum levy certified for 1993 to the certified unequalized levies for 1993. The department of education shall determine the change in referendum levies payable in 1994 attributable to this section and the increase in equalization under sections 8 and 9. Notwithstanding any law to the contrary, a district may recognize ~~revenue~~ an additional amount as the levy certified in the prior calendar year equal to ~~one-half~~ 37.4 percent for fiscal year 1994 and thereafter of the levy reduction in the fiscal year the levy is certified and each year thereafter. No aids shall be reduced as a result of this recognition.

Sec. 30. Laws 1993, chapter 224, article 15, section 2, is amended to read:

**Sec. 2. DECLINING PUPIL UNIT AID.**

(a) For fiscal year 1994 only, a school district is eligible for declining pupil unit aid equal to the greater of zero or the result of the following computation:

(1) add 77 percent of the district's actual pupil units for fiscal year 1994 and 23 percent of the district's actual pupil units for fiscal year 1993;

(2) subtract from the amount calculated in clause (1) the district's actual pupil units for fiscal year 1994; and

(3) multiply the amount determined in clause (2) by the basic formula allowance for that year.

(b) The aid amount calculated under paragraph (a) is available from the general education appropriation under article 1, section 41, subdivision 2, to the department of education for payment of declining pupil unit aid.

(c) For the purposes of this section, pursuant to Minnesota Statutes, section 124.17, subdivision 3, a pupil who is in grades 1 to 6 is counted as 1.03 pupil units for fiscal year 1993.

Sec. 31. Laws 1993, chapter 224, article 15, section 3, is amended to read:

**Sec. 3. FISCAL YEAR 1996 AND FISCAL YEAR 1997 APPROPRIATIONS.**

(a) The appropriations for the 1996-1997 biennium for programs contained in this bill will be \$2,770,488,000 for fiscal year 1996 and \$2,953,102,000 for fiscal year 1997, plus or minus any adjustments due to variance in pupil forecasts, levies or other factors generating entitlements for the general revenue program established in Minnesota Statutes, section 124A.04. These amounts will first be allocated to fully fund the general revenue program. Amounts remaining will be allocated to other programs in proportion to the fiscal year 1995 appropriations or the entitlements generated by existing law for those programs for

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each year, up to the amount of the entitlement or the fiscal year 1995 appropriations. Any amounts remaining after allocation to these other programs may be maintained in a reserve account pending recommendations of the governor and legislature in the 1995 session.

(b) Of the fiscal year 1997 appropriation limit, \$35,000,000 is reallocated to the fiscal year 1996 appropriation limit. For fiscal year 1996, the allocations for special education aid, capital expenditure health and safety aid, and debt service equalization aid as determined according to paragraph (a) are increased by \$26,500,000, \$3,700,000, and \$4,800,000 respectively.

#### Sec. 32. EXEMPTION TO CONTRACT DEADLINE; HAYFIELD.

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 2a, independent school district No. 203, Hayfield, is not subject to the contract penalty reduction in general education revenue for fiscal year 1994.

#### Sec. 33. AID ADJUSTMENT.

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 2a, paragraph (c), if:

(1) a district's fiscal year 1994 general education aid was reduced under Minnesota Statutes 1992, section 124A.22, subdivision 2a;

(2) the district jointly negotiates a contract prior to the effective date of reorganization under Minnesota Statutes, sections 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized; and

(3) the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before May 15, 1994;

the district's general education aid shall be increased in the amount of the reduction.

#### Sec. 34. ADJUSTMENTS.

Notwithstanding Minnesota Statutes, section 124.14, any excess appropriations for fiscal year 1993 not otherwise allocated to special education aid programs, abatement aid, and adult graduation aid under Minnesota Statutes, sections 124.214, 124.261, 124.273, 124.32, 124.321, 124.322, and 124.574 shall be allocated to programs under Minnesota Statutes, section 124.261, 124.273, 124.32, 124.321, 124.322, and 124.574. If the excess that is allocated for fiscal year 1993 to any programs specified in this section exceeds the deficiencies for that year, these differences shall remain in those accounts and shall be used to reduce deficiencies for fiscal year 1995 for programs under Minnesota Statutes, sections 124.273, 124.32, 124.322, and 124.574. Notwithstanding any law to the contrary, these amounts shall be reallocated prior to the addition of any other aids that may be available for that purpose.

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**Sec. 35. SUPPLEMENTAL REVENUE REDUCTION.**

For fiscal year 1995 only, if a district's ratio of 1992 adjusted net tax capacity divided by 1994-1995 actual pupil units to the equalizing factor is less than or equal to .25, then the difference under Minnesota Statutes, section 124A.22, subdivision 9, clause (2), is equal to \$50 for purposes of computing the district's supplemental revenue under Minnesota Statutes, section 124A.22, subdivision 8. For purposes of computing the referendum allowance reduction under Minnesota Statutes, section 124A.03, subdivision 3b, the supplemental revenue reduction shall be computed according to Minnesota Statutes, section 124A.22, subdivision 9.

**Sec. 36. PEQUOT LAKES; DELAY IN AID REPAYMENT.**

The department of education must allow independent school district No. 186, Pequot Lakes, to repay over a five-year period state aid overpayments for fiscal years 1991 and 1992 due to the property tax revenue recognition shift. Notwithstanding Minnesota Statutes, section 124.155, subdivision 1, aids for independent school district No. 186, Pequot Lakes, shall not be adjusted for fiscal years 1991 and 1992 for pupils transferring into the district under Minnesota Statutes, section 120.062.

**Sec. 37. LEVY RECOGNITION ADJUSTMENT PAYMENT; TRANSFER OF FUNDS.**

The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education or the state board defined in section 136C.03 the amounts needed to finance the adjustment to aids required under Minnesota Statutes, section 124.155, resulting from the reduction of the levy recognition percent in Minnesota Statutes, section 121.904, subdivisions 4a and 4e, and the additional payments required under Minnesota Statutes, section 121.904, subdivision 4c, paragraph (d). This transfer of funds is required to ensure that the property tax shift reduction for fiscal year 1994 under Minnesota Statutes, section 16A.152, subdivision 2, as certified by the commissioner of finance according to Minnesota Statutes, section 121.904, subdivision 4c, paragraph (c), is funded for the amount certified.

**Sec. 38. ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.**

For fiscal year 1995 only, additional basic general education aid is \$17.10 per actual pupil unit. This amount is added to the basic general education revenue in Minnesota Statutes, section 124A.22, subdivision 2, only for the purpose of computing additional basic general education aid. The additional aid shall not be included in the computation of any other aid or levy. The additional aid is not subject to the levy equity provision in Minnesota Statutes, section 124A.24. The additional general education aid in this section is not included in the calculation of the general education aid according to Minnesota Statutes, section 124A.032. This additional aid is intended to partially cover the increase

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in fiscal year 1995 of revenue reserved for staff development according to Minnesota Statutes, section 124A.29, subdivision 1.

**Sec. 39. SAVINGS CLAUSE.**

(a) On or before July 1, 1999, a municipality, as defined in Minnesota Statutes, section 469.174, subdivision 6, may by resolution of its governing body designate an issue of outstanding or proposed tax increment bonds as protected bonds. Tax increment bonds which are general obligations and bonds issued to reimburse a party for costs of a project and interest thereon may not be designated as protected bonds. For taxes levied in 1999 and thereafter, the municipality shall levy a tax on all taxable property within the municipality to pay or secure the payment of principal and interest on protected bonds. The tax must be levied in an amount equal to the amount by which the tax increment available to pay the protected bonds was reduced as a result of the repeal set forth in section Laws 1992, chapter 499, article 7, section 31. For purposes of calculating the amount of the tax increment reduction, the tax rate imposed in 1998 by the school district in which the tax increment financing district is located is assumed to apply, except that the tax rate for the school district under section 469.177, subdivision 1a, applies if the tax increment financing district is subject to that provision. The proceeds of the tax levied under this section shall be treated as tax increment derived from the tax increment financing district for all purposes under sections 469.174 to 469.179, provided that the taxes must be remitted to the municipality for deposit in its general fund to the extent the taxes are not used to pay or secure payment of the protected bonds.

(b) For purposes of making estimates prior to July 1, 1999, of future collections of tax increment, the municipality may disregard Laws 1992, chapter 499, article 7, section 31.

(c) An amendment or repeal of this section does not constitute an impairment of any bonds issued before the effective date of this section.

**Sec. 40. GENERAL EDUCATION AID APPROPRIATION ADJUSTMENTS.**

The appropriation for general and supplemental education aid in Laws 1993, chapter 224, article 1, section 41, subdivision 2, is adjusted by the amounts in paragraphs (a) and (b).

(a) For fiscal year 1994: \$3,667,000

(b) For fiscal year 1995: (\$35,204,000)

**Sec. 41. 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 year designated.

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Subd. 2. RICHFIELD LAND PURCHASE COMPENSATION. For a grant to independent school district No. 280, Richfield, to compensate the district for the relocation of pupils due to the purchase of homes by the metropolitan airports commission:

\$500,000        .....        1995

Subd. 3. ONE ROOM SCHOOLHOUSE. For a grant to independent school district No. 690, Warroad, to open and operate the Angle Inlet School:

\$50,000        .....        1995

Subd. 4. ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT. For general education aid according to section 38:

\$15,550,000        .....        1995

Notwithstanding Minnesota Statutes, section 124.195, subdivision 10, 100 percent of this appropriation must be paid in fiscal year 1995.

**Sec. 42. REPEALER.**

Laws 1993, chapter 224, article 1, section 37, is repealed.

**Sec. 43. EFFECTIVE DATE.**

(a) Sections 21; 24; 30; 32; 33; 36; 40; and 41 are effective the day following final enactment.

(b) Sections 6 and 25 are effective for fiscal year 1994 and thereafter.

(c) Section 18 is effective for taxes payable in 1995 and later years.

(d) Section 1 is effective July 1, 1995.

(e) Sections 2 to 4; 29; and 37 are effective retroactive to January 1, 1994, and apply to aid payments for fiscal years 1994 and later. However, the levy recognition percent for taxes payable in 1994 is set by this article at 37.4 percent, and shall not be recomputed for taxes payable in 1994 under the provisions of section 3, paragraph (b).

(f) Sections 11; 19; and 24 are effective for revenue for the 1994-1995 school year and thereafter.

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**ARTICLE 2**  
**TRANSPORTATION**

Section 1. Minnesota Statutes 1992, 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 resident pupils to and from language immersion programs; 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

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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.

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

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.225, subdivision 7e, is amended to read:

Subd. 7e. **EXCESS NONREGULAR TRANSPORTATION REVENUE.** A district's excess nonregular transportation revenue for 1992-1993 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 ~~1.39~~ the nonregular transportation inflation factor for the current year, 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.

Sec. 3. Minnesota Statutes 1993 Supplement, section 124.226, subdivision 3a, is amended to read:

Subd. 3a. **TRANSPORTATION LEVY EQUITY.** (a) If a district's basic transportation levy for a fiscal year is adjusted according to subdivision 3, an amount must be deducted from the state payments that are authorized in chapter 273 and that are receivable for the same fiscal year. The amount of the deduction equals the difference between:

(1) the district's transportation revenue under section 124.225, subdivision 7d; and

(2) the sum of the district's maximum basic transportation levy under subdivision 1, the district's maximum nonregular levy under subdivision 4, ~~the district's maximum excess transportation levy under subdivision 5~~, 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.

(b) Notwithstanding paragraph (a), for fiscal year 1995, the amount of the deduction is one-fourth of the difference between clauses (1) and (2); for fiscal year 1996, the amount of the deduction is one-half of the difference between clauses (1) and (2); and for fiscal year 1997, the amount of the deduction is three-fourths of the difference between clauses (1) and (2).

(c) The amount of the deduction in any fiscal year must not exceed the

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amount of state payments that are authorized in chapter 273 and that are receivable for the same fiscal year in the district's transportation fund.

Sec. 4. Minnesota Statutes 1993 Supplement, section 124.226, subdivision 9, is amended to read:

Subd. 9. **LATE ACTIVITY BUSES.** (a) A school district may levy an amount equal to the lesser of:

(1) the actual cost of late transportation home from school, between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494, for pupils involved in after school activities for the school year beginning in the year the levy is certified; or

(2) two percent of the sum of the district's regular transportation revenue and the district's nonregular transportation revenue for that school year according to section 124.225, subdivision 7d; ~~paragraph (a).~~

(b) A district that levies under this section must provide late transportation from school for students participating in any academic-related activities provided by the district if transportation is provided for students participating in athletic activities.

(c) Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified.

Sec. 5. Minnesota Statutes 1992, section 260.181, subdivision 2, is amended to read:

Subd. 2. **CONSIDERATION OF REPORTS.** Before making a disposition in a case, or terminating parental rights, or appointing a guardian for a child the court may consider any report or recommendation made by the county welfare board, probation officer, licensed child placing agency, foster parent, guardian ad litem, tribal representative, or other authorized advocate for the child or child's family, a school district concerning the effect on student transportation of placing a child in a school district in which the child is not a resident, or any other information deemed material by the court.

Sec. 6. Laws 1993, chapter 224, article 2, section 15, subdivision 2, as amended by Laws 1993, chapter 374, section 5, is amended to read:

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

\$127,889,000	\$127,955,000	.....	1994
\$141,658,000	\$143,406,000	.....	1995

The 1994 appropriation includes \$18,327,000 for 1993 and \$109,562,000 ~~\$109,628,000~~ for 1994.

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The 1995 appropriation includes \$19,334,000 \$19,345,000 for 1994 and \$122,324,000 \$124,061,000 for 1995.

#### Sec. 7. STAPLES TRANSPORTATION FUNDING.

Notwithstanding Minnesota Statutes, section 124.225, or any other law to the contrary, for fiscal year 1994, transportation aid paid to independent school district No. 793, Staples, for residents of independent school district No. 483, Motley, transported under Minnesota Statutes, section 120.062, subdivision 9, shall be computed using the regular transportation allowance determined according to Minnesota Statutes, section 124.225, for independent school district No. 483, Motley.

#### Sec. 8. 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 indicated.

Subd. 2. METRO DEAF SCHOOL AID. For transportation aid to independent school district No. 4005, Metro Deaf School:

<u>\$21,000</u>	<u>.....</u>	<u>1994</u>
<u>\$68,000</u>	<u>.....</u>	<u>1995</u>

Notwithstanding Minnesota Statutes, sections 120.064 and 124.248, or other law, the state shall pay transportation aid for fiscal years 1994 and 1995 to independent school district No. 4005, Metro Deaf School. The state aid for each fiscal year equals the district's actual cost for providing transportation services approved by the commissioner of education.

#### Sec. 9. EFFECTIVE DATE.

Sections 6 to 8 are effective the day following final enactment.

### ARTICLE 3

#### SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1992, section 13.04, is amended by adding a subdivision to read:

Subd. 5. EDUCATION RECORDS; CHILD WITH A DISABILITY. Nothing in this chapter shall be construed as limiting the frequency of inspection of the educational records of a child with a disability by the child's parent or guardian or by the child upon the child reaching the age of majority. An agency or institution may not charge a fee to search for or to retrieve the educational records. An agency or institution that receives a request for copies of the educational records of a child with a disability may charge a fee that reflects the

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costs of reproducing the records except when to do so would impair the ability of the child's parent or guardian, or the child who has reached the age of majority, to exercise their right to inspect and review those records.

Sec. 2. Minnesota Statutes 1992, section 120.17, subdivision 1, is amended to read:

Subdivision 1. **SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.** Every district shall provide special instruction and services, either within the district or in another district, for children with a disability who are residents of the district and who are disabled as set forth in section 120.03. Notwithstanding any age limits in laws to the contrary, special instruction and services must be provided from birth until September 1 after the child with a disability becomes ~~21~~ 22 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 126.22, subdivision 2. Local health, education, and social service agencies shall refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the state board shall cooperate with other districts to maintain a full range of programs for education and services for children with a disability. This subdivision does not alter the compulsory attendance requirements of section 120.101.

Sec. 3. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 3, is amended to read:

Subd. 3. **RULES OF THE STATE BOARD.** (a) The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of children with a disability. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of children with a disability. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, shall adopt permanent rules for instruction and services for children under age five and their families. These rules are binding on state and local education, health, and human services agencies. The state board shall adopt rules to determine eligibility for special education services. The rules shall include procedures and standards by which to grant variances for experimental eligibility criteria. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

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(b) The state's regulatory scheme should support schools by assuring that all state special education rules adopted by the state board of education result in one or more of the following outcomes:

(1) increased time available to teachers for educating students through direct and indirect instruction;

(2) consistent and uniform access to effective education programs for students with disabilities throughout the state;

(3) reduced inequalities, conflict, and court actions related to the delivery of special education instruction and services for students with disabilities;

(4) clear expectations for service providers and for students with disabilities;

(5) increased accountability for all individuals and agencies that provide instruction and other services to students with disabilities;

(6) greater focus for the state and local resources dedicated to educating students with disabilities; and

(7) clearer standards for evaluating the effectiveness of education and support services for students with disabilities.

Sec. 4. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. **STATE INTERAGENCY COORDINATING COUNCIL.** An interagency coordinating council of at least 17, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members shall be appointed by the governor. Council members shall elect the council chair. The representative of the commissioner of education may not serve as the chair. The council shall be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, and jobs and training, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary in-

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teragency programs of early intervention services for children with disabilities 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 disabilities 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.

Each year by June 1, the council shall recommend to the governor and the commissioners of education, health, human services, commerce, and jobs and training policies for a comprehensive and coordinated system.

Notwithstanding any other law to the contrary, the state interagency coordinating council shall expire on June 30, 1997.

Sec. 5. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 11b, is amended to read:

**Subd. 11b. RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL BOARDS.** (a) It is the joint responsibility of county boards and school boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 120.03 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. The services provided must be in conformity with an individual family service plan (IFSP) as defined in Code of Federal Regulations, title 34, sections 303.340, 303.341a, and 303.344 for each eligible infant and toddler from birth through age two and its family, or an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four. ~~County boards and school boards shall not be required to provide any services under an individual family service plan that are not required in an individual education plan or individual service plan.~~

(b) Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under subdivision 8, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

(c) School and county boards shall coordinate early intervention services. In the absence of agreements established according to subdivision 13, service responsibilities for children birth through age two are as follows:

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(1) school boards are required to provide, pay for, and facilitate payment for special education and related services required under section 120.17, subdivision 2;

(2) county boards are required to provide, pay for, and facilitate payment for noneducational services of social work, psychology, transportation and related costs, nursing, respite, and nutrition services not required under clause (1).

(d) School and county boards may develop an interagency agreement according to subdivision 13 to establish agency responsibility that assures that early intervention services are coordinated, provided, paid for, and that payment is facilitated from public and private sources.

(e) County and school boards shall jointly determine the primary agency in this cooperative effort and must notify the commissioner of ~~education~~ the state lead agency of their decision.

Sec. 6. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 12, is amended to read:

Subd. 12. **INTERAGENCY EARLY INTERVENTION COMMITTEES.**

(a) A school district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, shall establish an interagency early intervention committee for children with disabilities under age five and their families. Committees shall include representatives of local and regional health, education, and county human service agencies; county boards; school boards; early childhood family education programs; parents of young children with disabilities under age 12; current service providers; and may also include representatives from other private or public agencies. The committee shall elect a chair from among its members and shall meet at least quarterly.

(b) The committee shall develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) develop public awareness systems designed to inform potential recipient families of available programs and services;

(2) implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities and their families;

(3) establish and evaluate the identification, referral, child and family assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;

(4) assure the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individual education plans and individual service plans when nec-

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essary to appropriately serve children with disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies. Agencies are encouraged to develop individual family service plans for children with disabilities, age three and older;

(5) implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

(6) facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services;

(7) identify the current services and funding being provided within the community for children with disabilities under age five and their families; ~~and~~

(8) develop a plan for the allocation and expenditure of additional state and federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law Number 89-313); and

(9) develop a policy that is consistent with section 13.05, subdivision 9, and federal law to enable a member of an interagency early intervention committee to allow another member access to data classified as not public.

(c) The local committee shall also:

(1) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families;

(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan, the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs, and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities; and

(3) prepare a yearly summary on the progress of the community in serving young children with disabilities, and their families, including the expenditure of funds, the identification of unmet service needs identified on the individual family services plan and other individualized plans, and local, state, and federal policies impeding the implementation of this section.

(d) The summary must be organized following a format prescribed by the commissioner of ~~education~~ the state lead agency and must be submitted to each of the local agencies and to the state interagency coordinating council by October 1 of each year.

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

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Sec. 7. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 17, is amended to read:

Subd. 17. **STATE INTERAGENCY AGREEMENT.** (a) The commissioners of the departments of education, health, and human services shall enter into an agreement to implement this section and Part H, Public Law Number 102-119, and as required by Code of Federal Regulations, title 34, section 303.523, to promote the development and implementation of interagency, coordinated, multidisciplinary state and local early childhood intervention service systems for serving eligible young children with disabilities, birth through age two, and their families. The agreement must be reviewed annually.

(b) The state interagency agreement shall outline at a minimum the conditions, procedures, purposes, and responsibilities of the participating state and local agencies for the following:

(1) membership, roles, and responsibilities of a state interagency committee for the oversight of priorities and budget allocations under Part H, Public Law Number 102-119, and other state allocations for this program;

(2) child find;

(3) establishment of local interagency agreements;

(4) review by a state interagency committee of the allocation of additional state and federal early intervention funds by local agencies;

(5) fiscal responsibilities of the state and local agencies;

(6) intra-agency and interagency dispute resolution;

(7) payor of last resort;

(8) maintenance of effort;

(9) procedural safeguards, including mediation;

(10) complaint resolution;

(11) quality assurance;

(12) data collection; ~~and~~

(13) an annual summary to the state interagency coordinating council regarding conflict resolution activities including disputes, due process hearings, and complaints; and

(14) other components of the state and local early intervention system consistent with Public Law Number 102-119.

Written materials must be developed for parents, IEIC's, and local service pro-

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viders that describe procedures developed under this section as required by Code of Federal Regulations, title 34, section 303.

Sec. 8. Minnesota Statutes 1992, section 120.17, is amended by adding a subdivision to read:

Subd. 18. AGENCY ACCESS TO NONPUBLIC DATA. The commissioner of administration shall prepare a form and disseminate guidelines for state agencies, political subdivisions, and other responsible authorities to use to enable a responsible authority to allow another responsible authority access to data about a child with a disability that is classified as not public. The form and guidelines must be consistent with section 13.05, subdivision 9, and federal law, and are not subject to the rule making requirements under chapter 14.

Sec. 9. [120.1701] INTERAGENCY EARLY CHILDHOOD INTERVENTION SYSTEM.

Subdivision 1. PURPOSE. It is the policy of the state to develop and implement comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

Subd. 2. DEFINITIONS. For the purposes of this section the following terms have the meaning given them.

(a) "Coordinate" means to provide ready access to a community's services and resources to meet child and family needs.

(b) "Core early intervention services" means services that are available at no cost to children and families. These services include:

(1) identification and referral;

(2) screening;

(3) evaluation;

(4) assessment;

(5) service coordination;

(6) special education and related services provided under section 120.17, subdivision 3a, and United States Code, title 20, section 1401; and

(7) protection of parent and child rights by means of procedural safeguards.

(c) "County board" means a county board established under chapter 375.

(d) "Early intervention record" means any personally identifiable information about a child or the child's family that is generated by the early intervention system, and that pertains to evaluation and assessment, development of an individualized family service plan, and the delivery of early intervention services.

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(e) "Early intervention services" means services provided in conformity with an individualized family service plan that are designed to meet the special developmental needs of a child eligible under Code of Federal Regulations, title 34, part 303, and the needs of the child's family related to enhancing the child's development and that are selected in collaboration with the parent. These services include core early intervention services and additional early intervention services listed in subdivision 4 and services defined in Code of Federal Regulations, title 34, section 303, et seq.

(f) "Early intervention system" means the total effort in the state to meet the needs of eligible children and their families, including, but not limited to:

(1) any public agency in the state that receives funds under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119);

(2) other state and local agencies administering programs involved in the provision of early intervention services, including, but not limited to:

(i) the Maternal and Child Health program under Title V of the Social Security Act, United State Code, title 42, sections 701 to 709;

(ii) the Individuals with Disabilities Education Act, United State Code, title 20, sections 1411 to 1420 (Part B);

(iii) medical assistance under the Social Security Act, United State Code, title 42, section 1396 et seq.;

(iv) the Developmental Disabilities Assistance and Bill of Rights Act, United States Code, title 42, sections 6021 to 6030 (Part B); and

(v) the Head Start Act, United States Code, title 42, sections 9831 to 9852; and

(3) services provided by private groups or third-party payers in conformity with an individualized family service plan.

(g) "Eligibility for Part H" means eligibility for early childhood special education under section 120.03 and Minnesota Rules, part 3525.2335, subpart 1, items A and B.

(h) "Facilitate payment" means helping families access necessary public or private assistance that provides payment for services required to meet needs identified in a service plan, individual education plan (IEP), individual service plan (ISP), or individualized family service plan (IFSP), according to time frames required by the plan. This may also include activities to collect fees for services provided on a sliding fee basis, where permitted by state law.

(i) "Individualized family service plan" or "IFSP" means a written plan for providing services to a child and the child's family.

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(j) "Interagency child find systems" means activities developed on an interagency basis with the involvement of interagency early intervention committees and other relevant community groups to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities, and their families.

(k) "Local primary agency" means the agency designated jointly by the school and county board under subdivision 4.

(l) "Parent" means the biological parent with parental rights, adoptive parent, legal guardian, or surrogate parent.

(m) "Part H state plan" means the annual state plan application approved by the federal government under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(n) "Pay for" means using federal, state, local, and private dollars available for early intervention services.

(o) "Respite" means short term, temporary care provided to a child with a disability due to the temporary absence or need for relief of the family member or members or primary care giver, normally providing the care.

(p) "State lead agency" means the state agency receiving federal funds under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(q) "Surrogate parent" means a person appointed by the local education agency to assure that the rights of the child to early intervention services are protected.

**Subd. 6. LOCAL PRIMARY AGENCY. (a) The local primary agency shall:**

**(1) facilitate the development of annual fund requests that identify arrangements with other local and regional agencies providing services as part of the state's early childhood intervention system and that result in service availability on a year-round basis, as necessary;**

**(2) administer funds received through the annual fund request;**

**(3) provide oversight for data collection efforts;**

**(4) facilitate completion of interagency early intervention committee duties as indicated in subdivision 5;**

**(5) request mediation from the state lead agency, if necessary;**

**(6) request assistance from the state lead agency when disputes between agencies cannot be resolved within 20 calendar days; and**

**(7) receive written requests from parents for matters that may be resolved through due process hearings.**

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(b) When the local primary agency is not an education agency, resources distributed under the early intervention fund shall be transferred from a local educational agency to a noneducation agency using a state provided contract. A local primary agency may budget for indirect costs at an amount not to exceed five percent of the amount allocated from the early intervention fund.

Subd. 7. INDIVIDUALIZED FAMILY SERVICE PLAN. (a) A team must participate in IFSP meetings to develop the individualized family service plan. The team shall include:

- (1) a parent or parents of the child;
- (2) other family members, as requested by the parent, if feasible to do so;
- (3) an advocate or person outside of the family, if the parent requests that the person participate;
- (4) the service coordinator who has been working with the family since the initial referral, or who has been designated by the public agency to be responsible for implementation of the IFSP; and
- (5) a person or persons involved in conducting evaluation and assessments.

(b) The IFSP must include:

- (1) information about the child's developmental status;
- (2) family information, with the consent of the family;
- (3) major outcomes expected to be achieved by the child and the family, that include the criteria, procedures, and time lines;
- (4) specific early intervention services necessary to meet the unique needs of the child and the family to achieve the outcomes;
- (5) payment arrangements, if any;
- (6) medical and other services that the child needs, but that are not required under the Individual with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) including funding sources to be used in paying for those services and the steps that will be taken to secure those services through public or private sources;
- (7) dates and duration of early intervention services;
- (8) name of the service coordinator;
- (9) steps to be taken to support a child's transition from early intervention services to other appropriate services; and
- (10) signature of the parent and authorized signatures of the agencies

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responsible for providing, paying for, or facilitating payment (or any combination of these) for early intervention services.

Subd. 8. SERVICE COORDINATION. (a) The team developing the individualized family service plan under subdivision 7 shall select a service coordinator to carry out service coordination activities on an interagency basis. Service coordination must actively promote a family's capacity and competency to identify, obtain, coordinate, monitor, and evaluate resources and services to meet the family's needs. Service coordination activities include:

- (1) coordinating the performance of evaluations and assessments;
- (2) facilitating and participating in the development, review, and evaluation of individualized family service plans;
- (3) assisting families in identifying available service providers;
- (4) coordinating and monitoring the delivery of available services;
- (5) informing families of the availability of advocacy services;
- (6) coordinating with medical, health, and other service providers;
- (7) facilitating the development of a transition plan at least six months prior to the time the child is no longer eligible for early intervention services, if appropriate;
- (8) managing the early intervention record and submitting additional information to the local primary agency at the time of periodic review and annual evaluations; and
- (9) notifying a local primary agency when disputes between agencies impact service delivery required by an individualized family service plan.

(b) A service coordinator must be knowledgeable about children and families receiving services under this section, requirements of state and federal law, and services available in the interagency early childhood intervention system.

Subd. 8a. EARLY INTERVENTION RESPITE. The provision of respite services for an eligible child and family shall be determined in the context of the IFSP development based on the individual needs of the child and family and with consideration given to the following criteria:

- (1) severity of the child's disability and needs;
- (2) potential risk of out-of-home placement for the child if respite services are not provided;
- (3) parental lack of access to informal support systems, including, but not limited to, extended family, supportive friends, and community supports;

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(4) presence of factors known to increase family stress, including, but not limited to, family size and presence of another child or family member with a disability;

(5) the availability of other public services provided to the family which assist the parent or primary caretaker in obtaining relief from caretaking responsibilities; and

(6) the perceived and expressed level of need for respite services by the parent.

Counties are encouraged to make a variety of respite service models available, which may include in or out-of-home respite, family reimbursement programs, and parent-to-parent respite projects.

**Subd. 9. EARLY INTERVENTION FLOW-THROUGH DOLLARS.** (a) The state lead agency shall administer the early intervention account which consists of federal allocations. The Part H state plan shall state the amount of federal resources in the early intervention account available for use by local agencies. The state lead agency shall distribute the funds to the local primary agency based on a December 1 count of the prior year of Part H eligible children for the following purposes:

(1) as provided in Code of Federal Regulations, title 34, part 303.425, to arrange for payment for early intervention services not elsewhere available, or to pay for services during the pendency of a conflict procedure, including mediation, complaints, due process hearings, and interagency disputes; and

(2) to support interagency child find system activities.

(b) The priority purpose for this fund is paragraph (a), clause (1). The local primary agency shall reallocate resources from the early intervention fund as necessary in order to meet this priority.

(c) Nothing in this subdivision shall limit the state lead agency's authority to allocate discretionary federal funds for any purpose consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119) and regulations adopted under United States Code, title 20, sections 1471 to 1485.

(d) Each county board must continue to spend for early intervention services under subdivision 2, paragraph (e), an amount equal to the total county expenditure during the period from January 1, 1993, to December 31, 1993, for these same services. The commissioner of human services, in consultation with the commissioner of health and the association of Minnesota counties, shall establish a process for determining base year 1993 expenditures.

(e) County boards that have submitted base year 1993 expenditures as required under paragraph (d) are not required to pay any increased cost over the base year 1993 for early intervention services resulting from implementing the

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early intervention system. Increased costs to county boards may be paid for with early intervention flow-through dollars.

(f) School boards are not required to pay for services defined in section 120.17, subdivision 11b, paragraph (c), clause (2).

Subd. 10. PAYMENT FOR SERVICES. Core early intervention services shall be provided at public expense with no cost to parents. Parents shall be requested to assist in the cost of additional early intervention services by using third-party payment sources and applying for available resources. If a parent chooses not to access these resources, additional early intervention services may not be provided. Payment structures permitted under state law shall be used to pay for additional early intervention services. Parental financial responsibility shall be clearly defined in the individualized family service plan. A parent's inability to pay shall not prohibit a child from receiving needed early intervention services.

Subd. 11. PAYOR OF LAST RESORT. (a) For fiscal years 1995 and 1996, the state lead agency shall establish a reserve account from federal sources to pay for services in dispute or to pay for early intervention services when local agencies have exhausted all other public and private funds available for Part H eligible children.

(b) The lead agency shall report to the legislature by January 1, 1996, regarding county board expenditures for early intervention services and the continuing need and funding of the reserve account.

Subd. 14. THIRD-PARTY PAYMENT. Nothing in this section relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family.

Subd. 15. BENEFITS COORDINATION. The department of health shall provide technical assistance in a timely manner to service coordinators, parents of children with disabilities, and agencies in situations requiring the coordination of health insurance benefits, or the identification of third-party payor responsibilities to provide necessary health benefits.

Subd. 16. PROCEDURAL SAFEGUARDS; PARENT AND CHILD RIGHTS. (a) This subdivision applies to local school and county boards for children from birth through age two who are eligible for Part H, Public Law Number 102-119, and their families. This subdivision must be consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119), regulations adopted under United States Code, title 20, sections 1471 to 1485, and this section.

(b) A parent has the right to:

(1) inspect and review early intervention records;

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(2) prior written notice of a proposed action in the parents' native language unless it is clearly not feasible to do so;

(3) give consent to any proposed action;

(4) selectively accept or decline any early intervention service; and

(5) resolve issues regarding the identification, evaluation, or placement of the child, or the provision of appropriate early intervention services to the child and the child's family through an impartial due process hearing pursuant to subdivision 20.

(c) The eligible child has the right to have a surrogate parent appointed by a school district as required by section 120.17, subdivision 3.

**Subd. 17. MEDIATION PROCEDURE.** The commissioner of the state lead agency shall use federal funds to provide mediation for the activities in paragraphs (a) and (b).

(a) A parent may resolve a dispute regarding issues in subdivision 16, paragraph (b), clause (5), through mediation. If the parent chooses mediation, all public agencies involved in the dispute shall participate in the mediation process. The parent and the public agencies must complete the mediation process within 20 calendar days of the date the commissioner receives a parent's written request for mediation. The mediation process may not be used to delay a parent's right to a due process hearing. The resolution of the mediation is not binding on any party.

(b) The local primary agency may request mediation on behalf of involved agencies when there are disputes between agencies regarding responsibilities to coordinate, provide, pay for, or facilitate payment for early intervention services.

**Subd. 18. COMPLAINT PROCEDURE.** (a) An individual or organization may file a written signed complaint with the commissioner of the state lead agency alleging that one or more requirements of the Code of Federal Regulations, title 34, part 303, is not being met. The complaint must include:

(1) a statement that the state has violated the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) or Code of Federal Regulations, title 34, section 303; and

(2) the facts on which the complaint is based.

(b) The commissioner of the state lead agency shall receive and coordinate with other state agencies the review and resolution of a complaint within 60 calendar days according to the state interagency agreement required under subdivision 22.

**Subd. 19. INTERAGENCY DISPUTE PROCEDURE.** (a) A dispute

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between a school board and a county board that is responsible for implementing the provisions of subdivision 4 regarding early identification, child and family assessment, service coordination, and IFSP development and implementation shall be resolved according to this subdivision when the dispute involves services provided to children and families eligible under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(b) A dispute occurs when the school board and county board are unable to agree as to who is responsible to coordinate, provide, pay for, or facilitate payment for services from public and private sources.

(c) Written and signed disputes shall be filed with the local primary agency.

(d) The local primary agency shall have attempted to resolve the matter with the involved school board and county board and may request mediation from the commissioner of the state lead agency for this purpose.

(e) When interagency disputes have not been resolved within 30 calendar days, the local primary agency shall request the commissioner of the state lead agency to review the matter with the commissioners of health and human services and make a decision. The commissioner shall provide a consistent process for reviewing those procedures. The commissioner's decision is binding subject to the right of an aggrieved party to appeal to the state court of appeals.

(f) The local primary agency shall ensure that eligible children and their families receive early intervention services during resolution of a dispute. While a local dispute is pending, the local primary agency shall either assign financial responsibility to an agency or pay for the service from the early intervention account under subdivision 9. If in resolving the dispute, it is determined that the assignment of financial responsibility was inappropriate, the responsibility for payment must be reassigned to the appropriate agency and the responsible agency shall make arrangements for reimbursing any expenditures incurred by the agency originally assigned financial responsibility.

Subd. 20. DUE PROCESS HEARINGS. By July 1, 1994, the departments of education, health, and human services shall develop procedures for hearings.

Subd. 21. DATA COLLECTION. By July 1, 1994, the departments of education, health, and human services shall develop a plan to collect data about which early intervention services are being provided to children and families eligible under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and sources of payment for those services.

#### **Sec. 10. [120.185] ACCOMMODATING STUDENTS WITH DISABILITIES.**

A school or school district shall provide a student who is an "individual with a disability" under Section 504 of the Rehabilitation Act of 1973, United

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States Code, title 29, section 794, or under the Americans with Disabilities Act, Public Law Number 101-336, with reasonable accommodations or modifications in programs.

Sec. 11. Minnesota Statutes 1992, section 124.248, subdivision 3, is amended to read:

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 8e, as though it were participating in a cooperative.~~ The outcome-based school shall allocate its special education levy equalization revenue to the resident districts of the pupils attending the outcome-based school as though it were a cooperative, as provided in section 124.321, subdivision 2, paragraph (a), clause (1). ~~The districts of residence shall levy as though they were participating in a cooperative, as provided in section 124.321, subdivision 3.~~

Sec. 12. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. **SECONDARY VOCATIONAL AID.** A district's or cooperative center's "secondary vocational aid" for secondary vocational education programs aid for a fiscal year equals the sum of the following amounts for each program lesser of:

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

(1) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved secondary vocational education programs; 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 \$80 times the district's average daily membership in grades 10 to 12; or

(b) 40 25 percent of approved expenditures for the following:

(1) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved secondary vocational education programs;

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

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

(3) (4) necessary travel by licensed secondary vocational education person-

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nel for vocational student organization activities held within the state for instructional purposes;

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

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

(6) (7) specialized vocational instructional supplies.

(c) Up to ten percent of a district's secondary vocational aid may be spent on equipment purchases. Districts using secondary vocational aid for equipment purchases must report to the department of education on the improved learning opportunities for students that result from the investment in equipment.

Sec. 13. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2e, is amended to read:

Subd. 2e. **ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATE DISTRICTS.** For purposes of subdivision 2b, paragraph (b), and subdivision 2f, paragraph (b), a cooperative center or an intermediate district shall allocate its approved expenditures for secondary vocational education programs among participating school districts. For purposes of subdivision 2f, paragraph (a), a cooperative center or an intermediate district shall allocate its secondary vocational aid for fiscal year 1994 among participating school districts. For 1995 and later fiscal years, secondary vocational aid for services provided by a cooperative center or an intermediate district shall be paid to the participating school district.

Sec. 14. Minnesota Statutes 1992, section 124.573, is amended by adding a subdivision to read:

Subd. 2f. AID GUARANTEE. Notwithstanding subdivision 2b, the secondary vocational education aid for a school district is not less than the lesser of:

(a) 95 percent of the secondary vocational education aid the district received for the previous fiscal year; or

(b) 40 percent of the approved expenditures for secondary vocational programs included in subdivision 2b, paragraph (b).

Sec. 15. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 3, is amended to read:

Subd. 3. **COMPLIANCE WITH RULES.** Aid shall be paid under this section only for services rendered or for costs incurred in secondary vocational education programs approved by the commissioner and operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for a secondary vocational education program ~~in a cooperative center area~~ to qualify for this aid. The rules must not require the

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collection of data at the program or course level to calculate secondary vocational aid. The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The state board shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state board. Licensed personnel means persons holding a valid secondary vocational license issued by the commissioner, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district No. 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the commissioner or the state board for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 16. Minnesota Statutes 1992, section 124.90, is amended by adding a subdivision to read:

Subd. 5. NO REDUCTION IN REVENUE. A school district's revenue for special education programs shall not be reduced by any payments for medical assistance or insurance received according to this section.

Sec. 17. [125.1895] SKILLED SCHOOL INTERPRETERS.

Subdivision 1. REQUIREMENTS FOR AMERICAN SIGN LANGUAGE/ ENGLISH INTERPRETERS. In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must:

(1) hold current interpreter and transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf, or a comparable state certification from the state board of education; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

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Subd. 2. ORAL OR CUED SPEECH TRANSLITERATORS. In addition to any other requirements that a school district establishes, any person employed to provide oral transliterating or cued speech transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must hold a current applicable transliterator certificate awarded by the national certifying association or comparable state certification from the state board of education.

Subd. 3. QUALIFIED INTERPRETERS. The department of education and the resource center: deaf and hard of hearing shall work with existing interpreter/transliterator training programs, other training/educational institutions, and the regional service centers to ensure that ongoing staff development training for educational interpreters/transliterators is provided throughout the state.

Subd. 4. REIMBURSEMENT. For purposes of revenue under sections 124.321 and 124.322, the department of education shall only reimburse school districts for the services of those interpreters/transliterators who satisfy the standards of competency under this section.

Sec. 18. Minnesota Statutes 1992, section 126.02, subdivision 1, is amended to read:

Subdivision 1. **INSTRUCTION REQUIRED IN PUBLIC SCHOOLS.** There shall be established and provided in all the public schools of this state, physical and health education, training, and instruction of pupils of both sexes. Every pupil attending any such school, to the extent physically fit and able to do so, shall participate in the physical training program. Suitable modified courses shall be provided for pupils physically or mentally unable or unfit to take the regular courses prescribed for normal pupils. No pupil shall be required to undergo a physical or medical examination or treatment if the parent or legal guardian of the person of such pupil shall in writing notify the teacher or principal or other person in charge of such pupil of an objection to such physical or medical examination or treatment; provided that secondary school pupils in junior and senior years need not take the course unless required by the local school board.

Sec. 19. Minnesota Statutes 1992, section 126.51, subdivision 1, is amended to read:

Subdivision 1. **PARENT COMMITTEE.** School boards and American Indian schools shall provide for the maximum involvement of parents of children enrolled in education programs, including language and culture education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, the school board of a school district in which there are ten or more American Indian children enrolled and each American Indian school shall establish a parent committee. If a committee whose membership consists of a majority of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee shall may serve as the committee required by this section and shall be subject to, at least, the requirements of this ~~section~~ subdivision and subdivision 1a.

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The parent committee shall develop its recommendations in consultation with the curriculum advisory committee required by section 126.666, subdivision 2. This committee shall afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. The committee shall also address the need for adult education programs for American Indian people in the community. The school board or American Indian school shall ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of children served by the programs.

Sec. 20. Laws 1993, chapter 224, article 3, section 36, subdivision 2, is amended to read:

Subd. 2. **ELIGIBILITY; APPLICATIONS.** (a) The commissioner shall make application forms available to school districts interested in exploring effective alternatives for delivering certain special education services and programs as described in this section. Interested school districts must have their application to participate in the project approved by their local school board after a public hearing on the matter. Applications must be submitted to the commissioner by January 1, 1995. The application must describe how the applicant proposes to realize the purpose and goal of the project, including what activities and procedures the applicant proposes and whether the applicant seeks to be exempted from Minnesota Rules, part 3525.1341. The application must also describe what staff development activities the applicant will provide to improve and expand opportunities for students with disabilities in the regular classroom setting and foster greater integration of general education and special education instruction and administration. The commissioner may require additional information of an applicant. The commissioner shall approve 12 applications before March 1, 1995. The commissioner shall ensure an equitable geographical distribution of project participants throughout the state.

(b) The commissioner shall make available to school districts interested in applying to participate in the project discretionary funds under Public Law Number 101-476 to allow the districts to cover the costs of convening their advisory council members under subdivision 6 to assist in developing an application under this subdivision.

Sec. 21. Laws 1993, chapter 224, article 3, section 38, subdivision 22, is amended to read:

Subd. 22. **TEACHER EDUCATION; HEARING IMPAIRED.** To assist school districts in ~~greater~~ Minnesota in educating teachers in American sign language, American sign language linguistics, and deaf culture as required under section 11, clause (c):

\$25,000	.....	1994
<u>\$35,000</u>	<u>.....</u>	<u>1995</u>

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This appropriation is available until June 30, 1995.

The 1994 appropriation is available for assisting districts in greater Minnesota.

The 1995 appropriation is available for all school districts.

Any unspent portion of the 1994 appropriation is available in 1995.

#### Sec. 22. CERTIFICATION OF SCHOOL INTERPRETERS.

(a) The state board of education, in consultation with the state board of teaching, interpreter/transliterators training programs, the Minnesota resource center: deaf and hard-of-hearing, the Minnesota registry of interpreters for the deaf, the Minnesota association of deaf citizens, the Minnesota commission serving deaf and hard-of-hearing people, and the deaf and hard-of-hearing services division of the department of human services, shall develop and adopt a competency-based certification system for school interpreters and transliterators. The state board shall adopt by rule the state certification system by July 1, 1997, effective for interpreters and transliterators employed after July 1, 2000.

(b) The state board of education shall conduct a study of the availability of appropriate training for school interpreters and transliterators throughout the state and the cost to the state, school districts, and their employees for training and certification. The state board shall report to the education committees of the legislature by February 1, 1995.

#### Sec. 23. STATE BOARD OF EDUCATION SHALL ADOPT RULES.

The state board of education shall propose the recommended rules in the final report of the task force on education for children with disabilities and Minnesota Rules, part 3525.2925, subpart 1, as its proposed rules. The statement of need and reasonableness under Minnesota Statutes, section 14.131, shall consider the impact of proposed changes on individual student needs and student access to necessary services. The office of administrative hearings shall hold a public hearing under Minnesota Statutes, section 14.14. The board shall adopt new rules that are effective at the beginning of the 1995-1996 school year. Any future amendments to rules adopted or amended under this section are covered by Minnesota Statutes, chapter 14.

#### Sec. 24. COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY; SPECIAL EDUCATION REPRESENTATION.

Notwithstanding Laws 1993, chapter 224, article 1, section 35, subdivision 2, the panel established under Laws 1993, chapter 224, article 1, section 35, subdivision 3, shall appoint a representative of special education who is familiar with both special education services and finance. The additional member under this subdivision shall be appointed by July 1, 1994. The coalition shall also consult with the state special education advisory council in developing its recommendations.

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**Sec. 25. REPORTS OF INCIDENTS OF MISBEHAVIOR IN SCHOOLS.**

(a) For the 1994-1995 and 1995-1996 school years, each school district shall use a standardized form developed by the commissioner of education to report to the commissioner all incidents of misbehavior that result in the suspension or expulsion of students under Minnesota Statutes, sections 127.26 to 127.39. The standardized reporting form, which the commissioner may coordinate with the reporting form required under Minnesota Statutes, section 121.207, shall include the following information:

(1) a description of each incident of misbehavior that leads to the suspension or expulsion of the student including, where appropriate, a description of the dangerous weapon as defined in Minnesota Statutes, section 609.02, subdivision 6, involved in the incident;

(2) information about the suspended or expelled student, other than the student's name, including the student's age, whether the student is a student of color, and the number of times the student has been suspended or expelled previously and for what misbehavior;

(3) whether the student has or had an individualized learning plan (IEP) under Minnesota Statutes, section 120.17, and, if the student has or had an IEP, whether the misbehavior resulting in suspension or expulsion was a manifestation of the student's disabling condition;

(4) the actions taken by school officials to respond to the incident of misbehavior; and

(5) the duration of the suspension or expulsion.

(b) School districts shall use the standardized form to transmit the information described in paragraph (a) to the commissioner biannually by February 1 and July 1, beginning February 1, 1995, and ending July 1, 1996. The commissioner shall compile and analyze the data and present to the education committees of the legislature an interim report by January 1, 1996, and a final report by February 1, 1997.

(c) Based on the data collected, the department shall make recommendations to the legislature by March 15, 1995, for changes in the pupil fair dismissal act.

**Sec. 26. TASK FORCE.**

Subdivision 1. REAUTHORIZATION. Notwithstanding Laws 1993, chapter 224, article 3, section 41, the task force on education for children with disabilities shall expire February 15, 1995. The commissioner may appoint new members to fill vacancies on the task force.

Subd. 2. STUDY OF STATE BOARD OF EDUCATION RULES. (a) The

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task force shall review and may recommend changes to the education committees of the legislature in the following Minnesota Rules, parts 3525.1325, 3525.1327, 3525.1329, 3525.1331, 3525.1333, 3525.1335, 3525.1337, 3525.1339, 3525.1341, 3525.1343, 3525.1345, 3525.2325, and 3525.2340. In making its recommendations, the task force shall consider the educational needs of individual students, students' access to necessary services, maximization of teacher contact time with students, paperwork requirements, student achievement of educational outcomes, the integration of special education and general education instructional practices, and the costs of instruction and support services.

(b) The task force shall review the case loads and number of pupils assigned to special education teachers and recommend to the legislature alternatives to prohibiting state board rules that establish caseloads or set a maximum number of pupils assigned to a special education teacher under Minnesota Statutes, section 120.17, subdivision 3. The task force must assess the financial impact of its recommendations.

(c) In making its recommendations, the task force shall consult appropriate experts.

**Subd. 3. PLAN FOR MEETING TECHNOLOGY NEEDS.** The task force shall develop a plan for meeting the information, instructional, and assistive technology needs of special education within the context of the state educational system. The task force shall make recommendations to the education committees of the legislature by January 15, 1995. The plan shall, at a minimum, address the following:

- (1) identification of the various technology needs of special education;
- (2) appropriate integration of special education technology needs with general education information technology;
- (3) effective uses of technology for enabling special education and regular education staff to meet the needs of children with disabilities;
- (4) effective uses of technology for improving the efficiency and effectiveness of special education administration, instruction, assessment, and reporting;
- (5) methods for developing the appropriate technologies and making them available statewide; and
- (6) costs of developing and implementing the appropriate technologies statewide.

## Sec. 27. GRADUATION RULE.

**Subdivision 1. SPECIAL EDUCATION.** The state board of education shall consult with the state special education advisory council in developing the high school graduation rule to ensure that students with disabilities may fully partici-

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pate under the rule. The state board shall ensure that state and local assessments provide for accommodations, modifications, and adaptations to meet the needs of students with disabilities; clear policies are developed for modifying graduation requirements when necessary to meet a student's needs under an individual education plan; and that state monitoring of learning sites assesses the achievement of a representative sample of all students, including students with individual learning plans.

Subd. 2. TRANSITION OUTCOMES. The state board of education shall include in the high school graduation rule outcomes for all students in skills for transition from school to the community, work, vocational training, and higher education. The outcome shall emphasize knowledge of life skills, skills for planning and evaluating vocational and educational choices, and state and community resources available to assist in identifying and evaluating choices. The state board shall consult with the state education and employment transitions council and the state special education advisory council in developing the outcomes.

#### Sec. 28. SPECIAL EDUCATION MANUAL.

(a) The commissioner of education shall develop a manual pertaining to the delivery of special education instruction and services for use by parents, school district administrators, teachers, and related service staff, and other direct service providers. The commissioner shall update the manual as necessary to ensure that the information contained in the manual is current. The manual shall contain at least the following:

(1) a concise listing of all federal and state laws, rules, and regulations that apply to special education;

(2) the rights and procedural safeguards available to students with disabilities and their parents or guardian; and

(3) best practice recommendations for school districts for policies and procedures to meet the needs of students with disabilities.

(b) The manual must be available within three months following the state board of education's adoption of state special education rules under section 23. The commissioner shall develop a plan to ensure that the manual is widely available to parents, school staff, and other interested individuals and organizations.

#### Sec. 29. SCHOOL BOARD MEMBER TRAINING.

The commissioner of education, in consultation with the Minnesota school boards association and the task force on education of children with disabilities, shall develop a model training curriculum for school board members in state and federal special education statutes, rules, and regulations, and in modifications and accommodations for students with disabilities consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1411 to 1420 (Part B), section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, and the Americans with Disabilities

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Act, Public Law Number 101-336. The model training curriculum shall be available to school board members by January 1, 1995.

**Sec. 30. SPECIAL LEVY FOR INDEPENDENT SCHOOL DISTRICT NO. 100, WRENSHALL.**

Notwithstanding Minnesota Statutes, section 124.321, or any other law to the contrary, independent school district No. 100, Wrenshall, may levy up to \$40,000 for taxes payable in 1995 for excess special education expenditures or for nonregular transportation expenditures according to Minnesota Statutes, section 124.223, subdivision 4, incurred in the 1993-1994 school year. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under Minnesota Statutes, section 124.155.

**Sec. 31. GRANTS FOR COMMUNITY LIVING PROGRAMS FOR YOUTHS WITH DISABILITIES.**

A school district may apply to the commissioner of jobs and training for a grant to provide individualized education and training to youth with disabilities for making a transition from school to post-secondary education, work, or community living. Grantees shall provide the education and training according to the transition plan contained in youths' individual education plans. To be eligible for a grant, a district must develop its transition services in consultation with the community transition interagency committee. Grantees must use the grant to contract with a center for independent living certified under Minnesota Statutes, section 268A.11, or with another transition program the commissioner approves, to provide appropriate education and training under this section.

**Sec. 32. APPROPRIATION; GRANTS FOR COMMUNITY LIVING PROGRAMS.**

\$250,000 is appropriated from the general fund in fiscal year 1995 to the commissioner of jobs and training for the purpose of providing grants under section 31. This activity must be transferred to the budget of the department of jobs and training in the next biennial budget.

**Sec. 33. 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 year designated.

Subd. 2. TASK FORCE. For the task force on education for children with disabilities:

\$25,000	.....	1994
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A portion of this appropriation may be used to pay for the costs of adopting, amending, or repealing state board of education rules according to section

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23. This appropriation may not be used to compensate department staff assisting the task force in carrying out its responsibilities. This appropriation expires February 15, 1995.

Subd. 3. STUDENT SUSPENSIONS AND EXPULSIONS STUDY. For a study of student suspensions and expulsions:

\$40,000        .....        1995

This appropriation does not cancel.

Sec. 34. REVISOR INSTRUCTION.

In the next edition of Minnesota Statutes, the revisor shall renumber sections 120.17, subdivision 11a, as 120.1701, subdivision 3; 120.17, subdivision 11b, as 120.1701, subdivision 4; 120.17, subdivision 12, as 120.1701, subdivision 5; 120.17, subdivision 14, as 120.1701, subdivision 12; 120.17, subdivision 14a, as 120.1701, subdivision 13; 120.17, subdivision 17, as 120.1701, subdivision 22.

Sec. 35. EFFECTIVE DATE.

Sections 4, 23, 24, 26, and 33, subdivision 2, are effective the day following final enactment.

#### ARTICLE 4

#### COMMUNITY PROGRAMS

Section 1. Minnesota Statutes 1992, section 120.101, is amended by adding a subdivision to read:

Subd. 5c. EDUCATION RECORDS. A school district from which a student is transferring must transmit the student's educational records, within ten business days of the date the student withdraws, to the school district in which the student is enrolling. School districts must make reasonable efforts to determine the school district in which a transferring student is next enrolling in order to comply with this subdivision.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.702, subdivision 2, is amended to read:

Subd. 2. **ELIGIBLE ORGANIZATION.** "Eligible organization" means:

- (1) a local unit of government including a statutory or home rule charter city, township, county, or group of two or more contiguous counties;
- (2) an existing nonprofit organization organized under chapter 317A;

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- (3) an educational institution;
- (4) a private industry council; or
- (5) a state agency; or
- (6) a federal agency.

Sec. 3. Minnesota Statutes 1993 Supplement, section 121.702, subdivision 9, is amended to read:

Subd. 9. **YOUTH WORKS TASK FORCE COMMISSION.** "Youth works task force" "Commission" means the task force Minnesota commission on national and community service established in section 121.703.

Sec. 4. Minnesota Statutes 1993 Supplement, section 121.703, is amended to read:

**121.703 YOUTH WORKS TASK FORCE MINNESOTA COMMISSION ON NATIONAL AND COMMUNITY SERVICE.**

Subdivision 1. **CREATION.** The youth works task force Minnesota commission on national and community service is established to assist the governor and the legislature in implementing sections 121.701 to 121.710 and federal law. Retroactive to the first Monday in January 1994, the terms of the members of the first commission shall be, as nearly as possible, one year for one-third of the members, two years for one-third of the members, and three years for one-third of the members. The members of the first commission shall determine the length of their terms by lot. Thereafter, the terms of commission members shall be for three years. Commission members may be reappointed upon the completion of their current term. The terms, compensation, filling of vacancies, and removal of members are governed by section ~~15.059~~ 15.0575. The youth works task force commission may accept gifts and contributions from public and private organizations.

Subd. 2. **MEMBERSHIP.** The youth works task force consists of 16 voting members. The membership includes the commissioner or designee of the departments of education, jobs and training, and natural resources and the executive director of the higher education coordinating board, and four persons appointed by the governor from among the following agencies: departments of human services, health, corrections, agriculture, public safety, finance, labor and industry, office of strategic and long-range planning, Minnesota office of volunteer services, Minnesota high technology council, Minnesota housing finance agency, association of service delivery areas, and Minnesota Technology, Inc. The governor shall appoint four members, one each representing a public or private sector labor union, business, students, and parents, and the remaining four members from among representatives of the following groups: educators, senior citizen organizations, local agencies working with youth service corps programs, school-based community service programs, higher education institutions, local educa-

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tional agencies, volunteer public safety organizations, education partnership programs, public or nonprofit organizations experienced in youth employment and training, and volunteer administrators, or other organizations working with volunteers. (a) The commission consists of 18 voting members. Voting members shall include the commissioner of education, a representative of the children's cabinet elected by the members of the children's cabinet, and the executive director of the higher education coordinating board.

(b) The governor shall appoint 15 additional voting members. Eight of the voting members appointed by the governor shall include a representative of public or nonprofit organizations experienced in youth employment and training, organizations promoting adult service and volunteerism, community-based service agencies or organizations, local public or private sector labor unions, local governments, business, a national service program, and Indian tribes. The remaining seven voting members appointed by the governor shall include an individual with expertise in the educational, training, and development needs of youth, particularly disadvantaged youth; a youth or young adult who is a participant in a higher education-based service-learning program; a disabled individual representing persons with disabilities; a youth who is out-of-school or disadvantaged; an educator of primary or secondary students; an educator from a higher education institution; and an individual between the ages of 16 and 25 who is a participant or supervisor in a youth service program.

(c) The governor shall appoint up to five ex officio nonvoting members from among the following agencies or organizations: the departments of jobs and training, natural resources, human services, health, corrections, agriculture, public safety, finance, and labor and industry, the Minnesota office of volunteer services, the housing finance agency, and Minnesota Technology, Inc. A representative of the corporation for national and community service shall also serve as an ex officio nonvoting member.

(d) Voting and ex officio nonvoting members may appoint designees to act on their behalf. The number of voting members who are state employees shall not exceed 25 percent.

(e) The governor shall ensure that, to the extent possible, the membership of the ~~task force~~ commission is balanced according to geography, race, ethnicity, age, and gender. The speaker of the house and the majority leader of the senate shall each appoint two legislators to be nonvoting members of the ~~task force~~ commission.

Subd. 3. DUTIES. (a) ~~The youth works task force~~ commission shall:

(1) develop, with the assistance of the governor, the commissioner of education, and affected state agencies, a comprehensive state plan to provide services under sections 121.701 to 121.710 and federal law;

(2) actively pursue public and private funding sources for services, including funding available under federal law;

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- (3) coordinate volunteer service learning programs within the state;
- (4) develop, in cooperation with the education and employment transitions council and the commissioner of education, volunteer service learning programs, including curriculum, materials, and methods of instruction;
- (5) work collaboratively with the education and employment transitions council, the commissioner of education, schools, public and private agencies, for-profit and nonprofit employers, and labor unions to identify mentoring and service learning opportunities, solicit and recruit participants for these programs, and disseminate information on the programs;
- (6) administer the youth works grant program under sections 121.704 to 121.709, with assistance from the commissioner of education and the executive director of the higher education coordinating board, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits;
- (7) establish an evaluation plan for programs developed and services provided under sections 121.701 to 121.710;
- (8) report to the governor, commissioner of education, and legislature; and
- (9) provide oversight and support for school, campus, and community-based service programs; and
- (10) administer the federal AmeriCorps program.

(b) Nothing in sections 121.701 to 121.710 precludes an organization from independently seeking public or private funding to accomplish purposes similar to those described in paragraph (a).

Sec. 5. Minnesota Statutes 1993 Supplement, section 121.705, is amended to read:

#### 121.705 YOUTH WORKS GRANTS.

Subdivision 1. **APPLICATION.** An eligible organization interested in receiving a grant under sections 121.704 to 121.709 may prepare and submit to the ~~youth works task force~~ commission an application that complies with section 121.706.

Subd. 2. **GRANT AUTHORITY.** The ~~youth works task force~~ commission shall use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works meeting the requirements of section 121.706. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. In awarding grants, the ~~youth works task force~~

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commission may select at least one residential proposal and one nonresidential proposal, provided the proposals meet or exceed the criteria in section 121.706.

Sec. 6. Minnesota Statutes 1993 Supplement, section 121.706, is amended to read:

**121.706 GRANT APPLICATIONS.**

Subdivision 1. **APPLICATIONS REQUIRED.** An organization seeking federal or state grant money under sections 121.704 to 121.709 shall prepare and submit to the ~~youth works task force~~ commission an application that meets the requirements of this section. The ~~youth works task force~~ commission shall develop, and the applying organizations shall comply with, the form and manner of the application.

Subd. 2. **APPLICATION CONTENT.** An applicant on its application shall:

(1) propose a program to provide participants the opportunity to perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service learning;

(2) assess the community's unmet educational, human, environmental, and public safety needs, the resources and programs available for meeting those needs, and how young people participated in assessing community needs;

(3) describe the ~~classroom~~ educational component of the program, including classroom hours per week, classroom time for participants to reflect on the program experience, and anticipated academic outcomes related to the service experience;

(4) describe the work to be performed, the ratio of youth participants to crew leaders and mentors, and the expectations and qualifications for crew leaders and mentors;

(5) describe local funds or resources available to meet the match requirements of section 121.709;

(6) describe any funds available for the program from sources other than the requested grant;

(7) describe any agreements with local businesses to provide participants with work-learning opportunities and mentors;

(8) describe any agreement with local post-secondary educational institutions to offer participants course credits for their community service learning experience;

(9) describe any agreement with a local high school or an alternative learning center to provide remedial education, credit for community service work and work-based learning, or graduate equivalency degrees;

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(10) describe any pay for service or other program delivery mechanism that will provide reimbursement for benefits conferred or recover costs of services participants perform;

(11) describe how local resources will be used to provide support and assistance for participants to encourage them to continue with the program, fulfill the terms of the contract, and remain eligible for any postservice benefit;

(12) describe the arbitration mechanism for dispute resolution required under section 121.707, subdivision 2;

(13) describe involvement of community leaders in developing broad-based support for the program;

(14) describe the consultation and sign-off process to be used with any local labor organization representing employees in the area engaged in work similar to that proposed for the program to ensure that no current employees or available employment positions will be displaced by program participants;

(15) certify to the ~~youth works task force~~ commission and to any certified bargaining representatives representing employees of the applying organization that the project will not decrease employment opportunities that would be available without the project; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work;

(16) describe the length of the required service period, which may not be less than six months or more than two years, a method to incorporate a participant's readiness to advance or need for postservice financial assistance into individual service requirements, and any opportunity for participating part time or in another program;

(17) describe a program evaluation plan that contains cost effectiveness measures, measures of participant success including educational accomplishments, job placements, community contributions, and ongoing volunteer activities, outcome measures based on a preprogram and postprogram survey of community rates of arrest, incarceration, teenage pregnancy, and other indicators of youth in trouble, and a list of local resources dedicated to reducing these rates;

(18) describe a three-year financial plan for maintaining the program;

(19) describe the role of local youth in developing all aspects of the grant proposal; and

(20) describe the process by which the local private industry council participated in, and reviewed the grant application.

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Sec. 7. Minnesota Statutes 1993 Supplement, section 121.707, is amended to read:

**121.707 PROGRAM PROVISIONS.**

Subdivision 1. **PARTICIPANT ELIGIBILITY.** (a) An individual is eligible to participate in full-time youth community service if the individual:

(1) is at least 17 to 24 years old;

(2) is a citizen of the United States or lawfully admitted for permanent residency;

~~(3) is a permanent Minnesota resident as that term is used in section 256.936, subdivision 4c, paragraph (d), clause (2);~~

(4) (3) is applying for service and has received a high school diploma or its equivalent, or agrees to attain a high school diploma or its equivalent while participating in the program; and

~~(5) (4)~~ agrees to act as an alumni volunteer or an alumni mentor upon successfully completing the program and postprogram education.

(b) An individual is eligible to participate in part-time youth community service if the individual is at least 15 to 24 years old and meets the requirements under paragraph (a), clauses (2) to ~~(5)~~ (4).

Subd. 2. **TERMS OF SERVICE.** (a) A participant shall agree to perform community service for the period required unless the participant is unable to complete the terms of service for the reason provided in paragraph (b).

An agreement to perform community service must be in the form of a written contract between the participant and the grantee organization. Terms of the contract must include a length of service between six months and two years, the participant's education goals and commitment, the anticipated date of completion, dismissal for cause, including failure to fully participate in the education component, and the exclusive right to challenge a dismissal for cause through binding arbitration. The arbitrator must be chosen jointly by the grantee organization and the participant from the community or, if agreement cannot be reached, an arbitrator must be determined from a list of arbitrators provided by the American Arbitration Association. The sole remedy available to the participant through arbitration is reinstatement to the program and eligibility for postservice benefits. The parent or guardian of a minor shall consent in writing to the contract between the participant and the grantee organization.

(b) If the grantee organization releases a participant from completing a term of service in a program receiving assistance under sections 121.704 to 121.709 for compelling personal circumstances as demonstrated by the participant, or if the program in which the participant serves does not receive continued funding for any reason, the grantee organization may provide the participant with that

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portion of the financial assistance described in subdivision 3 that corresponds to the quantity of the service obligation completed by the individual.

If the grantee organization terminates a participant for cause or a participant resigns without demonstrating compelling personal circumstances under this section, no postservice benefit under subdivision 3 may be paid.

(c) A participant performing part-time service under sections 121.701 to 121.710 shall serve at least two weekends each month and two weeks during the year; ~~or at least an average of nine hours per week each year. A part-time participant shall serve at least 900 hours during a period of not more than two years, or three years if enrolled in an institution of higher education.~~ A participant performing full-time service under sections 121.701 to 121.710 shall serve ~~for not less than 40 hours per week at least 1,700 hours during a period of not less than nine months, or more than one year.~~

(d) Notwithstanding any other law to the contrary, for purposes of tort liability under sections 3.732 and 3.736, while participating in a program a participant is an employee of the state.

(e) Participants performing community service in a program are not public employees for purposes of chapter 43A, 179A, 197, 353, or any other law governing hiring or discharging of public employees.

Subd. 3. **POSTSERVICE BENEFIT.** (a) Each participant shall receive a nontransferable postservice benefit upon successfully completing the program. The benefit must be ~~\$2,000 per year of part-time service or \$5,000 per year of full-time service not less than \$4,725 per year of full-time service or prorated for part-time service or for partial service of at least 900 hours.~~

(b) ~~In the event that a program does not receive a federal grant that provides a postservice benefit, the participants in the program shall receive a postservice benefit equal in value to one-half the amount provided under paragraph (a).~~

(c) Nothing in this subdivision prevents a grantee organization from using funds from nonfederal or nonstate sources to increase the value of postservice benefits above the value described in paragraph (a).

(c) The higher education coordinating board shall establish an account for depositing funds for postservice benefits. If a participant does not use a postservice benefit according to subdivision 4 within seven years after completing the program, the amount of the postservice benefit shall be used to provide a postservice benefit to another eligible participant.

(d) The state shall provide an additional postservice benefit to any participant who successfully completes the program. The benefit must be a credit of five points to be added to the competitive open rating of a participant who obtains a passing grade on a civil service examination under chapter 43A. The benefit is available for five years after completing the community service.

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Subd. 4. **USES OF POSTSERVICE BENEFITS.** (a) A postservice benefit for a participant provided under subdivision 3, paragraph (a), (b), or (c), must be available for ~~five~~ seven years after completing the program and may only be used for:

(1) paying a student loan;

(2) costs of attending an institution of higher education; or

(3) expenses incurred by a student in an approved youth apprenticeship program under chapter 126B, or in a registered apprenticeship program approved by the department of labor and industry.

Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. Any postservice benefits provided by federal funds or vouchers may be used as a downpayment on, or closing costs for, purchasing a first home.

(b) Postservice benefits are to be used to develop skills required in occupations where numbers of jobs are likely to increase. The ~~youth works task force~~ commission, in consultation with the education and employment transitions council, shall determine how the benefits may be used in order to best prepare participants with skills that build on their service learning and equip them for meaningful employment.

(c) The postservice benefit shall not be included in determining financial need when establishing eligibility or award amounts for financial assistance programs under chapter 136A.

Subd. 5. **LIVING ALLOWANCE.** (a) A participant in a full-time community service program shall receive a monthly stipend of not less than \$500. An eligible organization may provide participants with additional amounts from ~~nonfederal or~~ nonstate sources. The amount of the living allowance may be prorated for part-time participants.

(b) Nothing in this subdivision requires an existing program to decrease any stipend, salary, or living allowance provided to a participant under the program.

(c) In addition to the living allowance provided under paragraph (a), a grantee organization shall provide health ~~and dental~~ and child care coverage to each participant in a full-time youth works program who does not otherwise have access to health ~~or dental or child care~~ coverage. The state shall include the cost of group health and ~~dental~~ child care coverage in the grant to the eligible organization.

Subd. 6. **PROGRAM TRAINING.** (a) The ~~youth works task force~~ commission shall, within available resources, ensure an opportunity for each participant to have three weeks of training in a residential setting. If offered, each training session must:

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(1) orient each participant in the nature, philosophy, and purpose of the program;

(2) build an ethic of community service through general community service training; and

(3) provide additional training as it determines necessary.

(b) Each grantee organization shall also train participants in skills relevant to the community service opportunity.

Subd. 7. **TRAINING AND EDUCATION REQUIREMENTS.** Each grantee organization shall assess the educational level of each entering participant. Each grantee shall work to enhance the educational skills of each participant. The ~~youth works task force~~ commission may coordinate or contract with educational institutions or other providers for educational services and evaluation. All grantees shall give priority to educating and training participants who do not have a high school diploma or its equivalent, or who cannot afford post-secondary training and education.

Sec. 8. Minnesota Statutes 1993 Supplement, section 121.708, is amended to read:

**121.708 PRIORITY.**

The ~~youth works task force~~ commission shall give priority to an eligible organization proposing a program that meets the goals of sections 121.704 to 121.707, and that:

(1) involves youth in a meaningful way in all stages of the program, including assessing community needs, preparing the application, and assuming post-service leadership and mentoring responsibilities;

(2) serves a community with significant unmet needs;

(3) provides an approach that is most likely to reduce arrest rates, incarceration rates, teenage pregnancy, and other indicators of troubled youth;

(4) builds linkages with existing, successful programs; and

(5) can be operational quickly.

Sec. 9. Minnesota Statutes 1993 Supplement, section 121.709, is amended to read:

**121.709 MATCH REQUIREMENTS.**

~~A grant awarded through the youth works program must be matched at \$2 of grant funds for at least \$1 of applicant funds. Youth works grant funds must be used for the living allowance, cost of employer taxes under sections 3111 and 3301 of the Internal Revenue Code of 1986, workers' compensation coverage, and health and dental benefits for each program participant. Applicant funds~~

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resources, from sources and in a form determined by the youth works task force commission, must be used to ~~pay~~ provide for ~~crew leaders, administration, all other program operating costs, including such costs as~~ supplies, materials, and transportation, and salaries and benefits of those staff directly involved in the operation, internal monitoring, and evaluation of the program. Administrative expenses must not exceed seven five percent of total program costs. ~~To the extent that administrative costs are less than seven percent, an amount equal to the difference between the percent expended and seven percent shall be applied to the local match requirement in this section.~~

Sec. 10. Minnesota Statutes 1993 Supplement, section 121.710, is amended to read:

#### 121.710 EVALUATION AND REPORTING REQUIREMENTS.

Subdivision 1. **GRANTEE ORGANIZATIONS.** Each grantee organization shall report to the ~~youth works task force~~ commission at the time and on the matters requested by the ~~youth works task force~~ commission.

Subd. 2. **INTERIM REPORT.** The ~~youth works task force~~ commission shall report semiannually to the legislature with interim recommendations to change the program.

Subd. 3. **FINAL REPORT.** The ~~youth works task force~~ commission shall present a final report to the legislature by January 1, 1998, summarizing grantee evaluations, reporting on individual participants and participating grantee organizations, and recommending any changes to improve or expand the program.

Sec. 11. Minnesota Statutes 1993 Supplement, section 121.831, subdivision 9, is amended to read:

Subd. 9. **CHILD RECORDS.** (a) 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. The cumulative record is private data under chapter 13. Information in the record may be disseminated to an educator or service provider only to the extent that that person has a need to know the information.

(b) An educator or service provider may transmit information in the child's cumulative record to an educator or service provider in another program for young children when the child applies to enroll in that other program.

Sec. 12. Minnesota Statutes 1993 Supplement, section 121.8355, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** (a) In order to qualify as a family services collaborative, a minimum of one school district, one county, and one public health entity must agree in writing to provide coordinated family services and commit resources to an integrated fund. Collaboratives are expected to have

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broad community representation, which may include other local providers, including additional school districts, counties, and public health entities, other municipalities, public libraries, existing culturally specific community organizations, local health organizations, private and nonprofit service providers, child care providers, local foundations, community-based service groups, businesses, local transit authorities or other transportation providers, community action agencies under section 268.53, senior citizen volunteer organizations, and sectarian organizations that provide nonsectarian services.

(b) Community-based collaboratives composed of representatives of schools, local businesses, local units of government, parents, students, clergy, health and social services providers, youth service organizations, and existing culturally specific community organizations may plan and develop services for children and youth. A community-based collaborative must agree to collaborate with county, school district, and public health entities. Their services may include opportunities for children or youth to improve child health and development, reduce barriers to adequate school performance, improve family functioning, provide community service, enhance self esteem, and develop general employment skills.

Sec. 13. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 1, is amended to read:

Subdivision 1. **SERVICE LEARNING AND WORK-BASED LEARNING PROGRAMS STUDY.** The ~~youth works task force~~ Minnesota commission on national and community service, established in section 121.703, shall assist the commissioner of education in studying how to combine community service activities and service learning with work-based learning programs.

Sec. 14. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 2, is amended to read:

Subd. 2. **SERVICE LEARNING PROGRAMS DEVELOPED.** The commissioner, in consultation with the ~~task force~~ commission, shall develop a service learning program curriculum that includes a policy framework and strategies for youth community service and an infrastructure for mentoring youth. The commissioner shall include in the curriculum at least the following:

(1) youth community service strategies that enable young people to make significant contributions to the welfare of their community through such organizations as schools, colleges, government agencies, and community-based organizations or through individual efforts;

(2) mentoring strategies that enable young people to be matched with caring, responsible individuals who can encourage and guide the young people in their personal growth and development;

(3) guidelines, criteria, and procedures for community service programs that incorporate the results of the study in subdivision 1; and

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(4) criteria for community service activities and service learning.

Sec. 15. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 4, is amended to read:

Subd. 4. **PROGRAMS FOLLOWING YOUTH COMMUNITY SERVICE.** (a) The ~~youth works task force~~ Minnesota commission on national and community service established in section 121.703, in cooperation with the commissioner and the higher education coordinating board, shall provide for those participants who successfully complete youth community service under sections 121.703 to 121.709, the following:

(1) for those who have a high school diploma or its equivalent, an opportunity to participate in a youth apprenticeship program at a community or technical college; and

(2) for those who are post-secondary students, an opportunity to participate in an educational program that supplements post-secondary courses leading to a degree or a statewide credential of academic and occupational proficiency.

(b) Participants who successfully complete a youth community service program under sections 121.704 to 121.710 are eligible to receive an education voucher as provided under section 121.707, subdivision 4. The voucher recipient may apply the voucher toward the cost of the recipient's tuition and other education-related expenses at a ~~public~~ post-secondary school under paragraph (a).

(c) The ~~youth works task force~~ Minnesota commission on national and community service, in cooperation with the state board of technical colleges, shall establish a mechanism to transfer credit earned in a youth apprenticeship program between the technical colleges and other post-secondary institutions offering applied associate degrees.

Sec. 16. Minnesota Statutes 1992, section 124.26, subdivision 1b, is amended to read:

Subd. 1b. **PROGRAM REQUIREMENTS.** An adult basic ~~and continuing~~ education program is a day or evening program offered by a district that is for people over 16 years of age through the 1999-2000 school year and over 18 years of age beginning with the 2000-2001 school year who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. Tuition and fees may not be charged to a learner for instruction ~~subsidized~~ paid under this section, except for a security deposit to assure return of materials, supplies, and equipment.

Sec. 17. Minnesota Statutes 1993 Supplement, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. **PROGRAM APPROVAL.** (a) To receive aid under this section, a district, a consortium of districts, or a private nonprofit organization must

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

(b) The commissioner may ~~contract with grant~~ adult basic education funds to 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~~ this provision must be approved and funded according to the same criteria used for district programs.

(c) Adult basic education programs may be approved under this subdivision for up to five years. Five-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~~ experiential 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

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(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;

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

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

Sec. 18. Minnesota Statutes 1993 Supplement, section 124.26, subdivision 2, is amended to read:

Subd. 2. **ACCOUNTS; REVENUE; AID.** Each district ~~or~~ group of districts, or private nonprofit organization providing adult basic 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~~ revenue received pursuant to this section shall be utilized solely for the purposes of adult basic education programs. In no case shall federal and state aid equal more than 100 percent of the actual cost of providing these programs.

Sec. 19. Minnesota Statutes 1992, section 124.2601, subdivision 3, is amended to read:

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

Sec. 20. Minnesota Statutes 1992, section 124.2601, subdivision 5, is amended to read:

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

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Sec. 21. Minnesota Statutes 1992, section 124.2601, subdivision 7, is amended to read:

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

Sec. 22. Minnesota Statutes 1993 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. **REVENUE.** The revenue for early childhood family education programs for a school district equals \$101.25 for 1993 and later fiscal years times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on ~~September~~ October 1 of the previous school year.

Sec. 23. Minnesota Statutes 1992, section 124.2711, is amended by adding a subdivision to read:

Subd. 6. RESERVE ACCOUNT. Early childhood family education revenue must be maintained in a reserve account within the community service fund.

Sec. 24. Minnesota Statutes 1993 Supplement, 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 ~~85 cents for fiscal year 1994, \$1 for fiscal year 1995, and 85 cents for fiscal year 1996 and thereafter,~~ times the greater of 1,335 or the population of the district.

Sec. 25. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 10. RESERVE ACCOUNT. Community education revenue must be maintained in a reserve account within the community service fund.

Sec. 26. Minnesota Statutes 1993 Supplement, section 124.2714, is amended to read:

**124.2714 ADDITIONAL COMMUNITY EDUCATION REVENUE.**

(a) A district that is eligible under section 124.2713, subdivision 2, may levy an amount up to the amount authorized by Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(b) Beginning with levies for fiscal year 1995, this levy must be reduced each

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year by the amount of any increase in the levying district's general community education revenue under section 124.2713, subdivision 3, for that fiscal year over the amount received by the district under section 124.2713, subdivision 3, for fiscal year 1994.

(c) The proceeds of the levy may be used for the purposes set forth in section 124.2713, subdivision 8.

Sec. 27. Minnesota Statutes 1992, section 124C.49, is amended to read:

**124C.49 DESIGNATION AS CENTER.**

The commissioner of education, in cooperation with the state board of education, shall establish a process for state designation and approval of area learning centers that meet the provisions of sections 124C.45 to 124C.48. Any process for designating and approving an area learning center must emphasize the importance of having the area learning center serve students who have dropped out of school, are homeless, are eligible to receive free or reduced priced lunch, have been suspended or expelled, have been declared truant or are pregnant or parents.

Sec. 28. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. **ELIGIBLE PROGRAMS.** (a) A pupil who is eligible according to subdivision 2 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 and who is between the ages of 16 and 21 may enroll in post-secondary courses under section 123.3514.

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

(d) A pupil who is eligible under subdivision 2, may enroll part time, if 16 years of age or older, or full time in any nonprofit, nonpublic, nonsectarian school that has contracted with the serving school district ~~of residence~~ to provide educational services.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88.

Sec. 29. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 3a, is amended to read:

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Subd. 3a. **ADDITIONAL ELIGIBLE PROGRAM.** A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (a), 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 servicing 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. 30. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 4, is amended to read:

Subd. 4. **PUPIL ENROLLMENT.** Any eligible pupil may apply to enroll in an eligible program. Approval of the resident district is not required for:

(1) an eligible pupil to enroll in any eligible program in a nonresident district under subdivision 3 or 3a or an area learning center established under section 124C.45; or

(2) an eligible pupil under subdivision 2, to enroll in an adult basic education program approved under section 124.26.

Sec. 31. Minnesota Statutes 1992, section 126.23, is amended to read:

#### 126.23 AID FOR PRIVATE ALTERNATIVE PROGRAMS.

If a pupil enrolls in an alternative program, eligible under section 126.22, subdivision 3, paragraph (d), or subdivision 3a, 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 contracting with the private organization must reimburse the provider an amount equal to at least 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. 32. Minnesota Statutes 1992, section 126.69, subdivision 1, is amended to read:

Subdivision 1. **PROGRAM GOALS.** The department of education, in consultation with the state curriculum advisory committee, must develop guidelines and model plans for parental involvement programs that will:

(1) engage the interests and talents of parents or guardians in recognizing

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and meeting the emotional, intellectual, and physical needs of their school-age children;

(2) promote healthy self-concepts among parents or guardians and other family members;

(3) offer parents or guardians a chance to share and learn about educational skills, techniques, and ideas;

(4) provide creative learning experiences for parents or guardians and their school-age children, including involvement from parents or guardians of color; ~~and~~

(5) encourage parents to actively participate in their district's curriculum advisory committee under section 126.666 in order to assist the school board in improving children's education programs; and

(6) encourage parents to help in promoting school desegregation/integration.

Sec. 33. Minnesota Statutes 1992, section 126.69, subdivision 3, is amended to read:

Subd. 3. **PLAN ACTIVITIES.** Activities contained in the model plans must include:

(1) educational opportunities for families that enhance children's learning development;

(2) educational programs for parents or guardians on families' educational responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;

(4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family involvement programs;

(6) parent resource centers;

(7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;

(8) reports to parents on children's progress;

(9) use of parents as classroom volunteers, or as volunteers in before and after school programs for school-age children, tutors, and aides;

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(10) soliciting parents' suggestions in planning, developing, and implementing school programs;

(11) educational programs and opportunities for parents or guardians that are multicultural, gender fair, and disability sensitive; ~~and~~

(12) involvement in a district's curriculum advisory committee or a school building team under section 126.666; and

(13) opportunities for parent involvement in developing, implementing, or evaluating school and district desegregation/integration plans.

Sec. 34. Minnesota Statutes 1992, section 126.77, subdivision 1, is amended to read:

Subdivision 1. **VIOLENCE PREVENTION CURRICULUM.** (a) The commissioner of education, in consultation with the commissioners of health and human services, state minority councils, battered women's programs, sexual assault centers, representatives of religious communities, and the assistant commissioner of the office of drug policy and violence prevention, shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, and sexual, racial, and cultural harassment that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based ser-

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vices, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and ECSUs;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior;

and

(8) opportunities for teachers to receive in-service training or attend other programs on strategies or curriculum designed to assist students in intervening in or preventing violence in school and at home; and

(9) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Sec. 35. Minnesota Statutes 1992, section 126.78, is amended to read:

126.78 VIOLENCE PREVENTION EDUCATION GRANTS.

Subdivision 1. GRANT PROGRAM ESTABLISHED. The commissioner of education, after consulting with the assistant commissioner of the office of drug policy and violence prevention, shall establish a violence prevention education grant program to enable a school district, an education district, or a group of districts that cooperate for a particular purpose to develop and implement or to continue a violence prevention program for students in kindergarten through grade 12 that can be integrated into existing curriculum. A district or group of districts that elects to develop and implement or to continue a violence prevention program under section 126.77 is eligible to apply for a grant under this section.

Subd. 2. GRANT APPLICATION. To be eligible to receive a grant, a school district, an education district, or a group of districts that cooperate for a particular purpose must submit an application to the commissioner in the form and manner and according to the timeline established by the commissioner. The application must describe how the applicant will: (1) continue or integrate into its existing K-12 curriculum a program for violence prevention that contains the programs components listed in section 126.77; (2) collaborate with local organizations involved in violence prevention and intervention; and (3) structure the program to reflect the characteristics of the children, their families and the community involved in the program. The commissioner may require additional information from the applicant. When reviewing the applications, the commissioner shall determine whether the applicant has met the requirements of this subdivision.

Subd. 3. GRANT AWARDS. The commissioner may award grants for a violence prevention education program to eligible applicants as defined in subdivi-

vision 2. Grant amounts may not exceed \$3 per actual pupil unit in the district or group of districts in the prior school year. Grant recipients should be geographically distributed throughout the state.

Subd. 4. **GRANT PROCEEDS.** A successful applicant shall use the grant money to develop and implement or to continue a violence prevention program according to the terms of the grant application.

Sec. 36. Minnesota Statutes 1992, section 127.27, subdivision 5, is amended to read:

Subd. 5. "Expulsion" means an action taken by a school board to prohibit an enrolled pupil from further attendance for a period that shall not extend beyond the an amount of time equal to one school year from the date a pupil is expelled.

Sec. 37. Minnesota Statutes 1992, section 127.31, is amended by adding a subdivision to read:

Subd. 15. ADMISSION OR READMISSION PLAN. A school board may prepare and enforce an admission or readmission plan for any pupil who is suspended, excluded or expelled from school. The plan may include measures to improve the pupil's behavior and require parental involvement in the admission or readmission process, and may indicate the consequences to the pupil of not improving the pupil's behavior.

Sec. 38. Minnesota Statutes 1992, section 127.38, is amended to read:

**127.38 POLICIES TO BE ESTABLISHED.**

(a) The commissioner of education shall promulgate guidelines to assist each school board. Each school board shall establish uniform criteria for dismissal and adopt policies and rules in writing to effectuate the purposes of sections 127.26 to 127.39. The policies will emphasize the prevention of dismissal action through early detection of problems. The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period and help prepare the pupil for readmission.

(b) The commissioner shall actively encourage and assist school districts to cooperatively establish alternative learning programs that offer instruction to pupils who are dismissed from school for willfully engaging in dangerous, disruptive, or violent behavior, including for possessing a firearm in a school zone.

Sec. 39. Minnesota Statutes 1992, 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:

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(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; special education for handicapped children; 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. 40. Laws 1993, chapter 224, article 4, section 44, subdivision 6, is amended to read:

Subd. 6. **ADULT GRADUATION AID.** For adult graduation aid:

\$1,827,000	.....	1994
<del>\$1,986,000</del>	<u>\$2,195,000</u>	..... 1995

The 1994 appropriation includes \$204,000 for 1993 and \$1,623,000 for 1994.

The 1995 appropriation includes \$286,000 for 1994 and ~~\$1,700,000~~ \$1,909,000 for 1995.

In the event that the appropriation in either year is insufficient, the adult graduation aid paid to a school district and to a higher education institution shall be prorated equally.

Sec. 41. Laws 1993, chapter 224, article 4, section 44, subdivision 20, is amended to read:

Subd. 20. **LOCAL COLLABORATIVES.** (a) For grants to local collaboratives according to section 43, subdivisions 2 and 3:

\$5,000,000	.....	1994
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\$1,500,000 is for collaborative planning grants.

Up to \$130,000 of the sum listed above is for the legislative coordinating commission for purposes of carrying out the responsibilities under Minnesota Statutes, section 3.873.

Up to \$400,000 is for the office of strategic and long-range planning for development of a statewide children's service database and for staffing the children's cabinet.

Any portion of this sum not spent on planning grants shall be used for implementation grants.

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\$3,500,000 is for collaborative implementation grants.

(b) Of the appropriation, \$150,000 is for grants targeted to assist in providing collaborative children's library service programs. To be eligible, a family services or community-based collaborative planning or implementation grant recipient must collaborate with at least one public library and one child or family organization. The public library must involve the regional public library system and multitype library system to which it belongs in the planning and provide for an evaluation of the program.

(c) The amounts appropriated under this subdivision do not cancel but are available until June 30, 1996.

#### Sec. 42. EFFECTIVE DATES.

Section 24 is effective for revenue for fiscal year 1995 and thereafter. Section 41 is effective the day following final enactment.

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### ARTICLE 5

#### FACILITIES

Section 1. Minnesota Statutes 1993 Supplement, section 124.243, subdivision 8, is amended to read:

Subd. 8. **FUND TRANSFERS.** (a) Money in the account for capital expenditure facilities revenue must not be transferred into any other account or fund, except as specified in this subdivision.

(b) The school board may, by resolution, transfer money into the debt redemption fund to pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475.

(c) Each fiscal year, if a district does not have any obligations outstanding under chapter 475, has not levied under section 124.239, subdivision 3 or 5, and has not received revenue under section 124.83, a school board may use up to one-third of its capital expenditure facilities revenue for equipment uses under section 124.244.

(d) Notwithstanding paragraph (c), a school board may transfer all or a part of its capital expenditure facilities revenue to its capital expenditure equipment account if:

(1) the district has only one facility and that facility is less than ten years old; or

(2) the district receives approval from the commissioner to make the transfer.

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(d) (e) In considering approval of a transfer under paragraph (e) (d), clause (2), the commissioner must consider the district's facility needs.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.244, subdivision 1, is amended to read:

Subdivision 1. **REVENUE AMOUNT.** (a) For fiscal years ~~1994 and year~~ 1995, the capital expenditure equipment revenue for each district equals ~~\$63~~ \$66 times its actual pupil units for the school year.

(b) For fiscal years 1996 and later, the capital expenditure equipment revenue for each district equals ~~\$68~~ \$69 times its actual pupil units for the school year.

(c) Of a district's capital expenditure equipment revenue, \$3 times its actual pupil units for the school year shall be reserved and used according to subdivision 4, paragraph (b).

Sec. 3. Minnesota Statutes 1992, section 124.244, subdivision 4, is amended to read:

Subd. 4. **USES OF REVENUE.** (a) Capital expenditure equipment revenue may be used only for the following purposes:

(1) to pay capital expenditure equipment related assessments of any entity formed under a cooperative agreement between two or more districts;

(2) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;

(3) to purchase or lease assistive technology or equipment for instructional programs;

(4) to purchase textbooks;

(5) to purchase new and replacement library books; and

(6) to purchase vehicles except those for which a levy is authorized under section 124.226, subdivision 6.

(b) The reserved capital expenditure equipment revenue shall only be used to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(1) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(2) managing student assessment, services, and achievement information required for students with individual education plans; and

(3) other classroom information management needs.

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

(c) The equipment obtained with reserved revenue shall be utilized, to the greatest extent possible given available funding, on a per instructor or per classroom basis. A school district may supplement its reserved revenue with other capital expenditure equipment revenue, and cash and in-kind grants from public and private sources.

Sec. 4. Minnesota Statutes 1992, section 124.46, subdivision 3, is amended to read:

Subd. 3. The commissioner of finance shall maintain a separate school loan bond account in the state bond fund, showing all money transferred to that fund for the payment of school loan bonds and all income received from the investment of such money. On the first day of December in each year there shall be transferred to the bond account all or so much of the money then on hand in the loan repayment account in the maximum effort school loan fund as will be sufficient, with the balance then on hand in said bond account, to pay all principal and interest then and theretofore due and to become due within the next ensuing year and to and including July 1 in the second ensuing year on school loan bonds issued and sold pursuant to this section. In the event that moneys are not available for such transfer in the full amount required, ~~the state auditor shall levy on all taxable property within the state a tax sufficient to meet the deficiency. Such tax shall be and remain subject to no limitation of rate or amount until all school loan bonds and all interest thereon are fully paid. The proceeds of this tax are hereby irrevocably appropriated and shall be credited to the state bond fund; but the school loan bond account is appropriated as the primary source of payment of such bonds and interest, and only so much of said tax as may be necessary is appropriated for this purpose; and if any principal or interest on school loan bonds should become due at any time when there is not on hand a sufficient amount from any of the sources herein appropriated for the payment thereof, it~~ the moneys shall nevertheless be paid out of the general fund in the state treasury according to section 16A.641, and the amount necessary therefor is hereby appropriated; but any such payments shall be reimbursed from the proceeds of taxes levied as required herein; and any such payments made from taxes shall be reimbursed from the loan repayment account in the maximum effort school loan fund, when the balance therein is sufficient.

Sec. 5. Minnesota Statutes 1992, section 124.84, is amended by adding a subdivision to read:

Subd. 4. LEVY AUTHORITY IN COMBINED DISTRICTS. Notwithstanding subdivision 3, a district that has combined or consolidated may levy up to 50 percent times \$300,000 times the number of former districts that operated on June 30, 1991, in the area that now makes up the combined or consolidated district. The approved amount is reduced by any amount levied under subdivision 3 in the consolidated or combined district or in the former districts that make up the consolidated or combined district. Levy authority under this subdivision expires at the same time as levy authority under subdivision 3.

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Sec. 6. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** The definitions in this subdivision apply to this section.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

(1) insulation of the building structure and systems within the building;

(2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) automatic energy control systems;

(4) heating, ventilating, or air conditioning system modifications or replacements;

(5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) energy recovery systems;

(7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ~~25~~ 15 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

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(d) "Commissioner" means the commissioner of public service.

Sec. 7. Minnesota Statutes 1992, section 124.85, subdivision 2, is amended to read:

Subd. 2. **ENERGY EFFICIENCY CONTRACT.** (a) Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

(b) Before entering into a contract under this subdivision, the board shall ~~provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.~~

~~Before installation of equipment, modification, or remodeling, comply with clauses (1) to (5).~~

(1) The board shall seek proposals from multiple qualified providers by publishing notice of the proposed guaranteed energy savings contract in the board's official newspaper and in other publications if the board determines that additional publication is necessary to notify multiple qualified providers.

(2) The school board shall select the qualified provider that best meets the needs of the board. The school board shall provide public notice of the meeting at which it will select the qualified provider.

(3) The contract between the board and the qualified provider must describe the methods that will be used to calculate the costs of the contract and the operational and energy savings attributable to the contract.

(4) The qualified provider shall first issue a report; ~~summarizing estimates to the board giving a description~~ of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and ~~estimates giving detailed calculations~~ of the amounts by which energy or operating costs will be reduced ~~and the projected payback schedule in years.~~

(5) The board shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Sec. 8. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 2a. EVALUATION BY COMMISSIONER. Upon request of the school board, the commissioner of public service shall review the report required in subdivision 2 and provide an evaluation to the board on the proposed contract within 15 working days of receiving the report. In evaluating the proposed contract, the commissioner shall determine whether the detailed calcu-

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

lations of the costs and of the energy and operating savings are accurate and reasonable. The commissioner may request additional information about a proposed contract as the commissioner deems necessary. If the commissioner requests additional information, the commissioner shall not be required to submit an evaluation to the board within fewer than ten working days of receiving the requested information.

Sec. 9. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 2b. REVIEW OF SAVINGS UNDER CONTRACT. Upon request of the school board, the commissioner shall conduct a review of the energy and operating cost savings realized under a guaranteed energy savings contract every three years during the period a contract is in effect. The commissioner shall compare the savings realized under the contract during the period under review with the calculations of savings included in the report required under subdivision 2 and provide an evaluation to the board concerning the performance of the system and the accuracy and reasonableness of the claimed energy and operating cost savings.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 4, is amended to read:

Subd. 4. **DISTRICT ACTION.** A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report and the commissioner's evaluation if requested, # the board finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ~~25~~ 15 years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ~~25~~ 15 years. Notwithstanding section 121.912, a district annually may transfer from the general fund to the capital expenditure fund an amount up to the amount saved in energy and operation costs as a result of guaranteed energy savings contracts.

Sec. 11. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 5, is amended to read:

Subd. 5. **INSTALLATION CONTRACTS.** A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than ~~1/25~~ 1/15 of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ~~25-year~~ 15-year term from the date of the first operation.

Sec. 12. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

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**Subd. 7. PUBLIC INFORMATION.** A guaranteed energy savings contract must provide that all work plans and other information prepared by the qualified provider in relation to the project, including a detailed description of the project, are public data after the contract is entered into, except information defined as trade secret information under section 13.37, subdivision 1, shall remain nonpublic data.

Sec. 13. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 3, is amended to read:

**Subd. 3. POST-JUNE 1992 LEASE PURCHASE, INSTALLMENT BUYS.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

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



(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

(g) For the purposes of this subdivision, any references in subdivision 1 to building or land shall be deemed to include personal property.

Sec. 14. Minnesota Statutes 1993 Supplement, section 124.95, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) For purposes of this section, the eligible debt service revenue 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 for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, lease purchase payments under section 124.91, subdivisions 2 and 3, minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 124.2445;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or northeast Minnesota economic protection trust; ~~and~~

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24; and

(4) obligations under section 124.2455.

(c) For purposes of this section, if a preexisting school district reorganized under section 122.22, 122.23, or 122.241 to 122.248 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting school districts.

Sec. 15. Minnesota Statutes 1992, section 124.95, subdivision 4, is amended to read:

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

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the district for the school year ending in the year prior to the year the levy is certified; to

(2) 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Sec. 16. Minnesota Statutes 1992, section 475.61, subdivision 4, is amended to read:

Subd. 4. **SURPLUS FUNDS.** (a) All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of which levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality. However, the amount of any surplus remaining in the debt service fund of a school district when the obligations and interest thereon are paid shall be used to reduce the general education levy authorized pursuant to section 124A.23 and the state aids authorized pursuant to chapters 124, 124A, and 273.

(b) The reduction to state aids equals the lesser of (1) the amount of the surplus times the ratio of the district's debt service equalization aid to the district's debt service equalization revenue for the last year that the district qualified for debt service equalization aid; or (2) the district's cumulative amount of debt service equalization aid.

(c) The reduction to the general education levy equals the total amount of the surplus minus the reduction to state aids.

Sec. 17. Laws 1992, chapter 499, article 11, section 9, is amended to read:

Sec. 9. **LAND TRANSFER.**

Subdivision 1. **PERMITTED.** (a) Notwithstanding Minnesota Statutes, chapters 94 and 103F or any other law to the contrary, the state of Minnesota may convey the land described in paragraph (b) to independent school district No. 656, Faribault.

(b) The land which may be conveyed under paragraph (a) is legally described in general as follows:

All that part of the Southeast Quarter of the Southwest Quarter (SE 1/4 of SW 1/4) and all that part of the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4), all in Section 29, Township 110 North, Range 20 West, in the City of Faribault, Rice County, Minnesota, owned by the state of Minnesota or any department or division thereof.

or

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All that part of the Northwest Quarter of the Southwest Quarter (NW 1/4 of SW 1/4) of Section 28, and of the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) of Section 29, all in Township 110 North, Range 20 West, Rice County, Minnesota, owned by the State of Minnesota or any department or division thereof.

(c) A more precise legal description in substantial conformance with the description in paragraph (b) must be provided by the grantee in the instruments of conveyance. Both the precise legal descriptions and the instruments of conveyance must be approved as to form by the attorney general.

Subd. 2. **CONSIDERATION.** The consideration for the conveyance permitted by subdivision 1 is the amount at which the parcel or parcels are appraised by a qualified state appraiser who is appointed by agreement of the parties of \$1.

Subd. 3. **APPROPRIATION.** The proceeds of the sale are appropriated to the department of education for the use of the state academies for whose account the sale is made and may be used for capital improvements at the academies.

Subd. 4. **PURPOSE.** The land permitted to be conveyed under subdivision 1 is to be used as part of a site for an elementary school.

Subd. 4. **TITLE REVERTS TO STATE.** If the lands described in subdivision 1 are not used for a public purpose, or upon discontinuance of such use, the title for the property shall revert to the state.

Sec. 18. Laws 1993, chapter 224, article 5, section 43, is amended to read as follows:

Sec. 43. **EXCEPTION TO LEASE LIMIT LEASE SPACE; EDUCATIONAL PURPOSES.**

Subdivision 1. LEASE SPACE; BONDS. The city of Rollingstone may issue revenue bonds in accordance with Minnesota Statutes, chapter 475, except as otherwise provided in this section, to finance the acquisition, construction, and equipping of a facility to be leased for educational purposes.

Subd. 2. **EXCEPTION TO LEASE LIMIT.** Notwithstanding any law to the contrary, independent school district No. 861, Winona, may enter into an agreement, for the number of years stated in the agreement, with the city of Rollingstone to lease space for educational purposes.

Subd. 3. **PAYMENTS; LEVY.** (a) The payments required to be made by the district under the agreement described in subdivision 2 are fixed for the term of the agreement, except as otherwise provided therein. Upon approval of the agreement described in subdivision 2 by the commissioner of education and the district, the district may shall levy for as many years as required under the

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agreement a tax in the amount and at the times necessary to make payments required by the agreement in accordance with Minnesota Statutes, section 475.61. The payments shall be a general obligation of the district and are not subject to Minnesota Statutes, section 475.58.

(b) To obtain approval for the agreement described in subdivision 2 from the commissioner, the district must demonstrate substantial collaboration with the city in the use of the facility. The city must also agree to contribute \$100,000 toward the cost of the education portion of the facility. The amount of the levy shall be annually included in the district's debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of determining the district's debt service equalization aid.

Sec. 19. Laws 1993, chapter 224, article 5, section 46, subdivision 2, is amended to read:

Subd. 2. **CAPITAL EXPENDITURE FACILITIES AID.** For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:

<del>\$73,290,000</del>	<u>\$73,390,000</u>	.....	1994
<del>\$75,980,000</del>	<u>\$76,198,000</u>	.....	1995

The 1994 appropriation includes \$10,730,000 for 1993 and ~~\$62,560,000~~ \$62,660,000 for 1994.

The 1995 appropriation includes ~~\$11,040,000~~ \$11,058,000 for 1994 and ~~\$64,940,000~~ \$65,140,000 for 1995.

Sec. 20. Laws 1993, chapter 224, article 5, section 46, subdivision 3, is amended to read:

Subd. 3. **CAPITAL EXPENDITURE EQUIPMENT AID.** For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

<del>\$36,049,000</del>	<u>\$36,098,000</u>	.....	1994
<del>\$37,390,000</del>	<u>\$38,998,000</u>	.....	1995

The 1994 appropriation includes \$5,279,000 for 1993 and ~~\$30,720,000~~ \$30,819,000 for 1994.

The 1995 appropriation includes ~~\$5,430,000~~ \$5,439,000 for 1994 and ~~\$31,960,000~~ \$33,559,000 for 1995.

Sec. 21. Laws 1993, chapter 224, article 5, section 46, subdivision 4, is amended to read:

Subd. 4. **HEALTH AND SAFETY AID.** (a) For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,260,000	.....	1994
\$18,924,000	.....	1995

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The 1994 appropriation includes \$1,256,000 for 1993 and \$10,004,000 for 1994.

The 1995 appropriation includes \$1,694,000 for 1994 and \$17,230,000 for 1995.

(b) \$400,000 in fiscal year 1994 and \$400,000 in fiscal year 1995 is for health and safety management assistance contracts under section 24.

(c) \$60,000 of each year's appropriation shall be used to contract with the state fire marshal to provide services under Minnesota Statutes, section 121.502. This amount is in addition to the amount for this purpose in article 11.

(d) For fiscal year 1995, the sum of total health and safety revenue and levies under section 3 may not exceed \$64,000,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. In addition to the criteria developed by the state board of education, for any health and safety revenue authority that is redistributed, the commissioner shall place highest priority on asbestos abatement and removal projects in cases where school districts will lose federal funds or federal loans if the projects are not started or continued in fiscal year 1995 and second highest priority on fire code compliance projects for special school district No. 6, South St. Paul. The commissioner may request documentation as necessary from school districts for the purpose of reestablishing health and safety revenue priorities.

(e) Notwithstanding section 124.14, subdivision 7, the commissioner of education, with the approval of the commissioner of finance, may transfer a projected excess in the appropriation for health and safety aid for fiscal year 1995 to the appropriation for debt service aid for the same fiscal year. The projected excess amount ~~and~~, the projected deficit in the appropriation for debt service aid, and the amount of the transfer must be determined ~~and the transfer made~~ as of November 1, ~~1994~~ 1993. The projections and the amount of the transfer may be revised to reflect corrected data as of June 1, 1994. The transfer must be made as of July 1, 1994. The amount of the transfer is limited to the lesser of the projected excess in the health and safety appropriation or the projected deficit in the appropriation for debt service aid. Any transfer must be reported immediately to the education committees of the house of representatives and senate.

**Sec. 22. NASHWAUK-KEEWATIN; HEALTH AND SAFETY REVENUE.**

Notwithstanding the revenue limitation in Laws 1991, chapter 265, article 5, section 24, subdivision 4, for independent school district No. 319, Nashwaug-Keewatin, the full amount of authority for health and safety projects approved by the commissioner of education may be expended in fiscal year 1993, 1994, or 1995.

**Sec. 23. NASHWAUK-KEEWATIN; HEALTH AND SAFETY REVENUE USE VARIANCE.**

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Notwithstanding Minnesota Statutes, section 124.83, subdivision 6, upon approval of the commissioner of education, independent school district No. 319, Nashwauk-Keewatin, may use its health and safety revenue in fiscal years 1994 and 1995 to relocate its vocational center to a Nashwauk-Keewatin high school garage.

**Sec. 24. CASS LAKE; CAPITAL LOAN CONTRACT DEADLINE EXTENSION.**

Notwithstanding Minnesota Statutes 1993 Supplement, section 124.431, subdivision 1, for a capital loan granted to independent school district No. 115, Cass Lake, contracts must be entered into within 42 months after the date on which the loan is granted.

**Sec. 25. FLOODWOOD.**

Subdivision 1. HEALTH AND SAFETY REVENUE EXPENDITURE. Notwithstanding Minnesota Statutes, section 124.83, subdivision 6, independent school district No. 698, Floodwood, may expend health and safety revenue for the construction of new facilities.

Subd. 2. FUND TRANSFER. Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 124.243, subdivision 8, or any other law, independent school district No. 698, Floodwood, may permanently transfer any amount from its health and safety and facilities accounts in its capital expenditure fund to its building construction fund.

Subd. 3. DATE OF TRANSFER. Independent school district No. 698, Floodwood, may make the fund transfer according to subdivision 2 only after the school district has held a successful referendum for the sale of bonds according to the provisions of Minnesota Statutes, chapter 475.

**Sec. 26. INDEPENDENT SCHOOL DISTRICT NO. 518, WORTHINGTON.**

Subdivision 1. BOND AUTHORITY. To provide funds for the construction of facilities to meet the educational and residential needs of adolescents attending the Lakeview school for whom independent school district No. 518, Worthington, has the responsibility of providing services, independent school district No. 518, Worthington, may, by two-thirds majority plus one vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1994 and 1995 as provided in this section. The aggregate principal amount of any bonds issued under this section for calendar years 1994 and 1995 may not exceed \$2,600,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. If the school board proposes to issue bonds under this section, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the county of Nobles. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after

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the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to ten percent of the people registered to vote in the last general election in the school district is filed with the recording officer. If a petition is filed, no bonds shall be issued under this section unless authorized by a majority of the electors voting on the question at the next general or special election called to decide the issue. 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 commissioner of education shall not approve the sale of bonds by independent school district No. 518, Worthington, until the school district can demonstrate to the commissioner's satisfaction that appropriate department of human services approval, including licensure, will be granted.

Subd. 2. DEBT SERVICE. Independent school district No. 518, Worthington, shall include the yearly debt service amounts in its required debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of receiving debt service equalization aid. The district may add the portion of the debt service levy remaining after equalization aid is paid to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. If, for any reason, the receipt of payments from resident districts and debt service equalization aid attributable to this debt service is not sufficient to make the required debt service payments, the district may levy under subdivision 3.

Subd. 3. LEVY AUTHORITY. To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 518, Worthington, shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay any portion of the principal of and interest on the bonds that is not paid through the receipt of debt service equalization aid and tuition payments under subdivision 2. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

#### Sec. 27. INCREASE IN AUTHORIZATION.

Notwithstanding any other law to the contrary, the approved amount of indebtedness authorized by the electors of independent school district No. 38, Red Lake, on December 10, 1991, may be increased by resolution of the board of directors of independent school district No. 38, Red Lake, from \$9,926,070 to an amount not to exceed \$10,075,000.

#### Sec. 28. 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 indicated.

Subd. 2. PLANNING GRANT. For a grant to independent school district

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Nos. 325, Lakefield; 328, Sioux Valley; 330, Heron Lake-Okabena; 513, Brewster; and 516, Round Lake acting as a joint powers agreement:

\$100,000 ..... 1995

The grant is to cover costs associated with planning for facility needs for a combined district. The facilities must provide for the location of a significant number of noneducational student and community service programs within the facility.

**Subd. 3. COLLABORATION PLANNING GRANT, EAST CENTRAL SCHOOL.** For a planning grant to independent school district No. 2580, East Central, to plan for a facility to house an area learning center and a family and children's service center for northern Pine county:

\$50,000 ..... 1994

This appropriation is available until June 30, 1995.

The department must provide technical assistance. The planning must address facility size and location, methods of financing, and the types of services that would be provided. The local governments planning this facility must provide a match of \$1 for every \$2 of this appropriation. The local match may be in-kind resources.

**Subd. 4. PLANNING GRANT; ELEMENTARY SCHOOL.** For a grant and administrative expenses to facilitate a joint elementary facility for independent school district Nos. 622, North St. Paul-Maplewood; 833, South Washington County; and 834, Stillwater.

\$100,000 ..... 1995

The planning grant must be used to plan a joint elementary facility that is continuous progress, performance-based, collaboratively developed, and operated year-round. The districts must report to the education committees of the legislature on the progress of the project by March 1, 1995.

#### Sec. 29. EFFECTIVE DATE.

Section 24 is effective retroactive to July 1, 1993. Sections 13; 18 to 21; 27; and 28 are effective the day following final enactment. Section 1 is effective July 1, 1995.

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## ARTICLE 6

## EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1993 Supplement, section 121.931, subdivision 5, is amended to read:

Subd. 5. **SOFTWARE DEVELOPMENT.** The commissioner shall provide for the development of applications software for ESV-IS and SDE-IS. The commissioner may charge school districts or ~~regional organizations~~ cooperative units for the actual cost of software development used by the district or ~~regional entity~~ cooperative unit. Any amount received is annually appropriated to the department of education for this purpose. A school district or cooperative unit may not implement a payroll, student, or staff software system after June 30, 1994, until the system has been reviewed by the department to ensure that it provides the required data elements and format.

Sec. 2. Minnesota Statutes 1992, 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 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 obligation. The district is not liable for any additional outstanding regional obligations that 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.~~

Sec. 3. Minnesota Statutes 1992, section 122.23, subdivision 6, is amended to read:

Subd. 6. The state board commissioner shall, upon receipt of a plat, forthwith examine it and approve, modify or reject it. The state board commissioner shall also approve or reject any proposal contained in the resolution or petition regarding the disposition of the bonded debt of the component districts. If the plat shows the boundaries of proposed separate election districts and if the state board commissioner modifies the plat, the state board commissioner shall also modify the boundaries of the proposed separate election districts. ~~Prior thereto the state board or a member thereof or The commissioner or assistant commissioner as designated by the state board shall conduct a hearing at the nearest county seat in the area upon reasonable notice to the affected districts and county boards if requested within 20 days after submission of the plat. Such a~~

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hearing may be requested by the board of any affected district, a county board of commissioners, or the petition of 20 resident voters living within the area proposed for consolidation. The ~~state board~~ commissioner shall endorse on the plat ~~its~~ action regarding any proposal for the disposition of the bonded debt of component districts and ~~its~~ the reasons for ~~its~~ these actions and within 60 days of the date of the receipt of the plat, ~~it~~ the commissioner shall return it to the county auditor who submitted it. The ~~state board~~ commissioner shall furnish a copy of that plat, and the supporting statement and its endorsement to the auditor of each county containing any land area of the proposed new district. If land area of a particular county was included in the plat, as submitted by the county auditor, and all of such land area is excluded in the plat as modified and approved, the ~~state board~~ commissioner shall also furnish a copy of the modified plat, supporting statement, and ~~its~~ any endorsement to the auditor of such county.

Sec. 4. Minnesota Statutes 1992, section 122.23, subdivision 8, is amended to read:

Subd. 8. The board of any independent district maintaining a secondary school, the board of any common district maintaining a secondary school, all or part of whose land is included in the proposed new district, shall, within 45 days of the approval of the plat by the ~~state board~~ commissioner, either adopt or reject the plan as proposed in the approved plat. If the board of any such district entitled to act on the petition rejects the proposal, the proceedings are terminated and dismissed. If any board fails to act on the plat within the time allowed, the proceedings are terminated.

Sec. 5. Minnesota Statutes 1992, section 122.23, subdivision 10, is amended to read:

Subd. 10. If an approved plat contains land area in any district not entitled to act on approval or rejection of the plat by action of its board, the plat may be approved by the residents of the land area within 60 days of approval of plat by the ~~state board~~ commissioner in the following manner:

A petition calling upon the county auditor to call and conduct an election on the question of adoption or rejection of the plat may be circulated in the land area by any person residing in the area. Upon the filing of the petition with the county auditor, executed by at least 25 percent of the eligible voters in each district or part of a district contained in the land area, the county auditor shall forthwith call and conduct a special election of the electors resident in the whole land area on the question of adoption of the plat. For the purposes of this section, the term "electors resident in the whole land area" means any person residing on any remaining portion of land, a part of which is included in the consolidation plat. Any eligible voter owning land included in the plat who lives upon land adjacent or contiguous to that part of the voter's land included in the plat shall be included and counted in computing the 25 percent of the eligible voters necessary to sign the petition and shall also be qualified to sign the peti-

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tion. Failure to file the petition within 60 days of approval of the plat by the ~~state board commissioner~~ terminates the proceedings.

Sec. 6. Minnesota Statutes 1992, section 122.23, subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the school board shall, within ten days of the election, notify the county auditor who shall, within ten days of the notice or of the expiration of the period during which an election can be called, issue an order setting a date for the effective date of the change. The effective date shall be July 1 of an ~~odd-numbered year, unless an even-numbered year is agreed upon according to subdivision 13a~~ the year determined by the school board in the original resolution adopted under subdivision 2. The auditor shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. The school board shall similarly notify the county auditor if the election fails. The proceedings are then terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected.

Sec. 7. Minnesota Statutes 1992, section 122.23, is amended by adding a subdivision to read:

Subd. 20. RETIREMENT INCENTIVES. (a) For consolidations effective July 1, 1994, and thereafter, a school board of a district may offer early retirement incentives to licensed and nonlicensed staff. The early retirement incentives that the board may offer are:

(1) the payment of employer pension plan contributions for a specified period of allowable service credit for district employees who have at least ten years of allowable service credit in the applicable pension plan under paragraph (b);

(2) an extended leave of absence for an eligible employee under section 125.60;

(3) severance payment incentives under paragraph (c); and

(4) the employer payment of the premiums for continued health insurance coverage under paragraph (d).

These incentives may only be offered to employees who terminate active employment with the school district or who enter into an extended leave of absence as a result of the consolidation, whichever applies. The board may determine the staff to whom the incentives are offered. Unilateral implementation of this section by a school board is not an unfair labor practice under chapter 179A.

(b) An employee with at least ten years of allowable service credit in the

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applicable pension plan who is offered an early retirement incentive under paragraph (a), clause (1), may purchase up to five additional years of allowable service credit from the applicable pension plan. To do so, the former employee must pay the member contributions to the pension plan annually in a manner and in accord with a schedule specified by the executive director of the applicable fund. If the former employee makes the member contribution, the board shall make the applicable employer contribution. The salary used to determine these contributions is the salary of the person in the last year that the former employee was employed by the district. During the period of continuing member and employer contributions, the person is not considered to be an active member of the applicable pension plan, is not eligible for any active member disability or survivorship benefit coverage, and is not included in any postemployment termination benefit plan changes unless the applicable benefit legislation provides otherwise. Continued eligibility to purchase service credit under this paragraph expires if the person is subsequently employed during the service purchase period by a public employer with retirement coverage under a pension plan specified in section 356.30, subdivision 3.

(c) Severance payment incentives must conform with sections 465.72, 465.721, and 465.722.

(d) The board may offer a former employee continued employer-paid health insurance coverage. Coverage may not extend beyond age 65 or the end of the first month in which the employee is eligible for employer-paid health insurance coverage from a new employer. For purposes of this subdivision, "employer-paid health insurance coverage" means medical, hospitalization, or health insurance coverage provided through an insurance company that is licensed to do business in the state and for which the employing unit pays more than one-half of the cost of the insurance premiums.

(e) A school board may offer these incentives beginning on the day that the consolidation is approved under section 122.23, subdivision 12 or, if an election is not called under section 122.23, subdivision 9 or 10, on the day that the plat is approved by the commissioner. A board may offer these incentives until the June 30 following the effective date of the consolidation.

Sec. 8. Minnesota Statutes 1992, section 122.531, subdivision 9, is amended to read:

**Subd. 9. LEVY FOR SEVERANCE PAY OR EARLY RETIREMENT INCENTIVES.** The school board of a newly created or enlarged district, to which part or all of a dissolved district was attached according to section 122.22 or 122.23, may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the dissolution or consolidation, if the commissioner of education approves the incentives and the amount to be levied. The amount may be levied over a period of up to five years and shall be spread in whole or in part on the property of a preexisting district or the newly created or enlarged district, as determined by the school board of the newly created or enlarged district.

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Sec. 9. Minnesota Statutes 1992, section 122.533, is amended to read:

**122.533 EXPENSES OF TRANSITION.**

The newly elected board of a newly created district pursuant to section ~~122.23~~ or the board of a district to which a dissolved district is attached pursuant to section 122.22, may, for the purpose of paying the expenses of negotiations and other administrative expenses relating to the transition, enter into agreements with banks or any person to take its orders at any rate of interest not to exceed seven percent per annum. These orders shall be paid by the treasurer of the district from district funds after the effective date of the ~~consolidation or~~ dissolution and attachment. Notwithstanding the provisions of sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, 124.918, and 136C.411, the district may, in the year the ~~consolidation or~~ dissolution and attachment becomes effective, levy an amount equal to the amount of the orders issued pursuant to this subdivision and the interest on these orders. No district shall issue orders for funds or make a levy pursuant to this subdivision without the commissioner's approval of the expenses to be paid with the funds from the orders and levy.

**Sec. 10. [122.98] COOPERATIVE UNIT INSURANCE POOLS.**

Any cooperative unit defined in section 123.35, subdivision 19b, that directly manages a health insurance pool or provides health insurance coverage through an insurance pool as a service to members must create a labor-management committee representative of the groups covered by the pool to advise the governmental unit on management matters of the coverage.

Sec. 11. Minnesota Statutes 1992, section 123.35, subdivision 19a, is amended to read:

Subd. 19a. **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 membership in any cooperative unit defined in subdivision 19b, paragraph (d),~~ to participate in or provide financial support for the purposes of the agreement for a time period in excess of one fiscal year, or the time period set forth in this subdivision. 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 July 1, 1993. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, 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.

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(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~~, except that for a member of an education district organized under sections 122.91 to 122.95 or an intermediate district organized under chapter 136D, cessation or withdrawal shall be effective June 30 of the following fiscal year. At the option of the school board, cessation or withdrawal may be effective June 30 of the following fiscal year for a district participating in any type of agreement.

(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 sections 122.895, 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
- (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 July 1, 1993, 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

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total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 12. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 19b. WITHDRAWING FROM COOPERATIVE. If a school district withdraws from a cooperative unit defined in paragraph (d), the distribution of assets and assignment of liabilities to the withdrawing district shall be determined according to this subdivision.

(a) The withdrawing district remains responsible for its share of debt incurred by the cooperative unit according to subdivision 19a. The school district and cooperative unit may mutually agree, through a board resolution by each, to terms and conditions of the distribution of assets and the assignment of liabilities.

(b) If the cooperative unit and the school district cannot agree on the terms and conditions, the commissioner of education shall resolve the dispute by determining the district's proportionate share of assets and liabilities based on the district's enrollment, financial contribution, usage, or other factor or combination of factors determined appropriate by the commissioner. The assets shall be disbursed to the withdrawing district in a manner that minimizes financial disruption to the cooperative unit.

(c) Assets related to an insurance pool shall not be disbursed to a member district under paragraph (b) of this section.

(d) For the purposes of this section, a cooperative unit is:

(1) an education district organized under sections 122.91 to 122.95;

(2) a cooperative vocational center organized under section 123.351;

(3) an intermediate district organized under chapter 136D;

(4) an educational cooperative service unit organized under section 123.58;

(5) a regional management information center organized under section 121.935 or as a joint powers district according to section 471.59.

Sec. 13. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 21. APPEAL TO COMMISSIONER. If a cooperative unit as defined in subdivision 19b, paragraph (d), denies membership in the unit to a school district, the school district may appeal to the commissioner of education. The commissioner may require the cooperative unit to grant the district membership.

Sec. 14. Minnesota Statutes 1993 Supplement, section 123.351, subdivision 8, is amended to read:

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Subd. 8. **ADDITION AND WITHDRAWAL OF DISTRICTS.** Upon approval by majority vote of a school board, and of the center board, ~~and of the commissioner~~, 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.

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 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. 15. Minnesota Statutes 1992, section 123.58, subdivision 2, is amended to read:

Subd. 2. **ESTABLISHMENT OF EDUCATIONAL COOPERATIVE SERVICE UNITS.** (a) In furtherance of this policy, ten educational cooperative service units are ~~designated~~ established. Each unit, ~~should it become operational~~, shall be termed an educational cooperative service unit, hereafter designated as an ECSU. Geographical boundaries for each ECSU shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the regional development act of 1969, Minnesota Statutes, sections 462.381 to 462.397, with the following exceptions:

(~~i~~) (1) development regions one and two shall be combined to form a single ECSU;

(~~ii~~) (2) development regions six east and six west shall be combined to form a single ECSU;

(~~iii~~) (3) development regions seven east and seven west shall be combined to form a single ECSU.

(b) The ECSU shall cooperate with the regional development commission for the region with which its boundaries coincide but shall not be responsible to nor governed by that regional development commission.

(c) ~~The geographic location of the central administrative office of a school district shall determine the membership of the total school district in a particular ECSU. Existing school district boundaries shall not be altered as a result of this section.~~

(d) ~~Notwithstanding paragraphs (a), (b), and (c), a school district may become a full member of an ECSU other than the one in which its central administrative office is located if the district is a member of an education district or a participant in another cooperative agreement, and more than half of~~

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the member districts of the education district or participants in the cooperative agreement are members of another ECSU.

(e) Two or more identified ECSU units may, upon approval by a majority of school boards of participating school districts in each affected ECSU, be combined and administered as a single ECSU unit ~~but state assistance shall be allocated on the basis of two or more ECSU units.~~

(f) ~~The initial organization of each ECSU may occur only upon petition to the state board of education by a majority of all school districts in an ECSU. The state board of education shall, upon receipt of this petition, invite representation from all public school districts and shall encourage the participation of nonpublic school administrative units to the extent allowed by law in an ECSU at a regional meeting. The state board of education shall then assist in the necessary organizational activities for establishment of an ECSU pursuant to the requirements of this section.~~

Sec. 16. Minnesota Statutes 1992, section 123.58, subdivision 4, is amended to read:

Subd. 4. **MEMBERSHIP AND PARTICIPATION.** Full membership in an ECSU shall be limited to public school districts of the state but nonvoting associate memberships shall be available to nonpublic school administrative units within the ECSU. A school district may belong to one or more ECSUs. Participation in programs and services provided by the ECSU shall be discretionary. No school district shall be compelled to participate in these services under authority of this section. ~~However, all school districts whose central administrative offices are within that ECSU whose boundaries coincide with those of development region 11 shall participate in the planning and planning research functions of that ECSU. All of the members of an education district shall belong to the same ECSU, if any members belong to an ECSU. No planning or planning research decision of that ECSU shall be binding on these region 11 districts.~~ Nonpublic school students and personnel are encouraged to participate in programs and services to the extent allowed by law.

Sec. 17. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 6, is amended to read:

Subd. 6. **DUTIES AND POWERS OF ECSU BOARD OF DIRECTORS.** The board of directors shall have authority to maintain and operate an ECSU. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit ~~within 90 days after the filing of the initial petition with the state board of education and by June 1 of each year thereafter to the commissioner and to each participating school district~~ an annual plan which describes the objectives and procedures to be implemented in assisting in resolution of the educational needs of the ECSU. In formulating the plan the board is encouraged to consider: (1) the number of dropouts of school

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age in the ECSU area and the reasons for the dropouts; (2) existing programs within participating districts for dropouts and potential dropouts; (3) existing programs of the ECSU for dropouts and potential dropouts and (4) program needs of dropouts and potential dropouts in the area served by the ECSU.

(b) The ECSU board of directors may provide adequate office, service center, and administrative facilities by lease, purchase, gift, or otherwise, subject to the review of the commissioner as to the adequacy of the facilities proposed.

(c) The ECSU board of directors may employ a central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The board may discharge staff and personnel pursuant to provisions of law applicable to independent school districts. ECSU staff and personnel may participate in retirement programs and any other programs available to public school staff and personnel.

(d) The ECSU board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents and lay persons.

(e) The ECSU board of directors may employ service area personnel pursuant to licensure standards developed by the state board and the board of teaching.

(f) The ECSU board of directors may enter into contracts with school boards of local districts including school districts outside the ECSU area.

(g) The ECSU board of directors may enter into contracts with other public and private agencies and institutions which may include, but are not limited to, contracts with Minnesota institutions of higher education to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.

(h) The ECSU board of directors shall exercise all powers and carry out all duties delegated to it by participating local school districts under provisions of the ECSU bylaws. The ECSU board of directors shall be governed, when not otherwise provided, by the provisions of law applicable to independent school districts of the state.

(i) The ECSU board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the school districts and nonpublic school administrative units within the ECSU ~~and the commissioner~~ by September 1 of each year following the school year in which the program and services were provided.

(j) The ECSU board is encouraged to establish cooperative, working relationships with post-secondary educational institutions in the state.

Sec. 18. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 7, is amended to read:

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Subd. 7. **APPOINTMENT OF AN ADVISORY COUNCIL.** There shall be an advisory council selected to give advice and counsel to the ECSU board of directors. This council shall be composed of superintendents, central office personnel, principals, teachers, parents, and lay persons. Nonpublic school administrative units are encouraged to participate on the council to the extent allowed by law. ~~A plan detailing procedures for selection of membership in this council shall be submitted by the ECSU board of directors to the commissioner.~~

Sec. 19. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 8, is amended to read: .

Subd. 8. **EDUCATIONAL PROGRAMS AND SERVICES.** ~~Pursuant to subdivision 6, and rules of the state board of education,~~ The board of directors of each ~~operational~~ ECSU shall submit annually a plan to the public school districts and nonpublic school administrative units within the ECSU; ~~the nonpublic school administrative units, and the commissioner.~~ The plan shall identify the programs and services which are suggested for implementation by the ECSU during the following school year and shall contain components of long range planning determined by the ECSU ~~in cooperation with the commissioner and other appropriate agencies.~~ ~~The commissioner may review and recommend modification of the proposed plan and conduct ongoing program reviews.~~ These programs and services may include, but are not limited to, the following areas:

- (a) Administrative services and purchasing
- (b) Curriculum development
- (c) Data processing
- (d) Educational television
- (e) Evaluation and research
- (f) In-service training
- (g) Media centers
- (h) Publication and dissemination of materials
- (i) Pupil personnel services
- (j) Regional planning, joint use of facilities, and flexible and year-round school scheduling
- (k) Secondary, post-secondary, community, adult, and adult vocational education
- (l) Individualized instruction and services, including services for students with special talents and special needs
- (m) Teacher personnel services

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- (n) Vocational rehabilitation
- (o) Health, diagnostic, and child development services and centers
- (p) Leadership or direction in early childhood and family education
- (q) Community services
- (r) Shared time programs.

Sec. 20. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 9, is amended to read:

Subd. 9. **FINANCIAL SUPPORT FOR THE EDUCATIONAL COOPERATIVE SERVICE UNITS.** (a) Financial support for ECSU programs and services shall be provided by participating local school districts and nonpublic school administrative units with private, state and federal financial support supplementing as available. The ECSU board of directors may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district and nonpublic school administrative unit its proportionate share of any and all expenses. This share shall be based upon the extent of participation by each district or nonpublic school administrative unit and shall be in the form of a service fee. Each participating district and nonpublic school administrative unit shall remit its assessment to the ECSU board as provided in the ECSU bylaws. The assessments shall be paid within the maximum levy limitations of each participating district. No participating school district or nonpublic school administrative unit shall have any additional liability for the debts or obligations of the ECSU except that assessment which has been certified as its proportionate share or any other liability the school district or nonpublic school administrative unit ~~agrees to assume~~ assumes under section 123.35, subdivision 19b.

(b) Any property acquired by the ECSU board is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments levied by a city, county, state or political subdivision thereof. If the ECSU is dissolved, its property must be distributed to the member public school districts at the time of the dissolution.

(c) A school district or nonpublic school administrative unit may elect to withdraw from participation in the ECSU by a majority vote of its full board membership and upon compliance with the applicable withdrawal provisions of the ECSU organizational agreement. ~~Upon receipt of the withdrawal resolution reciting the necessary facts, the ECSU board shall file a certified copy with the commissioner.~~ The withdrawal shall be effective on the June 30 following receipt by the board of directors of written notification of the withdrawal ~~at least six months prior to June 30 by February 1 of the same year.~~ Notwithstanding the withdrawal, the proportionate share of any expenses already certified to the withdrawing school district or nonpublic school administrative unit for the ECSU shall be paid to the ECSU board.

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

(d) ~~Notwithstanding paragraph (c), if a member school district of an education district withdraws from an ECSU to comply with subdivision 4, the school district's withdrawal is effective on June 30, following receipt by the board of directors of the district's written notification.~~

(e) The ECSU is a public corporation and agency and its board of directors may make application for, accept and expend private, state and federal funds that are available for programs of educational benefit approved by the commissioner in accordance with rules adopted by the state board of education pursuant to chapter 14. The commissioner shall not distribute special state aid or federal aid directly to an ECSU in lieu of distribution to a school district within the ECSU which would otherwise qualify for and be entitled to this aid without the consent of the school board of that district.

~~(f)~~ (e) The ECSU is a public corporation and agency and as such, no earnings or interests of the ECSU may inure to the benefit of an individual or private entity.

Sec. 21. Minnesota Statutes 1993 Supplement, section 124.155, subdivision 1, is amended to read:

Subdivision 1. **AMOUNT OF ADJUSTMENT.** Each year state aids and credits enumerated in subdivision 2 payable to any school district, ~~education district, or secondary vocational cooperative~~ for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, ~~education district, or secondary vocational cooperative~~ recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4e,~~ minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b); ~~plus revenue recognized according to section 121.904, subdivision 4e.~~ For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4e,~~ shall not include any amount levied pursuant to sections 124.226, subdivision 9, 124.912, subdivisions 2, 3, and 5, or a successor provision only for those districts affected, 124.916, subdivisions 1 and 2, 124.918, subdivision 6, and 124A.03, subdivision 2; and Laws 1992, chapter 499, articles 1, section 20, and 6, section 36. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 22. **[124.193] PROHIBITED AID AND LEVIES.**

Unless specifically permitted in the provision authorizing an aid or a levy, cooperative units of government defined in section 123.35, subdivision 19b, paragraph (d), are prohibited from making a property tax levy or qualifying for or receiving any form of state aid.

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Sec. 23. **[124.2726] CONSOLIDATION TRANSITION REVENUE.**

Subdivision 1. ELIGIBILITY AND USE. A school district that has been reorganized under section 122.23 and has not received revenue under section 124.2725 is eligible for consolidation transition revenue. Revenue is equal to the sum of aid under subdivision 2 and levy under subdivision 3. Consolidation transition revenue may only be used according to this section. Revenue must initially be used for the payment of district costs for the early retirement incentives granted by the district under section 122.23, subdivision 20. Any revenue under subdivision 2 remaining after the payment of district costs for the early retirement incentives must be used to reduce operating debt as defined in section 121.915. Any additional aid remaining after the reduction of operating debt must be deposited in the district's general fund. Revenue received under this section shall not be included in the determination of the reduction under section 124A.26, subdivision 1.

Subd. 2. AID. Consolidation transition aid is equal to \$200 times the number of actual pupil units in the newly created district in the year of consolidation and \$100 times the number of actual pupil units in the first year following the year of consolidation. The number of pupil units used to calculate aid in either year shall not exceed 1,000.

Subd. 3. LEVY. If the aid available in subdivision 2 is insufficient to cover the costs of the district under section 122.23, subdivision 20, the district may levy the difference over a period of time not to exceed three years.

Subd. 4. NEW DISTRICTS. If a district consolidates with another district that has received consolidation transition aid within six years of the effective date of the new consolidation, only the pupil units in the district not previously reorganized shall be counted for aid purposes under subdivision 2. If two districts consolidate and both districts received aid under subdivision 2 within six years of the effective date of the new consolidation, only one quarter of the pupil units in the newly created district shall be used to determine aid under subdivision 2.

Sec. 24. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6a, is amended to read:

Subd. 6a. **DISTRICT COOPERATION REVENUE.** A district's cooperation revenue is equal to the greater of ~~\$50~~ \$67 times the actual pupil units or \$25,000.

Sec. 25. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6d, is amended to read:

Subd. 6d. **REVENUE USES.** (a) A district must place its district cooperation revenue in a reserved account and may only use the revenue to purchase goods and services from entities formed for cooperative purposes or to otherwise provide educational services in a cooperative manner.

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(b) A district that is was a member of an intermediate school district organized pursuant to chapter 136D may not access revenue under this section on July 1, 1994, must place its district cooperation revenue in a reserved account and must allocate a portion of the reserved revenue for instructional services from entities formed for cooperative services for special education programs and secondary vocational programs. The allocated amount is equal to the levy made according to section 124.2727, subdivision 6, for taxes payable in 1994 divided by the actual pupil units in the intermediate school district for fiscal year 1995 times the number of actual pupil units in the school district in 1995. The district must use 5/11 of the revenue for special education and 6/11 of the revenue for secondary vocational education. The district must demonstrate that the revenue is being used to provide the full range of special education and secondary vocational programs and services available to each child served by the intermediate. The secondary vocational programs and service must meet the requirements established in an articulation agreement developed between the state board of education and the higher education board.

(c) A district that was not a member of an intermediate district organized under chapter 136D on July 1, 1994, must spend at least \$9 per pupil unit of its district cooperation revenue on secondary vocational programs.

Sec. 26. Minnesota Statutes 1993 Supplement, section 124.2727, is amended by adding a subdivision to read:

Subd. 9. PRORATION. (a) If the total appropriation available for district cooperation aid for any fiscal year, plus any amount transferred under section 124.14, subdivision 7, is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's district cooperation revenue according to the calculations in paragraphs (b) to (d).

(b) If there is insufficient district cooperation aid available, the department must recompute the district cooperation revenue by proportionally reducing the formula allowance and the revenue minimum to the levels that result in an aid entitlement, adjusted by the percentage in section 124.195, subdivision 10, equal to the amount available. The levy amounts must not be recomputed.

(c) A district's proration aid reduction is equal to the lesser of zero, or the difference of the existing aid calculation minus the aid amount computed for the district under paragraph (b).

(d) If a district's proration aid reduction is less than its revenue reduction, its district cooperation levy authority for the following year must be reduced by the amount of the difference between its revenue reduction and its aid reduction.

Sec. 27. [124.2728] SPECIAL CONSOLIDATION AID.

Subdivision 1. ELIGIBILITY. A school district that reorganizes under section 122.23 or sections 122.241 to 122.248 effective on or after July 1, 1994, is eligible for special consolidation aid under this section. A district may receive aid under this section for only three years.

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Subd. 2. AID CALCULATION. Special consolidation aid for a reorganized school district is calculated by computing the sum of:

(1) the difference between the total amount of early childhood family education revenue under section 124.2711 available to the districts involved in the reorganization in the fiscal year prior to the effective date of reorganization and the maximum amount of early childhood family education revenue available to the reorganized district in the current year; and

(2) the difference between the total amount of community education revenue under section 124.2713 available to the districts involved in the reorganization in the fiscal year prior to the reorganization and the maximum amount of community education revenue available to the reorganized district in the current year.

Subd. 3. AID AMOUNT. In the fiscal year that the reorganization is effective, special combination aid is equal to the aid calculated under subdivision 2 times 100 percent. In the fiscal year following the effective date of reorganization, special combination aid is equal to the aid calculated under subdivision 2 times 67 percent. In the second fiscal year following the effective date of reorganization, special combination aid is equal to the aid calculated under subdivision 2 times 33 percent.

Sec. 28. Minnesota Statutes 1993 Supplement, section 124.83, subdivision 1, is amended to read:

Subdivision 1. **HEALTH AND SAFETY PROGRAM.** To receive health and safety revenue for any fiscal year a district, ~~including an intermediate district,~~ must submit to the commissioner of education an application for aid and levy by the date determined by the commissioner. The application may be for hazardous substance removal, fire and life safety code repairs, labor and industry regulated facility and equipment violations, and health, safety, and environmental management. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost, per building, of the program by fiscal year.

Sec. 29. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 5, is amended to read:

Subd. 5. **INTERACTIVE TELEVISION.** (a) A school district with its central administrative office located within economic development region one, two, three, four, five, six, seven, eight, nine, and ten may apply to the commissioner of education for ITV revenue up to the greater of .5 percent of the adjusted net tax capacity of the district or \$25,000 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 1 shall apply to the revenue in this subdivision. In granting the approval, the commissioner must consider whether the district is maximizing efficiency through peak use and off-peak use pricing structures.

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(b) To obtain ITV revenue, a district may levy an amount not to exceed the district's ITV 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 ~~prior to the year~~ to which the levy is certified attributable; to

(2) 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

(c) A district's ITV aid is the difference between its ITV revenue and the ITV levy.

(d) The revenue in the first year after reorganization for a district that has reorganized under section 122.22, 122.23, or 122.241 to 122.247 shall be the greater of:

(1) the revenue computed for the reorganized district under paragraph (a), or

(2)(i) for two districts that reorganized, 75 percent of the revenue computed as if the districts involved in the reorganization were separate, or

(ii) for three or more districts that reorganized, 50 percent of the revenue computed as if the districts involved in the reorganization were separate.

Sec. 30. Minnesota Statutes 1993 Supplement, section 124C.60, is amended to read:

#### 124C.60 CAPITAL FACILITIES AND EQUIPMENT GRANTS FOR COOPERATION AND COMBINATION.

Subdivision 1. **ELIGIBILITY.** ~~Two or more districts that have a cooperation and combination plan approved by the state board of education consolidated under section 122.23 or combined under section 122.242 sections 122.241 to 122.248, may apply~~ are eligible for a capital facilities grant of up to \$100,000 under this section. ~~The grant must be awarded after the districts combine according to sections 122.241 to 122.248. To qualify the following criteria must be met:~~

(1) the proposed facility changes are part of the plan according to section 122.242, subdivision 10, or the plan adopted by the reorganized district according to section 124.243, subdivision 1;

(2) the changes proposed to a facility must be needed to accommodate changes in the educational program due to the reorganization;

(3) the utilization of the facility for educational programs is at least 85 percent of capacity; and

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(4) the grant will be used only to remodel or improve existing facilities.

Subd. 2. **PROCEDURES.** The state board shall establish procedures and deadlines for the grant application. The state board shall review each application and may require modifications consistent with sections 122.241 to 122.248.

Subd. 3. **USE OF GRANT MONEY.** The grant money may be used for any capital expenditures specified in section 124.243 ~~or 122.124~~, subdivision 6, clauses (4), (6), (7), (8), (9), and (10).

Sec. 31. Minnesota Statutes 1992, section 136D.281, is amended by adding a subdivision to read:

Subd. 8. EXPIRATION. The intermediate school board may not issue bonds under this section after July 1, 1994.

Sec. 32. Minnesota Statutes 1992, section 136D.741, is amended by adding a subdivision to read:

Subd. 8. EXPIRATION. The intermediate school board may not issue bonds under this section after July 1, 1994.

Sec. 33. Minnesota Statutes 1992, section 136D.88, is amended by adding a subdivision to read:

Subd. 8. EXPIRATION. The intermediate school board may not issue bonds under this section after July 1, 1994.

Sec. 34. Laws 1992, chapter 499, article 6, section 34, subdivision 2, is amended to read:

Subd. 2. The authority in subdivision 1 expires if the members of the joint school district have not combined according to Minnesota Statutes 1990, section 122.244, by July 1, ~~1996~~ 1997.

Sec. 35. Laws 1993, chapter 224, article 6, section 30, subdivision 2, is amended to read:

Subd. 2. **COOPERATION AND COMBINATION AID.** For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

<del>\$3,516,000</del>	<u>\$3,848,000</u>	.....	1994
<del>\$3,979,000</del>	<u>\$3,647,000</u>	.....	1995

The 1994 appropriation includes \$591,000 for 1993 and ~~\$2,925,000~~ \$3,257,000 for 1994.

The 1995 appropriation includes ~~\$516,000~~ \$574,000 for 1994 and ~~\$3,463,000~~ \$3,073,000 for 1995.

Sec. 36. **VERDI DEBT.**

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**Subdivision 1. REDISTRIBUTION OF VERDI ASSETS AND LIABILITIES.** The commissioner of education shall revise the initial order for the distribution of assets and liabilities issued under Minnesota Statutes, section 122.22, subdivision 20, in the dissolution of former independent school district No. 408, Verdi. The revised order shall specify that an amount equal to the sum of clauses (1) and (2) shall be distributed to independent school districts No. 404, Lake Benton, and No. 583, Pipestone, in proportion to the amount of adjusted net tax capacity in the former Verdi district that was attached to each district.

(1) the reorganization operating debt in the former Verdi district as calculated under Minnesota Statutes, section 121.915; and

(2) the cost of removing the two underground storage tanks from the school building site in the former Verdi district minus the sum of the proceeds from the sale of the site and building and reimbursements related to removing the tanks.

**Subd. 2. DISTRICTS MAY LEVY FOR DEBT.** The Lake Benton and Pipestone school districts may levy according to Minnesota Statutes, section 122.531 for the amount calculated under subdivision 1. The districts may direct the county auditors to spread the levy only upon property within the boundaries of the former Verdi school district.

**Subd. 3. AID ADJUSTMENT.** The commissioner shall subtract an amount equal to the overpayment of state aids to the former Verdi district from the Lake Benton and Pipestone school districts in proportion to the amount of adjusted net tax capacity in the former Verdi district that was attached to each district.

**Subd. 4. AID TRANSFER.** By December 31, 1995, the Pipestone school district shall transfer to the Lake Benton school district any portion of the amount calculated under subdivision 1 that is attributable to the Pipestone district and that has been paid by the Lake Benton district.

#### Sec. 37. DISTRICT COOPERATION HOLD HARMLESS AID.

For fiscal year 1995, the cooperation hold harmless aid for a district that was a member of intermediate school district No. 287 is equal to the cooperation formula allowance times the fiscal year 1994 pupil units less the district cooperation revenue for fiscal year 1995.

The cooperation formula allowance is equal to the sum of the amounts in clauses (1) to (3):

(1) the average per pupil allocation of the regional reporting subsidy grant under Minnesota Statutes 1992, section 121.935, subdivision 5, received in fiscal year 1994 by the regional management information center to which the district belonged in fiscal year 1994;

(2) the average per pupil allocation of state aid according to Laws 1993, chapter 224, article 6, section 30, subdivision 3, received by the ECSU in which the district was a full member in fiscal year 1994; and

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(3) the average per pupil allocation of the intermediate district levy certified in 1992 for taxes payable in 1993 under Minnesota Statutes, section 124.2727, subdivision 6, by the intermediate district to which the district belonged in fiscal year 1994.

**Sec. 38. FIRST YEAR OF COOPERATION SPECIFIED.**

For the purpose of receiving additional cooperation and combination aid under Minnesota Statutes, section 124.2725, subdivision 6, the first year of cooperation for independent school districts No. 427, Winsted, No. 880, Howard Lake-Waverly, No. 341, Atwater, No. 461, Cosmos, and No. 464, Grove City, is fiscal year 1995.

**Sec. 39. UNDERLEVY AND RECOGNITION.**

Notwithstanding Minnesota Statutes, section 124.2727, subdivision 6c, for district cooperation revenue for fiscal year 1995, a district's aid shall not be reduced if it does not levy the full amount permitted. Notwithstanding Minnesota Statutes, section 124.918, subdivision 6, the full amount of school district cooperation levy attributable to fiscal year 1995 shall be recognized in fiscal year 1995.

**Sec. 40. OSLO SCHOOL DISTRICT DISSOLUTION.**

If a consolidation vote under Minnesota Statutes, section 122.23, involving independent school district No. 442, Oslo, and independent school district No. 2163, Warren-Alvarado, held prior to June 1, 1994, fails in either of the districts, the Oslo district may dissolve under this section. The dissolution shall occur following the adoption of a resolution by the board calling for the dissolution and shall be effective July 1, 1994. The commissioner of education shall by order determine the plat and the allocation of property, assets, and liabilities, including any outstanding bonded indebtedness, to neighboring districts. The commissioner shall consider the best educational interests of the students in each of the districts in making the determination. The order may be amended as necessary. The commissioner shall inform the county auditors in the affected counties of the order. Any referendum levy in the district expires. The school districts to which the district is attached may levy under other provisions of law that would otherwise apply if the district had dissolved under Minnesota Statutes, section 122.22.

The school board of the district to which the dissolved district is attached may determine how a levy to eliminate reorganization debt is spread under Minnesota Statutes, section 122.531, subdivision 4a, paragraph (b). Notwithstanding Minnesota Statutes, section 122.531, subdivision 2, referendum revenue in the enlarged district does not cancel unless otherwise scheduled to expire. The commissioner shall recompute the referendum tax rate or per pupil amount, as applicable, to raise the same amount of revenue in the enlarged district as would have been raised had the dissolution not occurred. Minnesota Statutes, sections 122.531, subdivision 4a, and 122.532 shall apply to the dissolution.

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## Sec. 41. 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 indicated.

Subd. 2. CONSOLIDATION AID. For consolidation aid according to section 124.2726:

\$430,000 ..... 1995

The appropriation is based on an entitlement of \$505,000 for fiscal year 1995.

Subd. 3. TRANSITION AID FOR INFORMATION SUPPORT. For information reporting support and software for ESV information systems:

\$800,000 ..... 1995

This appropriation is to ensure an orderly transition from a state supported system to a system where school districts purchase needed services. The department must support local school districts in preparing information required by the state. Data reported to the state must meet state reporting standards. The amount of this appropriation shall be phased out in the 1996-1997 biennium. \$150,000 of this amount is for additional INTERNET support in school districts. Up to \$300,000 of this amount is for ESV system software support only to the extent that it is needed for changes in department reporting requirements.

Subd. 4. SPECIAL CONSOLIDATION AID. For special consolidation aid under section 124.2728:

\$70,000 ..... 1995

Subd. 5. DISTRICT COOPERATION REVENUE. For district cooperation revenue:

\$4,330,000 ..... 1995

\$230,000 of this appropriation is for district cooperation hold harmless aid under section 37.

Subd. 6. ITV GRANTS; CARVER OR SCOTT COUNTY. For grants to school districts with their administrative offices in Carver or Scott county for the construction, maintenance, or lease costs of an interactive television system for instructional purposes:

\$189,000 ..... 1995

Subd. 7. CAPITAL FACILITIES GRANTS. For grants under Minnesota Statutes, section 124C.60:

\$500,000 ..... 1995

Subd. 8. ITV GRANT; CROMWELL. For a grant to independent school district No. 95, Cromwell:

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\$125,000 ..... 1995

The grant must be used to construct an interactive television transmission line. This appropriation is only available to the extent it is matched by the district with local and nonlocal sources. The district may levy up to \$50,000 to provide its share of local sources.

Sec. 42. **REPEALER.**

Minnesota Statutes 1992, sections 121.904, subdivision 4e; 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivision 3; 136D.27; 136D.71, subdivision 2; 136D.73, subdivision 3; 136D.74, subdivisions 2a, 2b, and 4; 136D.82, subdivision 3; and 136D.87; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 124.2727, subdivisions 6, 7, and 8; and Laws 1992, chapter 499, article 6, section 39, subdivision 3, are repealed.

Sec. 43. **EFFECTIVE DATE.**

Sections 36 and 40 are effective the day following final enactment. Sections 24 and 25 are effective for revenue for fiscal year 1995.

**ARTICLE 7**

**COMMITMENT TO EXCELLENCE**

Section 1. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7c, is amended to read:

Subd. 7c. **RESULTS-ORIENTED GRADUATION RULE.** (a) The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board shall use its rulemaking authority under subdivision 7b to adopt a statewide, results-oriented graduation rule to be implemented starting with students beginning high school ninth grade in the 1996-1997 school year. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in this rule.

(b) Assessments used to measure knowledge required by all students for graduation must be developed according to the most current version of professional standards for educational testing.

(c) The content of the graduation rule must differentiate between minimum competencies and rigorous standards.

(d) The state board shall periodically review and report on the assessment process with the expectation of expanding high school graduation requirements.

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(e) The state board shall report to the legislature annually by January 15 on its progress in developing and implementing the graduation requirements until such time as all the graduation requirements are implemented.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 4, is amended to read:

Subd. 4. **REVENUE USE.** Revenue shall be used to reduce and maintain the district's instructor to learner ratios in kindergarten through grade 6 to a level of 1 to 17 on average. The district must prioritize the use of the revenue to attain this level initially in kindergarten and grade 1 and then through the subsequent grades as revenue is available. The revenue may be used to prepare and use an individualized learning plan for each learner. A district must not increase the district wide instructor-learner ratios in other grades as a result of reducing instructor-learner ratios in kindergarten through grade 6. Revenue may not be used to provide instructor preparation time or to provide the district's share of revenue required under section 124.311. ~~Revenue may be used to continue employment for nonlicensed staff employed in the district on the effective date of Laws 1993, chapter 224, under Minnesota Statutes 1992, section 124.331, subdivision 2.~~ A school district may use a portion of the revenue reserved under this section to employ up to the same number of full-time equivalent education assistants or aides as the district employed during the 1992-1993 school year under Minnesota Statutes 1992, section 124.331, subdivision 2.

Sec. 3. Minnesota Statutes 1993 Supplement, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. **STAFF DEVELOPMENT, AND PARENTAL INVOLVEMENT REVENUE.** (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to one percent in fiscal year 1994, two percent in fiscal year 1995, and 2.5 percent in fiscal year 1996 and thereafter times the formula allowance times the number of actual pupil units shall be reserved and may be used only ~~to provide staff time~~ for in-service education for programs under section 126.77, subdivision 2, ~~challenging instructional activities and experiences or for staff development programs; for the purpose of improving student achievement of education outcomes plans, including plans for challenging instructional activities and experiences~~ under section 126.70; ~~subdivisions 4 and 2a.~~ Districts may expend an additional amount of basic revenue for staff development based on their needs. The school board shall initially allocate 50 percent of the revenue to each school site in the district on a per teacher basis, which shall be retained by the school site until used. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue shall be used to make grants to school sites that demonstrate exemplary use of allocated staff development revenue. A grant may be used for any purpose authorized under section 126.70 or 126.77, subdivision 2, and determined by the site decision-making team. The site decision-making team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

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(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 126.69. Parental involvement programs may include career teacher programs, programs promoting parental involvement in the PER process, coordination of volunteer services, participation in developing, implementing, or evaluating school desegregation/integration plans, and programs designed to encourage community involvement.

Sec. 4. Minnesota Statutes 1993 Supplement, section 124A.292, subdivision 3, is amended to read:

Subd. 3. **STAFF DEVELOPMENT LEVY.** A district's levy equals its revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified by the district's actual pupil units for the school year to which the levy is attributable, to

(2) the equalizing factor for the school year to which the levy is attributable.

Sec. 5. Minnesota Statutes 1992, section 125.03, is amended by adding a subdivision to read:

Subd. 6. ASSESSMENT PROFESSIONALS. When a school board of a school district with 10,000 pupils or more in average daily membership employs a person to administer or interpret individual aptitude, intelligence or personality tests, the person must hold a graduate level degree related to administering and interpreting psychological assessments.

Sec. 6. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 3, is amended to read:

Subd. 3. **PROGRAM COMPONENTS.** In order to be approved by the board of teaching, a school district's residency program must at minimum include:

- (1) training to prepare teachers to serve as mentors to teaching residents;
- (2) a team mentorship approach to expose teaching residents to a variety of teaching methods, philosophies, and classroom environments;
- (3) ongoing peer coaching and assessment;
- (4) assistance to the teaching resident in preparing an individual professional development plan that includes goals, activities, and assessment methodologies; and
- (5) involvement of resource persons from higher collaboration with one or more teacher education institutions, career teachers, and other community

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experts to provide local or regional professional development seminars or other structured learning experiences for teaching residents.

A teaching resident shall ~~not be given~~ resident's direct classroom supervision responsibilities ~~that exceed~~ shall not exceed 80 percent of the instructional time required of a full-time equivalent teacher in the district. During the remaining time, a teaching resident does not supervise a class, the resident shall participate in professional development activities according to the individual plan developed by the resident in conjunction with the school's mentoring team. Examples of development activities include observing other teachers, sharing experiences with other teaching residents, and professional meetings and workshops.

Sec. 7. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 4, is amended to read:

Subd. 4. **EMPLOYMENT CONDITIONS.** A school district shall pay a teaching resident a salary equal to 75 percent of the ~~statewide average~~ salary of a first-year teacher with a bachelor's degree in the district. The resident shall be a member of the local bargaining unit and shall be covered under the terms of the contract, except for salary and benefits, unless otherwise provided in this subdivision. The school district shall provide health insurance coverage for the resident if the district provides it for teachers, and may provide other benefits upon negotiated agreement.

Sec. 8. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 6, is amended to read:

Subd. 6. **LEARNING AND DEVELOPMENT REVENUE ELIGIBILITY.** A school district with an approved teaching residency program may use learning and development revenue for each teaching resident in kindergarten through grade six. A district also may use the revenue for a paraprofessional who is a person of color enrolled in an approved teacher preparation program. A school district shall not use a teaching resident to replace an existing teaching position unless:

(1) there is no teacher available who is properly licensed to fill the vacancy, who has been placed on unrequested leave of absence in the district, and who wishes to be reinstated; and

(2) the district's collective bargaining agreement includes a memorandum of understanding that permits teaching residents to fill an existing teaching position.

Sec. 9. Minnesota Statutes 1993 Supplement, section 126.239, subdivision 3, is amended to read:

Subd. 3. **SUBSIDY FOR EXAMINATION FEES.** The state may pay all or part of the fee for advanced placement or international baccalaureate examinations for pupils in public and nonpublic schools ~~whose circumstances make~~

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state payment advisable. The commissioner shall adopt a schedule for fee subsidies that may allow payment of the entire fee for low-income families, as defined by the commissioner. The commissioner may also determine the circumstances under which the fee is subsidized, in whole or in part. The commissioner shall determine procedures for state payments of fees.

Sec. 10. Minnesota Statutes 1993 Supplement, section 126.70, subdivision 1, is amended to read:

Subdivision 1. **STAFF DEVELOPMENT COMMITTEE.** A school board shall use the revenue authorized in section 124A.29 for in-service education for programs under section 126.77, subdivision 2, or for staff development ~~plan plans~~ under this ~~subdivision section~~. The board must establish a staff development committee to develop the plan, advise a site decision-making team about the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee must be teachers representing various grade levels ~~and~~, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators. Districts shall report staff development results to the commissioner in the form and manner determined by the commissioner.

Sec. 11. Minnesota Statutes 1993 Supplement, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. **STAFF DEVELOPMENT OUTCOMES.** (a) The staff development committee shall adopt a staff development plan for ~~the improvement of~~ improving student achievement of education outcomes. The plan must be consistent with education outcomes ~~determined by the school board that the school board determines~~. The plan shall include activities that enhance staff skills for achieving the following outcomes:

- (1) foster readiness for learning for all pupils;
- (2) ~~facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs;~~
- (3) ~~develop programs to~~ increase pupils' educational progress by ~~developing using~~ appropriate outcomes and personal learning goals and by encouraging pupils and their parents to assume responsibility for their education;
- (4) ~~design and develop programs containing various~~ (3) meet pupils' individual needs by using alternative instructional opportunities ~~that recognize pupils' individual needs and utilize, accommodations, modifications, after-school child care programs, and~~ family and community resources;
- (5) ~~evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;~~

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~~(6) provide staff time or mentorship oversight for peer review of probationary, continuing contract, and nonprobationary teachers;~~

~~(7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways;~~

~~(8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment; and~~

~~(9) teach elementary and secondary staff to (4) effectively meet the needs of children with disabilities within the regular classroom setting and other settings by improving the knowledge of school personnel about the legal and programmatic requirements affecting students with disabilities, and by improving staff ability to collaborate, consult with one another, and resolve conflicts; and~~

(5) provide equal educational opportunities for all students that are consistent with the school desegregation/integration and inclusive education policies adopted by school districts and approved by the state.

(b) If a school board approves a plan to accomplish any of the purposes listed in paragraph (a), it must also provide challenging instructional activities and experiences that recognize and cultivate students' advanced abilities and talents. The staff development committee is strongly encouraged to include in its plan activities for achieving the following outcomes:

(1) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, representatives of children with disabilities, and community members who generally reflect the racial composition of the school to address the pupils' needs;

(2) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;

(3) provide effective mentorship oversight and peer review of probationary, continuing contract, and nonprobationary teachers;

(4) assist elementary and secondary students in learning to resolve conflicts in effective, nonviolent ways;

(5) effectively teach and model violence prevention policy and curricula that address issues of sexual, racial, and religious harassment; and

(6) provide challenging instructional activities and experiences, including advanced placement and international baccalaureate programs, that recognize and cultivate students' advanced abilities and talents.

Sec. 12. Laws 1993, chapter 224, article 7, section 28, subdivision 3, is amended to read:

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Subd. 3. **ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.** For the state advanced placement (AP) and international baccalaureate (IB) programs, including training programs, support programs, and examination fee subsidies:

\$300,000	.....	1994
<del>\$300,000</del> <u>\$750,000</u>	.....	1995

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

Of the fiscal year 1995 amount, \$550,000 is for examination fee subsidies. Notwithstanding Minnesota Statutes, section 126.39, subdivision 3, in fiscal year 1995, the commissioner shall pay the fee for one AP or IB examination for the first exam each student takes. The commissioner shall pay 50 percent of the fee for each additional exam a student takes or more than 50 percent if the student meets the low-income guidelines established by the commissioner. If this amount is not adequate, the commissioner may pay less than 50 percent for the additional exams.

Sec. 13. Laws 1993, chapter 224, article 7, section 28, subdivision 4, is amended to read:

Subd. 4. **NSF MATH-SCIENCE SYSTEMIC INITIATIVE.** To meet requirements for a proposal to the National Science Foundation for a systemic initiative in mathematics and science:

\$1,500,000	.....	1994
\$1,500,000	.....	1995

This appropriation is not contingent upon receiving funding from the National Science Foundation. Any balance remaining in the first year does not cancel but is available in the second year.

Sec. 14. Laws 1993, chapter 224, article 7, section 28, subdivision 11, is amended to read:

Subd. 11. **SCHOOL RESTRUCTURING GRANTS.** For school restructuring grants under section 22:

<del>\$500,000</del> <u>\$750,000</u>	.....	1995
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~~This appropriation does not cancel.~~

Up to \$100,000 of this amount may be used for a grant to a nonstate organization to develop systemic site decision making models for expenses incurred in fiscal year 1994 and an additional \$250,000 of this amount may be used for a grant for this purpose in fiscal year 1995.

Sec. 15. **TEACHER PREPARATION CURRICULUM.**

(a) Consistent with Laws 1993, chapter 224, article 12, section 34, the state

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board of teaching, with the assistance of organizations representing diverse cultures, shall decide whether or not to include in the curriculum for preparing all beginning social studies teachers a study of anthropology that encompasses a study of the indigenous people of the midwest, and a study of history of the indigenous people that encompasses a study of the Minnesota area in pre-colonial times through the twentieth century.

(b) Consistent with Laws 1993, chapter 224, article 12, section 34, the state board of teaching shall ensure that the human relations curriculum of all teacher preparation programs includes components of American Indian language, history, and culture.

#### **Sec. 16. TIME AND TECHNOLOGY ENHANCED CURRICULUM SCHOOL PILOT PROJECT.**

Subdivision 1. ESTABLISHMENT. A three-year pilot project is established to allow independent school district No. 94, Cloquet, to develop a Time and Technology Enhanced Curriculum school. The purpose of the project is to improve student achievement through individualized instruction and year-round education. For purposes of Minnesota Statutes, section 126.12, subdivision 1, the pilot program established in this subdivision is a flexible learning year program under Minnesota Statutes, sections 120.59 to 120.67.

Subd. 2. REPORT. Independent school district No. 94, Cloquet, shall report on the pilot project to the education committees of the legislature annually by February 1, beginning February 1, 1995, and ending February 1, 1997.

#### **Sec. 17. INSTRUCTIONAL TRANSFORMATION THROUGH TECHNOLOGY GRANTS.**

Subdivision 1. ESTABLISHMENT; PURPOSE. A grant program is established to help school districts work together and with higher education institutions, businesses, local government units, and community organizations in order to facilitate individualized learning and manage information by employing technological advances, especially computers and related products. Recipients shall use grant proceeds to:

(1) develop personalized learning plans designed to give learners more responsibility for their learning success and change the role of teacher to learning facilitator;

(2) match and allocate resources;

(3) create a curriculum environment that is multiplatform;

(4) provide user and contributor access to electronic libraries;

(5) schedule activities;

(6) automate progress reports;

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(7) increase collaboration between school districts and sites, and with businesses, higher education institutions, and local government units;

(8) correlate state-defined outcomes to curriculum units for each student;

(9) increase accountability through a reporting system; and

(10) provide technical support, project evaluation, dissemination services, and replication.

Subd. 2. ELIGIBILITY; APPLICATION. A grant applicant must be a school district or a group of school districts that demonstrates collaboration with businesses and higher education institutions. Community organizations and local government units may also be involved. The commissioner of education shall prescribe the form and manner of applications. The commissioner shall form an advisory panel consisting of representatives of teachers, school administrators, school boards, parents, students, higher education, and business to assist in the grant selection process. The commissioner, in consultation with the advisory panel, may award grants to applicants likely to meet the outcomes in subdivision 1.

Subd. 3. REPORTING. A grant recipient shall report to the commissioner annually at a time specified by the commissioner on the extent to which it is meeting the outcomes specified in subdivision 1.

#### **Sec. 18. EDUCATIONAL PERFORMANCE IMPROVEMENT GRANT PILOT PROGRAM.**

Subdivision 1. ESTABLISHMENT. An educational performance improvement grant pilot program is established to provide incentives to school districts to improve student achievement and increase accountability for results. The state board of education may enter into contracts with school districts to award the grants.

Subd. 2. ELIGIBILITY; APPLICATION. A school district is eligible to apply for an educational performance improvement grant. The application shall be on a form approved by the commissioner of education. The commissioner shall make recommendations to the state board of education on which districts should be considered for a grant contract. The commissioner shall give priority to school districts:

(1) in which at least one school has received a school improvement incentive grant under Minnesota Statutes 1993 Supplement, section 121.602, subdivision 5; and

(2) that demonstrate a commitment to increasing accountability by using a results-oriented system for measuring student achievement.

Subd. 3. CONTRACT. The state board of education may enter into a one-year contract with a school district for the purpose of awarding an educational performance improvement grant. The state board shall award a grant only for measurable gains in student achievement. The terms of the contract shall at minimum address:

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(1) the criteria and assessments to be used in measuring student achievement;

(2) the district's baseline level of student achievement;

(3) the level of student achievement to be reached under the contract;

(4) a timeline for determining whether the contract goals have been met; and

(5) at the discretion of the state board, provisions governing the award of a partial grant to the district if the contract goals are not fully met.

Subd. 4. REPORT. The state board of education shall make a preliminary report on the pilot project to the education committees of the legislature by February 15, 1995, and a final report by January 15, 1996.

#### Sec. 19. APPROPRIATION.

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

Subd. 2. TIME AND TECHNOLOGY ENHANCED CURRICULUM. For a grant to independent school district No. 94, Cloquet, for the time and technology enhanced curriculum pilot project:

\$83,000        .....        1995

Subd. 3. TECHNOLOGY GRANTS. For instructional transformation through technology grants:

\$1,600,000        .....        1995

The amount appropriated under this section does not cancel but is available until June 30, 1996.

Subd. 4. EDUCATIONAL PERFORMANCE IMPROVEMENT GRANTS. For an educational performance improvement grant pilot project under section 10:

\$800,000        .....        1995

The state board of education shall enter into contracts to award at least three grants, one each to an urban, suburban, and rural school district. This appropriation is available until June 30, 1996, unless the commissioner has entered into a contract and has certified to the commissioner of finance the amount needed to make payments on the contract. Any remaining appropriation shall cancel June 30, 1996.

Subd. 5. COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY. For support for the activities of the coalition for education reform and accountability as established in Laws 1993, chapter 224, article 1, section 35:

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\$50,000 ..... 1995

Sec. 20. **EFFECTIVE DATE.**

Sections 2; 14; 15; and 17 are effective the day following final enactment.

ARTICLE 8

OTHER EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7d, is amended to read:

Subd. 7d. ~~DESEGREGATION~~ DESEGREGATION/INTEGRATION, INCLUSIVE EDUCATION, AND LICENSURE RULES. (a) The state board may make rules relating to ~~desegregation~~ desegregation/integration, inclusive education, and licensure of school personnel not licensed by the board of teaching.

(b) In adopting a rule related to school desegregation/integration, the state board shall address the need for equal educational opportunities for all students and racial balance as defined by the state board.

Sec. 2. [121.1601] **OFFICE OF DESEGREGATION/INTEGRATION.**

Subdivision 1. ESTABLISHMENT. (a) An office of desegregation/integration is established in the department of education to coordinate and support activities related to student enrollment, student and staff recruitment and retention, transportation, and interdistrict cooperation among metropolitan school districts.

(b) At the request of a metropolitan school district involved in cooperative desegregation/integration efforts, the office shall perform any of the following activities:

(1) assist districts with interdistrict student transfers, including student recruitment, counseling, placement, and transportation;

(2) coordinate and disseminate information about schools and programs;

(3) assist districts with new magnet schools and programs;

(4) assist districts in providing staff development and in-service training;  
and

(5) coordinate and administer staff exchanges.

(c) The office shall collect data on the efficacy of districts' desegregation/integration efforts and make recommendations based on the data. The office shall periodically consult with the metropolitan council to coordinate school

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desegregation/integration efforts with the housing, social, economic, and infrastructure needs of the metropolitan area. The office shall develop a process for resolving students' disputes and grievances about student transfers under a desegregation/integration plan.

**Subd. 2. COORDINATION.** The commissioner shall coordinate the office activities under subdivision 1 with new or existing department and state board of education efforts to accomplish school desegregation/integration. The commissioner may request information or assistance from, or contract with, any state or local agency or officer, local unit of government, or recognized expert to assist the commissioner in performing the activities described in subdivision 1.

**Subd. 3. ADVISORY BOARD.** The commissioner shall establish an advisory board composed of:

(1) eight superintendents, each of whom shall be selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c; and

(2) one person each selected by the Indian Affairs Council, the Asian-Pacific Minnesotans, the Council on Black Minnesotans, and the Spanish Speaking Affairs Council.

The advisory board shall advise the office on complying with the requirements under subdivision 1. The advisory board may solicit comments from teachers, parents, students, and interested community organizations and others.

Sec. 3. Minnesota Statutes 1992, section 121.912, subdivision 5, is amended to read:

**Subd. 5. ACCOUNT TRANSFER FOR CERTAIN SEVERANCE PAY.** A school district may maintain in a designated for certain severance pay account not more than 50 percent of the amount necessary to meet the obligations for the portion of severance pay that constitutes compensation for accumulated sick leave to be used for payment of premiums for group insurance provided for former employees by the district. The amount necessary shall be calculated according to standards established by the advisory council on uniform financial accounting and reporting standards. ~~If there is a deficit in any year in any reserved fund balance account, the district shall transfer the amount necessary to eliminate the deficit from the designated for certain severance pay account to the reserved fund balance account.~~

Sec. 4. Minnesota Statutes 1992, 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, an opportunities industrialization center accredited by the north central association of colleges

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and schools, 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. 5. Minnesota Statutes 1992, section 124.214, subdivision 2, is amended to read:

Subd. 2. **ABATEMENTS.** Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section ~~275.48~~ 124.912, subdivision 9. The amount of the abatement adjustment shall be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:
  - (a) the sum of the amounts of the district's certified levy in the preceding year according to the following:
    - (i) section 124A.23 if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;
    - (ii) section 124.226, subdivisions 1 and 4, if the district receives transportation aid according to section 124.225;
    - (iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;
    - (iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;
    - (v) section 124.83, if the district receives health and safety aid according to that section;
    - (vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections;
    - (vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;
    - (viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

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(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

(b) to the total amount of the district's certified levy in the preceding October, plus or minus auditor's adjustments.

Sec. 6. Minnesota Statutes 1992, section 124.278, subdivision 1, is amended to read:

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/integration plan approved by the state board of education to provide equal educational opportunities for all students.

Sec. 7. Minnesota Statutes 1993 Supplement, section 124.6469, subdivision 3, is amended to read:

Subd. 3. **PROGRAM REIMBURSEMENT.** (a) State funds are provided to reimburse school breakfasts. Each school year, the state shall reimburse schools in the amount of 5.1 cents for each fully paid breakfast and for each free and reduced price breakfast not eligible for the "severe need" rate.

(b) In addition to paragraph (a), each school year the state shall reimburse schools 10.5 cents for each free and reduced price breakfast not eligible for the "severe need" rate if between 33 and 40 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 8. Minnesota Statutes 1992, 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 at least 40 33 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 9. Minnesota Statutes 1992, section 124.912, is amended by adding a subdivision to read:

Subd. 9. **ABATEMENT LEVY.** (a) Each year, a school district may levy an amount to replace the net revenue lost to abatements that have occurred under chapter 278, section 270.07, 375.192, or otherwise. The maximum abatement levy is the sum of:

(1) the amount of the net revenue loss determined under section 124.214, subdivision 2, that is not paid in state aid including any aid amounts not paid due to proration;

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(2) the difference of (i) the amount of any abatements that have been reported by the county auditor for the first six months of the calendar year during which the abatement levy is certified that the district chooses to levy, (ii) less any amount actually levied under this clause that was certified in the previous calendar year for the first six months of the previous calendar year; and

(3) an amount equal to any interest paid on abatement refunds.

(b) A district may spread this levy over a period not to exceed three years.

By July 15, the county auditor shall separately report the abatements that have occurred during the first six calendar months of that year to the commissioner of education and each school district located within the county.

Sec. 10. Minnesota Statutes 1992, section 124.914, subdivision 1, is amended to read:

Subdivision 1. **1977 STATUTORY OPERATING DEBT.** (1) In each year in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977, and certified and adjusted by the commissioner. This levy shall not be made in more than ~~20~~ 30 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall be an amount which is equal to the amount raised by a levy of a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 121.912, subdivision 4, equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

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

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Sec. 11. Minnesota Statutes 1993 Supplement, section 124.914, subdivision 4, is amended to read:

Subd. 4. **1992 OPERATING DEBT.** (a) ~~Each year~~ For taxes payable for calendar year 2003 and earlier, a district that has filed a plan pursuant to section 121.917, subdivision 4, may levy, with the approval of the commissioner, to eliminate a deficit in the net unappropriated balance in the operating funds of the district, determined as of June 30, 1992, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the lesser of:

(1) an amount raised by a levy of a net tax rate of one percent times the adjusted net tax capacity; or

(2) \$100,000.

This amount shall be reduced by referendum revenue authorized under section 124A.03 pursuant to the plan filed under section 121.917. However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the operating funds of the district as of June 30, 1992. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(b) A district, if eligible, may levy under this subdivision or subdivision 2 or 3, or under section 122.531, subdivision 4a, or Laws 1992, chapter 499, article 7, sections 16 or 17, but not under more than one.

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

(d) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

Sec. 12. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 4, is amended to read:

Subd. 4. **REVENUE USE.** (a) Revenue must be used according to either paragraph (b), (c), or (d).

(b) Revenue shall be used to reduce and maintain the district's instructor to learner ratios in kindergarten through grade 6 to a level of 1 to 17 on average. The district must prioritize the use of the revenue to attain this level initially in kindergarten and grade 1 and then through the subsequent grades as revenue is available.

(c) Notwithstanding paragraph (b), for fiscal year 1995, a district with exceptional need as defined in subdivision 6, paragraph (a), may use the revenue to reduce and maintain the district's instructor-to-learner ratios in kindergarten

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through grade 6 to a level that is at least 2.0 less than the district's adopted staffing ratio, if the remaining learning and development revenue is used to continue or initiate staffing patterns that meet the needs of a diverse student population. Programs to meet the needs of a diverse student population may include programs for at-risk pupils and learning enrichment programs.

(d) For fiscal year 1995 only, in any school building that meets the characteristics of exceptional need as defined in subdivision 6, paragraph (b), a district may use the revenue to employ education assistants or aides supervised by a learner's regular instructor to assist learners in those school buildings.

(e) The revenue may be used to prepare and use an individualized learning plan for each learner. A district must not increase the district wide instructor-learner ratios in other grades as a result of reducing instructor-learner ratios in kindergarten through grade 6. Revenue may not be used to provide instructor preparation time or to provide the district's share of revenue required under section 124.311. Revenue may be used to continue employment for nonlicensed staff employed in the district on the effective date of Laws 1993, chapter 224, under Minnesota Statutes 1992, section 124.331, subdivision 2.

Sec. 13. Minnesota Statutes 1993 Supplement, section 124A.225, is amended by adding a subdivision to read:

Subd. 6. EXCEPTIONAL NEED DEFINED. (a) A school district is considered to have exceptional need if the district has the following characteristics:

(1) ten percent or more of the district's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) ten percent or more of the district's pupils are students of color;

(3) the district's adjusted net tax capacity divided by its pupil units for the current year is less than \$3,500; and

(4) the district's general education revenue per pupil unit is less than the average general education revenue per pupil unit for the economic development region in which the district is located.

(b) A school building is considered to have exceptional need if the school building has the following characteristics:

(1) 50 percent or more of the school building's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) the adjusted net tax capacity of the district in which the school building is located, divided by the district's pupil units for the current year, is less than \$3,500; and

(3) the district's general education revenue per pupil unit is less than the average general education revenue per pupil unit for the economic development region in which the district is located.

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Sec. 14. Minnesota Statutes 1993 Supplement, section 125.05, subdivision 1a, is amended to read:

Subd. 1a. **TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.** (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being ~~admitted to a post-secondary teacher preparation program approved by the board if that person seeks to qualify for~~ granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board shall require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language.

(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:

(1) providing evidence of participating in an approved remedial assistance program provided by a school district or post-secondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and

(2) attempting to successfully complete the skills examination during the period of each one-year license.

(d) The board of teaching shall grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

Sec. 15. Minnesota Statutes 1992, section 125.09, subdivision 1, is amended to read:

Subdivision 1. **GROUNDS FOR REVOCATION.** The board of teaching or

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the state board of education, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the board employing a teacher, or of a teacher organization, or of any other interested person, which complaint shall specify the nature and character of the charges, suspend or revoke such teacher's license to teach for any of the following causes:

- (1) Immoral character or conduct;
- (2) Failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) Gross inefficiency or willful neglect of duty; or
- (4) Failure to meet licensure requirements; or
- (5) Fraud or misrepresentation in obtaining a license.

For purposes of this subdivision, the board of teaching is delegated the authority to suspend or revoke coaching licenses under the jurisdiction of the state board of education.

Sec. 16. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 9, is amended to read:

Subd. 9. **CRITERIA.** The department of education shall evaluate proposals using the following criteria:

- (1) evidence of collaborative arrangements between post-secondary educators and early childhood through grade 12 educators;
- (2) evidence that outstanding early childhood through grade 12 educators will be involved in post-secondary classes and programs, including presentations, discussions, teaming, and responsibility for teaching some post-secondary courses;
- (3) evidence that post-secondary educators will have direct experience working in a classroom or school district, including presentations, discussions, teaming, and responsibility for teaching some early childhood through grade 12 classes; ~~and~~
- (4) evidence of adequate financial support from employing and receiving institutions; and
- (5) evidence that collaboration between post-secondary educators and early childhood through grade 12 educators will enable school districts to better provide equal educational opportunities for all students.

Sec. 17. Minnesota Statutes 1993 Supplement, section 125.185, subdivision 4, is amended to read:

Subd. 4. **LICENSE AND RULES.** (a) The board shall adopt rules to license public school teachers and interns subject to chapter 14.

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(b) The board shall adopt rules requiring ~~successful completion of an examination of a person to successfully complete a skills examination~~ in reading, writing, and mathematics ~~before being admitted to a teacher preparation program as a requirement for initial teacher licensure~~. Such rules shall require college and universities offering a board approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board shall adopt rules to approve teacher preparation programs.

(d) The board shall provide the leadership and shall adopt rules 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 teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board shall adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than July 1, 1999.

(f) The board shall adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board shall grant licenses to interns and to candidates for initial licenses.

(h) The board shall design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) 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. The board shall not establish any expiration date for application for life licenses.

(k) With regard to post-secondary vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of technical colleges.

Sec. 18. Minnesota Statutes 1992, section 125.188, subdivision 1, is amended to read:

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Subdivision 1. **REQUIREMENTS.** (a) A preparation program that is an alternative to the post-secondary teacher preparation program as a means to acquire an entrance license is established. The program may be offered in any instructional field.

(b) To participate in the alternative preparation program, the candidate must:

(1) have a bachelor's degree;

(2) pass an examination of skills in reading, writing, and mathematics as required by section 125.05;

(3) have been offered a job to teach in a school district, group of districts, or an education district approved by the board of teaching to offer an alternative preparation licensure program;

(4)(i) have a college major in the subject area to be taught; or

(ii) have five years of experience in a field related to the subject to be taught; and

(5) document successful experiences working with children.

(c) An alternative preparation license is of one year duration and is issued by the board of teaching to participants on admission to the alternative preparation program.

(d) The board of teaching shall ensure that one of the purposes of this program is to enhance the school desegregation/integration policies adopted by the state.

Sec. 19. Minnesota Statutes 1993 Supplement, section 125.231, subdivision 1, is amended to read:

Subdivision 1. **TEACHER MENTORING PROGRAMS.** School districts are encouraged to develop teacher mentoring programs for teachers new to the profession or district, including teaching residents, teachers of color, teachers with special needs, or experienced teachers in need of peer coaching.

Sec. 20. Minnesota Statutes 1993 Supplement, section 125.231, subdivision 4, is amended to read:

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;

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- (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; and
- (8) retain teachers of color.

Sec. 21. Minnesota Statutes 1993 Supplement, section 125.623, subdivision 3, is amended to read:

Subd. 3. **PROGRAM REQUIREMENTS.** (a) A grant recipient shall recruit persons of color to be teachers in elementary, secondary, early childhood or parent education, and provide support in linking program participants with jobs in the recipient's school district.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students and other persons, including educational paraprofessionals, support them through the higher education application and admission process, advise them while enrolled and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to students of color enrolled in an approved licensure program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based on a student's financial need and students must apply for any additional financial aid they are eligible for to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to teach in the grantee school district for at least two years after licensure. If the district has no licensed positions open, the student may teach in another district in Minnesota.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of students of color in teaching;

(2) whether grant recipients will recruit paraprofessionals from the district to work in its schools; and

(3) whether grant recipients will establish or have a mentoring program for students of color.

Sec. 22. Minnesota Statutes 1993 Supplement, section 125.706, is amended to read:

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**125.706 PREPARATION TIME.**

Beginning with agreements effective July 1, 1995, and thereafter, all collective bargaining agreements for teachers provided for under chapter 179A, must include provisions for preparation time or a provision indicating that the parties to the agreement chose not to include preparation time in the contract.

If the parties cannot agree on preparation time the following provision shall apply and be incorporated as part of the agreement: "Within the student day for every 25 minutes of classroom instructional time, a minimum of five additional minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the student day. Exceptions to this may be made by mutual agreement between the district and the exclusive representative of the teachers."

**Sec. 23. [126.43] SUMMER CULTURAL EXCHANGE GRANT PROGRAM.**

**Subdivision 1. CULTURAL EXCHANGE PROGRAM GOALS.** A cultural exchange grant program is established to develop and create opportunities for children and staff of different ethnic, racial, and other cultural backgrounds to experience educational and social exchange. Student and staff exchanges under this section may only take place between a district with a desegregation plan approved by the state board of education and a district without a desegregation plan. Participating school districts shall offer summer programs for credit with the goals set forth in paragraphs (a) to (d).

(a) The program shall develop curriculum reflective of particular ethnic, racial, and other cultural aspects of various demographic groups in the state.

(b) The program shall develop immersion programs that are coordinated with the programs offered in paragraph (a).

(c) The program shall create opportunities for students from across the state to enroll in summer programs in school districts other than the one of residence, or in other schools within their district of residence.

(d) The program shall create opportunities for staff exchanges on a cultural basis.

**Subd. 2. CULTURAL EXCHANGE GRANTS.** A school district together with a group of school districts, a cooperative governmental unit, the center for arts and education, or a post-secondary institution may apply for cultural exchange grants. The commissioner of education shall determine grant recipients and may adopt application guidelines. The grants must be competitively determined and applicants must demonstrate:

(1) the capacity to develop a focused curriculum that reflects the particular ethnic, racial, and other cultural aspects of the community in which the school where the program is offered is located;

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(2) the capacity to develop immersion programs coordinated with the curriculum developed in clause (1);

(3) the capacity to coordinate a cultural exchange program with other curriculum programs to assure continuity in a pupils education;

(4) the capacity to maximize diversity of ethnic, racial, and other cultural backgrounds of participants;

(5) that the application is jointly developed by participants; and

(6) that the outcomes of the exchange program are clearly articulated.

Subd. 3. GRANT USE. The grants may be used for staff time including salary and benefit expenses and costs for substitute staff, travel expenses, curriculum materials, and any other expense needed to meet the goals of the program. Grant proceeds also may be used for transportation, board, and lodging expenses for students.

**Sec. 24. [126.84] MALE RESPONSIBILITY AND FATHERING GRANTS.**

Subdivision 1. ESTABLISHMENT. The commissioner of education, in consultation with the commissioner of human services, shall make male responsibility and fathering grants to youth or parenting programs that collaborate with school districts to educate young people, particularly males ages ten to 21, on the responsibilities of parenthood.

Subd. 2. MATCHING MONEY. Each dollar of state money must be matched with at least 50 cents of nonstate money including in-kind contributions. Those programs with a higher match will have a greater chance of receiving a grant.

Subd. 3. EXPECTED OUTCOMES. Grant recipients shall use the funds for programs designed to prevent teen pregnancy and to prevent crime in the long term. Recipient programs must assist youth to:

(1) understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of marriage and parenting;

(2) understand the long-term responsibility of fatherhood;

(3) understand the importance of fathers in the lives of children;

(4) acquire parenting skills and knowledge of child development; and

(5) find community support for their roles as fathers and nurturers of children.

Subd. 4. GRANT APPLICATIONS. (a) An application for a grant may be submitted by a youth or parenting program whose purpose is to reduce teen

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pregnancy or teach child development and parenting skills in collaboration with a school district. Each grant application must include a description of the program's structure and components, including collaborative and outreach efforts; an implementation and evaluation plan to measure the program's success; a plan for using males as instructors and mentors; and a cultural diversity plan to ensure that staff or teachers will reflect the cultural backgrounds of the population served and that the program content is culturally sensitive.

(b) Grant recipients must, at a minimum, provide education in responsible parenting and child development, responsible decision-making related to marriage and relationships, and the legal implications of paternity. Grant recipients also must provide public awareness efforts in the collaborating school district. Grant recipients may offer support groups, health and nutrition education, and mentoring and peer teaching.

(c) A grant applicant must establish an advisory committee to assist the applicant in planning and implementation of a grant. The advisory committee must include student representatives, adult males from the community, representatives of community organizations, teachers, parent educators, and representatives of family social service agencies.

Subd. 5. ADMINISTRATION. The commissioner of education shall administer male responsibility and fathering grants. The commissioner shall establish a grant review committee composed of teachers and representatives of community organizations, student organizations, and education or family social service agencies that offer parent education programs.

Subd. 6. REPORT. The commissioner shall report to the legislature on the progress of the male responsibility and fathering programs by January 15, 1996.

Sec. 25. Minnesota Statutes 1993 Supplement, section 127.46, is amended to read:

**127.46 SEXUAL, RELIGIOUS, AND RACIAL HARASSMENT AND VIOLENCE POLICY.**

Each school board shall adopt a written sexual, religious, and racial harassment and sexual, religious, and racial violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted throughout each school building, given to each district employee and independent contractor at the time of entering into the person's employment contract, and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual, religious, and racial harassment and violence policy with students and school employees.

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Sec. 26. Minnesota Statutes 1992, section 136A.125, subdivision 3, is amended to read:

Subd. 3. **ELIGIBLE INSTITUTION.** A Minnesota public post-secondary institution ~~or, a Minnesota~~ private, baccalaureate degree granting college or university ~~located in Minnesota, or a Minnesota nonprofit two-year vocational technical school granting associate degrees~~ is eligible to receive child care funds from the board and disburse them to eligible students.

Sec. 27. Minnesota Statutes 1992, section 179A.07, subdivision 6, is amended to read:

Subd. 6. **TIME OFF.** A public employer must afford reasonable time off to elected officers or appointed representatives of the exclusive representative to conduct the duties of the exclusive representative and must, upon request, provide for leaves of absence to elected or appointed officials of the exclusive representative or to a full-time appointed official of an exclusive representative of teachers in another Minnesota school district.

Sec. 28. Minnesota Statutes 1993 Supplement, section 275.48, is amended to read:

**275.48 ADDITIONAL TAX LEVIES IN CERTAIN TAXING DISTRICTS.**

When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of a city; or township or school district for a taxable year is reduced after the taxes for the year have been spread by the county auditor, and when the local tax rate determined by the county auditor based on the original net tax capacity is applied on the reduced net tax capacity and does not produce the full amount of taxes actually levied and certified for that taxable year on the original net tax capacity, the city; or township or school district may include an additional amount in its tax levy made following final determination and notice of the reduction in net tax capacity. The amount shall equal the difference between the total amount of taxes actually levied and certified for that taxable year upon the original net tax capacity, not exceeding the maximum amount which could be raised on the net tax capacity as reduced, within existing local tax rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced net tax capacity. ~~The total tax levy authorized for a school district by this section may also include an amount equal to any interest paid on the abatement refunds. The levy for a school district shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 24.214, subdivision 2, in the same calendar year in which the levy is certified. As part of the certification required by section 24.918, subdivision 1, the commissioner of education shall certify the amount of the abatement levy limitation adjustment for each school district headquartered in that county.~~

~~Except for school districts,~~ The amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and

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further shall not result in any penalty in the nature of a reduction in state aid of any kind.

Sec. 29. Laws 1993, chapter 224, article 8, section 20, subdivision 2, is amended to read:

Subd. 2. **FELLOWSHIP GRANTS.** (a) For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

\$100,000	.....	1994	
<del>\$100,000</del>	<u>\$150,000</u>	.....	1995

(b) 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. 30. Laws 1993, chapter 224, article 8, section 22, subdivision 6, is amended to read:

Subd. 6. **SCHOOL BREAKFAST.** To operate the school breakfast program:

\$200,000	.....	1994	
<del>\$200,000</del>	<u>\$400,000</u>	.....	1995

\$200,000 in 1995 is for reimbursements under section 124.6469, subdivision 3, paragraph (b). If the appropriation amount attributable to either year is insufficient, the rate of payment for each student breakfast 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 unexpected balance remaining shall be used to subsidize the payments made for school lunch aid per Minnesota Statutes, section 124.646.

Sec. 31. Laws 1993, chapter 224, article 8, section 22, subdivision 12, is amended to read:

Subd. 12. **TEACHERS OF COLOR PROGRAM.** For grants to school districts for the teachers of color program:

\$300,000	.....	1994	
<del>\$300,000</del>	<u>\$500,000</u>	.....	1995

Of this appropriation, at least \$75,000 each fiscal year shall be for educating people of color to be early childhood and parent educators.

Sec. 32. Laws 1993, chapter 224, article 12, section 39, is amended to read:

Sec. 39. **REPEALER.**

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts

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1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400; 3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; ~~8700.6410~~; 8700.6800; and 8700.7100; ~~8700.9000~~; ~~8700.9010~~; ~~8700.9020~~; and ~~8700.9030~~, are repealed.

(b) Minnesota Rules, parts 3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.2900; 3520.3000; 3520.3100; 3520.3200; 3520.3400; 3520.3500; 3520.3680; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; and 3520.5920; ~~3530.6500~~; ~~3530.6600~~; ~~3530.6700~~; ~~3530.6800~~; ~~3530.6900~~; ~~3530.7000~~; ~~3530.7100~~; ~~3530.7200~~; ~~3530.7300~~; ~~3530.7400~~; ~~3530.7500~~; ~~3530.7600~~; ~~3530.7700~~; and ~~3530.7800~~, are repealed.

(c) Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500; 3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; chapters 3515, 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600; and 3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300;

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3530.7400; 3530.7500; 3530.7600; 3530.7700; 3530.7800; and chapter 3560, are repealed.

(d) Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800; 3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400; 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000; 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700; 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200; 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700; 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400; 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902; 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500; 8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506; 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512; 8700.5800; 8700.6310; 8700.6410; 8700.6900; 8700.7010; 8700.7700; 8700.7710; 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050; 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110; 8700.8120; 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180; 8700.8190; 8700.9000; 8700.9010; 8700.9020; 8700.9030; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300; 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410; 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620; 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800; 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900; 8750.0920; 8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220; 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340; 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500; 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700; 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900; 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000; 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120; 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700, are repealed.

### Sec. 33. REVIVAL OF RULES.

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Rules, parts 8700.6410, 8700.9000, 8700.9010, 8700.9020, and 8700.9030, repealed in Laws 1993, chapter 224, article 12, section 39, paragraph (a), are revived on the effective date of section 32.

### Sec. 34. STAFFING.

The commissioner of education shall provide staffing to develop the proposed amended rules on school desegregation/integration and educational diversity, to be adopted by the state board of education, as directed by the legislature.

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**Sec. 35. GRANTS TO PROVIDE FREE BREAKFASTS TO ELEMENTARY SCHOOL CHILDREN.**

Subdivision 1. ESTABLISHMENT. A grant program for fiscal year 1995 is established to explore the policy of providing nutritious breakfasts to all children in elementary school, without regard to whether the children are eligible to receive free or reduced price breakfasts, so that they can learn effectively.

Subd. 2. ELIGIBILITY. An applicant for a grant must be an elementary school that participates in the federal school breakfast and lunch programs. For a school to receive a grant, at least 15 percent of the school's enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year.

Subd. 3. APPLICATION PROCESS. To obtain a grant to receive reimbursement for providing breakfasts to all children, whether or not the children are from low-income families and eligible to receive free or reduced price meals, an elementary school must submit an application to the education commissioner in the form and manner prescribed by the commissioner. The application must describe how the applicant will encourage all children in the school to participate in the breakfast program. The commissioner may require additional information from the applicant.

Subd. 4. GRANT AWARDS. The commissioner shall award four grants; for each of two grant recipients, between 15 and 40 percent of the enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year; for each of the remaining two grant recipients, more than 40 percent of the enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year. The four schools that the commissioner selects must have an elementary school population that in total does not exceed 2,400 pupils in average daily membership. Grant recipients must be located throughout the state. The amount of the grant shall equal the statewide average cost for the 1993-1994 school year for every breakfast the recipient serves under this program during the 1994-1995 school year minus any state and federal reimbursement the recipient receives for providing free and reduced price breakfasts during the 1994-1995 school year. Grant recipients must use the proceeds to provide breakfasts to school children.

Subd. 5. EVALUATION. The commissioner shall evaluate the four grant sites and two control sites to determine the impact that the universal breakfast program has on children's school performance, including discipline in the school, students' test scores, attendance rates, and other measures of educational achievement. The commissioner shall report the results of the evaluation to the education committees of the legislature by January 31, 1996.

**Sec. 36. REPORT ON SCHOOL MEALS PROGRAMS.**

The commissioner of education shall review the nutrition needs of K-12 students and the extent to which poor nutrition interferes with effective learning.

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and shall review the current school breakfast and lunch programs and the role of these programs in improving educational achievement and contributing to the long-term health of Minnesota children. The commissioner shall identify barriers to participating in the school meals programs and shall make recommendations to the education committees of the legislature and the legislative commission on children, youth, and their families by January 31, 1995, to:

(1) improve student nutrition to increase the educational achievement of all children and to improve the overall learning climate;

(2) more effectively integrate the school meals program into the school day;

(3) eliminate barriers to universal participation in school meals programs;

(4) reduce paperwork and other administrative burdens associated with the school meals programs so that resources can be redirected to pay for program expansion and improving the nutritional integrity of the program; and

(5) enable Minnesota to maximize federal funds for school meals programs.

#### Sec. 37. REVENUE ADJUSTMENTS.

After appropriate study and such public hearings as may be necessary, the commissioner of education shall recommend to the legislature by February 1, 1995, a policy for ensuring the school districts participating in a metropolitan-wide school desegregation/integration plan are not financially disadvantaged as a result of participating in the plan.

#### Sec. 38. MAGNET SCHOOL AND PROGRAM GRANTS.

(a) The commissioner of education, in consultation with the desegregation/integration office under Minnesota Statutes, section 121.025, shall award grants to school districts and chartered public schools for planning and developing magnet schools and magnet programs.

(b) Grant recipients must use the grant money under paragraph (a) to establish or operate a magnet school or a magnet program and provide all students with equal educational opportunities. Grant recipients may expend grant money on:

(1) teachers who provide instruction or services to students in a magnet school or magnet program;

(2) educational paraprofessionals who assist teachers in providing instruction or services to students in a magnet school or magnet program;

(3) clerical support needed to operate a magnet school or magnet program;

(4) equipment, equipment maintenance contracts, materials, supplies, and other property needed to operate a magnet school or magnet program;

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(5) minor remodeling needed to operate a magnet school or magnet program;

(6) transportation for field trips that are part of a magnet school or magnet program curriculum;

(7) program planning and staff and curriculum development for a magnet school or magnet program;

(8) disseminating information on magnet schools and magnet programs; and

(9) indirect costs calculated according to the state's statutory formula governing indirect costs.

#### Sec. 39. LAKE SUPERIOR DEBT.

Subdivision 1. OPERATING DEBT ACCOUNT. On July 1, 1994, independent school district No. 381, Lake Superior, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1994.

Subd. 2. LEVY. For taxes payable in each of the years 1998 through 2000, the district may levy an amount up to 33-1/3 percent of the balance in the account on July 1, 1994. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

#### Sec. 40. PILOT PROGRAM IN CONTINUING MULTICULTURAL EDUCATION.

Subdivision 1. PROGRAM COMPONENTS. Beginning with the 1994-1995 school year, independent school district No. 38, Red Lake, shall provide a 25-hour continuing education in-service program in multicultural education for licensed teachers in the district. The three-year pilot program shall be results-oriented and shall be designed to improve teachers' ability to effectively educate learners of all racial, cultural, and economic groups. The district's staff development committee under Minnesota Statutes, section 126.70, subdivision 1, shall develop appropriate outcomes for the program. The district shall contract with Bemidji State University to provide curriculum, instruction, and assessments for the program.

Subd. 2. PROGRAM APPROVAL. Prior to implementation, the program established in subdivision 1 must be approved by the department of education in consultation with the state American Indian education advisory committee.

Subd. 3. APPLICABILITY. A teacher employed by independent school district No. 38, Red Lake, at the start of the 1994-1995 school year shall complete the program established in subdivision 1 within three years of its implementation. In appropriate circumstances, the district's staff development committee

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under Minnesota Statutes, section 126.70, subdivision 1, may waive this provision for a teacher who is unable to complete the program. The program shall be counted as continuing education for licensure purposes under board of teaching rules.

Subd. 4. REPORT. Independent school district No. 38, Red Lake, and the staff development committee shall report to the commissioner of education on the status of the program by February 1, 1995.

**Sec. 41. OSSEO LEVY.**

For 1994 taxes payable in 1995 only, independent school district No. 279, Osseo, may levy a tax in an amount not to exceed \$500,000. The proceeds of this levy must be used to provide instructional services for at-risk children.

**Sec. 42. FUND TRANSFERS.**

Subdivision 1. STAPLES-MOTLEY. Notwithstanding Minnesota Statutes, section 121.912 or 121.9121 or any other law to the contrary, before July 1, 1996, independent school district No. 2170, Motley-Staples, may recognize as revenue in the capital expenditure fund up to \$800,000 of referendum revenue received pursuant to Minnesota Statutes, section 124A.03.

Subd. 2. MONTICELLO. Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121, or any other law, independent school district No. 882, Monticello, may permanently transfer an amount not to exceed \$250,000 from its capital expenditure fund to its transportation fund before July 1, 1994.

Subd. 3. RED LAKE. Notwithstanding any law to the contrary, on June 30, 1994, independent school district No. 38, Red Lake, may permanently transfer up to \$160,900 from the general fund to the capital expenditure fund.

Subd. 4. REMER-LONGVILLE AND ORTONVILLE. Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school districts Nos. 62, Ortonville, and 118, Remer-Longville may each permanently transfer up to \$150,000 in fiscal year 1994 from the bus purchase account to the capital expenditure fund for facility repairs and technology-related equipment without making a levy reduction.

Subd. 5. HOLDINGFORD. Notwithstanding Minnesota Statutes, sections 121.912; 121.9121; and 475.61, subdivision 4, or any other law to the contrary, on June 30, 1994, independent school district No. 738, Holdingford, may permanently transfer up to \$100,000 from its debt redemption fund to its general fund.

Subd. 6. INVER GROVE. Notwithstanding Minnesota Statutes, section 121.912, independent school district No. 199, Inver Grove may transfer \$91,255 from the community service fund to the general fund in fiscal year 1994.

Subd. 7. RECOMMENDATIONS. After reviewing the position statement

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on fund integrity and fund merger by the advisory council on uniform financial accounting and reporting standards from November 1984, the commissioner of education shall make any recommendations for consolidation of funds or accounts and elimination of funds or accounts to the legislature in 1995.

#### Sec. 43. LOW-INCOME CONCENTRATION GRANT PROGRAM.

Subdivision 1. GRANT PROGRAM. A low-income concentration grant program is established. The purpose of the program is to provide additional resources to school buildings in which the concentration of children from low-income families is high compared to the district-wide concentration.

Subd. 2. APPLICATION PROCESS. The commissioner of education shall develop a grant application process. In order to qualify for a grant, the building must be located in a district that meets the following criteria:

(1) ten percent or more of the district's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) ten percent or more of the district's pupils are students of color;

(3) the district has at least 1500 students in average daily membership; and

(4) the district's administrative office is located in the seven county metropolitan area but not in a city of the first class.

Subd. 3. GRANT USE. The grant must be used according to Minnesota Statutes, section 124A.28. The grant may only be used in buildings in the district where the percent of children in the building eligible for free and reduced lunch is at least 20 percent and the number of minority students is at least 20 percent.

#### Sec. 44. SEXUALITY AND FAMILY LIFE EDUCATION SURVEY.

The department of education, in consultation with the department of health and Minnesota planning, shall conduct a survey to assess the extent and status of sexuality and family life education in Minnesota's public elementary, middle, secondary, and alternative schools. The survey shall, at a minimum, compile information on the sexuality and family life related curriculum offered in each school, the goals of the curriculum, the age and developmental appropriateness of the curriculum, available research supporting the curriculum, the relevant training of those who teach sexuality and family life education, and the role that parents play in the programs. The department of education shall report the results of the evaluation to the legislature by February 15, 1995. The survey results shall be used to develop effective programs to prevent teen pregnancy.

#### Sec. 45. APPROPRIATIONS.

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

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Subd. 2. FREE BREAKFAST GRANTS. For grants for free breakfasts to elementary school children:

\$167,000 ..... 1995

Up to \$18,000 of this sum may be used to conduct an evaluation of the grant sites.

Subd. 3. MAGNET SCHOOL AND PROGRAM GRANTS. For magnet school and program grants:

\$1,500,000 ..... 1995

This sum shall be used for planning and developing magnet schools and magnet programs. Prior to awarding the grants, the commissioner shall consult with the superintendent of districts that demonstrate an intent to participate in the magnet school and related programs.

Subd. 4. DESEGREGATION/INTEGRATION OFFICE. For the desegregation/integration office:

\$150,000 ..... 1995

This sum shall be used for costs associated with assisting school districts in voluntary integration efforts and for annually evaluating and reporting the results of such efforts. A portion of this appropriation may be used for unclassified positions within the department.

Subd. 5. MALE RESPONSIBILITY AND FATHERING GRANTS. For male responsibility and fathering grants:

\$500,000 ..... 1995

The commissioner of education shall award a minimum of ten grants geographically distributed throughout the state.

The commissioner of education may enter into cooperative agreements with the commissioner of human services to access federal money for child support and paternity education programs.

This appropriation is available until June 30, 1996.

Subd. 6. MULTICULTURAL CONTINUING EDUCATION GRANT. For a grant to independent school district No. 38, Red Lake, for a multicultural continuing education pilot project for teachers:

\$69,000 ..... 1995

The district must match this sum with staff development revenue under Minnesota Statutes, section 124A.29.

Subd. 7. LOW-INCOME CONCENTRATION GRANTS. For grants under section 43:

\$1,000,000 ..... 1995

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Each grant shall be no more than \$50,000.

Subd. 8. NETT LAKE YOUTH PROGRAM GRANT. For a grant to independent school district No. 707, Nett Lake, for providing an evening and weekend youth activity program:

\$25,000        .....        1995

The school district, in collaboration with social services and law enforcement agencies, and with the advice of the community youth council, must use the grant to provide evening and weekend programs for youth that include educational, social, and cultural activities.

Subd. 9. CULTURAL EXCHANGE PROGRAM. For the cultural exchange program:

\$142,000        .....        1995

Subd. 10. SITE GRANTS. For grants to school districts for mentorship cooperative ventures between school districts and post-secondary preparation institutions for alternative licensure programs under Minnesota Statutes, section 125.88:

\$100,000        .....        1995

The department must transmit this appropriation to the board of teaching.

Subd. 11. SEXUALITY AND FAMILY LIFE EDUCATION SURVEY. For a sexuality and family life education survey:

\$25,000        .....        1995

**Sec. 46. REPEALER.**

(a) Laws 1993, chapter 224, article 8, section 14, is repealed.

(b) Minnesota Rules, parts 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

**Sec. 47. EFFECTIVE DATE.**

(a) Sections 32; 33; and 42 are effective the day following final enactment.

(b) Sections 14; 17; and 46, paragraph (a), are effective July 1, 1994.

(c) Sections 12; and 13; are effective July 1, 1994, and apply to revenue for 1994-1995 and later school years.

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## ARTICLE 9

## MISCELLANEOUS

Section 1. Minnesota Statutes 1993 Supplement, section 120.064, subdivision 3, is amended to read:

Subd. 3. **SPONSOR.** A school board may sponsor one or more outcome-based schools.

A school board may authorize a maximum of five outcome-based schools.

No more than a total of ~~20~~ 35 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.

Sec. 2. Minnesota Statutes 1993 Supplement, section 120.064, subdivision 16, is amended to read:

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. If a school is unable to lease appropriate space from an eligible board or other public or private nonprofit nonsectarian organization, the school may lease space from another nonsectarian organization if the department of education, in consultation with the department of administration, approves the lease. If the school is unable to lease appropriate space from public or private nonsectarian organizations, the school may lease space from a sectarian organization if the leased space is constructed as a school facility and the department of education, in consultation with the department of administration, approves the lease.

Sec. 3. Minnesota Statutes 1993 Supplement, section 120.101, subdivision 5b, is amended to read:

Subd. 5b. **INSTRUCTIONAL DAYS.** Every child required to receive instruction according to subdivision 5 shall receive instruction for at least 170 days through the ~~1994-1995~~ 1995-1996 school year, and for later years, at least the number of days per school year in the following schedule:

- (1) ~~1995-1996, 172;~~
- (2) 1996-1997, 174;
- (3) (2) 1997-1998, 176;
- (4) (3) 1998-1999, 178;
- (5) (4) 1999-2000, 180;
- (6) (5) 2000-2001, 182;
- (7) (6) 2001-2002, 184;

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- ~~(8)~~ (7) 2002-2003, 186;  
(9) ~~(8)~~ 2003-2004, 188; and  
~~(10)~~ (9) 2004-2005, and later school years, 190.

Sec. 4. Minnesota Statutes 1992, 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 enrolled in a public school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124.86, 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 by that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course 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. 5. Minnesota Statutes 1993 Supplement, section 123.3514, subdivision 6, is amended to read:

Subd. 6. **FINANCIAL ARRANGEMENTS.** For a pupil enrolled in a course under this section, the department of education shall make payments according to this subdivision for courses that were taken for secondary credit.

The department shall not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only. The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester.

A post-secondary institution shall receive 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.

The department of education shall pay to each post-secondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary

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institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

Sec. 6. Minnesota Statutes 1993 Supplement, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. **FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.** For a pupil enrolled in a course according to this section, the department of education shall make payments according to this subdivision for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid.

The department must not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only. The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester.

A post-secondary institution shall receive 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.

The department of education shall pay to each post-secondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the general education formula allowance times .65, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, the general education formula allowance times .65, 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. 7. Minnesota Statutes 1993 Supplement, section 124.17, subdivision 2f, is amended to read:

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

Subd. 2f. **PSEO PUPILS.** The average daily membership for a student participating in the post-secondary enrollment options program equals the lesser of

- (1) 1.00, or
- (2) the greater of
  - (i) .12, or

(ii) the ratio of the number of instructional hours the student is enrolled in the secondary school to the product of the number of days required in section 120.101, subdivision 5b, times the minimum length of day required in Minnesota Rules, part 3500.1500, subpart 1.

Sec. 8. Minnesota Statutes 1993 Supplement, 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 days through the ~~1994-1995~~ 1995-1996 school year and the number of days required in subdivision 1b thereafter, 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 the required number of days and the number of days school is held bears to 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 is 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, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed five days through the ~~1994-1995~~ 1995-1996 school year and for subsequent school years the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 5b. For kindergarten, days 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. 9. Minnesota Statutes 1992, section 124.19, subdivision 1b, is amended to read:

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

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) ~~(2)~~ 1997-1998, 181;
- (4) ~~(3)~~ 1998-1999, 183;
- (5) ~~(4)~~ 1999-2000, 185;
- (6) ~~(5)~~ 2000-2001, 187;
- (7) ~~(6)~~ 2001-2002, 189;
- (8) ~~(7)~~ 2002-2003, 191;
- (9) ~~(8)~~ 2003-2004, 193; and
- (10) ~~(9)~~ 2004-2005, and later school years, 195.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.248, subdivision 4, is amended to read:

Subd. 4. **OTHER AID, GRANTS, REVENUE.** (a) 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 except that, notwithstanding section 124.195, subdivision 3, the payments shall be of an equal amount on each of the 23 payment dates unless an outcome-based school is in its first year of operation in which case it shall receive on its first payment date 15 percent of its cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter the sum of which shall be 85 percent of the cumulative amount guaranteed. 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.

(b) Any revenue received from any source, other than revenue that is specifically allowed for operational, maintenance, capital facilities revenue under paragraph (c), and capital expenditure equipment costs under this section, may be used only for the planning and operational start-up costs of an outcome-based school. Any unexpended revenue from any source under this paragraph must be returned to that revenue source or conveyed to the sponsoring school district, at the discretion of the revenue source.

(c) An outcome-based school may receive money from any source for capital facilities needs. Any unexpended capital facilities revenue must be reserved and shall be expended only for future capital facilities purposes.

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

Sec. 11. Minnesota Statutes 1992, section 124.86, subdivision 2, is amended to read:

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 average daily membership, excluding section 124.17, subdivision 2f, 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, excluding section 124.17, subdivision 2f; and

(4) multiplying the actual pupil units, including section 124.17, subdivision 2f, in average daily membership by the lesser of \$1,500 or the result in clause (3).

Sec. 12. Minnesota Statutes 1992, section 127.03, subdivision 3, is amended to read:

Subd. 3. **IMMUNITY FROM CIVIL LIABILITY.** It is a defense to a civil action for damages against a ~~teacher~~ school official, as defined in section 609.2231, subdivision 5, to prove that the force used by the ~~teacher~~ official was reasonable, was in the exercise of lawful authority, and was necessary under the circumstances to restrain the pupil or to prevent bodily harm or death to another.

Sec. 13. **EFFECTIVE DATE.**

Section 2 is effective the day following final enactment. Section 7 is effective retroactive to July 1, 1991, and applies to fiscal year 1992 and thereafter.

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

## ARTICLE 10

## LIBRARIES

Section 1. [134.155] LIBRARIANS OF COLOR PROGRAM.

Subdivision 1. DEFINITION. For purposes of this section, "people of color" means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic.

Subd. 2. GRANTS. The commissioner of education, in consultation with the multicultural advisory committee established in section 126.82, shall award grants for professional development programs to recruit and educate people of color in the field of library science or information management. Grant applicants must be a public library jurisdiction with a growing minority population working in collaboration with an accredited institution of higher education with a library program in the state of Minnesota.

Subd. 3. PROGRAM REQUIREMENTS. (a) A grant recipient shall recruit people of color to be librarians in public libraries and provide support in linking program participants with jobs in the recipient's library jurisdiction.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students, undergraduate students, or other persons; support them through the higher education application and admission process; advise them while enrolled; and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to people of color enrolled in an accredited library program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based upon a student's financial need and students must apply for any additional financial aid for which they are eligible to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to work in the grantee library jurisdiction for at least two years after graduation if the student acquires a master's degree and at least three years after graduation if the student acquires both a bachelor's and a master's degree while participating in the program. If no full-time position is available in the library jurisdiction, the student may fulfill the work requirement in another Minnesota public library.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of persons of color in librarianship;

(2) whether grant recipients will establish or have a mentoring program for persons of color; and

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(3) whether grant recipients will provide a library internship for persons of color while participating in this program.

Sec. 2. Minnesota Statutes 1992, section 134.195, subdivision 10, is amended to read:

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. When school is not in session, the library may reduce its hours to~~ maintain at least the average number of hours each week of other public libraries serving its population size. 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. 3. CHILDREN'S LIBRARY SERVICES GRANT PROGRAM.

Subdivision 1. ESTABLISHMENT. The commissioner of education shall establish a grant program for public libraries to develop community collaborations and partnerships that strengthen public library service to children, young people, and their families. The office of library development and services shall administer the grant program.

Subd. 2. APPLICANTS. An applicant must propose a program involving collaboration between a public library and at least one child or family organization, including, but not limited to: a school district, an early childhood family education program, a public or private adult basic education program, a non-profit agency, a licensed school age child care program, a licensed family child care provider, a licensed child care center, a public health clinic, a social service agency, or a family literacy program.

Subd. 3. ADVISORY TASK FORCE. The commissioner of education shall appoint an advisory task force to review grant applications and make recommendations for awarding the grants. At least two members of the task force must be practicing children's services librarians.

Subd. 4. CRITERIA FOR GRANT AWARDS. In order to qualify for a grant, an applicant must:

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

(1) demonstrate collaboration between a public or private agency that improves library services to children, young people, and their families;

(2) have a plan for replication of the project in other areas of the state, if appropriate;

(3) involve the regional public library system and the multitype library system in the planning; and

(4) describe a system for evaluating the project.

#### Sec. 4. 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. LIBRARIANS OF COLOR. For the librarians of color program:  
\$55,000       .....       1995

Subd. 3. CHILDREN'S LIBRARY SERVICES GRANTS. For grants for collaborative programs to strengthen library services to children, young people, and their families:

\$50,000       .....       1995

### ARTICLE 11

#### STATE AGENCIES

Section 1. Minnesota Statutes 1992, section 121.612, subdivision 7, is amended to read:

Subd. 7. **FOUNDATION STAFF.** (a) The state board shall appoint the executive director and other staff who shall perform duties and have responsibilities solely related to the foundation.

(b) As part of the annual plan of work, the foundation, under the direction of the state board, may appoint up to three employees. The employees appointed under this paragraph are not state employees under chapter 43A, but are covered under section 3.736. At the foundation board's discretion, the employees may participate in the state health and state insurance plans for employees in unclassified service. The employees shall be supervised by the executive director.

Sec. 2. Minnesota Statutes 1992, section 126A.04, subdivision 5, is amended to read:

Subd. 5. **GRANTS.** The director may apply for, receive, and allocate grants and other money for environmental education. The director shall continue to make a grant to an environmental library located in the metropolitan area.

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

Sec. 3. Minnesota Statutes 1992, section 129C.15, is amended by adding a subdivision to read:

Subd. 3. CENTER RESPONSIBILITIES. The center shall:

(1) provide information and technical services to arts teachers, professional arts organizations, school districts, and the department of education;

(2) gather and conduct research in arts education;

(3) design and promote arts education opportunities for all Minnesota pupils in elementary and secondary schools; and

(4) serve as liaison for the department of education to national organizations for arts education.

Sec. 4. FEDERAL FUNDS APPROVAL.

The expenditure of federal funds as shown in the first and third change orders to the 1994-1995 supplemental budget are approved and appropriated and shall be spent as indicated.

Sec. 5. FARIBAULT ACADEMIES; APPROPRIATION.

Subdivision 1. FARIBAULT STATE ACADEMIES; STAFF TRAINING. \$100,000 is appropriated in fiscal year 1995 from the general fund to the department of education for the Faribault academies to pay for the costs of an intensive staff training program. The staff training shall address issues of staff awareness and understanding of blind and deaf cultures, staff skill improvement, mediation and conflict resolution, team building, and communications. A report concerning the staff training program shall be submitted to the education committees of the legislature by January 1, 1995.

Subd. 2. UTILIZATION OF ACADEMY EMPLOYEES. In order to utilize employees of the Faribault academies who would otherwise be laid off during June, July, and August 1994, work to be performed on the renovation of Noyes hall on the Minnesota state academy for the deaf campus and the demolition of Dow hall on the Minnesota academy for the blind campus may include state employees, provided that the work performed by state employees is necessary for the completion of the projects, results in real costs savings on the projects, and is in conformance with state employees collective bargaining agreements.

Sec. 6. EFFECTIVE DATE.

Section 4 is effective the day following final enactment.

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

## ARTICLE 12

## SCHOOL BUS SAFETY

Section 1. Minnesota Statutes 1992, section 123.39, subdivision 1, is amended to read:

Subdivision 1. The board may provide for the transportation of pupils to and from school and for any other purpose for which aid is authorized under section 124.223 or for which levies are authorized under sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, 124.918, and 136C.411. The board may also provide for the transportation of pupils to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. ~~Every driver shall possess all the qualifications required by the rules of the state board of education.~~ In any school district, the board shall arrange for the attendance of all pupils living two miles or more from the school, except pupils whose transportation privileges have been revoked under section 123.805, subdivision 1, clause (6), or 123.7991, paragraph (b), through suitable provision for transportation or through the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. The board shall provide transportation to and from the home of a child with a disability not yet enrolled in kindergarten when special instruction and services under ~~sections~~ sections 120.17 and 120.1701 are provided in a location other than in the child's home. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control, and management of the school board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 2. Minnesota Statutes 1992, section 123.78, is amended by adding a subdivision to read:

Subd. 3. RULES. The state board of education may amend rules relating to equal transportation.

Sec. 3. [123.799] STUDENT TRANSPORTATION SAFETY.

Subdivision 1. RESERVED REVENUE USE. A district shall use the student transportation safety reserved revenue under section 124.225, subdivision 7f, for providing student transportation safety programs to enhance student conduct and safety on the bus or when boarding and exiting the bus. A district's student transportation policy must specify the student transportation safety

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activities to be carried out under this section. A district's student transportation safety reserved revenue may only be used for the following purposes:

- (1) to provide paid adult bus monitors, including training and salary costs;
- (2) to provide a volunteer bus monitor program, including training costs and the cost of a program coordinator;
- (3) to purchase or lease optional external public address systems or video recording cameras for use on buses; and
- (4) other activities or equipment that have been reviewed by the state school bus safety advisory committee and approved by the commissioner of public safety.

Subd. 2. REPORTING. Districts shall annually report expenditures from the student transportation safety reserved revenue to the commissioner of education, who shall provide the information to the school bus safety advisory committee.

#### Sec. 4. [123.7991] SCHOOL BUS SAFETY TRAINING.

Subdivision 1. SCHOOL BUS SAFETY WEEK. The first week of school is designated as school bus safety week.

A school board may designate one day of school bus safety week as school bus driver day.

Subd. 2. STUDENT TRAINING. (a) Each school district shall provide public school pupils enrolled in grades kindergarten through 12 with school bus safety training. The training shall be results-oriented and shall consist of both classroom instruction and practical training using a school bus. Upon completing the training, a student shall be able to demonstrate knowledge and understanding of at least the following competencies and concepts:

- (1) transportation by school bus is a privilege not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the bus;
- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe vehicle lane crossing; and
- (7) school bus evacuation and other emergency procedures.

(b) Student school bus safety training shall commence during school bus safety week. All students who are transported by school bus and are enrolled

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during the first week of school must demonstrate achievement of the school bus safety training competencies by the end of the third week of school. Students who enroll in a school after the first week of school and are transported by school bus shall undergo school bus safety training and demonstrate achievement of the school bus safety competencies within three weeks of the first day of attendance. The pupil transportation safety director in each district must certify to the commissioner of education annually by October 15 that all students transported by bus have satisfactorily demonstrated knowledge and understanding of the school bus safety competencies according to this section or provide an explanation for a student's failure to demonstrate the competencies. A school district may deny transportation to a student who fails to demonstrate the competencies, unless the student is unable to achieve the competencies due to a disability.

(c) A district must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.

(d) A school district must also provide student safety education for bicycling and pedestrian safety.

Subd. 3. MODEL TRAINING PROGRAM. The commissioner of education shall develop a comprehensive model school bus safety training program for pupils who ride the bus that includes bus safety curriculum for both classroom and practical instruction, methods for assessing attainment of school bus safety competencies, and age-appropriate instructional materials.

**Sec. 5. [123.7992] NOTICE OF RECORDING DEVICE.**

If a video or audio recording device is placed on a school bus, the bus also must contain a sign or signs, conspicuously placed, notifying riders that their conversations or actions may be recorded on tape.

**Sec. 6. [123.801] BUS TRANSPORTATION A PRIVILEGE NOT A RIGHT.**

Transportation by school bus is a privilege not a right for an eligible student. A student's eligibility to ride a school bus may be revoked for a violation of school bus safety or conduct policies, or for violation of any other law governing student conduct on a school bus, pursuant to a written school district discipline policy. Revocation of a student's bus riding privilege is not an exclusion, expulsion, or suspension under the pupil fair dismissal act of 1974. Revocation procedures for a student who is an individual with a disability under the Individuals with Disabilities Education Act, United States Code, title 20, section 1400 et seq., section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, and the Americans with Disabilities Act, Public Law Number 101-336, are governed by these provisions.

Sec. 7. Minnesota Statutes 1992, section 124.223, is amended by adding a subdivision to read:

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

**Subd. 11. RULES.** The state board of education may amend rules relating to transportation aid and data.

Sec. 8. Minnesota Statutes 1992, section 124.225, is amended by adding a subdivision to read:

**Subd. 7f. RESERVED REVENUE FOR TRANSPORTATION SAFETY.** A district shall reserve an amount equal to the greater of \$1,000 or one percent of the sum of the district's regular transportation revenue according to subdivision 7d, paragraph (a), and nonregular transportation revenue according to subdivision 7d, paragraph (b), for that school year to provide student transportation safety programs under section 3.

Sec. 9. Minnesota Statutes 1992, section 124.225, is amended by adding a subdivision to read:

**Subd. 8m. TRANSPORTATION SAFETY AID.** A district's transportation safety aid equals the district's reserved revenue for transportation safety under subdivision 7f for that school year.

Sec. 10. Minnesota Statutes 1992, section 126.15, subdivision 4, is amended to read:

**Subd. 4. IDENTIFY, OPERATION.** Identification and operation of school safety patrols shall be uniform throughout the state and the method of identification and signals to be used shall be as prescribed by the commissioner of public safety. School safety patrol members may wear fluorescent reflective vests.

Sec. 11. Minnesota Statutes 1992, section 169.01, subdivision 6, is amended to read:

**Subd. 6. SCHOOL BUS.** "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7. A school bus may be type I A, type B, type C, or type D, type H, or type III as follows:

(a) ~~A "type I school bus" means a school bus of more than 10,000 pounds gross vehicle weight rating, designed for carrying more than ten persons.~~

(b) ~~A "type H school bus" is a bus with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus.~~

(1) a "type A school bus" is a conversion or body constructed upon a van-type compact truck or a front-section vehicle, with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons;

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(2) a "type B school bus" is a conversion or body constructed and installed upon a van or front-section vehicle chassis, or stripped chassis, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. Part of the engine is beneath or behind the windshield and beside the driver's seat. The entrance door is behind the front wheels;

(3) a "type C school bus" is a body installed upon a flat back cowl chassis with a gross vehicle weight rating of more than 10,000 pounds, designated for carrying more than ten persons. All of the engine is in front of the windshield and the entrance door is behind the front wheels;

(4) a "type D school bus" is a body installed upon a chassis, with the engine mounted in the front, midship or rear, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver's seat; it may be at the rear of the bus, behind the rear wheels, or midship between the front and rear axles. The entrance door is ahead of the front wheels; and

(e) (5) type III school buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" must not be outwardly equipped and identified as a school bus.

Sec. 12. Minnesota Statutes 1992, section 169.21, subdivision 2, is amended to read:

Subd. 2. **RIGHTS IN ABSENCE OF SIGNALS.** (a) Where traffic-control signals are not in place or in operation the driver of a vehicle shall yield the right-of-way, slowing down or stopping if need be to so yield, to a pedestrian crossing the roadway within a crosswalk but no pedestrian shall suddenly leave a curb or other place of safety and walk or run into the path of a vehicle which is so close that it is impossible for the driver to yield. This provision shall not apply under the conditions as otherwise provided in this subdivision.

(b) When any vehicle is stopped at a marked crosswalk or at any unmarked crosswalk at an intersection to permit a pedestrian to cross the roadway, the driver of any other vehicle approaching from the rear shall not overtake and pass the stopped vehicle.

(c) It is unlawful for any person to drive a motor vehicle through a column of school children crossing a street or highway or past a member of a school safety patrol, while the member of the school safety patrol is directing the movement of children across a street or highway and while the school safety patrol member is holding an official signal in the stop position. A person who violates this paragraph is guilty of a misdemeanor. A person who violates this paragraph a second or subsequent time within one year of a previous conviction under this paragraph is guilty of a gross misdemeanor.

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Sec. 13. [169.435] STATE SCHOOL BUS SAFETY ADMINISTRATION.

Subdivision 1. RESPONSIBILITY; DEPARTMENT OF PUBLIC SAFETY. The department of public safety has the primary responsibility for school transportation safety. To oversee school transportation safety, the commissioner of public safety shall establish a school bus safety advisory committee according to subdivision 2. The commissioner or the commissioner's designee shall serve as state director of pupil transportation according to subdivision 3.

Subd. 2. SCHOOL BUS SAFETY ADVISORY COMMITTEE. The commissioner of public safety shall establish the school bus safety advisory committee. The commissioner shall provide the committee with meeting space and clerical support. The commissioner of public safety or the commissioner's designee shall chair the committee. The members of the committee also shall include:

- (1) the commissioner of education or the commissioner's designee;
- (2) the commissioner of human rights or the commissioner's designee;
- (3) a county or city attorney;
- (4) a representative of the state patrol;
- (5) a school board member;
- (6) a school superintendent;
- (7) two school bus drivers, one representing the metropolitan area and one representing greater Minnesota;
- (8) two school transportation contractors, one representing the metropolitan areas and one representing greater Minnesota;
- (9) two school transportation safety directors, one representing the metropolitan area and one representing greater Minnesota; and
- (10) five public members, including at least four parents of children who ride a school bus, among them a parent of a child with a disability. The public members shall be geographically representative.

The commissioner of public safety, in consultation with the commissioner of education, shall appoint the members listed in clauses (3) to (9). The governor shall appoint the public members in clause (10). Terms, compensation, and removal of committee members shall be according to section 15.059. The committee shall meet quarterly or as required by the chair.

The duties of the committee shall include:

- (1) an annual report by January 15 to the governor and the education committee of the legislature, including recommendations for legislative action when needed, on student bus safety education, school bus equipment requirements and inspection, bus driver licensing, training, and qualifications, bus operation

procedures, student behavior and discipline, rules of the road, school bus safety education for the public, or any other aspects of school transportation safety the committee considers appropriate;

(2) a quarterly review of all school transportation accidents, crimes, incidents of serious misconduct, incidents that result in serious personal injury or death, and bus driver dismissals for cause; and

(3) periodic review of school district comprehensive transportation safety policies.

Subd. 3. PUPIL TRANSPORTATION SAFETY DIRECTOR. The commissioner of public safety or the commissioner's designee shall serve as pupil transportation safety director.

The duties of the pupil transportation safety director shall include:

(1) overseeing all department activities related to school bus safety;

(2) assisting in the development, interpretation, and implementation of laws and policies relating to school bus safety;

(3) supervising preparation of the school bus inspection manual;

(4) in conjunction with the department of education, assisting school districts in developing and implementing comprehensive transportation policies; and

(5) providing information requested by the school bus safety advisory committee.

**Sec. 14. [123.805] SCHOOL DISTRICT BUS SAFETY RESPONSIBILITIES.**

Subdivision 1. COMPREHENSIVE POLICY. Each school district shall develop and implement a comprehensive, written policy governing pupil transportation safety. The policy shall, at minimum, contain:

(1) provisions for appropriate student bus safety training under section 4;

(2) rules governing student conduct on school buses and in school bus loading and unloading areas;

(3) a statement of parent or guardian responsibilities relating to school bus safety;

(4) provisions for notifying students and parents or guardians of their responsibilities and the rules;

(5) an intradistrict system for reporting school bus accidents or misconduct, a system for dealing with local law enforcement officials in cases of criminal con-

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duct on a school bus, and a system for reporting accidents, crimes, incidents of misconduct, and bus driver dismissals to the department of public safety under section 24;

(6) a discipline policy to address violations of school bus safety rules, including procedures for revoking a student's bus riding privileges in cases of serious or repeated misconduct;

(7) a system for integrating school bus misconduct records with other discipline records;

(8) a statement of bus driver duties;

(9) planned expenditures for safety activities under section 3 and, where applicable, provisions governing bus monitor qualifications, training, and duties;

(10) rules governing the use and maintenance of type III vehicles, drivers of type III vehicles, and the circumstances under which a student may be transported in a type III vehicle;

(11) operating rules and procedures;

(12) provisions for annual bus driver in-service training and evaluation;

(13) emergency procedures; and

(14) a system for maintaining and inspecting equipment.

School districts are encouraged to use the current edition of the "National Standards for School Buses and Operations" published by the National Safety Council in developing safety policies. Each district shall submit a copy of its policy under this subdivision to the school bus safety advisory committee no later than August 1, 1994, and review and make appropriate amendments annually by August 1.

Subd. 2. SCHOOL TRANSPORTATION SAFETY DIRECTOR. Each school board shall designate a school transportation safety director to oversee and implement pupil transportation safety policies. The director shall have day-to-day responsibility for pupil transportation safety.

Sec. 15. Minnesota Statutes 1992, section 169.441, subdivision 3, is amended to read:

Subd. 3. **SIGN ON BUS; APPLICATION OF OTHER LAW.** Sections 169.442, subdivisions 2 and 3; 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.

Except as provided in section 169.443, subdivision 8, the sign must be removed or covered when the vehicle is being used as other than a school bus.

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Sec. 16. Minnesota Statutes 1992, section 169.442, subdivision 1, is amended to read:

Subdivision 1. **SIGNALS REQUIRED.** A type I A, B, C, or ~~type H D~~ school bus must be equipped with a stop signal arm, prewarning flashing amber signals, and flashing red signals.

Sec. 17. Minnesota Statutes 1992, section 169.443, subdivision 8, is amended to read:

Subd. 8. **USE FOR RECREATIONAL OR EDUCATIONAL ACTIVITY.** A school bus that transports over regular routes and on regular schedules persons age 18 or under to and from a regularly scheduled recreational or educational activity must comply with subdivisions 1 and 7. Notwithstanding section 169.441, subdivision 3, a school bus may provide such transportation only if (1) the "school bus" sign ~~required by section 169.443, subdivision 3,~~ is plainly visible; (2) the school bus has a valid certificate of inspection under section 169.451; (3) the driver of the school bus possesses a driver's license with a valid school bus endorsement under section 171.10; and (4) the entity that organizes the recreational or educational activity, or the contractor who provides the school buses to the entity, consults with the superintendent of the school district in which the activity is located or the superintendent's designee on the safety of the regular routes used.

Sec. 18. Minnesota Statutes 1992, section 169.445, subdivision 1, is amended to read:

Subdivision 1. **COOPERATION OF SCHOOL AUTHORITIES.** The ~~state board of education~~ commissioner of public safety shall ensure that local authorities having jurisdiction over school buses shall cooperate with law enforcement and judicial authorities in reporting and prosecuting violators of sections 169.443 and 169.444.

Sec. 19. Minnesota Statutes 1992, section 169.445, subdivision 2, is amended to read:

Subd. 2. **INFORMATION; RULES.** The ~~board~~ commissioner shall compile information regarding violations, prosecutions, convictions or other disposition, and penalties imposed under sections 169.443 and 169.444. At the request of the ~~board~~ commissioner, local school authorities shall provide this information. The ~~board~~ commissioner may adopt rules governing the content and providing procedures for the school authorities to provide this information.

Sec. 20. Minnesota Statutes 1992, section 169.446, subdivision 3, is amended to read:

Subd. 3. **DRIVER EDUCATION PROGRAMS.** The ~~state board of education~~ commissioner of public safety shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver education

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programs offered at public schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Sec. 21. Minnesota Statutes 1992, section 169.447, subdivision 6, is amended to read:

Subd. 6. **OVERHEAD BOOK RACKS.** Types I A, B, C, and H D school buses may be equipped with padded, permanent overhead book racks that do not hang over the center aisle of the bus.

Sec. 22. **[169.449] SCHOOL BUS OPERATIONS.**

Subdivision 1. RULES. The commissioner of public safety, in consultation with the school bus safety advisory committee, shall adopt rules governing the operation of school buses used for transportation of school children, when owned or operated by a school or privately owned and operated under a contract with a school, and these rules must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these rules.

Subd. 2. ENFORCEMENT. The operation of a school bus on the public streets or highways in violation of rules concerning the operation of school buses adopted by the commissioner under subdivision 1 is a misdemeanor. The state patrol shall enforce rules adopted under subdivision 1 when a school bus is operated on a public street or highway.

Sec. 23. **[169.450] SCHOOL BUS EQUIPMENT STANDARDS.**

Subdivision 1. NATIONAL STANDARDS ADOPTED. Except as provided in sections 36 and 37, the construction, design, equipment, and color of types A, B, C, and D school buses used for the transportation of school children shall meet the requirements of the "bus chassis standards" and "bus body standards" in the 1990 revised edition of the "National Standards for School Buses and Operations" adopted by the Eleventh National Conference on School Transportation and published by the National Safety Council. Except as provided in section 38, the construction, design, and equipment of types A, B, C, and D school buses used for the transportation of students with disabilities also shall meet the requirements of the "specially equipped school bus standards" in the 1990 National Standards for School Buses and Operations. The "bus chassis standards," "bus body standards," and "specially equipped school bus standards" sections of the 1990 revised edition of the "National Standards for School Buses and Operations" are incorporated by reference in this chapter.

Subd. 2. APPLICABILITY. (a) The standards adopted in this section and sections 36 and 37, govern the construction, design, equipment, and color of school buses used for the transportation of school children, when owned and operated by a school or privately owned and operated under a contract with a school, and these standards must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these standards.

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(b) The standards apply to school buses manufactured after December 31, 1994. Buses complying with these standards when manufactured need not comply with standards established later except as specifically provided for by law.

(c) A school bus manufactured on or before December 31, 1994, must conform to the Minnesota standards in effect on the date the vehicle was manufactured except as specifically provided for in law.

(d) A new bus body may be remounted on a used chassis provided that the remounted vehicle meets state and federal standards for new buses which are current at the time of the remounting. Permission must be obtained from the commissioner of public safety before the remounting is done. A used bus body may not be remounted on a new or used chassis.

Subd. 3. INSPECTION MANUAL. The department of public safety shall develop a school bus inspection manual based on the national standards adopted in subdivision 1 and Minnesota standards adopted in sections 36, 37, and 38. The Minnesota state patrol shall use the manual as the basis for inspecting buses as provided in section 169.451. When appropriate, the school bus safety advisory committee shall recommend to the education committees of the legislature modifications to the standards upon which the school bus inspection manual is based. The department of public safety has no rulemaking authority to alter the standards upon which school buses are inspected.

Subd. 4. VARIANCES. The commissioner of public safety may grant a variance to any of the school bus standards to accommodate testing of new equipment related to school buses. A variance from the standards must be for the sole purpose of testing and evaluating new equipment for increased safety, efficiency, and economy of pupil transportation. The variance expires 18 months from the date on which it is granted unless the commissioner specifies an earlier expiration date. The school bus safety advisory committee shall annually review all variances that are granted under this subdivision and consider whether to recommend modifications to the Minnesota school bus equipment standards based on the variances.

#### **Sec. 24. [169.452] ACCIDENT AND SERIOUS INCIDENT REPORTING.**

The department of public safety shall develop uniform definitions of a school bus accident, an incident of serious misconduct, and an incident that results in personal injury or death. The department shall determine what type of information on school bus accidents and incidents, including criminal conduct, and bus driver dismissals for cause should be collected and develop a uniform accident and incident reporting form to collect those data, including data relating to type III vehicles, statewide. Data collected with this reporting form shall be analyzed to help develop accident, crime, and misconduct prevention programs.

#### **Sec. 25. [169.454] TYPE III VEHICLE STANDARDS.**

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Subdivision 1. STANDARDS. This section applies to type III vehicles used for the transportation of school children when owned and operated by a school district or privately owned and operated. All related equipment provided on the vehicle must comply with federal motor vehicle safety standards where applicable. If no federal standard applies, equipment must be manufacture's standard.

Subd. 2. AGE OF VEHICLE. Vehicles ten years or older must not be used as type III vehicles to transport school children, except those vehicles that are manufactured to meet the structural requirements of federal motor vehicle safety standard 222, Code of Federal Regulations, title 49, part 571.

Subd. 3. COLOR. Vehicles must be painted a color other than national school bus yellow.

Subd. 4. FIRE EXTINGUISHER. A minimum of one 10BC rated dry chemical type fire extinguisher is required. The extinguisher must be mounted in a bracket, and must be located in the driver's compartment and be readily accessible to the driver and passengers. A pressure indicator is required and must be easily read without removing the extinguisher from its mounted position.

Subd. 5. FIRST AID KIT. A minimum of a ten unit first aid kit is required. The bus must have a removable, moisture- and dust-proof first aid kit mounted in an accessible place within the driver's compartment and must be marked to indicate its location.

Subd. 6. IDENTIFICATION. The vehicle must not have the words "school bus" in any location on the exterior of the vehicle, or in any interior location visible to a motorist.

The vehicle must display to the rear of the vehicle this sign: "VEHICLE STOPS AT RR CROSSINGS."

The lettering (except for "AT," which may be one inch smaller) must be a minimum two-inch "Series D" as specified in standard alphabets for highway signs as specified by the Federal Highway Administration. The printing must be in a color giving a marked contrast with that of the part of the vehicle on which it is placed.

The sign must have provisions for being covered, or be of a removable or fold-down type.

Subd. 7. LAMPS AND SIGNALS. Installation and use of the eight-lamp warning system is prohibited.

All lamps on the exterior of the vehicle must conform with and be installed as required by federal motor vehicle safety standard 108, Code of Federal Regulations, title 49, part 571.

Subd. 8. STOP SIGNAL ARM. Installation and use of a stop signal arm is prohibited.

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Subd. 9. MIRRORS. The interior clear rearview mirror must afford a good view of pupils and roadway to the rear. Two exterior clear rearview mirrors must be provided, one to the left and one to the right of the driver. Each mirror must be firmly supported and adjustable to give the driver clear view past the left rear and the right rear of the bus.

Subd. 10. WARNING DEVICE. A type III bus must contain at least three red reflectorized triangle road warning devices. Liquid burning "pot type" flares are not allowed.

Subd. 11. EMERGENCY DOORS. The doors on type III buses must remain unlocked when carrying passengers.

Subd. 12. OPTION. Passenger cars and station wagons may carry fire extinguisher, first aid kit, and warning triangles in the trunk or trunk area of the vehicle, if a label in the driver and front passenger area clearly indicates the location of these items.

**Sec. 26. [169.4581] LAW ENFORCEMENT POLICY FOR CRIMINAL CONDUCT ON SCHOOL BUSES.**

By January 1, 1995, each local law enforcement agency shall adopt a written policy regarding procedures for responding to criminal incidents on school buses. In adopting a policy, each law enforcement agency shall consult with local school officials, with representatives of private companies that contract with school districts to provide transportation, and with parents of students. The policy must recognize that responding to reports of criminal conduct on school buses is the responsibility of law enforcement officials.

**Sec. 27. [169.4582] REPORTING INCIDENTS ON SCHOOL BUSES.**

Subdivision 1. REPORTABLE OFFENSE; DEFINITION. "Reportable offense" means misbehavior causing an immediate and substantial danger to self or surrounding persons or property under section 127.29.

Subd. 2. DUTY TO REPORT; SCHOOL OFFICIAL. Consistent with the school bus safety policy under section 123.805, subdivision 1, the school principal, the school transportation safety director, or other designated school official shall immediately report to the local law enforcement agency having jurisdiction where the misbehavior occurred and to the school superintendent if the reporting school official knows or has reason to believe that a student has committed a reportable offense on a school bus or in a bus loading or unloading area. The reporting school official shall issue a report to the commissioner of public safety concerning the incident, on a form developed by the commissioner for that purpose.

Sec. 28. Minnesota Statutes 1992, section 169.64, subdivision 8, is amended to read:

Subd. 8. **WHITE STROBE LAMPS.** Notwithstanding sections 169.55,

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subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:

(1) a school bus that is subject to and complies with the ~~color and~~ equipment requirements of sections 169.441, ~~subdivisions subdivision 1 and 2,~~ and 169.442, subdivision 1. The lamp shall be permanently mounted on the longitudinal center line of the bus roof not less than five feet nor more than seven feet forward of the rear roof edge. It shall operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus; or

(2) a road maintenance vehicle owned or under contract to the department of transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.

The strobe lamp shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula.

Sec. 29. Minnesota Statutes 1993 Supplement, section 171.321, subdivision 2, is amended to read:

Subd. 2. **RULES; QUALIFICATIONS AND TRAINING.** (a) The commissioner of public safety shall prescribe rules governing the ~~qualifications of individuals to drive school buses~~ physical qualifications of school bus drivers and tests required to obtain a school bus endorsement. The rules must provide that an applicant for a school bus endorsement or renewal is exempt from the physical qualifications and medical examination required to operate a school bus upon providing evidence of being medically examined and certified within the preceding 24 months as physically qualified to operate a commercial motor vehicle, pursuant to Code of Federal Regulations, title 49, part 391, subpart E, or rules of the commissioner of transportation incorporating those federal regulations.

(b) ~~The commissioner of public safety, in conjunction with the commissioner of education, shall adopt a training program for school bus drivers. Adoption of the program is not subject to chapter 14. The program must provide for initial classroom and behind-the-wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a school district, the school district, the commissioner of education, a licensed driver training school, or by another person or entity approved by both commissioners.~~

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Sec. 30. Minnesota Statutes 1992, section 171.321, subdivision 3, is amended to read:

Subd. 3. **STUDY OF APPLICANT.** Before issuing or renewing a school bus endorsement, the commissioner shall conduct a criminal and driver's license records check of the applicant. The commissioner may also conduct the check at any time while a person is so licensed. The check shall consist of a criminal records check of the state criminal records repository and a check of the driver's license records system. If the applicant has resided in Minnesota for less than five years, the check shall also include a criminal records check of information from the state law enforcement agencies in the states where the person resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting the records check is reasonable cause to deny an application or cancel a school bus endorsement. The commissioner may not release the results of the records check to any person except the applicant.

Sec. 31. Minnesota Statutes 1992, section 171.321, is amended by adding a subdivision to read:

Subd. 4. **TRAINING.** No person shall drive a class A, B, C, or D school bus when transporting school children to or from school or upon a school-related trip or activity without having demonstrated sufficient skills and knowledge to transport students in a safe and legal manner. A bus driver must have training or experience that allows the driver to meet at least the following competencies:

- (1) safely operate the type of school bus the driver will be driving;
- (2) understand student behavior, including issues relating to students with disabilities;
- (3) ensure orderly conduct of students on the bus and handle incidents of misconduct appropriately;
- (4) know and understand relevant laws, rules of the road, and local school bus safety policies;
- (5) handle emergency situations;
- (6) safely load and unload students; and
- (7) demonstrate proficiency in first aid and cardiopulmonary resuscitation procedures.

The commissioner of public safety, in conjunction with the commissioner of education, shall develop a comprehensive model school bus driver training program and model assessments for school bus driver training competencies, which are not subject to chapter 14. A school district may use alternative assessments for bus driver training competencies with the approval of the commissioner of public safety.

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Sec. 32. Minnesota Statutes 1992, section 171.321, is amended by adding a subdivision to read:

Subd. 5. ANNUAL EVALUATION. A school district, nonpublic school, or private contractor shall evaluate each bus driver annually to assure that, at minimum, each driver continues to meet school bus driver training competencies under subdivision 4. A school district, nonpublic school, or private contractor also shall provide at least eight hours of in-service training annually to each school bus driver. As part of the annual evaluation, a district, nonpublic school, or private contractor shall check the license of each person who transports students for the district with the National Drivers Register or the department of public safety. A school district, nonpublic school, or private contractor shall certify annually to the commissioner of public safety that each driver has received eight hours of in-service training and has met the training competencies.

Sec. 33. Minnesota Statutes 1992, section 171.3215, is amended to read:

**171.3215 CANCELING BUS DRIVER'S ENDORSEMENT FOR CRIME AGAINST MINOR CERTAIN OFFENSES.**

Subdivision 1. **DEFINITIONS.** (a) As used in this section, the following terms have the meanings given them.

(1) (b) "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.

(c) "Disqualifying offense" includes any felony offense, any misdemeanor, gross misdemeanor, or felony violation of chapter 152, any violation under section 609.3451, 609.746, subdivision 1, or 617.23, or a fourth moving violation within a three-year period.

Subd. 2. **CANCELLATION.** The commissioner Within 10 days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has committed been convicted of a crime against a minor disqualifying offense, the commissioner shall permanently cancel the school bus driver's endorsement on the offender's driver's license. Within ten days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has been convicted of a gross misdemeanor or a violation of section 169.121 or 169.129, and within ten days of revoking a school bus driver's license under section 169.123, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license for five years. After five years, cancellation of a school bus driver's

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endorsement for a conviction under section 169.121 or 169.129 shall remain in effect until the driver provides proof of successful completion of an alcohol or controlled substance treatment program. Upon canceling the offender's school bus driver's endorsement, the ~~department~~ commissioner 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~~ commissioner shall conduct an investigation to determine ~~whether~~ if the applicant has been convicted of committing a ~~crime against a minor~~ disqualifying offense, a violation of section 169.121 or 169.129, a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169.123. The ~~department~~ commissioner 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~~ disqualifying offense. The commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if, within the previous five years, the applicant has been convicted of committing a violation of section 169.121 or 169.129, or a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169.123. An applicant who has been convicted of violating section 169.121 or 169.129 within the previous ten years must show proof of successful completion of an alcohol or controlled substance treatment program in order to receive a bus driver's endorsement.

Subd. 4. **WAIVER OF PERMANENT CANCELLATION.** The commissioner of public safety, in consultation with the school bus safety advisory committee, may waive the permanent cancellation requirement of section 171.3215 for a person convicted of a nonfelony violation of chapter 152 or a felony that is not a violent crime under section 609.152.

Sec. 34. Minnesota Statutes 1992, section 631.40, subdivision 1a, is amended to read:

Subd. 1a. When a person is convicted of committing a ~~crime against a minor~~ disqualifying offense, as defined in section 171.3215, subdivision 1, a gross misdemeanor, or a violation of section 169.121 or 169.129, the court shall ~~order that the presentence investigation include information about~~ determine 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 within ten days after the conviction.

Sec. 35. Laws 1993, chapter 224, article 12, section 39, is amended to read:

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## Sec. 39. REPEALER.

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400; 3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; 8700.6410; 8700.6800; 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

(b) Minnesota Rules, parts ~~3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800;~~ 3520.2900; 3520.3000; ~~3520.3100;~~ 3520.3200; ~~3520.3400;~~ 3520.3500; 3520.3680; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; 3520.5920; 3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; and 3530.7800, are repealed.

(c) Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500;

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3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; chapters 3515, 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600; and 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.3100; 3520.3400; and chapter 3560, are repealed.

(d) Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800; 3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400; 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000; 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700; 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200; 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700; 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400; 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902; 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500; 8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506; 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512; 8700.5800; 8700.6310; 8700.6900; 8700.7010; 8700.7700; 8700.7710; 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050; 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110; 8700.8120; 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180; 8700.8190; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300; 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410; 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620; 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800; 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900; 8750.0920; 8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220; 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340; 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500; 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700; 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900; 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000; 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120; 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700, are repealed.

**Sec. 36. ADDITIONAL MINNESOTA SCHOOL BUS CHASSIS STANDARDS.**

Subdivision 1. RELATION TO NATIONAL STANDARDS. The bus chassis standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.4501. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes,

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section 169.4501, the Minnesota standard contained in this section is controlling.

Subd. 2. BRAKES. The braking system must include an emergency brake. The braking system must meet federal motor vehicle safety standards in effect at the time of manufacture. All buses manufactured with air brakes after January 1, 1995, shall have automatic slack adjusters.

Subd. 3. CERTIFICATION. A chassis manufacturer shall certify that the product meets Minnesota standards. All buses with a certified manufacturing date prior to April 1, 1977, shall not be recertified as a school bus after January 1, 1996.

Subd. 4. COLOR. Fenders may be painted black. The hood may be painted nonreflective black or nonreflective yellow. The grill may be manufacturer's standard color.

Subd. 5. ELECTRICAL SYSTEM; BATTERY. (a) The storage battery, as established by the manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal devices, heating, and other electrical equipment. In a bus with a gas-powered chassis, the battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050 cold cranking amperes.

(b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and type C and D buses, the battery shall be temporarily mounted on the chassis frame. The final location of the battery and the appropriate cable lengths in these buses must comply with the SBMI design objectives booklet.

(c) All batteries shall be mounted according to chassis manufacturers' recommendations.

(d) In a type C bus, other than are powered by diesel fuel, a battery providing at least 550 cold cranking amperes may be installed in the engine compartment only if used in combination with a generator or alternator of at least 120 amperes.

(e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be equipped with a battery to provide a minimum of 550 cold cranking amperes only if used in combination with an alternator of at least 80 amperes. This paragraph does not apply to those buses with wheel chair lifts or diesel engines.

Subd. 6. ELECTRICAL SYSTEM; ALTERNATOR. A bus must be capable of providing enough current at 1400 rpms to provide a positive charge to the battery with 80 percent of maximum load with all lights and accessories on. A type B bus with a gross vehicle weight rating of up to 15,000 pounds equipped with an electrical power lift must have a minimum 100 ampere per hour alternator. If not protected by a grommet, wiring passing through holes must be encased in an abrasive-resistant protective covering.

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Subd. 7. EXHAUST SYSTEM. The tailpipe must:

(1) extend to but not more than one inch beyond the bumper and be mounted outside of the chassis frame rail; or

(2) extend to but not more than one inch beyond the left side of the bus, behind the driver's compartment. A type A bus and a type B bus with a gross vehicle weight rating under 15,000 pounds, shall comply with the manufacturer's standard. No exhaust pipe may exit beneath an emergency exit, or, on a type C or type D bus, under the fuel fill location. No exhaust pipe shall be reduced in size beyond the muffler.

Subd. 8. FRAME. Installation of a trailer hitch is permitted. A hitch shall be flush mounted.

Subd. 9. FUEL TANK. If mounted behind the rear wheels, the fuel tank on a vehicle constructed with a power lift unit shall be between the frame rails. Fuel tanks for a type A bus and for a type B bus with a gross vehicle weight rating under 15,000 pounds may be manufacturer standard and must conform with federal motor vehicle safety standard number 301, Code of Federal Regulations, title 49, part 571.

Subd. 10. HORN. A bus shall be equipped with a horn in good working order and capable of emitting sound audible under normal conditions from a distance of not less than 200 feet.

Subd. 11. TIRES AND RIMS. Radial and bias ply tires shall not be used on the same axle. Front tire tread depth shall not be less than 4/32 inch in any major tire tread groove. Rear tire tread shall not be less than 2/32 inch. Tires must be measured in three locations around the tire, in two adjoining grooves. No recapped tires shall be used on the front wheels. Recapped tires are permitted on the rear wheels.

Subd. 12. TRANSMISSION. The transmission shifting pattern must be permanently displayed in the driver's full view.

**Sec. 37. ADDITIONAL MINNESOTA SCHOOL BUS BODY STANDARDS.**

Subdivision 1. RELATION TO NATIONAL STANDARDS. The bus body standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.450, and section 36. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.450, the Minnesota standard contained in this section is controlling.

Subd. 2. BACKUP WARNING ALARM. A spring-loaded button in the driver's compartment that will temporarily disable the backup alarm is allowed for usage in school bus overnight parking lots and repair facilities.

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Subd. 3. BUMPER; FRONT. On a type D school bus, the bumper shall conform to federal motor vehicle safety standards.

Subd. 4. CERTIFICATION. A body manufacturer shall certify that the product meets Minnesota standards.

Subd. 5. COLOR. Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails shall be black. The reflective material on the sides of the bus body shall be at least one inch but not more than two inches in width. This reflective material requirement and the requirement that "SCHOOL BUS" signs have reflective material as background are effective for buses manufactured after January 1, 1996.

Subd. 6. COMMUNICATIONS. All buses manufactured after January 1, 1995, shall have a two-way voice communications system.

Subd. 7. CONSTRUCTION. The metal floor shall be covered with plywood. The plywood shall be at least 19/32 inches thick, and must equal or exceed properties of exterior-type softwood plywood, grade C-D, as specified in product standard PSI-I83 issued by the United States Department of Commerce. The floor shall be level from front to back, and side to side, except in wheel housing, toe board, and driver's seat platform areas.

Subd. 8. DEFROSTERS. Except as provided in this subdivision, defrosters and two auxiliary fans must direct a sufficient flow of heated air and shall be of sufficient capacity to keep the windshield, window to the left of the driver, and glass in the entrance door clear of fog, frost, and snow. A type A or type B bus with a gross vehicle weight rating under 15,000 pounds may be equipped with one auxiliary fan.

Subd. 9. DOORS; SERVICE DOOR. A type B bus with a gross vehicle weight rating of 15,000 pounds or over may not have a door to the left of the driver. A type B bus with a gross vehicle weight rating under 15,000 pounds may be equipped with chassis manufacturer's standard door.

Subd. 10. EMERGENCY EQUIPMENT; FIRE EXTINGUISHERS. The fire extinguisher must have at least a 10BC rating.

Subd. 11. EMERGENCY EQUIPMENT; WARNING DEVICES. A flashlight with a minimum of two "C" batteries shall be included as part of the emergency equipment. Each bus equipped with seat belts for pupil passengers shall contain a seat belt cutter for use in emergencies. The belt cutter must be designed to eliminate the possibility of injury during use, and must be secured in a safe location.

Subd. 12. HEATERS. The heating system shall be capable of maintaining the temperature throughout the bus of not less than 50 degrees Fahrenheit during average minimum January temperature as established by the United States Department of Commerce. In a bus with a combustion heater, the heater must be installed by the body manufacturer, by an authorized dealer or authorized garage, or by a mechanic trained in the procedure.

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Subd. 13. IDENTIFICATION. (a) Each bus shall, in the beltline, identify the school district serviced, or company name, or owner of the bus. Numbers necessary for identification must appear on the sides and rear of the bus. Symbols or letters may be used on the outside of the bus near the entrance door for student identification. A manufacturer's nameplate may be placed on the side of the bus near the entrance door and on the rear.

(b) Effective December 31, 1994, all buses sold must display lettering "Unlawful to pass when red lights are flashing" on the rear of the bus. The lettering shall be in two-inch black letters on school bus yellow background. This message shall be displayed directly below the upper window of the rear door. On rear engine buses, it shall be centered at approximately the same location. Only signs and lettering approved or required by state law may be displayed.

Subd. 14. INSULATION. (a) Ceilings and wall shall be insulated to a minimum of one and one-half inch fiberglass and installed so the insulation does not compact or sag. Floor insulation must be nominal 19/32 inches thick plywood, or a material of equal or greater strength and insulation R value that equals or exceeds properties of exterior-type softwood plywood, C-D grade as specified in standard issued by the United States Department of Commerce. Type A and B buses with a gross vehicle weight rating under 15,000 pounds must have a minimum of one-half inch plywood. All exposed edges on plywood shall be sealed. Every school bus shall be constructed so that the noise level taken at the ear of the occupant nearest to the primary vehicle noise source shall not exceed 85 dba when tested according to procedures in the 1990 national standards for school buses and operations.

(b) The underside of metal floor may be undercoated with polyurethane floor insulation, foamed in place. The floor insulation must be combustion resistant. The authorization in this paragraph does not replace the plywood requirement.

Subd. 15. INTERIOR. Interior speakers, except in the driver's compartment, must not protrude more than one-half inch from the mounting surface.

Subd. 16. LAMPS AND SIGNALS. (a) Each school bus shall be equipped with a system consisting of four red signal lamps designed to conform to SAE Standard J887, and four amber signal lamps designed to that standard, except for color, and except that their candlepower must be at least 2-1/2 times that specified for red turn signal lamps. Both red and amber signal lamps must be installed in accordance with SAE Standard J887, except that each amber signal lamp must be located near each red signal lamp, at the same level, but closer to the centerline of the bus. The system must be wired so that the amber signal lamps are activated only by hand operation, and if activated, are automatically deactivated and the red signal lamps are automatically activated when the bus entrance door is opened. Signal lamps must flash alternately. Each signal lamp must flash not less than 60 nor more than 120 flashes per minute. The "on" period must be long enough to permit filament to come up to full brightness.

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There must be a pilot lamp which goes on when the respective amber or red system is activated. The pilot lamp must either go out or flash at an alternate rate in the event the system is not functioning normally. The signal lamp system must include a closed control box. The box must be as small as practical, and must be easily dismantled or partially disassembled to provide access for maintenance purposes. The control panel box shall be arranged such that the momentary activating switch for the eight-lamp warning system shall be located on the left, the red (or red and amber) pilot light shall be located in the middle, and the eight-way master switch shall be located on the right. The control box must be securely mounted to the right of the steering wheel, within easy unobstructed reach of the driver. Switches and pilot lamp must be readily visible to the driver. The activating switch may be self-illuminated. Other warning devices or lamp controls must not be placed near the lamp control. The stop arm shall extend automatically whenever the service entrance door is opened and the eight-way lights are activated.

(b) If installed, a white flashing strobe shall be of a double flash type and have minimum effective light output of 200 candelas. No roof hatch can be mounted behind the strobe light.

(c) Type B, C, and D buses shall have an amber clearance lamp with a minimum of four candlepower mounted on the right side of the body at approximately seat level rub rail height just to the rear of the service door and another one at approximately opposite the driver's seat on the left side. These lamps are to be connected to operate only with the regular turn signal lamps.

(d) All lamps on the exterior of the vehicle must conform with and be installed as required by federal motor vehicle safety standard number 108, Code of Federal Regulations, title 49, part 571.

(e) A type A, B, C, or D school bus manufactured for use in Minnesota after December 31, 1994, may not be equipped with red turn signal lenses on the rear of the bus.

Subd. 17. MIRRORS. A type B bus with a gross vehicle weight rating less than 15,000 pounds shall have a minimum of six-inch by 16-inch mirror. A type B bus with a gross vehicle weight rating over 15,000 pounds shall have a minimum of a six-inch by 30-inch mirror. After January 1, 1995, all school buses must be equipped with a minimum of two crossover mirrors, mounted to the left and right sides of the bus.

Subd. 18. OVERALL WIDTH. The overall width limit excludes mirrors, mirror brackets, and the stop arm.

Subd. 19. RUB RAILS. There shall be one rub rail at the base of the skirt of the bus on all type B, C, and D buses.

Subd. 20. SEAT AND CRASH BARRIERS. All restraining barriers and passenger seats shall be covered with a material that has fire retardant or fire block characteristics. All seats must face forward. All seat and crash barriers

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must be installed according to and conform to federal motor vehicle safety standard number 222, Code of Federal Regulations, title 49, part 571.

Subd. 21. STOP SIGNAL ARM. The stop signal arm shall be installed near the front of the bus.

Subd. 22. SUN SHIELD. A type A bus and a type B bus with a gross vehicle weight rating less than 15,000 pounds must be equipped with the standard manufacturer's solid visor is acceptable or a six-inch by 16-inch sun shield.

Subd. 23. WINDOWS. Windshield, entrance, and rear emergency exit doors must be of approved safety glass. Laminated or tempered glass (AS-2 or AS-3) is permitted in all other windows. All glass shall be federally approved and marked as provided in Minnesota Statutes, section 169.74. The windshield may be of uniform tint throughout or may have a horizontal gradient band starting slightly above the line of vision and gradually decreasing in light transmission to 20 percent or less at the top of the windshield. The use of tinted glass, as approved by Minnesota Statutes, section 169.71, is permitted on side windows and rear windows except for the entrance door, the first window behind the service door, and the window to the left of the driver. The window to the left of the driver, the upper service door windows, and the window immediately behind the entrance door must be thermal glass. The window to the left of the driver for type A and B buses with a gross vehicle weight rating under 15,000 pounds need not be thermal glass.

Subd. 24. WIRING. If not protected by a grommet, wire that passes through holes shall be encased in an abrasive-resistant protective covering. If a master cutoff switch is used, it shall not be wired as to kill power to the electric brake system.

#### **Sec. 38. ADDITIONAL MINNESOTA STANDARDS FOR SPECIALLY EQUIPPED SCHOOL BUSES.**

Subdivision 1. RELATION TO NATIONAL STANDARDS. The specially equipped school bus standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.450. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.450, the Minnesota standard contained in this section is controlling.

Subd. 2. COMMUNICATIONS. All vehicles used to transport disabled students shall be equipped with a two-way communication system.

Subd. 3. RESTRAINING DEVICES. Special restraining devices such as shoulder harnesses, lap belts, and chest restraint systems may be installed to the seats if the devices do not require the alteration in any form of the seat, seat cushion, framework, or related seat components. The restraints must be for the sole purpose of restraining students with disabilities.

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Subd. 4. SECUREMENT SYSTEM FOR MOBILE SEATING. Wheelchair securement devices must comply with all requirements for wheelchair securement systems contained in federal regulation in effect on the later of the date the bus was manufactured or the date that a wheelchair securement system was added to the bus.

**Sec. 39. OPERATIONS RULES; CONTINUED EFFECT.**

Notwithstanding Minnesota Statutes 1992, section 14.05, subdivision 1, Minnesota Rules 1991, parts 3520.2400, 3520.2500, 3520.2600, 3520.2800, 3520.3100, and 3520.3400, remain in effect prior to June 30, 1995, until the commissioner of public safety adopts rules relating to school bus operations.

**Sec. 40. CURRENT BUS DRIVER TRAINING TIMELINE.**

A school bus driver hired before the effective date of section 31 must meet the training competencies during the driver's first annual evaluation under section 32.

**Sec. 41. APPROPRIATION; DEPARTMENT OF EDUCATION.**

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 year designated.

Subd. 2. STUDENT TRANSPORTATION SAFETY. For student transportation safety aid according to Minnesota Statutes, section 124.225, subdivision 8m:

\$2,985,000 ..... 1995

**Sec. 42. APPROPRIATION; DEPARTMENT OF PUBLIC SAFETY.**

Subdivision 1. DEPARTMENT OF PUBLIC SAFETY. The sums indicated in this section are appropriated from the general fund to the commissioner of public safety for the fiscal year designated.

Subd. 2. SAFETY ADVISORY COMMITTEE. For the school bus safety advisory committee according to Minnesota Statutes, section 169.44:

\$15,000 ..... 1995

**Sec. 43. REPEALER.**

Minnesota Statutes 1992, sections 169.441, subdivision 2; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; and 169.45, are repealed. Minnesota Statutes 1993 Supplement, section 123.80, is repealed.

Minnesota Rules, parts 3520.3600 and 3520.3700, are repealed.

If enacted, 1994 S.F. No. 2913, article 4, section 81, is repealed.

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## ARTICLE 13

## CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1992, section 121.908, subdivision 5, is amended to read:

Subd. 5. All governmental units formed by joint powers agreements entered into by districts pursuant to section 120.17, 120.1701, 123.351, 471.59, or any other law and all educational cooperative service units and education districts shall be subject to the provisions of this section.

Sec. 2. Minnesota Statutes 1992, section 122.91, subdivision 3, is amended to read:

Subd. 3. **REQUIREMENTS FOR FORMATION.** An education district must have one of the following at the time of formation:

- (1) at least five districts;
- (2) at least four districts with a total of at least 5,000 pupils in average daily membership; or
- (3) at least four districts with a total of at least 2,000 square miles.

Members of an education district must be contiguous. Districts with a cooperation agreement according to section 122.541 may belong to an education district only as a unit.

A noncontiguous district may be a member of an education district if the state board of education determines that:

- (1) a district between the education district and the noncontiguous district has considered and is unwilling to become a member; or
- (2) a noncontiguous configuration of member districts has sufficient technological or other resources to offer effective levels of programs and services ~~required under sections 122.94, subdivision 2, and 122.945.~~

Sec. 3. Minnesota Statutes 1992, section 122.937, subdivision 4, is amended to read:

Subd. 4. **JOINDER AND WITHDRAWAL.** (a) ~~Notwithstanding section 122.91, subdivision 5,~~ A member district of an education district that has entered into a collective bargaining agreement negotiated by the education district under this section may withdraw from the education district only at the end of a two-year period for which the collective bargaining agreement is in effect. A member district withdrawing under this subdivision must notify the education district board at least 365 days before withdrawing. The teachers in a withdrawing member district are governed by the collective bargaining agreement in

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effect for the education district until a successor agreement is negotiated by the withdrawing district.

(b) ~~Notwithstanding section 122.91, subdivision 5,~~ A school district may join an education district that has entered into a collective bargaining agreement negotiated by the education district under this section only at the end of the two-year period for which the collective bargaining agreement is in effect.

Sec. 4. Minnesota Statutes 1992, section 123.932, subdivision 11, is amended to read:

Subd. 11. "Health services" means physician, dental, nursing or optometric services provided to pupils in the field of physical or mental health; provided the term does not include direct educational instruction, services which are required pursuant to ~~section~~ sections 120.17 and 120.1701, or services which are eligible to receive special education aid pursuant to section 124.32.

Sec. 5. Minnesota Statutes 1992, section 124.223, subdivision 4, is amended to read:

Subd. 4. **PUPILS WITH DISABILITIES.** State transportation aid is authorized for transportation or board and lodging of a pupil with a disability when that pupil cannot be transported on a regular school bus, the conveying of pupils with a disability between home or a respite care facility and school and within the school plant, necessary transportation of pupils with a disability from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by ~~section~~ sections 120.17 and 120.1701 are provided, within or outside the district where services are provided, and necessary transportation for resident pupils with a disability required by ~~section~~ sections 120.17, subdivision 4a, and 120.1701. Transportation of pupils with a disability between home or a respite care facility and school shall not be subject to any distance requirement for children not yet enrolled in kindergarten or to the requirement in subdivision 1 that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid.

Sec. 6. Minnesota Statutes 1992, section 124.223, subdivision 6, is amended to read:

Subd. 6. **SHARED TIME.** State transportation aid is authorized for transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs, and necessary transportation required by ~~section~~ sections 120.17, subdivision 9, and 120.1701 for resident pupils with a disability who are provided special instruction and services on a shared time basis.

Sec. 7. Minnesota Statutes 1993 Supplement, section 124.225, subdivision 1, is amended to read:

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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 (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 15 percent per year for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts 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 169.01, subdivision 6, ~~paragraph (e)~~ clause (5), 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) "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; 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

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than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards.

(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 pupils with a disability between home or a respite care facility and school or other buildings where special instruction required by ~~section~~ sections 120.17 and 120.1701 is provided.

(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.

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

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

(g) "Base cost" means the ratio of:

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

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

(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's 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.

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

(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.

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

(k) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(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 20.

(2) Select the lesser of one or the result in clause (1).

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

(m) "Adjusted predicted base cost" means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(n) "Regular transportation allowance" means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

Sec. 8. Minnesota Statutes 1992, section 124.2721, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBILITY.** An education district is eligible for education district revenue if the department certifies that it meets the requirements of ~~sections~~ section 122.91, subdivisions 3 and 4, ~~and 122.945.~~ 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. 9. Minnesota Statutes 1992, section 124.2721, subdivision 5, is amended to read:

Subd. 5. **USES OF REVENUE.** Education district revenue is under the control of the education district board. Education district revenue must be used by the education district board to provide educational programs according to the agreement adopted by the education district board, as required by section 122.94.

The education district board may pay to member school districts a part of the education district revenue received by the education district under this section only for programs that are (1) available to all member districts; ~~and (2) included in the five-year plan under section 122.945.~~

Sec. 10. Minnesota Statutes 1992, section 124.32, subdivision 7, is amended to read:

Subd. 7. **PROGRAM AND AID APPROVAL.** Before June 1 of each year,

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

each district providing special instruction and services to children with a disability shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of children with a disability in the district who will receive special instruction and services during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to children with a disability pursuant to ~~section~~ sections 120.17 and 120.1701. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel determined to be unnecessary or unessential on the basis of this review. The commissioner may also withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. By August 31 the commissioner shall approve, disapprove or modify each application, and notify each applying district of the action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of children with a disability in the district. Notwithstanding the provisions of section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid pursuant to this section without proceeding according to section 124.15 at any time the commissioner determines that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 11. Minnesota Statutes 1992, section 127.43, subdivision 1, is amended to read:

Subdivision 1. **APPLICATION.** For the purposes of providing instruction to children with a disability under ~~section~~ sections 120.17 and 120.1701, this section, and section 127.44, the following terms have the meanings given them.

Sec. 12. Minnesota Statutes 1992, section 136D.23, subdivision 2, is amended to read:

Subd. 2. **LIABILITY.** Except as to certificates of indebtedness or bonds issued under ~~sections 136D.27 and section~~ section 136D.28 hereof, no participating school district shall have individual liability for the debts and obligations of the board nor shall any individual serving as a member of the board have such liability.

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

Sec. 13. Minnesota Statutes 1992, section 136D.26, is amended to read:

**136D.26 DISTRICT CONTRIBUTIONS, DISBURSEMENTS, CONTRACTS.**

~~In addition to or in lieu of the certification of tax levies by the joint school board under section 136D.27,~~ The participating school districts may contribute funds to the board. Disbursements shall be made by the board in accordance with section 123.34. This board shall be subject to section 123.37.

Sec. 14. Minnesota Statutes 1992, section 136D.74, subdivision 2a, is amended to read:

Subd. 2a. **PROHIBITED LEVIES.** Notwithstanding subdivision 4, ~~section 136D.73, subdivision 3,~~ or any other law to the contrary, the intermediate school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by sections 124.2727, 124.83, subdivision 4, 127.05, 136C.411, 275.48, and 475.61, and for the intermediate school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 124.912, subdivision 1.

Sec. 15. Minnesota Statutes 1992, section 136D.83, subdivision 2, is amended to read:

Subd. 2. **LIABILITY.** Except as to certificates of indebtedness or bonds issued under section ~~136D.87~~ or 136D.89 hereof, no participating school district shall have individual liability for the debts and obligations of the board nor shall any individual serving as a member of the board have such liability.

Sec. 16. Minnesota Statutes 1992, section 136D.86, is amended to read:

**136D.86 DISTRICT CONTRIBUTIONS, DISBURSEMENTS, CONTRACTS.**

~~In addition to or in lieu of the certification of tax levies by the joint school board under section 136D.87,~~ The participating school districts may contribute funds to the board. Disbursements shall be made by the board in accordance with section 123.34. This board shall be subject to section 123.37.

Sec. 17. Minnesota Statutes 1992, section 171.01, subdivision 22, is amended to read:

Subd. 22. **COMMERCIAL MOTOR VEHICLE.** "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

- (1) has a gross vehicle weight of more than 26,000 pounds;
- (2) has a towed unit with a gross vehicle weight of more than 10,000 pounds

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and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;

(3) is a bus;

(4) is of any size and is used in the transportation of hazardous materials, except for those vehicles having a gross vehicle weight of 26,000 pounds or less and carrying in bulk tanks a total of not more than 200 gallons of liquid fertilizer and petroleum products; or

(5) is outwardly equipped and identified as a school bus, except for school buses defined in section 169.01, subdivision 6, ~~paragraph (e)~~ clause (5).

Sec. 18. Minnesota Statutes 1993 Supplement, section 245.492, subdivision 10, is amended to read:

Subd. 10. **INTERAGENCY EARLY INTERVENTION COMMITTEE.** "Interagency early intervention committee" refers to the committee established under section ~~120.17~~ 120.1701, subdivision ~~2~~ 5.

Sec. 19. Minnesota Statutes 1992, section 252.21, is amended to read:

**252.21 COUNTY BOARDS MAY MAKE GRANTS FOR DEVELOPMENTAL ACHIEVEMENT CENTER SERVICES FOR CHILDREN WITH MENTAL RETARDATION OR RELATED CONDITIONS.**

In order to assist county boards in carrying out responsibilities for the provision of daytime developmental achievement center services for eligible children, the county board or boards are hereby authorized to make grants, within the limits of the money appropriated, to developmental achievement centers for services to children with mental retardation or related conditions. In order to fulfill its responsibilities to children with mental retardation or related conditions as required by sections 120.17, 120.1701, and 256E.08, subdivision 1, a county board may, beginning January 1, 1983, contract with developmental achievement centers or other providers.

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## ARTICLE 14

### BURNSVILLE

Section 1. Minnesota Statutes 1992, section 124.242, is amended to read:

**124.242 BUILDING BONDS FOR CALAMITIES.**

**Subdivision 1. BONDS.** When a building owned by a school district is substantially damaged by an act of God or other means beyond the control of the district, the district may issue general obligation bonds without an election to provide money immediately to carry out its adopted health and safety program.

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

Each year the district must pledge an attributable share of its health and safety revenue to the repayment of principal and interest on the bonds. The pledged revenue shall be transferred to the debt redemption fund of the district. The district shall submit to the department of education the repayment schedule for any bonds issued under this section. The district shall deposit in the debt redemption fund all proceeds received for specific costs for which the bonds were issued, including but not limited to:

- (1) insurance proceeds;
- (2) restitution proceeds; and
- (3) proceeds of litigation or settlement of a lawsuit.

Before bonds are issued, the district must submit a combined application to the commissioner of education for health and safety revenue, according to section 124.83, and requesting review and comment, according to section 121.15, subdivisions 6, 7, 8, and 9. The commissioner shall complete all procedures concerning the combined application within 20 days of receiving the application. The publication provisions of section 121.15, subdivision 9, do not apply to bonds issued under this section.

Subd. 2. HEALTH AND SAFETY REVENUE. For any fiscal year where the total amount of health and safety revenue is limited, the commissioner of education shall award highest priority to health and safety revenue pledged to repay building bonds issued under subdivision 1.

Sec. 2. Laws 1993, chapter 224, article 5, section 46, subdivision 4, is amended to read:

Subd. 4. **HEALTH AND SAFETY AID.** (a) For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,260,000	.....	1994
\$18,924,000	.....	1995

The 1994 appropriation includes \$1,256,000 for 1993 and \$10,004,000 for 1994.

The 1995 appropriation includes \$1,694,000 for 1994 and \$17,230,000 for 1995.

(b) \$400,000 in fiscal year 1994 and \$400,000 in fiscal year 1995 is for health and safety management assistance contracts under section 24.

(c) \$60,000 of each year's appropriation shall be used to contract with the state fire marshal to provide services under Minnesota Statutes, section 121.502. This amount is in addition to the amount for this purpose in article 11.

(d) For fiscal year 1995, the sum of total health and safety revenue and levies under section 3 may not exceed \$64,000,000. The state board of education

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shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. In addition to the criteria developed by the state board of education, for any health and safety revenue authority that is redistributed, the commissioner shall place highest priority on requests for health and safety revenue to address calamities. The commissioner may request documentation as necessary from school districts for the purpose of reestablishing health and safety revenue priorities.

(e) Notwithstanding section 124.14, subdivision 7, the commissioner of education, with the approval of the commissioner of finance, may transfer a projected excess in the appropriation for health and safety aid for fiscal year 1995 to the appropriation for debt service aid for the same fiscal year. The projected excess amount ~~and~~, the projected deficit in the appropriation for debt service aid, and the amount of the transfer must be determined and the transfer made as of November 1, 1994 1993. The projections and the amount of the transfer may be revised to reflect corrected data as of June 1, 1994. The transfer must be made as of July 1, 1994. The amount of the transfer is limited to the lesser of the projected excess in the health and safety appropriation or the projected deficit in the appropriation for debt service aid. Any transfer must be reported immediately to the education committees of the house of representatives and senate.

### Sec. 3. WAIVER OF RULES AND STATUTES.

Upon approval of the commissioner of education, for the 1993-1994 school year only, independent school district No. 191, Burnsville, may provide a shorter school day than required by Minnesota Rules, part 3500.1200, and may offer fewer instructional days and maintain school for fewer required days than specified by Minnesota Statutes, sections 120.101, subdivision 5b, and 124.19, and is not subject to a general education aid reduction.

### Sec. 4. APPROPRIATIONS.

\$500,000 is appropriated from the general fund to the commissioner of education in fiscal year 1995 to make a grant to independent school district No. 191, Burnsville.

### Sec. 5. EFFECTIVE DATE.

Sections 1 to 4 are effective the day following final enactment.

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

ARTICLE 15  
TECHNICAL COLLEGES

Section 1. TECHNICAL COLLEGE FUNDING SHIFT.

\$24,000,000 is appropriated in fiscal year 1995 from the general fund to the state board of technical colleges to eliminate the funding shift under Minnesota Statutes 1992, section 136C.36, and to provide 100 percent funding in the year for which it is appropriated.

Presented to the governor May 9, 1994

Signed by the governor May 10, 1994, 6:50 p.m.

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CHAPTER 648—H.F.No. 3041

*An act relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 473.551; 473.552; 473.553, subdivision 3, and by adding a subdivision; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Minnesota Statutes 1993 Supplement, section 240A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.*

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

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ARTICLE 1

Section 1. Minnesota Statutes 1993 Supplement, section 240A.02, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP; COMPENSATION; CHAIR.** (a) The Minnesota amateur sports commission consists of 12 voting members, four of whom must be experienced in promoting amateur sports. Nine of the voting members shall be appointed by the governor to three-year terms. Of the total commission membership, including voting and nonvoting members, one member must reside in each of the state's congressional districts. ~~Two~~ Four legislators, ~~one~~ two from each house appointed according to its rules, shall be nonvoting members. One member from each house shall be from the minority caucus. Compensation and removal of members and the filling of membership vacancies are as provided in section 15.0575. A member may be reappointed. The governor shall appoint the chair of the commission after consideration of the commission's recommendation.

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