

## CHAPTER 241—H.F.No. 2333

An act relating to education; prekindergarten through grade 12; providing for general education; special programs; lifework development; facilities and technology; education excellence; other programs; nutrition programs; libraries; education policy; and state agencies; appropriating money; amending Minnesota Statutes 1998, sections 13.46, subdivision 2; 41D.02, subdivision 2; 120A.24, subdivision 1; 120A.40; 120B.30, subdivision 1; 120B.35; 121A.23; 121A.43, as amended; 121A.61, subdivision 1; 122A.09, subdivision 4; 122A.18, by adding subdivisions; 122A.19, subdivision 4; 122A.20, subdivisions 1 and 2; 122A.21; 122A.28; 122A.40, subdivisions 5, 7, and 16; 122A.41, subdivision 4; 122A.60, subdivisions 1 and 3; 122A.61, subdivision 1; 123A.05, subdivisions 2 and 3; 123A.06, subdivisions 1 and 2; 123A.48, subdivision 10; 123B.02, subdivision 3; 123B.195; 123B.36, subdivision 1; 123B.49, subdivision 4; 123B.53, subdivisions 2, 4, 5, 6, and 7; 123B.54; 123B.57, subdivision 4; 123B.59, subdivision 1; 123B.61; 123B.75, by adding a subdivision; 123B.77, subdivision 4; 123B.83, subdivision 4; 123B.90, subdivisions 2 and 3; 123B.91, subdivision 1; 123B.92, subdivision 9; 124D.03, by adding a subdivision; 124D.081, subdivision 3; 124D.10, subdivisions 3, 4, 5, 6, and 11; 124D.11, subdivisions 1, 4, 6, and by adding a subdivision; 124D.453, subdivision 3; 124D.454, subdivision 5; 124D.65, subdivisions 1, 4, and 5; 124D.68, subdivision 9; 124D.69, subdivision 1; 124D.86, subdivisions 1 and 3; 124D.87; 124D.88, subdivision 3; 124D.89, subdivision 1; 124D.94, subdivisions 3, 6, and 7; 125A.09, subdivisions 4 and 11; 125A.15; 125A.50, subdivisions 2 and 5; 125A.51; 125A.62; 125A.64; 125A.65, subdivisions 3, 5, 6, 7, 8, and 10; 125A.68, subdivision 1; 125A.69, subdivisions 1 and 3; 125A.70, subdivision 2; 125A.71, subdivision 3; 125A.72; 125A.73; 125A.75, subdivisions 3 and 8; 125A.76, subdivisions 1, 2, 4, and 5; 125A.79, subdivisions 1, 2, and by adding subdivisions; 125B.05, subdivision 3; 125B.20; 126C.05, subdivisions 1, 3, 5, 6, and 7; 126C.10, subdivisions 1, 2, 4, 5, 6, 7, 8, 9, 10, 13, 14, 18, 19, 20, 21, and by adding subdivisions; 126C.12, subdivisions 1 and 4; 126C.13, subdivisions 1 and 2; 126C.15; 126C.17, subdivisions 1, 2, 4, 5, 6, and 9; 126C.40, subdivision 4; 126C.41, subdivision 2; 126C.42, subdivisions 1 and 2; 126C.44; 126C.46; 126C.55, by adding a subdivision; 126C.63, subdivisions 5 and 8; 126C.69, subdivisions 2 and 9; 127A.05, subdivision 1; 127A.41, subdivision 5; 127A.42, subdivisions 5 and 6; 127A.44, subdivision 2; 127A.45, subdivisions 2, 3, 4, 13, and by adding a subdivision; 127A.47, subdivisions 1, 2, 7, and 8; 127A.49, subdivisions 2 and 3; 127A.51; 127A.60, subdivision 1; 127A.66, subdivision 2; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 128C.20, subdivision 1; 129C.10, by adding a subdivision; 169.01, subdivision 6; 169.03, subdivision 6; 171.3215, subdivisions 2 and 4; 181.101; 209.07, by adding a subdivision; 241.021, subdivision 1; 245A.04, by adding a subdivision; and 626.556, subdivision 10b, and by adding a subdivision; Laws 1992, chapter 499, article 7, section 31, as amended; Laws 1993, chapter 224, article 3, section 32, as amended; Laws 1995 First Special Session chapter 3, article 12, section 7, as amended; Laws 1996, chapter 412, article 1, section 35; Laws 1997 First Special Session chapter 4, article 1, section 61, subdivisions 1, 2, 3, as amended, and 4; article 2, section 51, subdivision 29, as amended; article 3, section 25, subdivision 6; article 5, section 22; article 8, section 4; article 9, sections 6, 7, subdivision 2, and 13; Laws 1998, chapter 398, article 9, section 7; chapter 404, section 5, subdivision 5; and Laws 1999, chapter 123, section 22; proposing coding for new law in Minnesota Statutes, chapters 121A; 123A; 124D; 125A; 127A; repealing Minnesota Statutes 1998, sections 119A.04, subdivision 5; 120B.05; 123A.44; 123A.441; 123A.442; 123A.443; 123A.444; 123A.445; 123A.446; 123B.57, subdivisions 4, 5, and 7; 123B.58; 123B.59, subdivision 7; 123B.63, subdivisions 1 and 2; 123B.64, subdivisions 1, 2, 3, and 4; 123B.66; 123B.67; 123B.68; 123B.69; 123B.89; 123B.92, subdivisions 2, 4, 6, 7, 8, and 10; 124D.081, subdivisions 7 and 8; 124D.112; 124D.113; 124D.116; 124D.453; 124D.65, subdivisions 1, 2, and 3; 124D.67; 124D.70; 125A.76, subdivision 6; 125A.77; 125A.79, subdivision 3; 126C.05, subdivision 4; 126C.06; 127A.42, subdivision 8; 127A.45, subdivision 5; 127A.60, subdivisions 2, 3, and 4;

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127A.61; 127A.62, subdivision 2; 127A.64; 127A.66, subdivision 1; and 134.155; Minnesota Rules, parts 3500.3900; 3500.4000; 3500.4100; 3500.4200; and 3500.4300.

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

## ARTICLE 1

### GENERAL EDUCATION

Section 1. Minnesota Statutes 1998, section 123B.92, subdivision 9, is amended to read:

Subd. 9. **NONPUBLIC PUPIL TRANSPORTATION AID.** (a) A district's nonpublic pupil transportation aid for the 1996-1997 and later school years for transportation services for nonpublic school pupils according to sections 123B.88, 123B.84 to 123B.86, and this section, equals the sum of the amounts computed in paragraphs (b) and (c). This aid does not limit the obligation to transport pupils under sections 123B.84 to 123B.87.

(b) For regular and excess transportation according to subdivision 1, paragraph (b), clauses (1) and (2), an amount equal to the product of:

(1) the district's actual expenditure per pupil transported in the regular and excess transportation categories during the second preceding school year; times

(2) the number of nonpublic school pupils residing in the district who receive regular or excess transportation service or reimbursement for the current school year; times

(3) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.

(c) For nonpublic nonregular transportation according to subdivision 1, paragraph (b), clause (5), an amount equal to the product of:

(1) the district's actual expenditure for nonpublic nonregular transportation during the second preceding school year; times

(2) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.

(d) Notwithstanding the amount of the formula allowance for fiscal years 1997 and 1998 2000, 2001, and 2002 in section 126C.10, subdivision 2, the commissioner shall use the amount of the formula allowance for the current year less \$300 plus \$87 in determining the nonpublic pupil transportation revenue in paragraphs (b) and (c) for fiscal years 1997 and 1998 year 2000, and the amount of the formula allowance less \$110 in determining the nonpublic pupil transportation revenue in paragraphs (b) and (c) for fiscal years 2001 and 2002.

Sec. 2. Minnesota Statutes 1998, section 124D.11, subdivision 1, is amended to read:

Subdivision 1. **GENERAL EDUCATION REVENUE.** General education revenue must be paid to a charter school as though it were a district. The general education

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revenue for each adjusted marginal cost pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, calculated without basic skills revenue, transportation sparsity revenue, and the transportation portion of the transition revenue adjustment, plus basic skills revenue as though the school were a school district.

Sec. 3. Minnesota Statutes 1998, section 124D.65, subdivision 1, is amended to read:

Subdivision 1. **ADJUSTED LEP BASE REVENUE.** (a) A district's adjusted limited English proficiency programs base revenue for fiscal year 1996 and later 2000 equals the product of:

(1) the district's base revenue for limited English proficiency programs under this section and section 125A.77, times

(2) the ratio of:

(i) the greater of 20 or the number of pupils of limited English proficiency enrolled in the district during the current fiscal year to

(ii) the greater of 20 or the number of pupils of limited English proficiency enrolled in the district during the base year.

(b) For the purposes of this section, the base year for fiscal year 1996 is fiscal year 1995. The base year for later fiscal years is the second fiscal year preceding the fiscal year for which aid shall be paid. The current year is the fiscal year for which aid shall be paid.

(c) For the purposes of this section, a teacher includes nonlicensed personnel who provide direct instruction to students of limited English proficiency under the supervision of a licensed teacher.

Sec. 4. Minnesota Statutes 1998, section 124D.65, subdivision 5, is amended to read:

Subd. 5. **SCHOOL DISTRICT LEP REVENUE.** (a) A school district's limited English proficiency programs revenue for fiscal year 1996 and later 2000 equals the state total limited English proficiency programs revenue, minus the amount determined under paragraph (b), times the ratio of the district's adjusted limited English proficiency programs base revenue to the state total adjusted limited English proficiency programs base revenue.

(b) Notwithstanding paragraph (a), if the limited English proficiency programs base revenue for a district equals zero, the limited English proficiency programs revenue equals the sum of the following amounts, computed using current year data:

(1) 68 percent of the salary of one full-time equivalent teacher for each 40 pupils of limited English proficiency enrolled, or 68 percent of the salary of one-half of a full-time teacher in a district with 20 or fewer pupils of limited English proficiency enrolled; and

(2) for supplies and equipment purchased or rented for use in the instruction of pupils of limited English proficiency an amount equal to 47 percent of the sum actually spent by the district but not to exceed an average of \$47 in any one school year for each pupil of limited English proficiency receiving instruction.

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(c) A district's limited English proficiency programs revenue for fiscal year 2001 and later equals the product of \$584 times the greater of 20 or the number of adjusted marginal cost pupils of limited English proficiency enrolled in the district during the current fiscal year.

Sec. 5. Minnesota Statutes 1998, section 124D.68, subdivision 9, is amended to read:

Subd. 9. **ENROLLMENT VERIFICATION.** (a) For a pupil attending an eligible program full time under subdivision 3, paragraph (d), the department must pay 90 percent of the district's average general education revenue less ~~compensatory~~ basic skills revenue to the eligible program and ten percent of the district's average general education revenue less ~~compensatory basic skills~~ revenue to the resident district within 30 days after the eligible program verifies enrollment using the form provided by the department. For a pupil attending an eligible program part time, revenue shall be reduced proportionately, according to the amount of time the pupil attends the program, and the payments to the eligible program and the resident district shall be reduced accordingly. A pupil for whom payment is made according to this section may not be counted by any district for any purpose other than computation of general education revenue. If payment is made for a pupil under this subdivision, a district shall not reimburse a program under section 124D.69 for the same pupil. ~~Compensatory Basic skills~~ revenue shall be paid according to section 126C.10, subdivision ~~3~~ 4.

(b) The department must pay up to 100 percent of the revenue to the eligible program if there is an agreement to that effect between the school district and the eligible program.

Sec. 6. Minnesota Statutes 1998, section 124D.69, subdivision 1, is amended to read:

Subdivision 1. **AID.** If a pupil enrolls in an alternative program, eligible under section 124D.68, subdivision 3, paragraph (d), or subdivision 4, operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 124D.68, subdivision 2, the district contracting with the private organization must reimburse the provider an amount equal to at least 90 percent of the district's average general education less ~~compensatory basic skills~~ revenue per pupil unit times the number of pupil units for pupils attending the program. Basic skills revenue shall be paid according to section 126C.10, subdivision 4. ~~Compensatory revenue must be allocated according to section 126C.15, subdivision 2.~~ For a pupil attending the program part time, the revenue paid to the program must be reduced proportionately, according to the amount of time the pupil attends the program, and 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 general education revenue. If payment is made to a district or program for a pupil under this section, the department must not make a payment for the same pupil under section 124D.68, subdivision 9.

Sec. 7. Minnesota Statutes 1998, section 124D.86, subdivision 3, is amended to read:

Subd. 3. **INTEGRATION REVENUE.** For fiscal year ~~1999~~ 2000 and later fiscal years, integration revenue equals the following amounts:

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(1) for independent school district No. 709, Duluth, ~~\$193~~ \$207 times the resident adjusted pupil units for the school year;

(2) for independent school district No. 625, St. Paul, ~~\$427~~ \$446 times the resident adjusted pupil units for the school year;

(3) for special school district No. 1, Minneapolis, ~~\$523~~ \$536 times the resident adjusted pupil units for the school year; and

(4) for a district not listed in clause (1), (2), or (3) that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0200 to 3535.2200, the lesser of the actual cost of implementing the plan during the fiscal year or \$93 times the resident adjusted pupil units for the school year.

Sec. 8. Minnesota Statutes 1998, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **PUPIL UNIT.** Pupil units for each Minnesota resident pupil in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68; in a charter school under section 124D.10; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.25 with a minimum of 0.28, but not more than ~~one~~ 1.25.

(b) 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 825 times 1.25.

(c) 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.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as ~~.53~~ .557 of a pupil unit for fiscal year ~~1995~~ 2000 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal year 2000 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

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

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

Sec. 9. Minnesota Statutes 1998, section 126C.05, subdivision 3, is amended to read:

Subd. 3. **COMPENSATION REVENUE PUPIL UNITS.** Compensation revenue pupil units for fiscal year 1998 and thereafter must be computed according to this subdivision.

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(a) The compensation revenue concentration percentage for each building in a district equals the product of 100 times the ratio of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; to

(2) the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(b) The compensation revenue pupil weighting factor for a building equals the lesser of one or the quotient obtained by dividing the building's compensation revenue concentration percentage by 80.0.

(c) The compensation revenue pupil units for a building equals the product of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; times

(2) the compensation revenue pupil weighting factor for the building; times

(3) .60.

(d) Notwithstanding paragraphs (a) to (c), for charter schools and contracted alternative programs in the first year of operation, compensation revenue pupil units shall be computed using data for the current fiscal year. If the charter school or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

(e) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

Sec. 10. Minnesota Statutes 1998, section 126C.05, subdivision 5, is amended to read:

Subd. 5. **ADJUSTED PUPIL UNITS.** (a) Adjusted pupil units for a district or charter school means the sum of:

(1) the number of ~~resident~~ pupil units served, according to subdivision ~~4g~~ 7, plus

(2) ~~shared time pupil units~~, according to section ~~126C.01~~, subdivision 6, plus

(3) ~~pupil units according to subdivision 1 for pupils attending the district for which general education aid adjustments are made according to section 127A.47, subdivision 7; minus~~

(4) pupil units according to subdivision 1 for resident pupils attending other districts for which general education aid adjustments are made according to section 127A.47, subdivision 7, whom the district or charter school pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, minus

(3) pupil units according to subdivision 1 for whom the district or charter school receives tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65.

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(b) Adjusted marginal cost pupil units means the sum of .9 times the pupil units defined in paragraph (a) for the current school year and .1 times the pupil units defined in paragraph (a) for the previous school year.

Sec. 11. Minnesota Statutes 1998, section 126C.05, subdivision 6, is amended to read:

Subd. 6. **RESIDENT PUPIL UNITS.** (a) Resident pupil units for a district means the number of pupil units according to subdivision 1 residing in the district.

(b) Resident marginal cost pupil units means the sum of .9 times the pupil units defined in paragraph (a) for the current year and .1 times the pupil units defined in paragraph (a) for the previous school year.

Sec. 12. Minnesota Statutes 1998, section 126C.05, subdivision 7, is amended to read:

Subd. 7. **PUPIL UNITS SERVED.** Pupil units served for a district or charter school means the number of pupil units according to subdivision 1 enrolled in the district or charter school.

Sec. 13. Minnesota Statutes 1998, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. **GENERAL EDUCATION REVENUE.** For fiscal year 1999 2000 and thereafter, the general education revenue for each district equals the sum of the district's basic revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, graduation standards implementation revenue, equity revenue, referendum offset adjustment, transition revenue, and supplemental revenue.

Sec. 14. Minnesota Statutes 1998, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **BASIC REVENUE.** The basic revenue for each district equals the formula allowance times the resident pupil units for the school year. ~~The formula allowance for fiscal year 1997 is \$3,505. The formula allowance for fiscal year 1998 is \$3,581 and. The formula allowance for fiscal year 1999 and fiscal year 2000 is \$3,530. The formula allowance for fiscal year 2000 is \$3,740. The formula allowance for fiscal year 2001 and subsequent fiscal years is \$3,597~~ \$3,875.

Sec. 15. Minnesota Statutes 1998, section 126C.10, subdivision 4, is amended to read:

Subd. 4. **BASIC SKILLS REVENUE.** For fiscal year 1999 and thereafter, a school district's basic skills revenue equals the sum of:

- (1) compensatory revenue under subdivision 3; plus
- (2) limited English proficiency revenue according to section 124D.65, subdivision 5; plus
- (3) \$190 times the limited English proficiency pupil units according to section 126C.05, subdivision 17; plus

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(4) ~~the lesser of: (i) \$22.50 times the number of adjusted marginal cost pupil units in kindergarten to grade 8; or (ii) the amount of district money provided to match basic skills revenue for the purposes described in section 126C.15.~~

Sec. 16. Minnesota Statutes 1998, section 126C.10, subdivision 5, is amended to read:

Subd. 5. **TRAINING AND EXPERIENCE REVENUE.** The training and experience revenue for each district equals the greater of zero or the result of the following computation:

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

(2) multiply the result in clause (1) by the product of \$660 times the ~~resident~~ adjusted marginal cost pupil units for the school year.

Sec. 17. Minnesota Statutes 1998, section 126C.10, subdivision 6, is amended to read:

Subd. 6. **DEFINITIONS.** The definitions in this subdivision apply only to subdivisions 7 and 8.

(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 school is at least 19 miles from the next nearest school, the commissioner must 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 served 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 served 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 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.

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(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of ~~resident~~ pupils served 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 pupils served in 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 must be used to determine average daily membership.

Sec. 18. Minnesota Statutes 1998, section 126C.10, subdivision 7, is amended to read:

Subd. 7. **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:

(1) the formula allowance for the school year, multiplied by

(2) the secondary average daily membership of pupils served in 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 1.5 or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed district that is the result of districts combining under the cooperation and combination program or consolidating under section 123A.48 must 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 districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

Sec. 19. Minnesota Statutes 1998, section 126C.10, subdivision 8, is amended to read:

Subd. 8. **ELEMENTARY SPARSITY REVENUE.** A district's elementary sparsity revenue equals the sum of the following amounts for each qualifying elementary school in the district:

(1) the formula allowance for the year, multiplied by

(2) the elementary average daily membership of pupils served in the school, multiplied by

(3) the quotient obtained by dividing 140 minus the elementary average daily membership by 140 plus the average daily membership.

Sec. 20. Minnesota Statutes 1998, section 126C.10, subdivision 9, is amended to read:

Subd. 9. **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 resident pupil units.

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(b) A district's supplemental revenue allowance is reduced for fiscal year 1995 and later according to subdivision 12.

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

(d) A district may cancel its supplemental revenue by notifying the commissioner of education prior to June 30, 1994. A district that is reorganizing under section 122A.35, 123A.46, or 123A.48 may cancel its supplemental revenue by notifying the commissioner of children, families, and learning before 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 12 and section 124A.03, subdivision 3b, equals zero.

Sec. 21. Minnesota Statutes 1998, section 126C.10, subdivision 10, is amended to read:

Subd. 10. **SUPPLEMENTAL LEVY.** To obtain supplemental revenue, a district may levy an amount not more than the product of its supplemental revenue for the school year times the lesser of one or the ratio of its adjusted net tax capacity per resident adjusted marginal cost pupil unit to \$10,000 \$8,404.

Sec. 22. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 12a. **SUPPLEMENTAL REVENUE REDUCTION.** If a district's ratio of 1992 adjusted net tax capacity divided by 1994-1995 actual pupil units to \$9,025 is less than or equal to .25, then the difference under subdivision 12, clause (2), is equal to \$0 for purposes of computing the district's supplemental revenue under subdivision 9.

Sec. 23. Minnesota Statutes 1998, section 126C.10, subdivision 13, is amended to read:

Subd. 13. **TOTAL OPERATING CAPITAL REVENUE.** (a) For fiscal year 1999 2000 and thereafter, total operating capital revenue for a district equals the amount determined under paragraph (b) or (c), plus \$68 times the resident adjusted marginal cost pupil units for the school year. The revenue must be placed in a reserved account in the general fund and may only be used according to subdivision 14.

(b) For fiscal years 1999 2000 and later, capital revenue for a district equals \$100 times the district's maintenance cost index times its resident adjusted marginal cost pupil units for the school year.

(c) ~~For 1996 and later fiscal years, the previous formula revenue for a district equals \$128 times its resident pupil units for the school year.~~

(d) For fiscal years 1998 2000 and later, the revenue for a district that operates a program under section 124D.128, is increased by an amount equal to \$30 times the number of resident marginal cost pupil units served at the site where the program is implemented.

Sec. 24. Minnesota Statutes 1998, section 126C.10, subdivision 14, is amended to read:

Subd. 14. **USES OF TOTAL OPERATING CAPITAL REVENUE.** Total operating capital revenue may be used only for the following purposes:

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- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the Uniform Fire Code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123B.51, subdivision 4;
- (13) to pay special assessments levied against school property but not to pay assessments for service charges;
- (14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Northeast Minnesota Economic Protection Trust Fund Act according to sections 298.292 to 298.298;
- (15) to purchase or lease interactive telecommunications equipment;
- (16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;
- (17) to pay ~~capital expenditure equipment-related~~ operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;
- (18) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;
- (19) to purchase or lease assistive technology or equipment for instructional programs;

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(20) to purchase textbooks;

(21) to purchase new and replacement library books or technology;

(22) to purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

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

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

(iii) other classroom information management needs; and

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software.

Sec. 25. Minnesota Statutes 1998, section 126C.10, subdivision 18, is amended to read:

Subd. 18. **TRANSPORTATION SPARSITY REVENUE ALLOWANCE.** (a) A district's transportation sparsity allowance equals the greater of zero or the result of the following computation:

(i) Multiply the formula allowance according to subdivision 2, by .1469.

(ii) Multiply the result in clause (i) by the district's sparsity index raised to the 26/100 power.

(iii) Multiply the result in clause (ii) by the district's density index raised to the 13/100 power.

(iv) Multiply the formula allowance according to subdivision 2, by .0485.

(v) Subtract the result in clause (iv) from the result in clause (iii).

(b) Transportation sparsity revenue is equal to the transportation sparsity allowance times the resident adjusted marginal cost pupil units.

Sec. 26. Minnesota Statutes 1998, section 126C.10, subdivision 19, is amended to read:

Subd. 19. **TRANSITION ALLOWANCE.** (a) A district's transportation transition allowance for fiscal year 1998 and later equals the result of the following:

(1) if the result in subdivision 18, paragraph (a), clause (iii), for fiscal year 1998 is less than the fiscal year 1996 base allowance, the transportation transition allowance equals the fiscal year 1996 base allowance minus the result in subdivision 18, paragraph (a), clause (iii); or

(2) if the result in subdivision 18, paragraph (a), clause (iii), for fiscal year 1998 and later is greater than or equal to the fiscal year 1996 base allowance, the transportation transition allowance equals zero.

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(b) A district's compensatory transition allowance equals the greater of zero or the difference between:

(1) the amount of compensatory revenue the district would have received under Minnesota Statutes 1996, section 124A.22, subdivision 3; for fiscal year 1998 computed using a basic formula allowance of \$3,281; and

(2) the amount the district receives under subdivision 3; divided by

(3) the district's actual pupil units for fiscal year 1998.

(c) A district's cooperation transition allowance for fiscal year 2001 and later equals the greater of zero or the difference between:

(1) \$25,000; and

(2) \$67 times the district's resident pupil units for fiscal year 2001 divided by;

(3) the district's resident pupil units for fiscal year 2001.

(d) A district's transition allowance for fiscal year ~~years~~ 1999 and 2000 is equal to the sum of its transportation transition allowance and its compensatory transition allowance. A district's transition allowance for fiscal year ~~2000~~ 2001 and thereafter is equal to the sum of its transportation transition allowance, its compensatory transition allowance, and its cooperation transition allowance.

Sec. 27. Minnesota Statutes 1998, section 126C.10, subdivision 20, is amended to read:

Subd. 20. **TRANSITION REVENUE ADJUSTMENT.** A district's transition revenue adjustment equals the district's transition allowance times the resident adjusted marginal cost pupil units for the school year.

Sec. 28. Minnesota Statutes 1998, section 126C.10, subdivision 21, is amended to read:

Subd. 21. **TRANSITION LEVY ADJUSTMENT.** A district's general education levy shall be adjusted by an amount equal to the district's transition revenue times the lesser of 1 or the ratio of its adjusted net tax capacity per ~~resident~~ adjusted marginal cost pupil unit to \$10,000 \$8,404.

Sec. 29. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 23. **REFERENDUM OFFSET ADJUSTMENT.** A district that qualifies for the referendum allowance reduction under section 126C.17, subdivision 12, and whose referendum allowance under section 126C.17, subdivision 1, as adjusted under section 126C.17, subdivisions 2 and 12, does not exceed the referendum allowance limit under section 126C.17, subdivision 2, clause (2), shall receive a referendum offset adjustment. In fiscal year 2000 and thereafter, the referendum offset adjustment is equal to \$25 per resident pupil unit.

Sec. 30. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 24. **EQUITY REVENUE.** (a) A school district qualifies for equity revenue if the school district's adjusted marginal cost pupil unit amount of basic revenue, supple-

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mental revenue, transition revenue, and referendum revenue is less than the 90th percentile of school districts in its equity region for those revenue categories and the school district's administrative offices are not located in a city of the first class on July 1, 1999.

(b) Equity revenue for a qualifying district that receives referendum revenue under section 126C.17, subdivision 4, equals the product of (1) the district's adjusted marginal cost pupil units for that year; times (2) the sum of (i) \$10, plus (ii) \$30, times the school district's equity index computed under section 126C.10, subdivision 6.

(c) Equity revenue for a qualifying district that does not receive referendum revenue under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal cost pupil units for that year times \$10.

Sec. 31. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 25. REGIONAL EQUITY GAP. The regional equity gap equals the difference between the fifth and the 90th percentile of adjusted general revenue per marginal cost pupil unit.

Sec. 32. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 26. DISTRICT EQUITY GAP. A district's equity gap equals the greater of zero or the difference between the district's adjusted general revenue and the regional 90th percentile of adjusted general revenue per marginal cost pupil unit.

Sec. 33. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 27. DISTRICT EQUITY INDEX. A district's equity index equals the ratio of the sum of the district equity gap amount to the regional equity gap amount.

Sec. 34. Minnesota Statutes 1998, section 126C.10, is amended by adding a subdivision to read:

Subd. 28. EQUITY REGION. For the purposes of computing equity revenue under subdivision 23, a district whose administrative offices on July 1, 1999, is located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county is part of the metro equity region. Districts whose administrative offices on July 1, 1999, are not located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county are part of the rural equity region.

Sec. 35. Minnesota Statutes 1998, section 126C.12, subdivision 1, is amended to read:

Subdivision 1. REVENUE. Of a district's general education revenue an amount equal to the sum of the number of elementary fund balance pupils in average daily membership defined in section 126C.05, subdivision 5, and one-half of the number of kindergarten fund balance pupils in average daily membership as defined in section 126C.05, subdivision 5, times .06 for fiscal year 1995 and thereafter times the formula allowance must be reserved according to this section. for fiscal year 2000 and thereafter each school district shall reserve an amount equal to the formula allowance multiplied by the following calculation:

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(1) the sum of adjusted marginal cost pupil units in average daily membership, according to section 126C.05, subdivision 5, in kindergarten times .057; plus

(2) the sum of adjusted marginal cost pupil units in average daily membership, according to section 126C.05, subdivision 5, in grades 1 to 3 times .115; plus

(3) the sum of adjusted marginal cost pupil units in average daily membership, according to section 126C.05, subdivision 5, in grades 4 to 6 times .06.

Sec. 36. Minnesota Statutes 1998, section 126C.12, subdivision 4, is amended to read:

Subd. 4. **REVENUE USE.** (a) Revenue must be used according to either paragraph (b) or (c).

(b) Revenue must 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) 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-to-learner ratios in other grades as a result of reducing instructor-to-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 ~~124D.67~~. A 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. 37. Minnesota Statutes 1998, section 126C.13, subdivision 1, is amended to read:

Subdivision 1. **GENERAL EDUCATION TAX RATE.** The commissioner must 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 must be a rate, rounded up to the nearest hundredth 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 must be the rate that raises \$1,385,500,000 for fiscal year 1999, \$1,325,500,000 for fiscal year 2000, and \$1,387,100,000 \$1,330,000,000 for fiscal year 2001, 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. ~~If the levy target for fiscal year 1999 or fiscal year 2000 is changed by another law enacted during the 1997 or 1998 session, the commissioner shall reduce the general education levy target in this section by the amount of the reduction in the enacted law.~~

Sec. 38. Minnesota Statutes 1998, section 126C.13, subdivision 2, is amended to read:

Subd. 2. **GENERAL EDUCATION LEVY.** To obtain general education revenue, excluding transition revenue and supplemental revenue, a district may levy an amount not to exceed the general education tax rate times the adjusted net tax capacity of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, excluding transition revenue and supplemental revenue, the general education levy must be determined according to subdivision 3.

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Sec. 39. Minnesota Statutes 1998; section 126C.15, is amended to read:

**126C.15 COMPENSATORY EDUCATION REVENUE.**

Subdivision 1. **USE OF THE REVENUE.** ~~The compensatory education basic skills revenue under section 126C.10, subdivision 3 4, and the portion of the transition revenue adjustment under section 126C.10, subdivision 20, attributable to the compensatory transition allowance under section 126C.10, subdivision 19, paragraph (b), must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Any of the following may be provided to meet these learners' needs:~~

(1) direct instructional services under the assurance of mastery program according to section 124D.66;

(2) remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;

(3) additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;

(4) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;

(5) comprehensive and ongoing staff development consistent with district and site plans according to section 122A.60, for teachers, teacher aides, principals, and other personnel to improve their ability to identify the needs of these learners and provide appropriate remediation, intervention, accommodations, or modifications;

(6) instructional materials and technology appropriate for meeting the individual needs of these learners;

(7) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services;

(8) bilingual programs, bicultural programs, and programs for learners of limited English proficiency;

(9) all day kindergarten;

(10) extended school day and extended school year programs;

(11) substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian; and

(12) other methods to increase achievement, as needed.

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**Subd. 2. BUILDING ALLOCATION.** (a) A district must allocate its compensatory revenue to each school building in the district where the children who have generated the revenue are served.

(b) Notwithstanding paragraph (a), for fiscal years 1999, and 2000, and 2001, upon approval by the commissioner, a district may allocate up to five percent of the amount of compensatory revenue that the district would have received under Minnesota Statutes 1996, section ~~126C.10~~ 124A.22, subdivision 3, for fiscal year 1998, computed using a basic formula allowance of \$3,581 to school sites according to a plan adopted by the school board.

(c) For the purposes of this section and section 126C.05, subdivision 3, "building" means education site as defined in section 123B.04, subdivision 1.

(d) If the pupil is served at a site other than one owned and operated by the district, the revenue shall be paid to the district and used for services for pupils who generate the revenue.

**Subd. 3. RECOMMENDATION.** A school site decision-making team, as defined in section 123B.04, subdivision 3, paragraph (a), or the instruction and curriculum advisory committee under section 120B.11, if the school has no school site decision team, shall recommend how the compensatory education revenue will be used to carry out the purpose of this section.

**Subd. 4. SEPARATE ACCOUNTS.** Each district that receives compensatory education basic skills revenue shall maintain separate accounts to identify expenditures for salaries and programs related to basic skills revenue.

**Subd. 5. ANNUAL EXPENDITURE REPORT.** Each year a district that receives compensatory education basic skills revenue must submit a report identifying the expenditures it incurred to meet the needs of eligible learners under subdivision 1. The report must conform to uniform financial and reporting standards established for this purpose.

Sec. 40. Minnesota Statutes 1998, section 126C.17, subdivision 1, is amended to read:

Subdivision 1. **REFERENDUM ALLOWANCE.** A district's referendum revenue allowance equals the referendum revenue authority for that year divided by its resident marginal cost pupil units for that school year.

Sec. 41. Minnesota Statutes 1998, section 126C.17, subdivision 2, is amended to read:

Subd. 2. **REFERENDUM ALLOWANCE LIMIT.** Notwithstanding subdivision 1, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1994;
- (2) 25 percent of the formula allowance minus \$300 for fiscal year 1997 and later; or
- (3) for a newly reorganized district created after July 1, 1994, the sum of the referendum revenue authority for the reorganizing districts for the fiscal year preceding the reorganization, divided by the sum of the resident marginal cost pupil units of the reorganizing districts for the fiscal year preceding the reorganization.

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Sec. 42. Minnesota Statutes 1998, section 126C.17, subdivision 4, is amended to read:

Subd. 4. **TOTAL REFERENDUM REVENUE.** The total referendum revenue for each district equals the district's referendum allowance times the resident marginal cost pupil units for the school year.

Sec. 43. Minnesota Statutes 1998, section 126C.17, subdivision 5, is amended to read:

Subd. 5. **REFERENDUM EQUALIZATION REVENUE.** (a) A district's referendum equalization revenue equals \$350 the referendum equalization allowance times the district's resident marginal cost pupil units for that year.

(b) The referendum equalization allowance equals \$350 for fiscal year 2000 and \$415 for fiscal year 2001 and later.

(c) Referendum equalization revenue must not exceed a district's total referendum revenue for that year.

Sec. 44. Minnesota Statutes 1998, section 126C.17, subdivision 6, is amended to read:

Subd. 6. **REFERENDUM EQUALIZATION LEVY.** (a) ~~For fiscal year 1999 and thereafter,~~ A district's referendum equalization levy for a referendum levied against the referendum market value of all taxable property as defined in section 126C.01, subdivision 3, equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident marginal cost pupil unit to \$476,000.

(b) ~~For fiscal year 1999 and thereafter,~~ A district's referendum equalization levy for a referendum levied against the net tax capacity of all taxable property equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per resident marginal cost pupil unit to \$10,000 \$8,404.

Sec. 45. Minnesota Statutes 1998, section 126C.17, subdivision 9, is amended to read:

Subd. 9. **REFERENDUM REVENUE.** (a) The revenue authorized by section 126C.10, 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 board or shall be called by the board upon written petition of qualified voters of the district. The referendum must be conducted one or two calendar years 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 must state the maximum amount of the increased revenue per resident marginal cost 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 must be used to finance school operations. The ballot may state a schedule, determined by the board, of increased revenue per resident pupil units that differs from year to year over the number of years for which the increased revenue is authorized. If the ballot contains a schedule showing different amounts, it must also indicate the estimated referendum tax rate as a percent of

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market value for the amount specified for the first year and for the maximum amount specified in the schedule. 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 must designate the specific number of years, not to exceed ten, for which the referendum authorization applies. The notice required under section 275.60 may be modified to read, in cases of renewing existing levies:

“BY VOTING “YES” ON THIS BALLOT QUESTION, YOU MAY BE VOTING FOR A PROPERTY TAX INCREASE.”

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 resident marginal cost pupil unit times the resident marginal cost 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 board must prepare and deliver by first class mail at least 15 days but no more than 30 days before the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must 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 is 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 referendum levy in the first year, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the district.

The notice must include the following statement: “Passage of this referendum will result in an increase in your property taxes.” However, in cases of renewing existing levies, the notice may include the following statement: “Passage of this referendum may 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 board and shall be called by the board upon the written petition of qualified voters of the district. A referen-

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dum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per resident marginal cost 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) is effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the district on the day the petition is filed with the board. A referendum invoked by petition must 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 before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

(g) Except for a referendum held under subdivision 11, 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) must be prepared and delivered by first class mail at least 20 days before the referendum.

Sec. 46. Minnesota Statutes 1998, section 126C.41, subdivision 2, is amended to read:

Subd. 2. **RETIRED EMPLOYEE HEALTH BENEFITS.** ~~For taxes payable in 1996, 1997, 1998, and 1999 only,~~ A district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992. The total amount of the levy each year may not exceed \$300,000.

Sec. 47. Minnesota Statutes 1998, section 127A.44, 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 section 126C.13;
- (2) secondary vocational aid authorized in section 124D.453;
- (3) special education aid authorized in sections 125A.75 and 125A.76;
- (4) ~~school-to-work career and technical~~ school-to-work career and technical program aid for children with a disability authorized in section 124D.454;

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- (5) aid for pupils of limited English proficiency authorized in section 124D.65;
- (6) transportation aid authorized in section 123B.92;
- (7) (6) community education programs aid authorized in section 124D.20;
- (8) (7) adult education aid authorized in section 124D.52;
- (9) (8) early childhood family education aid authorized in section 124D.135;
- (10) (9) capital expenditure aid authorized in section 123B.57;
- (11) (10) school district cooperation aid authorized in section 126C.22;
- (12) assurance of mastery aid according to section 124D.67;
- (13) (11) homestead and agricultural credit aid, disparity credit and aid, and changes to credits for prior year adjustments according to section 273.1398, subdivisions 2, 3, 4, and 7;
- (14) (12) attached machinery aid authorized in section 273.138, subdivision 3;
- (15) alternative delivery aid authorized in section 125A.78;
- (16) special education equalization aid authorized in section 125A.77;
- (17) (13) special education excess cost aid authorized in section 125A.79; and
- (18) (14) learning readiness aid authorized in section 124D.16; and
- (19) ~~cooperation-combination aid authorized in section 123A.39, subdivision 3.~~

(b) The commissioner 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. 48. Minnesota Statutes 1998, section 127A.47, subdivision 1, is amended to read:

Subdivision 1. **AID TO SERVING DISTRICT OF RESIDENCE.** (a) Unless otherwise specifically provided by law, general education aid must be paid to the district of residence unless otherwise specifically provided by law according to this subdivision.

(b) Except as provided in paragraph (c), general education aid must be paid to the serving district.

(c) If the resident district pays tuition for a pupil under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, general education aid, excluding basic skills revenue under section 126C.10, subdivision 4, must be paid to the resident district.

Sec. 49. Minnesota Statutes 1998, section 127A.47, subdivision 7, is amended to read:

Subd. 7. **ALTERNATIVE ATTENDANCE PROGRAMS.** The general education aid for districts must be adjusted for each pupil attending a nonresident district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, and 124D.68. The adjustments must be made according to this subdivision.

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(a) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of basic skills revenue referendum equalization aid attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision must be increased by an amount equal to the general education revenue exclusive of basic skills revenue referendum equalization aid attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence must pay tuition to a district or an area learning center, operated according to paragraph (e), providing special instruction and services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of general education aid revenue and special education aid but not including any amount for transportation, attributable to that pupil, that is received by the district providing special instruction and services.

(e) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge tuition for pupils rather than to calculate general education aid adjustments under paragraph (a), (b), or (c). The tuition must be equal to the greater of the average general education revenue per pupil unit attributable to the pupil, or the actual cost of providing the instruction, excluding transportation costs, if the pupil meets the requirements of section 125A.02 or 125A.51.

Sec. 50. Minnesota Statutes 1998, section 127A.47, subdivision 8, is amended to read:

Subd. 8. **CHARTER SCHOOLS.** (a) The general education aid for districts must be adjusted for each pupil attending a charter school under section 124D.10. The adjustments must be made according to this subdivision.

(b) ~~General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of basic skills revenue.~~

(c) General education aid paid to a district in which a charter school not providing transportation according to section 124D.10, subdivision 16, is located must be increased by an amount equal to the product of: (1) the sum of an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, plus the transportation sparsity allowance for the district, plus the transportation transition allowance for the district; times (2) the pupil units attributable to the pupil.

(d) ~~If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.~~

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Sec. 51. Minnesota Statutes 1998, section 127A.49, 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 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 children, families, and learning the amount of any resulting net revenue loss that accrued to the 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 126C.46. The amount of the abatement adjustment must be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:

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

(A) section 126C.13 if the district received general education aid according to that section for the second preceding year;

(B) section 124.226, subdivisions 1 and 4, if the district received transportation aid according to section 123B.92 for the second preceding year;

(C) section 124.243, if the district received capital expenditure facilities aid according to that section for the second preceding year;

(D) section 124.244, if the district received capital expenditure equipment aid according to that section for the second preceding year;

(E) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(F) (C) sections 124D.20, 124D.21, and 124D.56, if the district received aid for community education programs according to any of those sections for the second preceding year;

(G) (D) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year; and

(H) section 125A.77, subdivision 3, if the district received special education levy equalization aid according to that section for the second preceding year;

(I) (E) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year; and

(J) section 124A.22, subdivision 4a, if the district received training and experience aid according to that section for the second preceding year; to

(ii) the total amount of the district's certified levy in the preceding ~~October~~ December, plus or minus auditor's adjustments.

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

Sec. 52. Minnesota Statutes 1998, section 127A.49, subdivision 3, is amended to read:

Subd. 3. **EXCESS TAX INCREMENT.** (a) If a return of excess tax increment is made to a district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(b) An amount must be subtracted from the district's aid for the current fiscal year equal to the product of:

- (1) the amount of the payment of excess tax increment to the district, times
- (2) the ratio of:

(i) the sum of the amounts of the district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(A) section 126C.13, if the district received general education aid according to that section for the second preceding year;

(B) ~~section 124.226, subdivisions 1 and 4, if the district received transportation aid according to section 123B.92 for the second preceding year;~~

(C) ~~section 124.243, if the district received capital expenditure facilities aid according to that section for the second preceding year;~~

(D) ~~section 124.244, if the district received capital expenditure equipment aid according to that section for the second preceding year;~~

(E) ~~section 123B.57, if the district received health and safety aid according to that section for the second preceding year;~~

(F) ~~(C)~~ sections 124D.20, 124D.21, and 124D.56, if the district received aid for community education programs according to any of those sections for the second preceding year;

(G) ~~(D)~~ section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year; and

(H) ~~section 125A.77, subdivision 3, if the district received special education levy equalization aid according to that section for the second preceding year;~~

(I) ~~(E)~~ section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year; and

(J) ~~section 124A.22, subdivision 4a, if the district received training and experience aid according to that section for the second preceding year; to~~

(ii) the total amount of the district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

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- (1) the amount of the distribution of excess increment; and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds \$25,000.

Sec. 53. Minnesota Statutes 1998, section 127A.51, is amended to read:

**127A.51 STATEWIDE AVERAGE REVENUE.**

By October 1 of each year the commissioner must estimate the statewide average adjusted general revenue per resident adjusted marginal cost pupil unit and the disparity in adjusted general revenue among pupils and districts by computing the ratio of the ninety-fifth percentile to the fifth percentile of adjusted general revenue. The commissioner must provide that information to all districts.

If the disparity in adjusted general revenue as measured by the ratio of the ninety-fifth percentile to the fifth percentile increases in any year, the commissioner shall recommend to the legislature options for change in the general education formula that will limit the disparity in adjusted general revenue to no more than the disparity for the previous school year. The commissioner must submit the recommended options to the education committees of the legislature by January 15.

For purposes of this section, adjusted general revenue means the sum of basic revenue under section 126C.10, subdivision 2; supplemental revenue under section 126C.10, subdivisions 9 and 12; transition revenue under section 126C.10, subdivision 20; and referendum revenue under section 126C.17.

Sec. 54. Laws 1992, chapter 499, article 7, section 31, as amended by Laws 1998, chapter 398, article 1, section 39, is amended to read:

**Sec. 31. REPEALER.**

Minnesota Statutes 1990, sections 124A.02, subdivision 24; 124A.23, subdivisions 2 and 3; 124A.26, subdivisions 2 and 3; 124A.27; 124A.28; and 124A.29, subdivision 2; and Minnesota Statutes 1991 Supplement, sections 124A.02, subdivisions 16 and 23; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; and 124A.29, subdivision 1, are repealed effective June 30, ~~2001~~ 2002; Laws 1991, chapter 265, article 7, section 35, is repealed.

Sec. 55. Laws 1996, chapter 412, article 1, section 35, is amended to read:

**Sec. 35. REPEALER.**

Laws 1993, chapter 224, article 1, section 34, subdivision 1, is repealed. ~~Section 8 is repealed July 1, 1999.~~

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

Sec. 56. Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 1, is amended to read:

Subdivision 1. **REVENUE CONVERSION.** For taxes payable in 1998 and 1999, the commissioner of children, families, and learning shall adjust each school district's revenue authority that is established as a rate times net tax capacity or adjusted net tax capacity under Minnesota Statutes, chapters ~~124 and 124A~~ 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A, by multiplying each revenue amount by the ratio of the statewide tax capacity as calculated using the class rates in effect for assessment year 1996 to the statewide tax capacity using the class rates for that assessment year. Tax rates for referendum revenues according to Minnesota Statutes, section 126C.17, and operating debt levies according to Minnesota Statutes, section 126C.42, established for an individual district under this subdivision for taxes payable in 1999 shall remain in effect for later years for which the revenue is authorized to be computed as a rate times net tax capacity or adjusted net tax capacity.

Sec. 57. Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 2, is amended to read:

Subd. 2. **TAX RATE ADJUSTMENT.** For taxes payable in 1998 and 1999, the commissioner shall adjust each tax rate established under Minnesota Statutes, chapters ~~124 and 124A~~ 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A, by multiplying the rate by the ratio of the statewide tax capacity as calculated using the class rates in effect for assessment year 1996 to the statewide tax capacity using the class rates for that assessment year.

Sec. 58. Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 3, as amended by Laws 1998, chapter 398, article 1, section 41, is amended to read:

Subd. 3. **EQUALIZING FACTORS.** For taxes payable in 1998 and 1999, the commissioner shall adjust each equalizing factor established using adjusted net tax capacity per actual pupil unit under Minnesota Statutes, chapters ~~124 and 124A~~ 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A, by dividing the equalizing factor by the ratio of the statewide tax capacity as calculated using the class rates in effect for assessment year 1996 to the statewide tax capacity using the class rates for that assessment year.

Sec. 59. Laws 1997, First Special Session chapter 4, article 1, section 61, subdivision 4, is amended to read:

Subd. 4. **QUALIFYING RATE.** For taxes payable in 1998 and 1999, the commissioner shall adjust the qualifying rate under Minnesota Statutes, section 124.95, subdivision 3, by multiplying the qualifying rate times the ratio of the statewide tax capacity, as calculated using the class rates in effect for assessment year 1996, to the statewide tax capacity using the class rates for that assessment year.

Sec. 60. **FUND TRANSFERS.**

Subdivision 1. **MONTICELLO.** Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61, subdivision 4, on June 30, 1999, independent school district No. 882, Monticello, may permanently transfer up to \$650,000 from its debt redemption fund to its general fund.

Subd. 2. **WHITE BEAR LAKE.** Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61, subdivision 4, on June 30, 1999, independent school dis-

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trict No. 624, White Bear Lake, a district recently out of statutory operating debt, may permanently transfer up to \$650,000 from its debt redemption fund to its general fund without making a levy reduction.

Subd. 3. **OKLEE.** Notwithstanding Minnesota Statutes, section 123B.53, on June 30, 1999, independent school district No. 627, Oklee, may permanently transfer \$44,300 from its debt service fund to its general fund.

Subd. 4. **DEER RIVER.** Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61, subdivision 4, on June 30, 1999, independent school district No. 317, Deer River, may permanently transfer up to \$315,000 from the debt redemption fund to its building construction fund without making a levy reduction.

Subd. 5. **FARIBAULT.** Notwithstanding Minnesota Statutes, section 123B.79, or other law, on or before June 30, 2000, independent school district No. 656, Faribault, may transfer an amount equal to the sale of the school district's excess property from its capital operating account to the undesignated general fund, not to exceed \$1,000,000. This transfer shall be used for the purposes of defraying the district's operating debt and shall not be subject to salary negotiations.

Subd. 6. **WESTONKA.** Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61, subdivision 4, on June 30, 1999, independent school district No. 277, Westonka, may permanently transfer up to \$235,000 from its debt redemption fund to its general fund without making a levy reduction to help the school district out of statutory operating debt.

#### Sec. 61. **LEASE LEVY FOR ADMINISTRATIVE SPACE; EDEN PRAIRIE.**

Each year, independent school district No. 272, Eden Prairie, may levy the amount necessary to rent or lease administrative space so that space previously used for administrative purposes may be used for instructional purposes.

#### Sec. 62. **OPERATING DEBT LEVY FOR TRACY SCHOOL DISTRICT.**

Subdivision 1. **OPERATING DEBT ACCOUNT.** On July 1, 1999, independent school district No. 417, Tracy, shall establish a reserve account in the general fund. The balance in this fund shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1999.

Subd. 2. **LEVY.** For taxes payable in each of the years 2000 to 2004, the district may levy an amount up to 20 percent of the balance in the account on July 1, 1999. 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.

Subd. 3. **NO LOCAL APPROVAL.** Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), this section is effective without local approval.

#### Sec. 63. **DIRECTION TO THE DEPARTMENT.**

For fiscal year 2000 only, the department of children, families, and learning shall make appropriate weighting adjustments to fiscal year 1999 pupil units to reflect the impact of Minnesota Statutes, section 126C.05, subdivision 5, paragraph (b), and subdivision 6, paragraph (b).

New language is indicated by underline, deletions by strikeout.

**Sec. 64. CONTINGENT FORMULA INCREASE.**

(a) If on the basis of the November 1999 forecast there is an available unrestricted general fund balance projected for June 30, 2001, the commissioner of finance shall implement the provisions in paragraphs (b) to (f) before giving effect to Minnesota Statutes, section 16A.152, subdivision 2.

(b) The general education formula allowance, as defined in Minnesota Statutes, section 126C.10, subdivision 2, shall be increased in fiscal year 2001 and later years by an amount not to exceed \$50, rounded to the nearest dollar, if the planning estimates in the November 1999 forecast for fiscal year 2002 and fiscal year 2003 show that projected revenues, excluding prior year balances and excluding settlement payments received pursuant to section IIB of the settlement document filed May 18, 1998, in State v. Philip Morris, Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District), will be greater than projected expenditures for each year.

(c) The amount available to fund the increase in paragraph (b) is the lesser of:

(1) the available unrestricted general fund balance projected for June 30, 2001; or

(2) the lowest amount to which projected revenues, excluding prior year balances and excluding settlement payments received pursuant to section IIB of the settlement document filed May 18, 1998, in State v. Philip Morris, Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District), exceed projected expenditures for any year.

(d) The amount necessary to implement this section is appropriated from the general fund.

(e) The amount available to increase the formula allowance shall be certified to the commissioner of children, families, and learning the day after release of the November 1999 forecast.

(f) The commissioner of the department of children, families, and learning shall notify school districts of the resulting increase in the formula within two weeks of the certification.

**Sec. 65. SUPPLEMENTAL REVENUE.**

Supplemental revenue for fiscal years 2000 and later under Minnesota Statutes, section 126C.10, subdivision 9, is increased by the following amounts:

(1) for independent school district No. 11, Anoka, \$2,000,000; and

(2) for independent school district No. 279, Osseo, \$500,000.

Supplemental revenue increased under this section is not subject to reduction under Minnesota Statutes, section 126C.10, subdivision 12.

**Sec. 66. EQUITY REVENUE ADJUSTMENT.**

For fiscal years 2000 and 2001, a school district that does not have an operating referendum is eligible for additional equity revenue under section 30 equal to \$12 times the district's adjusted marginal cost pupil units for that year.

**Sec. 67. [126C.052] CLASS SIZE, ALL-DAY KINDERGARTEN, AND SPECIAL EDUCATION STUDENT-TO-INSTRUCTOR RATIO RESERVE.**

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



A district is required to reserve \$3 in fiscal year 2000 and \$11 in fiscal year 2001 and later per adjusted marginal cost pupil unit for class size reduction, all-day kindergarten, or for reducing special education student-to-instructor ratios. The school board of each district must pass a resolution stating which one of these three programs will be funded with this reserve. The reserve amount under this section must be allocated to the education site as defined in Minnesota Statutes, section 123B.04, subdivision 1.

**Sec. 68. APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING. The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

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

\$3,062,321,000	.....	2000
\$3,160,518,000	.....	2001

The 2000 appropriation includes \$272,186,000 for 1999 and \$2,790,135,000 for 2000.

The 2001 appropriation includes \$310,015,000 for 2000 and \$2,850,503,000 for 2001.

Subd. 3. TRANSPORTATION SAFETY. For student transportation safety aid according to Minnesota Statutes, section 123B.92, subdivision 4:

\$144,000	.....	2000
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The 2000 appropriation includes \$144,000 for 1999.

Subd. 4. TRANSPORTATION AID FOR ENROLLMENT OPTIONS. For transportation of pupils attending post-secondary institutions according to Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts according to Minnesota Statutes, section 124D.03:

\$102,000	.....	2000
\$102,000	.....	2001

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

Subd. 5. DISTRICT COOPERATION REVENUE. For district cooperation revenue aid:

\$5,940,000	.....	2000
\$ 563,000	.....	2001

The 2000 appropriation includes \$869,000 for 1999 and \$5,071,000 for 2000.

The 2001 appropriation includes \$563,000 for 2000 and \$0 for 2001.

**Sec. 69. REPEALER.**

(a) Minnesota Statutes 1998, sections 123B.89; and 123B.92, subdivisions 2, 4, 6, 7, 8, and 10, are repealed.

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

(b) Minnesota Statutes 1998, section 120B.05, is repealed effective for revenue for fiscal year 2000.

(c) Minnesota Statutes 1998, section 124D.65, subdivisions 1, 2, and 3, are repealed effective for revenue for fiscal year 2001.

(d) Minnesota Statutes 1998, sections 124D.67; 126C.05, subdivision 4; and 126C.06, are repealed effective the day following final enactment.

This appropriation is available until June 30, 2001.

#### Sec. 70. **EFFECTIVE DATES.**

Sections 13, 14, 26, 30, 37, and 39 are effective for revenue for fiscal year 2000 and later. Sections 46, 47, and 55 to 60 are effective the day following final enactment. Section 61 is effective for taxes payable in 2000 and later.

## ARTICLE 2

### SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1998, section 121A.23, is amended to read:

#### 121A.23 **HEALTH-RELATED PROGRAMS.**

Subdivision 1. **AIDS SEXUALLY TRANSMITTED DISEASES PROGRAM.**  
The commissioner of children, families, and learning, in consultation with the commissioner of health, shall assist districts in developing and implementing a program to prevent and reduce the risk of acquired immune deficiency syndrome sexually transmitted infections and diseases, including but not exclusive to human immune deficiency virus and human papilloma virus. Each district must have a program that includes at least:

- (1) planning materials, guidelines, and other technically accurate and updated information;
- (2) a comprehensive, technically accurate, and updated curriculum that includes helping students to abstain from sexual activity until marriage;
- (3) cooperation and coordination among districts and SCs;
- (4) a targeting of adolescents, especially those who may be at high risk of contracting AIDS sexually transmitted infections and diseases, for prevention efforts;
- (5) involvement of parents and other community members;
- (6) in-service training for appropriate district staff and school board members;
- (7) collaboration with state agencies and organizations having an AIDS a sexually transmitted infection and disease prevention or AIDS sexually transmitted infection and disease risk reduction program;
- (8) collaboration with local community health services, agencies and organizations having an AIDS a sexually transmitted infection and disease prevention or AIDS sexually transmitted infection and disease risk reduction program; and

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(9) participation by state and local student organizations.

The department may provide assistance at a neutral site to a nonpublic school participating in a district's program. District programs must not conflict with the health and wellness curriculum developed under Laws 1987, chapter 398, article 5, section 2, subdivision 7.

If a district fails to develop and implement a program to prevent and reduce the risk of AIDS sexually transmitted infection and disease, the department must assist the service cooperative in the region serving that district to develop or implement the program.

Subd. 2. **FUNDING SOURCES.** Districts may accept funds for AIDS sexually transmitted infection and disease prevention programs developed and implemented under this section from public and private sources including public health funds and foundations, department professional development funds, federal block grants or other federal or state grants.

Sec. 2. Minnesota Statutes 1998, section 121A.43, as amended by Laws 1999, chapter 123, section 2, is amended to read:

**121A.43 EXCLUSION AND EXPULSION OF PUPILS WITH A DISABILITY.**

When a pupil who has an individual education plan is excluded or expelled under sections 121A.40 to 121A.56 for misbehavior that is not a manifestation of the pupil's disability, the district shall continue to provide special education and related services after a period of suspension, if suspension is imposed. The district shall initiate a review of the student's pupil's individual education plan and conduct a review of the relationship between the student's pupil's disability and the behavior subject to disciplinary action and determine the appropriateness of the student's pupil's education plan before commencing an expulsion or exclusion.

Sec. 3. Minnesota Statutes 1998, section 122A.28, is amended to read:

**122A.28 TEACHERS OF DEAF AND HARD-OF-HEARING STUDENTS; LICENSURE REQUIREMENTS.**

Subdivision 1. **K-12 LICENSE TO TEACH DEAF AND HARD-OF-HEARING STUDENTS.** The board of teaching must review and determine appropriate licensure requirements for a candidate for a license or an applicant for a continuing license to teach deaf and hard-of-hearing students in prekindergarten through grade 12. In addition to other requirements, a candidate must demonstrate the minimum level of proficiency in American sign language as determined by the board.

Subd. 2. **LICENSURE FOR TEACHING ORAL/AURAL DEAF EDUCATION PROGRAMS.** (a) The board of teaching shall adopt a separate licensure rule for a candidate for a license or an applicant for a continuing license to teach in oral/aural deaf education programs or to provide services, including itinerant oral/aural deaf education services, to deaf and hard-of-hearing students in prekindergarten through grade 12.

(b) The board shall design rule requirements for teaching oral/aural deaf education in collaboration with representatives of parents and educators of deaf and hard-of-hearing students, post-secondary programs preparing teachers of deaf and hard-of-hearing students, and the department of children, families, and learning.

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

(c) Rule requirements for teaching oral/aural deaf education shall reflect best practice research in oral/aural deaf education. Advanced competencies in teaching deaf and hard-of-hearing students through oral/aural modes shall be included.

(d) Licensure requirements for teachers of oral/aural deaf education must include minimum competency in American sign language, but are not subject to the guidelines established in Laws 1993, chapter 224, article 3, section 32, as amended by Laws 1998, chapter 398, article 2, section 47. The signed communication proficiency interview shall not be required for teachers licensed to teach deaf and hard-of-hearing students through oral/aural deaf education methods.

(e) Requirements for teachers or oral/aural deaf education shall include appropriate continuing education requirements for renewing this licensure.

Sec. 4. Minnesota Statutes 1998, section 123A.05, subdivision 2, is amended to read:

Subd. 2. **RESERVE REVENUE.** Each district that is a member of an area learning center must reserve revenue in an amount equal to at least 90 percent of the district average general education revenue less compensatory per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, calculated without basic skills revenue unit, transportation sparsity revenue, and the transportation portion of the transition revenue adjustment, times the number of pupil units attending an area learning center program under this section. The amount of reserved revenue under this subdivision may only be spent on program costs associated with the area learning center. Compensatory revenue must be allocated according to section 126C.15, subdivision 2.

Sec. 5. Minnesota Statutes 1998, section 123A.05, subdivision 3, is amended to read:

Subd. 3. **ACCESS TO SERVICES.** A center shall have access to the district's regular education programs, special education programs, technology facilities, and staff. It may contract with individuals or post-secondary institutions. It shall seek the involvement of community education programs, post-secondary institutions, interagency collaboratives, culturally based organizations, mutual assistance associations, and other community resources, businesses, and other federal, state, and local public agencies.

Sec. 6. Minnesota Statutes 1998, section 123A.06, subdivision 1, is amended to read:

Subdivision 1. **PROGRAM FOCUS.** (a) The programs and services of a center must focus on academic and learning skills, applied learning opportunities, trade and vocational skills, work-based learning opportunities, work experience, youth service to the community, and transition services, and English language and literacy programs for children whose primary language is a language other than English. Applied learning, work-based learning, and service learning may best be developed in collaboration with a local education and transitions partnership, culturally based organizations, mutual assistance associations, or other community resources. In addition to offering programs, the center shall coordinate the use of other available educational services, special education services, social services, health services, and post-secondary institutions in the community and services area.

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

(b) Consistent with the requirements of sections 121A.40 to 121A.56, a school district may provide an alternative education program for a student who is within the compulsory attendance age under section 120A.20, and who is involved in severe or repeated disciplinary action.

Sec. 7. Minnesota Statutes 1998, section 123A.06, subdivision 2, is amended to read:

Subd. 2. **PEOPLE TO BE SERVED.** A center shall provide programs for secondary pupils and adults. A center may also provide programs and services for elementary and secondary pupils who are not attending the center to assist them in being successful in school. A center shall use research-based best practices for serving limited English proficient students and their parents. An individual education plan team may identify a center as an appropriate placement to the extent a center can provide the student with the appropriate special education services described in the student's plan. Pupils eligible to be served are those age five to adults 22 and older who qualify under the graduation incentives program in section 124D.68, subdivision 2, or those pupils who are eligible to receive special education services under sections 125A.03 to 125A.24, and 125A.65.

Sec. 8. Minnesota Statutes 1998, section 123B.75, is amended by adding a subdivision to read:

Subd. 6a. **INTEGRATION AID.** Integration aid received under section 127A.45, subdivision 12a, must be recognized in the same fiscal year as the integration levy.

Sec. 9. Minnesota Statutes 1998, section 124D.081, subdivision 3, is amended to read:

Subd. 3. **QUALIFYING SCHOOL SITE.** (a) The commissioner shall rank all school sites with kindergarten programs that do not exclusively serve students under sections 125A.03 to 125A.24, and 125A.65. The ranking must be from highest to lowest based on the site's free and reduced lunch count as a percent of the fall enrollment using the preceding October 1 enrollment data. Once a school site is calculated to be eligible, it remains eligible for the duration of the pilot program, unless the site's ranking falls below the state average for elementary schools. For each school site, the percentage used to calculate the ranking must be the greater of (1) the percent of the fall kindergarten enrollment receiving free and reduced lunch, or (2) the percent of the total fall enrollment receiving free and reduced lunch. The list of ranked sites must be separated into the following geographic areas: Minneapolis district, St. Paul district, suburban Twin Cities districts in the seven-county metropolitan area, and school districts in greater Minnesota.

(b) The commissioner shall establish a process and timelines to qualify school sites for the next school year. School sites must be qualified in each geographic area from the list of ranked sites until the estimated revenue available for this program has been allocated. The total estimated revenue must be distributed to qualified school sites in each geographic area as follows: 25 percent for Minneapolis sites, 25 percent for St. Paul sites, 25 percent for suburban Twin Cities sites, and 25 percent for greater Minnesota.

Sec. 10. Minnesota Statutes 1998, section 124D.454, subdivision 5, is amended to read:

Subd. 5. **STATE TOTAL SCHOOL-TO-WORK PROGRAM-DISABLED REVENUE.** The state total school-to-work program-disabled revenue for fiscal year

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

~~1998 2000~~ equals ~~\$8,924,000~~ \$8,982,000. The state total school-to-work program-disabled revenue for fiscal year ~~1999 2001~~ equals ~~\$8,976,000~~ \$8,966,000. The state total school-to-work program-disabled revenue for later fiscal years equals:

(1) the state total school-to-work program-disabled revenue for the preceding fiscal year; times

(2) the program growth factor; times

(3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Sec. 11. Minnesota Statutes 1998, section 124D.65, subdivision 4, is amended to read:

Subd. 4. **STATE TOTAL LEP REVENUE.** (a) The state total limited English proficiency programs revenue for fiscal year ~~1998 2000~~ equals ~~\$14,629,000~~ \$27,454,000. The state total limited English proficiency programs revenue for fiscal year ~~1999 2001~~ equals ~~\$16,092,000~~ \$31,752,000.

(b) The state total limited English proficiency programs revenue for later fiscal years equals:

(1) the state total limited English proficiency programs revenue for the preceding fiscal year; times

(2) the program growth factor under section 125A.76 subdivision 1; times

(3) the ratio of the state total number of pupils with limited English proficiency for the current fiscal year to the state total number of pupils with limited English proficiency for the preceding fiscal year.

Sec. 12. Minnesota Statutes 1998, section 124D.87, is amended to read:

**124D.87 INTERDISTRICT DESEGREGATION OR INTEGRATION TRANSPORTATION GRANTS AID.**

(a) A district that provides transportation of pupils to and from an interdistrict program for desegregation or integration purposes ~~may apply to the commissioner~~ is eligible for a grant state aid to cover the additional costs of transportation.

(b) A district in the metropolitan area may apply to the commissioner for a grant state aid to cover the costs of transporting pupils who are enrolled under section 124D.03 if the enrollment of the student in the nonresident district contributes to desegregation or integration purposes. The commissioner shall develop the form and manner of applications for state aid; the criteria to be used to determine when transportation is for desegregation or integration purposes, and the accounting procedure to be used to determine excess costs. In determining the grant amount aid amounts, the commissioner shall consider other revenue received by the district for transportation for desegregation or integration purposes.

(c) ~~Grants may be awarded~~ Aid must be paid under paragraph (b) only if grants awarded aid amounts under paragraph (a) have been fully funded.

Sec. 13. Minnesota Statutes 1998, section 125A.09, subdivision 4, is amended to read:

Subd. 4. **DISPUTE RESOLUTION.** Parents and guardians must have an opportunity to meet with appropriate district staff in at least one conciliation conference, medi-

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ation, or other method of alternative dispute resolution that the parties agree to, if they object to any proposal of which they are notified under subdivision 1. The state intends to encourage parties to resolve disputes through mediation or other form of alternative dispute resolution. A school district and a parent or guardian must participate in mediation using mediation services acceptable to both parties, unless a party objects to the mediation. Mediation shall remain available to the parties until a party objects to the mediation, or the mediator determines that further efforts to mediate a dispute are not warranted. All mediation is subject to the confidentiality requirements under rule 114.08 of the general rules of practice for the district courts. Alternative dispute resolution must not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the district, the requirement of an opportunity for conciliation or other alternative dispute resolution must be deemed to be satisfied. Notwithstanding other law, in any proceeding following a conciliation conference, the district must not offer a conciliation conference memorandum into evidence, except for any portions that describe the district's final proposed offer of service. Otherwise, with respect to forms of dispute resolution, mediation, or conciliation, Minnesota Rule of Evidence 408 applies. ~~The department may reimburse the districts or directly pay the costs of lay advocates, not to exceed \$150 per dispute, used in conjunction with alternative dispute resolution.~~

Sec. 14. Minnesota Statutes 1998, section 125A.15, is amended to read:

**125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.**

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

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

(b) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to and from the care and treatment facility and an appropriate educational program for the child. Transportation shall only be provided by the district during regular operating hours of the district. The district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

(c) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11. However, the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services or the commissioner of corrections or their agents, for reasons other than providing for the child's special educational needs must not become the responsibility of either the district providing the instruction or the district of the child's residence. For the purposes of

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this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

(d) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs must be paid by the district responsible for providing the transportation and the state must pay transportation aid to that district.

**Sec. 15. [125A.155] SPECIAL EDUCATION RECIPROCITY; COMMISSIONER DUTIES.**

The commissioner of children, families, and learning must develop a special education reciprocity agreement form. The reciprocity form must specify the procedures used to calculate special education tuition charges for both Minnesota students that are served in other states and for out-of-state students who are served in Minnesota. The commissioner shall attempt to enter into reciprocity agreements with any state that sends students to Minnesota and any state that provides services to Minnesota students.

Sec. 16. Minnesota Statutes 1998, section 125A.50, subdivision 2, is amended to read:

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

(1) instructional services available to eligible pupils under section ~~124D.67~~ 124D.66, subdivision ~~3~~ 2, and pupils with a disability under section 125A.02;

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

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

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

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

(6) other information requested by the commissioner.

Sec. 17. Minnesota Statutes 1998, section 125A.50, subdivision 5, is amended to read:

Subd. 5. **ANNUAL REPORT.** Each year the district must submit to the commissioner a report containing the information described in subdivision 3 ~~and section 124D.67, subdivision 7.~~

Sec. 18. Minnesota Statutes 1998, section 125A.51, is amended to read:

**125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES; EDUCATION AND TRANSPORTATION.**

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The responsibility for providing instruction and transportation for a pupil without a disability who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, and who is temporarily placed for care and treatment for that illness or disability, must be determined as provided in this section.

(a) The school district of residence of the pupil is the district in which the pupil's parent or guardian resides ~~or the district designated by the commissioner if neither parent nor guardian is living within the state and tuition has been denied.~~

(b) When parental rights have been terminated by court order, the legal residence of a child placed in a residential or foster facility for care and treatment is the district in which the child resides when parental rights have been terminated.

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

~~(e)~~ (d) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence must provide instruction and necessary transportation to and from the treatment facility for the pupil. Transportation shall only be provided by the district during regular operating hours of the district. The district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the state board of teaching.

~~(d)~~ (e) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed must provide instruction for the pupil and necessary transportation while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district must bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil must send timely written notice of the placement to the district of residence. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the state board of teaching. For purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

~~(e)~~ (f) The district of residence must include the pupil in its residence count of pupil units and pay tuition as provided in section 123A.488 to the district providing the instruction. Transportation costs must be paid by the district providing the transportation and the state must pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision must be included in the disabled transportation category.

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**Sec. 19. [125A.515] PLACEMENT OF CHILDREN WITHOUT DISABILITIES; APPROVAL OF EDUCATION PROGRAM.**

The commissioner shall approve education programs in care and treatment facilities for placement of children without disabilities, including detention centers, before being licensed by the department of human services or the department of corrections.

Sec. 20. Minnesota Statutes 1998, section 125A.62, is amended to read:

**125A.62 DUTIES OF STATE ~~THE~~ BOARD OF EDUCATION ~~THE~~ MINNESOTA STATE ACADEMIES.**

Subdivision 1. **GOVERNANCE.** The board of the ~~Faribault academy~~ Minnesota state academies shall govern the state academies for the deaf and the state academy for the blind. The board must promote academic standards based on high expectation and an assessment system to measure academic performance toward the achievement of those standards. The board must focus on the academies' needs as a whole and not prefer one school over the other. The board of the ~~Faribault~~ Minnesota state academies shall consist of ~~seven~~ nine persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. ~~Three members~~ One member must be from the seven-county metropolitan area, ~~three members~~ one member must be from greater Minnesota, and one member may be appointed at-large. The board must be composed of:

- (1) one present or former superintendent of an independent school district;
- (2) one present or former special education director;
- (3) the commissioner of children, families, and learning or the commissioner's designee;
- (4) one member of the blind community;
- (5) one member of the deaf community; and
- (6) two members of the general public with business, administrative, or financial expertise;
- (7) one nonvoting, unpaid ex officio member appointed by the site council for the state academy for the deaf; and
- (8) one nonvoting, unpaid ex officio member appointed by the site council for the state academy for the blind.

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

Subd. 3. **MEETINGS.** All meetings of the board shall be as provided in section 471.705 and must be held in Faribault.

Subd. 4. **MOST BENEFICIAL, LEAST RESTRICTIVE.** The board must do what is necessary to provide the most beneficial and least restrictive program of education for each pupil at the academies who is handicapped by visual disability or deafness.

Subd. 5. **PLANNING, EVALUATION, AND REPORTING.** To the extent required in school districts, the board must establish a process for the academies to include

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parent and community input in the planning, evaluation, and reporting of curriculum and pupil achievement.

Subd. 6. **SITE COUNCILS.** The board ~~may~~ must establish, and appoint members to, a site council at each academy. The site councils shall exercise power and authority granted by the board. The board must appoint to each site council the exclusive representative's employee designee from each exclusive representative at the academies. The site councils may make a recommendation to the governor regarding board appointments no more than 30 days after receiving the list of applicants from the governor.

Subd. 7. **TRUSTEE OF ACADEMIES' PROPERTY.** The board is the trustee of the academies' property. Securities and money, including income from the property, must be deposited in the state treasury according to section 16A.275. The deposits are subject to the order of the board.

Subd. 8. **GRANTS.** The board, through the chief administrators of the academies, may apply for all competitive grants administered by agencies of the state and other government or nongovernment sources. Application may not be made for grants over which the board has discretion.

Sec. 21. Minnesota Statutes 1998, section 125A.64, is amended to read:

**125A.64 POWERS OF BOARD OF THE FARIBAULT MINNESOTA STATE ACADEMIES.**

Subdivision 1. **PERSONNEL.** The board of the Faribault Minnesota state academies may employ central administrative staff members and other personnel necessary to provide and support programs and services at each academy.

Subd. 2. **GET HELP FROM DEPARTMENT.** The board of the Faribault Minnesota state academies may require the department of children, families, and learning to provide program leadership, program monitoring, and technical assistance at the academies.

Subd. 3. **UNCLASSIFIED POSITIONS.** The board of the Faribault Minnesota state academies may place any position other than residential academies administrator in the unclassified service. The position must meet the criteria in section 43A.08, subdivision 1a.

Subd. 4. **RESIDENTIAL AND BUILDING MAINTENANCE SERVICES.** The board of the Faribault Minnesota state academies may enter into agreements with public or private agencies or institutions to provide residential and building maintenance services. The board of the Faribault Minnesota state academies must first decide that contracting for the services is more efficient and less expensive than not contracting for them.

Subd. 5. **STUDENT TEACHERS AND PROFESSIONAL TRAINEES.** (a) The board of the Faribault Minnesota state academies may enter into agreements with teacher preparation institutions for student teachers to get practical experience at the academies. A licensed teacher must provide appropriate supervision of each student teacher.

(b) The board of the Faribault Minnesota state academies may enter into agreements with accredited higher education institutions for certain student trainees to get practical experience at the academies. The students must be preparing themselves in a professional

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field that provides special services to children with a disability in school programs. To be a student trainee in a field, a person must have completed at least two years of an approved program in the field. A person who is licensed or registered in the field must provide appropriate supervision of each student trainee.

Sec. 22. Minnesota Statutes 1998, section 125A.65, subdivision 3, is amended to read:

Subd. 3. **EDUCATIONAL PROGRAM; TUITION.** When it is determined pursuant to section 125A.69, subdivision 1 or 2, that the child is entitled to attend either school, the board of the ~~Faribault~~ Minnesota state academies must provide the appropriate educational program for the child. The board of the ~~Faribault~~ Minnesota state academies must make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged must not exceed the basic revenue of the district for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 126C.10, subdivision 2. The district of the child's residence must pay the tuition and may claim general education aid for the child. Tuition received by the board of the ~~Faribault~~ Minnesota state academies, except for tuition received under subdivision 4, must be deposited in the state treasury as provided in subdivision 8.

Sec. 23. Minnesota Statutes 1998, section 125A.65, subdivision 5, is amended to read:

Subd. 5. **PROVIDING APPROPRIATE EDUCATIONAL PROGRAMS.** When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the district where the institution is located must provide an appropriate educational program for the child and must make a tuition charge to the board of the ~~Faribault~~ Minnesota state academies for the actual cost of providing the program, less any amount of aid received pursuant to section 125A.75. The board of the ~~Faribault~~ Minnesota state academies must pay the tuition and other program costs including the unreimbursed transportation costs. Aids for children with a disability must be paid to the district providing the special instruction and services. Special transportation must be provided by the district providing the educational program and the state must reimburse that district within the limits provided by law.

Sec. 24. Minnesota Statutes 1998, section 125A.65, subdivision 6, is amended to read:

Subd. 6. **TUITION REDUCTION.** Notwithstanding the provisions of subdivisions 3 and 5, the board of the ~~Faribault~~ Minnesota state academies may agree to make a tuition charge for less than the amount specified in subdivision 3 for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the board of the ~~Faribault~~ Minnesota state academies for less than the amount specified in subdivision 5 for providing appropriate educational programs to pupils attending the applicable school.

Sec. 25. Minnesota Statutes 1998, section 125A.65, subdivision 7, is amended to read:

Subd. 7. **STAFF ALLOCATION.** Notwithstanding the provisions of subdivisions 3 and 5, the board of the ~~Faribault~~ Minnesota state academies may agree to supply staff

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from the Minnesota state academy for the deaf and the Minnesota state academy for the blind to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

Sec. 26. Minnesota Statutes 1998, section 125A.65, subdivision 8, is amended to read:

Subd. 8. **STUDENT COUNT; TUITION.** On May 1 of each year, the board of the ~~Faribault~~ Minnesota state academies shall count the actual number of Minnesota resident kindergarten and elementary students and the actual number of Minnesota resident secondary students enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The board of the ~~Faribault~~ Minnesota state academies shall deposit in the state treasury an amount equal to all tuition received less:

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

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

Sec. 27. Minnesota Statutes 1998, section 125A.65, subdivision 10, is amended to read:

Subd. 10. **ANNUAL APPROPRIATION.** There is annually appropriated to the department for the ~~Faribault~~ Minnesota state academies the tuition amounts received and credited to the general operation account of the academies under this section. A balance in an appropriation under this paragraph does not cancel but is available in successive fiscal years.

Sec. 28. Minnesota Statutes 1998, section 125A.68, subdivision 1, is amended to read:

Subdivision 1. **SUBJECTS.** The board of the ~~Faribault~~ Minnesota state academies must establish procedures for:

- (1) admission, including short-term admission, to the academies;
- (2) discharge from the academies;
- (3) decisions on a pupil's program at the academies; and
- (4) evaluation of a pupil's progress at the academies.

Sec. 29. Minnesota Statutes 1998, section 125A.69, subdivision 1, is amended to read:

Subdivision 1. **TWO KINDS.** There are two kinds of admission to the Minnesota state academies.

(a) A pupil who is deaf, hard of hearing, or blind-deaf, may be admitted to the academy for the deaf. A pupil who is blind or visually impaired, blind-deaf, or multiply handicapped may be admitted to the academy for the blind. For a pupil to be admitted, two decisions must be made under sections 125A.03 to 125A.24 and 125A.65.

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(1) It must be decided by the individual education planning team that education in regular or special education classes in the pupil's district of residence cannot be achieved satisfactorily because of the nature and severity of the deafness or blindness or visual impairment respectively.

(2) It must be decided by the individual education planning team that the academy provides the most appropriate placement within the least restrictive alternative for the pupil.

(b) A deaf or hard of hearing child or a visually impaired pupil may be admitted to get socialization skills or on a short-term basis for skills development.

Sec. 30. Minnesota Statutes 1998, section 125A.69, subdivision 3, is amended to read:

Subd. 3. **OUT-OF-STATE ADMISSIONS.** An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. ~~The state board of education~~ board of the Minnesota state academies must obtain reimbursement from the other state for the costs of the out-of-state admission. The state board may enter into an agreement with the appropriate authority in the other state for the reimbursement. Money received from another state must be deposited in the general fund and credited to the general operating account of the academies. The money is appropriated to the academies.

Sec. 31. Minnesota Statutes 1998, section 125A.70, subdivision 2, is amended to read:

Subd. 2. **LOCAL SOCIAL SERVICES AGENCY.** If the person liable for support of a pupil cannot support the pupil, the local social services agency of the county of the pupil's residence must do so. The commissioner of children, families, and learning must decide how much the local social services agency must pay. ~~The board of the Faribault Minnesota state academies~~ Minnesota state academies must adopt rules that tell how the commissioner is to fix the amount. The local social services agency must make the payment to the superintendent of the school district of residence.

Sec. 32. Minnesota Statutes 1998, section 125A.71, subdivision 3, is amended to read:

Subd. 3. **CONTRACTS; FEES; APPROPRIATION.** ~~The state board of the Minnesota state academies~~ The state board of the Minnesota state academies may enter into agreements for the academies to provide respite care and supplemental educational instruction and services including assessments and counseling. ~~The agreements may be made with public or private agencies or institutions, school districts, service cooperatives, or counties. The board may authorize the academies to provide conferences, seminars, nondistrict and district requested technical assistance, and production of instructionally related materials.~~

Sec. 33. Minnesota Statutes 1998, section 125A.72, is amended to read:

**125A.72 STUDENT ACTIVITIES ACCOUNT.**

Subdivision 1. **STUDENT ACTIVITIES; RECEIPTS; APPROPRIATION.** All receipts of any kind generated to operate student activities, including student fees, dona-

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tions and contributions, and gate receipts must be deposited in the state treasury. The receipts are appropriated annually to the residential Minnesota state academies for student activities purposes. They are not subject to budgetary control by the commissioner of finance.

Subd. 2. **TO STUDENT ACTIVITIES ACCOUNT.** The money appropriated in subdivision 1 to the residential Minnesota state academies for student activities must be credited to a Faribault Minnesota state academies' student activities account and may be spent only for Faribault Minnesota state academies' student activities purposes.

Subd. 3. **CARRYOVER.** An unexpended balance in the Faribault Minnesota state academies' student activities account may be carried over from the first fiscal year of the biennium into the second fiscal year of the biennium and from one biennium to the next. The amount carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Subd. 4. **MONEY FROM CERTAIN STUDENT ACTIVITIES SPECIFICALLY INCLUDED AMONG RECEIPTS.** Any money generated by a Faribault Minnesota state academies' student activity that involves:

(1) state employees who are receiving compensation for their involvement with the activity;

(2) the use of state facilities; or

(3) money raised for student activities in the name of the residential Minnesota state academies

is specifically included among the kinds of receipts that are described in subdivision 1.

Sec. 34. Minnesota Statutes 1998, section 125A.73, is amended to read:

#### 125A.73 DUTIES OF STATE DEPARTMENTS.

Subdivision 1. **DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.** The department of children, families, and learning must assist the board of the Faribault Minnesota state academies in preparing reports on the academies.

Subd. 2. **DEPARTMENT OF EMPLOYEE RELATIONS.** The department of employee relations, in cooperation with the board of the Faribault Minnesota state academies, must develop a statement of necessary qualifications and skills for all staff members of the academies.

Sec. 35. Minnesota Statutes 1998, section 125A.75, subdivision 3, is amended to read:

Subd. 3. **FULL STATE PAYMENT.** The state must pay each district the actual cost incurred in providing instruction and services for a child with a disability whose district of residence has been determined by section 125A.17 or 125A.51, paragraph (b), and who is temporarily placed in a state institution or, a licensed residential facility, or foster facility for care and treatment. This section does not apply to a child placed in a foster home or a foster group home. The regular education program at the facility must be an approved program according to section 125A.515.

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Upon following the procedure specified by the commissioner, the district may bill the state the actual cost incurred in providing the services including transportation costs and a proportionate amount of capital expenditures and debt service, minus the amount of the basic revenue, as defined in section 126C.10, subdivision 2, of the district for the child and the special education aid, transportation aid, and any other aid earned on behalf of the child. The limit in subdivision 2 applies to aid paid pursuant to this subdivision.

To the extent possible, the commissioner shall obtain reimbursement from another state for the cost of serving any child whose parent or guardian resides in that state. The commissioner may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states must be paid to the state treasury and placed in the general fund.

Sec. 36, Minnesota Statutes 1998, section 125A.75, subdivision 8, is amended to read:

**Subd. 8. LITIGATION AND HEARING COSTS.** (a) For fiscal year 1999 and thereafter, the commissioner of children, families, and learning, or the commissioner's designee, shall use state funds to pay school districts for the administrative costs of a due process hearing incurred under section 125A.09, subdivisions 6, 10, and 11, including hearing officer fees, court reporter fees, mileage costs, transcript costs, interpreter and translator fees, independent evaluations ordered by the hearing officer, and rental of hearing rooms, but not including district attorney fees. To receive state aid under this paragraph, a school district shall submit to the commissioner at the end of the school year by August 1 an itemized list of unreimbursed actual costs for fees and other expenses under this paragraph, a school district attorney's fee statement, and a list of hearing rooms based on the unreimbursed actual costs and fees submitted by a district from previous fiscal year. State funds used for aid to school districts under this paragraph shall be based on the unreimbursed actual costs and fees submitted by a district from previous school years.

(b) For fiscal year 1999 and thereafter, a school district, to the extent to which it prevails under United States Code, title 20, section 1415(t)(3)(B)(D) and Rule 68 of the Federal Rules of Civil Procedure, shall receive state aid equal to 50 percent of the total actual cost of attorney fees incurred after a request for a due process hearing under section 125A.09, subdivisions 6, 9, and 11, is served upon the parties. A district is eligible for reimbursement for attorney fees under this paragraph only if:

(1) a court of competent jurisdiction determines that the parent is not the prevailing party under United States Code, title 20, section 1415(t)(3)(B)(D), or the parties stipulate that the parent is not the prevailing party;

(2) the district has made a good faith effort to resolve the dispute through mediation, but the obligation to mediate does not compel the district to agree to a proposal or make a concession; and

(3) the district made an offer of settlement under Rule 68 of the Federal Rules of Civil Procedure.

To receive aid, a school district that meets the criteria of this paragraph shall submit to the commissioner at the end of the school year an itemized list of unreimbursed actual attorney fees associated with a due process hearing under section 125A.09, subdivisions 6, 9, and 11. Aid under this paragraph for each school district is based on unreimbursed actual attorney fees submitted by the district from previous school years.



(e) For fiscal year 1999 and thereafter, a school district is eligible to receive state aid for 50 percent of the total actual cost of attorney fees it incurs in appealing to a court of competent jurisdiction the findings, conclusions, and order of a due process hearing under section 125A.09, subdivisions 6, 9, and 11. The district is eligible for reimbursement under this paragraph only if the commissioner authorizes the reimbursement after evaluating the merits of the case. In a case where the commissioner is a named party in the litigation, the commissioner of the bureau of mediation services shall make the determination regarding reimbursement. The commissioner's decision is final.

(d) The commissioner shall provide districts with a form on which to annually report litigation costs under this section and shall base aid estimates on these preliminary reports submitted by the district during the current fiscal year.

Sec. 37. Minnesota Statutes 1998, section 125A.76, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For the purposes of this section and section 125A.77, the definitions in this subdivision apply.

(a) "Base year" for fiscal year 1998 and later fiscal years means the second fiscal year preceding the fiscal year for which aid will be paid.

(b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

(c) "Essential personnel" means teachers, related services, and support services staff providing direct services to students.

(d) "Average daily membership" has the meaning given it in section 126C.05.

(e) "Program growth factor" means ~~1.00~~ 1.012 for fiscal year ~~2000~~ 2002 and later.

(f) "Aid percentage factor" means 60 percent for fiscal year 1996, 70 percent for fiscal year 1997, 80 percent for fiscal year 1998, 90 percent for fiscal year 1999, and 100 percent for fiscal years 2000 and later.

(g) "Levy percentage factor" means 100 minus the aid percentage factor for that year.

Sec. 38. Minnesota Statutes 1998, section 125A.76, subdivision 2, is amended to read:

Subd. 2. **SPECIAL EDUCATION BASE REVENUE.** (a) The special education base revenue equals the sum of the following amounts computed using base year data:

(1) 68 percent of the salary of each essential person employed in the district's program for children with a disability during the fiscal year, not including the share of salaries for personnel providing health-related services counted in clause (8), whether the person is employed by one or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

(2) for the Minnesota state academy for the deaf or the Minnesota state academy for the blind, 68 percent of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan;

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(3) for special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, 52 percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for the fraction of the school day the pupil receives services under the contract;

(4) for special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability, not including the portion of the expenses for supplies and equipment used to provide health-related services counted in clause (8), an amount equal to 47 percent of the sum actually expended by the district, or a Minnesota correctional facility operating on a fee-for-service basis, but not to exceed an average of \$47 in any one school year for each child with a disability receiving instruction;

(6) for fiscal years 1997 and later, special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year; and

(7) for fiscal years 1999 and later, the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4); and

(8) for fiscal years 2001 and later the cost of salaries, supplies and equipment, and other related costs actually expended by the district for the nonfederal share of medical assistance services according to section 256B.0625, subdivision 26.

(b) If requested by a school district operating a special education program during the base year for less than the full fiscal year, or a school district in which is located a Minnesota correctional facility operating on a fee-for-service basis for less than the full fiscal year, the commissioner may adjust the base revenue to reflect the expenditures that would have occurred during the base year had the program been operated for the full fiscal year.

(c) Notwithstanding paragraphs (a) and (b), the portion of a school district's base revenue attributable to a Minnesota correctional facility operating on a fee-for-service basis during the facility's first year of operating on a fee-for-service basis shall be computed using current year data.

Sec. 39. Minnesota Statutes 1998, section 125A.76, subdivision 4, is amended to read:

Subd. 4. **STATE TOTAL SPECIAL EDUCATION REVENUE AID.** The state total special education ~~revenue aid~~ for fiscal year ~~1998~~ 2000 equals ~~\$358,542,000~~ \$463,000,000. The state total special education ~~revenue aid~~ for fiscal year ~~1999~~ 2001 equals ~~\$435,322,000~~ \$474,000,000. The state total special education ~~revenue aid~~ for later fiscal years equals:

(1) the state total special education ~~revenue aid~~ for the preceding fiscal year; times

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(2) the program growth factor; times

(3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Sec. 40. Minnesota Statutes 1998, section 125A.76, subdivision 5, is amended to read:

**Subd. 5. SCHOOL DISTRICT SPECIAL EDUCATION REVENUE AID.** (a) A school district's special education ~~revenue aid~~ revenue aid for fiscal year ~~1996~~ 2000 and later equals the state total special education ~~revenue aid~~, revenue aid, minus the amount ~~determined under paragraph~~ determined under paragraphs (b) and (c), times the ratio of the district's adjusted special education base revenue to the state total adjusted special education base revenue. If the state board of education modifies its rules for special education in a manner that increases a district's special education obligations or service requirements, the commissioner shall annually increase each district's special education ~~revenue aid~~ revenue aid by the amount necessary to compensate for the increased service requirements. The ~~additional revenue aid~~ additional revenue aid equals the cost in the current year attributable to rule changes not reflected in the computation of special education base revenue, multiplied by the appropriate percentages from subdivision 2.

(b) Notwithstanding paragraph (a), if the special education base revenue for a district equals zero, the special education ~~revenue aid~~ revenue aid equals the amount computed according to subdivision 2 using current year data.

(c) Notwithstanding paragraphs (a) and (b), if the special education base revenue for a district is greater than zero, and the base year amount for the district under subdivision 2, paragraph (a), clause (7), equals zero, the special education ~~revenue aid~~ revenue aid equals the sum of the amount computed according to paragraph (a), plus the amount computed according to subdivision 2, paragraph (a), clause (7), using current year data.

Sec. 41. Minnesota Statutes 1998, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, equipment, and transportation services eligible for revenue under section 125A.76; plus

(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under sections 125A.76, subdivision 2, and 124.3202, subdivision 1; minus

(3) revenue for teachers' salaries, contracted services, supplies, and equipment under sections 124.3202 and 124A.76; minus

(4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under sections 124.3202, subdivision 1, and 124A.76, subdivision 2.

(b) "General revenue" means for fiscal year 1996, the sum of the general education revenue according to section 126C.10, subdivision 1, as adjusted according to section 127A.47, subdivision 7, plus the total referendum revenue according to section 126C.17,

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subdivision 4. For fiscal years 1997 and later, "general revenue" means the sum of the general education revenue according to section 126C.10, subdivision 1, as adjusted according to section 127A.47, subdivisions 7 and 8, plus the total referendum revenue minus transportation sparsity revenue minus total operating capital revenue.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means 1.044 for fiscal year 2002 and 1.02 for fiscal year 2003 and later.

Sec. 42. Minnesota Statutes 1998, section 125A.79, subdivision 2, is amended to read:

Subd. 2. **EXCESS COST REVENUE AID, FISCAL YEARS 2000 AND 2001.** For 1997 and later fiscal years 2000 and 2001, a district's special education excess cost revenue aid equals the greatest of:

(a) 70 75 percent of the difference between (1) the district's unreimbursed special education cost and (2) 5.7 4.4 percent for fiscal year 1997 and later years of the district's general revenue;

(b) 70 percent of the difference between (1) the increase in the district's unreimbursed special education cost between the base year as defined in section 125A.76, subdivision 1, and the current year and (2) 1.6 percent of the district's general revenue; or

(c) zero.

Sec. 43. Minnesota Statutes 1998, section 125A.79, is amended by adding a subdivision to read:

Subd. 5. **INITIAL EXCESS COST AID.** For fiscal years 2002 and later, a district's initial excess cost aid equals the greatest of:

(1) 75 percent of the difference between (i) the district's unreimbursed special education cost and (ii) 4.4 percent of the district's general revenue;

(2) 70 percent of the difference between (i) the increase in the district's unreimbursed special education cost between the base year as defined in section 125A.76, subdivision 1, and the current year and (ii) 1.6 percent of the district's general revenue; or

(3) zero.

Sec. 44. Minnesota Statutes 1998, section 125A.79, is amended by adding a subdivision to read:

Subd. 6. **STATE TOTAL SPECIAL EDUCATION EXCESS COST AID.** The state total special education excess cost aid for fiscal year 2002 and later fiscal years equals:

(1) the state total special education excess cost aid for the preceding fiscal year; times

(2) the program growth factor; times

(3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

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Sec. 45. Minnesota Statutes 1998, section 125A.79, is amended by adding a subdivision to read:

Subd. 7. DISTRICT SPECIAL EDUCATION EXCESS COST AID. A district's special education excess cost aid for fiscal year 2002 and later equals the state total special education excess cost aid times the ratio of the district's initial excess cost aid to the state total initial excess cost aid.

Sec. 46. Minnesota Statutes 1998, section 125A.79, is amended by adding a subdivision to read:

Subd. 8. OUT-OF-STATE TUITION. For children who are residents of the state, receive services under section 125A.76, subdivisions 1 and 2, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.115, the resident school district shall submit the balance of the tuition bills, minus the amount of the basic revenue, as defined by section 126C.10, subdivision 2, of the district for the child and the special education aid, and any other aid earned on behalf of the child.

**Sec. 47. [125A.80] UNIFORM BILLING SYSTEM FOR THE EDUCATION COSTS OF OUT-OF-HOME PLACED STUDENTS.**

The commissioner, in cooperation with the commissioners of human services and corrections and with input from appropriate billing system users, shall develop and implement a uniform billing system for school districts and other agencies, including private providers, who provide the educational services for students who are placed out of the home. The uniform billing system must:

(1) allow for the proper and timely billing to districts by service providers with a minimum amount of district administration;

(2) allow districts to bill the state for certain types of special education and regular education services as provided by law;

(3) provide flexibility for the types of services that are provided for children placed out of the home, including day treatment services;

(4) allow the commissioner to track the type, cost, and quality of services provided for children placed out of the home;

(5) conform existing special education and proposed regular education billing procedures;

(6) provide a uniform reporting standard of per diem rates;

(7) determine allowable expenses and maximum reimbursement rates for the state reimbursement of care and treatment services according to section 124D.701; and

(8) provide a process for the district to appeal to the commissioner tuition bills submitted to districts and to the state.

Sec. 48. Minnesota Statutes 1998, section 126C.44, is amended to read:

**126C.44 CRIME-RELATED COSTS LEVY.**

~~For taxes levied in 1991 and subsequent years, payable in 1992 and subsequent years,~~ Each district may make a levy on all taxable property located within the district for

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the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to \$1.50 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools; (2) to pay the costs for a drug abuse prevention program as defined in Minnesota Statutes 1991 Supplement, section 609.101, subdivision 3, paragraph (f), in the elementary schools; ~~or~~ (3) to pay the costs for a gang resistance education training curriculum in the middle schools; or (4) to pay the costs for other crime prevention and drug abuse and violence prevention measures taken by the school district. The district must initially attempt to contract for ~~these services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services.~~ If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations.

Sec. 49. Minnesota Statutes 1998, section 127A.45, is amended by adding a subdivision to read:

Subd. 12a. FORWARD SHIFTED AID PAYMENTS. Nineteen percent of the state aid in fiscal year 1999, and 31 percent of the state aid in fiscal years 2000 and later received under section 124D.86 must be paid by the state to the recipient school district on July 15 of that year. The recipient school district must recognize this aid in the same fiscal year as the levy is recognized.

Sec. 50. Minnesota Statutes 1998, section 127A.45, subdivision 13, is amended to read:

**Subd. 13. AID PAYMENT PERCENTAGE.** Except as provided in subdivisions 11, 12, 12a, and 14, each fiscal year, all education aids and credits in this chapter and chapters 120A, 120B, 121A, 122A, 123A, 123B, 124B, 124D, 125A, 125B, 126C, 134, and section 273.1392, shall be paid at 90 percent of the estimated entitlement during the fiscal year of the entitlement. The final adjustment payment, according to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement.

Sec. 51. Minnesota Statutes 1998, section 127A.47, subdivision 2, is amended to read:

**Subd. 2. REPORTING; REVENUE FOR HOMELESS.** For all school purposes, unless otherwise specifically provided by law, a homeless pupil is a resident of the school district in which the homeless shelter or other program, center, or facility assisting the homeless pupil or the pupil's family is located that enrolls the pupil.

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Sec. 52. Minnesota Statutes 1998, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **SUPERVISION OVER CORRECTIONAL INSTITUTIONS.**

(1) The commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner shall review the correctional facilities described in this subdivision at least once every biennium, except as otherwise provided herein, to determine compliance with the minimum standards established pursuant to this subdivision. The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the interests and well-being of the persons detained or confined therein are protected. The commissioner may grant licensure up to two years. The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons detained or confined in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. The commissioner may require that any or all such information be provided through the department of corrections detention information system. The education program offered in a correctional facility for the detention or confinement of juvenile offenders must be approved by the commissioner of children, families, and learning before the commissioner of corrections may grant a license to the facility.

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1), except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance, the commissioner shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does

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not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, the commissioner may issue an order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, the commissioner may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated to be guilty or delinquent.

Sec. 53. Minnesota Statutes 1998, section 245A.04, is amended by adding a subdivision to read:

**Subd. 11. EDUCATION PROGRAM; ADDITIONAL REQUIREMENT.** The education program offered in a residential or nonresidential program, except for child care, foster care, or services for adults, must be approved by the commissioner of children, families, and learning before the commissioner of human services may grant a license to the program.

Sec. 54. Minnesota Statutes 1998, section 626.556, is amended by adding a subdivision to read:

**Subd. 3b. AGENCY RESPONSIBLE FOR ASSESSING OR INVESTIGATING REPORTS OF MALTREATMENT.** The department of children, families, and learning is the agency responsible for assessing or investigating allegations of child maltreatment in schools as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10.

Sec. 55. Laws 1993, chapter 224, article 3, section 32, as amended by Laws 1998, chapter 398, article 2, section 47, is amended to read:

**Sec. 32. ASL GUIDELINES.**

(a) In determining appropriate licensure requirements for teachers of deaf and ~~hard of hearing~~ hard-of-hearing students under Minnesota Statutes, section ~~125.189~~ 122A.28, subdivision ~~1~~, the board of teaching shall develop the requirements according to the guidelines described in this section.

(b) Each teacher must complete the American sign language sign communication proficiency interview or a comparable American sign language evaluation that the board of teaching, the Minnesota association of deaf citizens, and the Minnesota council for the hearing impaired accept as a means for establishing the teacher's baseline level of American sign language skills. A teacher shall not be charged for this evaluation.

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(c) Each teacher must complete 60 continuing education credits in American sign language, American sign language linguistics, or deaf culture for every 120 continuing education credits the teacher is required to complete to renew a teaching license.

(d) In order to obtain an initial license to teach deaf and ~~hard of hearing~~ hard-of-hearing students, or to apply for a Minnesota teaching license, after being licensed to teach in another state, a person must demonstrate in the sign communication proficiency interview an intermediate plus level of proficiency in American sign language.

(e) Each teacher applying to renew a teaching license must take the American sign language sign communication proficiency interview or a comparable American sign language evaluation every five years until the teacher demonstrates a minimum, or survival plus, level of proficiency in American sign language.

(f) A teacher working directly with students whose primary language is American sign language should demonstrate at least an advanced level of proficiency in American sign language. The board should not consider a minimum, or survival plus, level of proficiency adequate for providing direct instruction to students whose primary language is American sign language.

(g) To renew a teaching license, a teacher must comply with paragraphs (c) and (e) in addition to other applicable board requirements. A teacher's ability to demonstrate a minimum, or survival plus, level of proficiency in American sign language is not a condition for renewing the teacher's license.

(h) A teacher who demonstrates an increased proficiency in American sign language skill in the American sign language sign communication proficiency interview or a comparable American sign language evaluation shall receive credit toward completing the requirements of paragraph (c). The number of continuing education credits the teacher receives is based on the teacher's increased level of proficiency from the teacher's baseline level:

(1) 35 continuing education credits for demonstrating an intermediate level of proficiency;

(2) 40 continuing education credits for demonstrating an intermediate plus level of proficiency;

(3) 45 continuing education credits for demonstrating an advanced level of proficiency;

(4) 50 continuing education credits for demonstrating an advanced plus level of proficiency;

(5) 55 continuing education credits for demonstrating a superior level of proficiency; and

(6) 60 continuing education credits for demonstrating a superior plus level of proficiency.

(i) This section shall not apply to teachers of oral/aural deaf education.

Sec. 56. Laws 1997, First Special Session chapter 4, article 2, section 51, subdivision 29, as amended by Laws 1998, chapter 398, article 2, section 52, is amended to read:

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Subd. 29. **FIRST GRADE PREPAREDNESS.** (a) For grants for the first grade preparedness program under Minnesota Statutes, section 124.2613, and for school sites that have provided a full-day kindergarten option for kindergarten students enrolled in fiscal years 1996 and 1997:

\$5,000,000	.....	1998
\$6,500,000	.....	1999

(b) \$4,200,000 in fiscal year 1998 must be distributed according to Minnesota Statutes, section 124.2613, subdivision 3, and \$4,200,000 in fiscal year 1999 must be distributed according to Minnesota Statutes, section 124D.081, subdivision 3.

(c) \$800,000 in fiscal year 1998 must be divided equally among the four geographic regions defined in Minnesota Statutes, section 124.2613, subdivision 3, and \$800,000 in fiscal year 1999 must be divided equally among the four geographic regions defined in Minnesota Statutes, section 124D.081, subdivision 3, and must first be used to provide funding for school sites that offered an optional full-day kindergarten program during the 1996-1997 school year, but did not receive funding for fiscal year 1997 under Minnesota Statutes, section 124.2613. To be a qualified site, licensed teachers must have taught the optional full-day kindergarten classes. A district that charged a fee for students participating in an optional full-day program is eligible to receive the grant to provide full-day kindergarten for all students as required by Minnesota Statutes, section 124.2613 124D.08, subdivision 4. Districts with eligible sites must apply to the commissioner of children, families, and learning for a grant.

(e) This appropriation must first be used to fund programs operating during the 1996-1997 school year under paragraph (b) and Minnesota Statutes, section 124.2613. Any remaining funds may be used to expand the number of sites providing first grade preparedness programs according to Minnesota Statutes, section 124D.081, subdivision 3.

(d) \$1,500,000 in fiscal year 1999 shall be divided equally among the four geographic regions defined in Minnesota Statutes, section 124D.081, subdivision 3, and must first be used to eliminate aid proration for sites qualifying under paragraphs (b) and (c). Any remaining funds may be used to expand the number of sites providing first grade preparedness programs according to Minnesota Statutes, section 124.2613, subdivision 3.

Sec. 57. Laws 1999, chapter 123, section 22, is amended to read:

Sec. 22. **EFFECTIVE DATE.**

Sections 1, 2, 5 to 18, 20, and 21 are effective July 1, 1999, except that the requirement under section 3 5 to provide special instruction and services until the child with a disability becomes 21 years old, instead of 22 years old, is effective July 1, 2002. Sections 3 and 4 are effective July 1, 2002. Section 19 is effective the day following final enactment.

Sec. 58. **DESIGN AND IMPLEMENTATION OF UNIFORM BILLING SYSTEM.**

The commissioner of children, families, and learning shall design a uniform billing system according to Minnesota Statutes, section 125A.80. In designing a system, the commissioner shall seek the input from the appropriate users of the billing system.

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The commissioner shall implement a uniform billing system for education services for children placed out of the home, according to Minnesota Statutes, section 125A.80, by July 1, 2000. The commissioner shall provide training to school districts on the uniform billing system.

**Sec. 59. RECOMMENDATIONS FOR A SYSTEM TO APPROVE EDUCATION PROGRAMS SERVING CHILDREN AT CARE AND TREATMENT FACILITIES.**

The commissioner of children, families, and learning shall convene a task force to make recommendations on a system to approve education programs serving children at care and treatment facilities, including detention facilities. The task force shall be chaired by a representative of the department of children, families, and learning and, at a minimum, must include representatives from each of the following organizations: the department of human services, the department of corrections, the Minnesota school boards association, the Minnesota association of school administrators, Education Minnesota, association of Minnesota counties, Minnesota county attorney association, conference of chief judges, and the Minnesota council of child caring agencies.

By February 1, 2000, the commissioner shall submit the task force's recommendations to the education committees of the legislature. The task force sunsets on February 1, 2000.

**Sec. 60. APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING. The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS. For grants to American Indian language and culture education programs according to Minnesota Statutes, section 124D.81, subdivision 1:

<u>\$730,000</u>	<u>.....</u>	<u>2000</u>
<u>\$730,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$73,000 for 1999 and \$657,000 for 2000.

The 2001 appropriation includes \$73,000 for 2000 and \$657,000 for 2001.

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

Subd. 3. AMERICAN INDIAN EDUCATION. (a) For certain American Indian education programs in school districts:

<u>\$175,000</u>	<u>.....</u>	<u>2000</u>
<u>\$175,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$17,000 for 1999 and \$158,000 for 2000.

The 2001 appropriation includes \$17,000 for 2000 and \$158,000 for 2001.

(b) These appropriations are available for expenditure with the approval of the commissioner of the department of children, families, and learning.

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

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

(e) Before a district or school can receive money under this subdivision, the district or school must submit, to the commissioner, evidence that it has complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 123B.75 to 123B.83.

Subd. 4. AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS. For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124D.85:

\$982,000	.....	2000
\$982,000	.....	2001

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

Subd. 5. AMERICAN INDIAN SCHOLARSHIPS. For American Indian scholarships according to Minnesota Statutes, section 124D.84:

\$1,875,000	.....	2000
\$1,875,000	.....	2001

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

Subd. 6. INDIAN TEACHER PREPARATION GRANTS. (a) For joint grants to assist Indian people to become teachers:

\$190,000	.....	2000
\$190,000	.....	2001

(b) Up to \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and independent school district No. 709, Duluth.

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

- (1) Bemidji state university and independent school district No. 38, Red Lake;
- (2) Moorhead state university and a school district located within the White Earth reservation; and
- (3) Augsburg college, independent school district No. 625, St. Paul, and special school district No. 1, Minneapolis.

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

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

Subd. 7. TRIBAL CONTRACT SCHOOLS. For tribal contract school aid according to Minnesota Statutes, section 124D.83:

<u>\$2,706,000</u>	<u>.....</u>	<u>2000</u>
<u>\$2,790,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$283,000 for 1999 and \$2,423,000 for 2000.

The 2001 appropriation includes \$269,000 for 2000 and \$2,521,000 for 2001.

Subd. 8. EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS. For early childhood family education programs at tribal contract schools:

<u>\$68,000</u>	<u>.....</u>	<u>2000</u>
<u>\$68,000</u>	<u>.....</u>	<u>2001</u>

Subd. 9. MAGNET SCHOOL GRANTS. For magnet school and program grants:

<u>\$1,750,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,750,000</u>	<u>.....</u>	<u>2001</u>

These amounts may be used for magnet school programs according to Minnesota Statutes, section 124D.88.

Subd. 10. INTEGRATION PROGRAMS. For minority fellowship grants according to Laws 1994, chapter 647, article 8, section 29; minority teacher incentives according to Minnesota Statutes, section 122A.65; teachers of color grants according to Minnesota Statutes, section 122A.64; and cultural exchange grants according to Minnesota Statutes, section 124D.89:

<u>\$1,000,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,000,000</u>	<u>.....</u>	<u>2001</u>

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

In awarding teacher of color grants, priority must be given to districts that have students who are currently in the process of completing their academic program.

Subd. 11. SPECIAL EDUCATION AID. For special education aid according to Minnesota Statutes, section 125A.75:

<u>\$456,015,000</u>	<u>.....</u>	<u>2000</u>
<u>\$472,900,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$39,300,000 for 1999 and \$416,715,000 for 2000.

The 2001 appropriation includes \$46,300,000 for 2000 and \$426,600,000 for 2001.

Subd. 12. AID FOR CHILDREN WITH A DISABILITY. For aid according to Minnesota Statutes, section 125A.75, subdivision 3, for children with a disability placed in residential facilities within the district boundaries for whom no district of residence can be determined:

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\$ 443,000	.....	2000
<u>\$1,064,000</u>	.....	<u>2001</u>

If the appropriation for either year is insufficient, the appropriation for the other year is available. Any balance in the first year does not cancel but is available in the second year.

Subd. 13. **TRAVEL FOR HOME-BASED SERVICES.** For aid for teacher travel for home-based services according to Minnesota Statutes, section 125A.75, subdivision 1:

\$133,000	.....	2000
<u>\$139,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$11,000 for 1999 and \$122,000 for 2000.

The 2001 appropriation includes \$13,000 for 2000 and \$126,000 for 2001.

Subd. 14. **SPECIAL EDUCATION EXCESS COST AID.** For excess cost aid:

\$60,498,000	.....	2000
<u>\$79,405,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$4,693,000 for 1999 and \$55,805,000 for 2000.

The 2001 appropriation includes \$6,200,000 for 2000 and \$73,205,000 for 2001.

Subd. 15. **CAREER AND TECHNICAL PROGRAMS; CHILDREN WITH DISABILITIES.** For aid for career and technical programs for children with disabilities according to Minnesota Statutes, section 124D.454:

\$8,892,000	.....	2000
<u>\$8,968,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$808,000 for 1999 and \$8,084,000 for 2000.

The 2001 appropriation includes \$898,000 for 2000 and \$8,070,000 for 2001.

Subd. 16. **SPECIAL PROGRAMS EQUALIZATION AID.** For special education levy equalization aid according to Minnesota Statutes, section 125A.77:

\$526,000	.....	2000
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The 2000 appropriation includes \$526,000 for 1999 and \$0 for 2000.

Subd. 17. **INTEGRATION AID.** For integration aid:

\$37,182,000	.....	2000
<u>\$43,787,000</u>	.....	<u>2001</u>

The 2000 appropriation includes \$2,902,000 for 1999 and \$34,280,000 for 2000.

The 2001 appropriation includes \$3,809,000 for 2000 and \$39,978,000 for 2001.

Subd. 18. **ADDITIONAL REVENUE FOR HOMELESS STUDENTS.** For additional revenue for homeless students according to Minnesota Statutes, section 124D.70:

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\$20,000            .....            2000

The 2000 appropriation includes \$20,000 for 1999 and \$0 for 2000.

**Subd. 19. INTERDISTRICT DESEGREGATION OR INTEGRATION TRANSPORTATION AID.** For interdistrict desegregation or integration transportation aid under Minnesota Statutes, section 124D.87:

\$970,000            .....            2000  
\$970,000            .....            2001

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

**Subd. 20. ADOLESCENT PARENTING GRANTS.** For adolescent parenting grants under Laws 1997, chapter 162, article 2, section 28:

\$300,000            .....            2000

This appropriation is available until June 30, 2001.\* (The preceding subdivision was vetoed by the governor.)

**Subd. 21. CENTER FOR VICTIMS OF TORTURE.** For the center for victims of torture to provide training, consultation, and support services in public schools with significant populations of traumatized refugee and immigrant students:

\$75,000            .....            2000  
\$75,000            .....            2001

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

**Subd. 22. OUT-OF-STATE TUITION.** For out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8:

\$250,000            .....            2001

If the appropriation under this section is insufficient to cover the expenses submitted by districts, the commissioner shall prorate the aid to districts based on the expenses submitted by districts.

**Subd. 23. UNIFORM BILLING SYSTEM; TECHNICAL ASSISTANCE.** For implementing an effective and efficient uniform billing system for the educational costs of students placed out of the home:

\$50,000            .....            2000

**Subd. 24. STATE APPROVAL OF EDUCATION PROGRAMS AT CARE AND TREATMENT FACILITIES.** For developing and implementing a system to approve education costs of students placed out of the home:

\$50,000            .....            2000

This appropriation is available until June 30, 2001.

**Subd. 25. FIRST-GRADE PREPAREDNESS GRANTS.** For grants for the first-grade preparedness program under Minnesota Statutes, section 124D.081:

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

<u>\$7,000,000</u>	.....	<u>2000</u>
<u>\$7,000,000</u>	.....	<u>2001</u>

For each year, the appropriation must first be used to fund programs operating during the 1998-1999 school year, unless the site's ranking, as determined by Minnesota Statutes, section 124D.081, subdivision 3, falls below the state average for elementary schools. Any remaining funds may be used to expand the number of sites according to Minnesota Statutes, section 124D.081, subdivision 3.

Subd. 26. **LITIGATION COSTS.** For paying the costs a district incurs under Minnesota Statutes, section 125A.75, subdivision 8:

<u>\$375,000</u>	.....	<u>2000</u>
<u>\$375,000</u>	.....	<u>2001</u>

Subd. 27. **COURT-PLACED SPECIAL EDUCATION REVENUE.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

<u>\$350,000</u>	.....	<u>2000</u>
<u>\$350,000</u>	.....	<u>2001</u>

This appropriation is available until June 30, 2001.

Subd. 28. **ROCHESTER SCHOOL DISTRICT.** For a special education revenue adjustment for independent school district No. 535, Rochester:

<u>\$150,000</u>	.....	<u>2000</u>
<u>\$ 15,000</u>	.....	<u>2001</u>

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

#### Sec. 61. **REVISOR INSTRUCTION.**

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor shall change all references to the "Faribault academies" to the "Minnesota state academies."

#### Sec. 62. **REPEALER.**

(a) Minnesota Statutes 1998, sections 124D.081, subdivisions 7 and 8; 124D.65, subdivision 3; 125A.76, subdivision 6; 125A.77; and 125A.79, subdivision 3, are repealed.

(b) Minnesota Statutes 1998, section 124D.70, is repealed effective July 1, 2000.

#### Sec. 63. **EFFECTIVE DATES.**

Sections 8, 49, and 50 are effective the day following final enactment for revenue for fiscal year 1999 and later. Sections 19, 21, 22, 35, 38, 46, 52, and 53 are effective July 1, 2000. Sections 20 and 23 to 34 are effective December 31, 1999. Sections 36 and 56 are effective the day following final enactment.

New language is indicated by underline, deletions by strikeout.



### ARTICLE 3

#### LIFEWORk DEVELOPMENT

Section 1. Minnesota Statutes 1998, section 124D.453, subdivision 3, is amended to read:

Subd. 3. **SECONDARY VOCATIONAL AID.** A district's secondary vocational education aid for a fiscal year 2000 equals the lesser of:

- (a) \$80 \$73 times the district's average daily membership in grades 10 to 12; or
- (b) 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 7;

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

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

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

(6) necessary travel by licensed secondary vocational education personnel for non-collegiate credit bearing professional development; and

(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 on the improved learning opportunities for students that result from the investment in equipment.

Sec. 2. Laws 1997, First Special Session chapter 4, article 3, section 25, subdivision 6, is amended to read:

Subd. 6. **SOUTHWEST STAR CONCEPT SCHOOL.** For a grant to independent school district No. 330, Heron Lake-Okabena, to establish the Southwest Star Concept School:

\$193,000                      , . . . .                      1998

This appropriation may be used for equipment, activities beyond the classroom walls, professional planning assistance, monitoring, evaluating, and reporting activities related to the case study prepared in section 22.

This appropriation is available until June 30, 1999.

#### Sec. 3. **APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING. The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

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

**Subd. 2. SECONDARY VOCATIONAL EDUCATION AID.** For secondary vocational education aid according to Minnesota Statutes, section 124D.453:

<u>\$11,335,000</u>	<u>.....</u>	<u>2000</u>
<u>\$ 1,130,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$1,159,000 for 1999 and \$10,176,000 for 2000. The 2001 appropriation includes \$1,130,000 for 2000.

**Subd. 3. YOUTHWORKS PROGRAMS.** For funding youthworks programs according to Minnesota Statutes, sections 124D.37 to 124D.45:

<u>\$1,788,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,788,000</u>	<u>.....</u>	<u>2001</u>

A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time youthworks program to the extent such coverage is not otherwise available.

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

**Subd. 4. EDUCATION AND EMPLOYMENT TRANSITIONS PROGRAM GRANTS.** For education and employment transitions programming under Minnesota Statutes, section 124D.46:

<u>\$3,225,000</u>	<u>.....</u>	<u>2000</u>
<u>\$3,225,000</u>	<u>.....</u>	<u>2001</u>

\$200,000 each year is for the development and implementation of the ISEBK Internet-based education and employment information system.

\$1,000,000 each year is for an employer rebate program for qualifying employers who offer youth internships to educators.

\$500,000 each year is for youth entrepreneurship grants.

\$750,000 each year is for youth apprenticeship grants.

\$300,000 each year is for grants to programs in cities of the first class to expand the number of at-risk students participating in school-to-work projects.

\$350,000 each year is for agricultural school-to-work grants.

\$125,000 each year is to conduct a high school follow-up survey to include first, third, and sixth year graduates of Minnesota schools.

**Subd. 5. LEARN AND EARN GRADUATION ACHIEVEMENT PROGRAM.** For the learn and earn graduation achievement program under Minnesota Statutes, section 124D.32:

<u>\$ 725,000</u>	<u>.....</u>	<u>2000</u>
<u>\$ 725,000</u>	<u>.....</u>	<u>2001</u>

This appropriation is available until June 30, 2001.

**Subd. 6. MINNESOTA SCHOOL-TO-WORK STUDENT ORGANIZATION FOUNDATION.** For the Minnesota school-to-work student organization foundation under Minnesota Statutes, section 124D.34:

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

\$ 625,000	.....	2000
\$ 625,000	.....	2001

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

**Sec. 4. REVISOR INSTRUCTION.**

In the next and subsequent editions of Minnesota Statutes the revisor shall:

(1) in Minnesota Statutes, section 124D.34, subdivisions 2 and 3, change all references to "Minnesota school-to-work student organization foundation" to "Minnesota Foundation for Student Organizations";

(2) in Minnesota Statutes, sections 124D.34 and 124D.453, change all references to "secondary vocational" to "career and technical";

(3) in Minnesota Statutes, section 124D.454, change all references to "school-to-work" to "transition."

**Sec. 5. REPEALER.**

Minnesota Statutes 1998, section 124D.453, is repealed effective for revenue for fiscal year 2001.

**Sec. 6. EFFECTIVE DATE.**

Section 2 is effective retroactive to July 1, 1997.

**ARTICLE 4**

**FACILITIES AND TECHNOLOGY**

Section 1. Minnesota Statutes 1998, section 123B.53, subdivision 2, is amended to read:

Subd. 2. **ELIGIBILITY.** (a) The following portions of a district's debt service levy qualify for debt service equalization:

(1) debt service for repayment of principal and interest on bonds issued before July 2, 1992;

(2) debt service for bonds refinanced after July 1, 1992, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and

(3) debt service for bonds issued after July 1, 1992, for construction projects that have received a positive review and comment according to section 123B.71, if the commissioner has determined that the district has met the criteria under section 126C.69, subdivision 3, except section 126C.69, subdivision 3, paragraph (a), clause (2), and if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

(b) The criterion in section 126C.69, subdivision 3, paragraph (a), clause (2), shall be considered to have been met if the district in the fiscal year in which the bonds are authorized at an election conducted under chapter 475:

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

(i) if grades 9 through 12 are to be served by the facility, and an average of at least 66 pupils per grade in these grades are served; or

(ii) is eligible for elementary or secondary sparsity revenue.

(e) The criterion in section 126C.69, subdivision 3, paragraph (a), clause (2), shall also be considered to have been met if the construction project under review serves students in kindergarten to grade 8. Only the debt service levy for that portion of the facility serving students in prekindergarten to grade 8, as determined by the commissioner, shall be eligible for debt service equalization under this paragraph.

(d) The criterion described in section 126C.69, subdivision 3, paragraph (a), clause (9), does not apply to bonds authorized by elections held before July 1, 1992.

(e) (c) For the purpose of this subdivision the department shall determine the eligibility for sparsity at the location of the new facility, or the site of the new facility closest to the nearest operating school if there is more than one new facility.

(f) (d) Notwithstanding paragraphs (a) to (e) (c), debt service for repayment of principal and interest on bonds issued after July 1, 1997, does not qualify for debt service equalization aid unless the primary purpose of the facility is to serve students in kindergarten through grade 12.

Sec. 2. Minnesota Statutes 1998, section 123B.53, subdivision 4, is amended to read:

Subd. 4. **DEBT SERVICE EQUALIZATION REVENUE.** (a) For fiscal years 1995 and later, The debt service equalization revenue of a district equals the eligible debt service revenue minus the amount raised by a levy of ~~ten~~ 12 percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals ~~one-third~~ of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals ~~two-thirds~~ of the amount calculated in paragraph (a).

Sec. 3. Minnesota Statutes 1998, section 123B.53, subdivision 5, is amended to read:

Subd. 5. **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 ~~resident~~ adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) ~~\$4,707.50~~ \$4,000.

Sec. 4. Minnesota Statutes 1998, section 123B.53, subdivision 6, is amended to read:

Subd. 6. **DEBT SERVICE EQUALIZATION AID.** A district's debt service equalization aid is the difference between the debt service equalization revenue and the

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

equalized debt service levy. If the amount of debt service equalization aid actually appropriated for the fiscal year in which this calculation is made is insufficient to fully fund debt service equalization aid, the commissioner shall prorate the amount of aid across all eligible districts.

Sec. 5. Minnesota Statutes 1998, section 123B.53, subdivision 7, is amended to read:

Subd. 7. **DEBT SERVICE EQUALIZATION AID PAYMENT SCHEDULE.** Debt service equalization aid must be paid as follows: 30 percent before September 15, 30 percent before December 15, 30 percent before March 15, and a final payment of ten percent by July 15 of the subsequent fiscal year according to section 127A.45, subdivision 10.

Sec. 6. Minnesota Statutes 1998, section 123B.54, is amended to read:

**123B.54 DEBT SERVICE APPROPRIATION.**

(a) \$35,480,000 \$33,165,000 in fiscal year 1998 2000, \$38,159,000 \$32,057,000 in fiscal year 1999 2001, and \$38,390,000 \$31,280,000 in fiscal year 2000 2002 and each year thereafter is appropriated from the general fund to the commissioner of children, families, and learning for payment of debt service equalization aid under section 123B.53. The 2000 2002 appropriation includes \$3,842,000 \$3,201,000 for 1999 2001 and \$34,548,000 \$29,079,000 for 2000 2002.

(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. 7. Minnesota Statutes 1998, section 123B.57, subdivision 4, is amended to read:

Subd. 4. **HEALTH AND SAFETY LEVY.** To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the resident adjusted marginal cost pupil units in the district for the school year to which the levy is attributable, to \$4,707.50 \$3,956.

Sec. 8. Minnesota Statutes 1998, section 123B.59, subdivision 1, is amended to read:

Subdivision 1. **TO QUALIFY.** An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

- (1) more than 66 students per grade;
- (2) over 1,850,000 square feet of space;
- (3) average age of building space is 20 15 years or older;
- (4) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and
- (5) a ten-year facility plan approved by the commissioner according to subdivision 2.

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

Sec. 9. Minnesota Statutes 1998, section 123B.61, is amended to read:

**123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

The board of a district may issue general obligation certificates of indebtedness or capital notes subject to the district debt limits to ~~purchase~~: (a) purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes; and (b) purchase computer hardware and software, without regard to its expected useful life, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer; and (c) prepay special assessments. The certificates or notes must be payable in not more than five years and must be issued on the terms and in the manner determined by the board, except that certificates or notes issued to prepay special assessments must be payable in not more than 20 years. The certificates or notes may be issued by resolution and without the requirement for an election. The certificates or notes are general obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum of the tax levies under this section and section 123B.62 for each year must not exceed the amount of the district's total operating capital revenue for the year the initial debt service levies are certified. The district's general education levy for each year must be reduced by the sum of (1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes as required by section 475.61, and (2) any excess amount in the debt redemption fund used to retire certificates or notes issued after April 1, 1997, other than amounts used to pay capitalized interest. A district using an excess amount in the debt redemption fund to retire the certificates or notes shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the certificates or notes.

Sec. 10. Minnesota Statutes 1998, section 124D.88, subdivision 3, is amended to read:

Subd. 3. **GRANT APPLICATION PROCESS.** (a) Any group of school districts that meets the criteria required under paragraph (b)~~(1)~~ may apply for a magnet school grant in an amount not to exceed \$~~15,000,000~~ \$20,800,000 for the approved costs or expansion of a magnet school facility.

(b)~~(1)~~ Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 123B.71, and the commissioner shall prepare a review and comment on the proposed magnet school facility, regardless of the amount of the capital expenditure required to design, acquire, construct, remodel, improve, furnish, or equip the facility. The commissioner must not approve an application for a magnet school grant for any facility unless the facility receives a favorable review and comment under section 123B.71 and the participating districts:

~~(1)~~ (i) establish a joint powers board under section 471.59 to represent all participating districts and govern the magnet school facility;

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

(2) (ii) design the planned magnet school facility to meet the applicable requirements contained in Minnesota Rules, chapter 3535;

(3) (iii) submit a statement of need, including reasons why the magnet school will facilitate integration and improve learning;

(4) (iv) prepare an educational plan that includes input from both community and professional staff; and

(5) (v) develop an education program that will improve learning opportunities for students attending the magnet school.

(ii) (2) The districts may develop a plan that permits social service, health, and other programs serving students and community residents to be located within the magnet school facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

(c) When two or more districts enter into an agreement establishing a joint powers board to govern the magnet school facility, all member districts shall have the same powers.

(d) A joint powers board of participating school districts established under paragraphs (b) and (c) that intends to apply for a grant must adopt a resolution stating the costs of the proposed project, the purpose for which the debt is to be incurred, and an estimate of the dates when the contracts for the proposed project will be completed. A copy of the resolution must accompany any application for a state grant under this section.

(e) (i) (1) The commissioner shall examine and consider all grant applications. If the commissioner finds that any joint powers district is not a qualified grant applicant, the commissioner shall promptly notify that joint powers board. The commissioner shall make awards to no more than two qualified applicants whose applications have been on file with the commissioner more than 30 days.

(ii) (2) A grant award is subject to verification by the joint powers board under paragraph (f). A grant award must not be made until the participating districts determine the site of the magnet school facility. If the total amount of the approved applications exceeds the amount of grant funding that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers board the amount, if any, of the grant awarded to it.

(f) Each grant must be evidenced by a contract between the joint powers board and the state acting through the commissioner. The contract obligates the state to pay to the joint powers board an amount computed according to paragraph (e) (ii) (2) and a schedule, and terms and conditions acceptable to the commissioner of finance.

(g) Notwithstanding the provisions of section 123B.02, subdivision 3, the joint powers and its individual members may enter into long-term lease agreements as part of the magnet school program.

Sec. 11. Minnesota Statutes 1998, section 125B.20, is amended to read:

**125B.20 TELECOMMUNICATION ACCESS GRANT AND STATEWIDE COORDINATION.**

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

Subdivision 1. **ESTABLISHMENT; PURPOSE.** The purpose of developing a statewide school district telecommunications network is to expand the availability of a broad range of courses and degrees to students throughout the state, to share information resources to improve access, quality, and efficiency, to improve learning, and distance cooperative learning opportunities, and to promote the exchange of ideas among students, parents, teachers, media generalists, librarians, and the public. In addition, through the development of this statewide telecommunications network emphasizing cost-effective, competitive connections, all Minnesotans will benefit by enhancing access to telecommunications technology throughout the state. Network connections for school districts and public libraries will be are coordinated and fully integrated into the existing state telecommunications and interactive television networks to achieve comprehensive and efficient interconnectivity of school districts and libraries to higher education institutions, state agencies, other governmental units, agencies, and institutions throughout Minnesota. A school district may apply to the commissioner for a grant under subdivision 2, and a regional public library may apply under subdivision 3. The Minnesota education communication council established in Laws 1995, First Special Session chapter 3, article 12, section 7, shall establish priorities for awarding grants, making grant awards, and being responsible for the coordination of networks.

Subd. 2. **SCHOOL DISTRICT TELECOMMUNICATIONS GRANT.** (a) Priority will be given to a school district that has not received access to interactive video, data connection, or both under the telecommunications access grant program. Districts may apply for a grant under this subdivision to: (1) establish connections among school districts, and between school districts and the state information infrastructure administered by the department of administration under section 16B.465; or (2) if such a connection meeting minimum electronic connectivity standards is already established, enhance telecommunications capacity for a school district. The minimum standards of capacity are a 56 kilobyte data line and 768 kilobyte ITV connection, subject to change based on the recommendations by the Minnesota education telecommunications council. A district may submit a grant application for interactive television with higher capacity connections in order to maintain multiple simultaneous connections. To ensure coordination among school districts, a school district must submit its grant application to the council through an organization that coordinates the applications and connections of at least ten school districts or through an existing technology cooperative the telecommunications access grant cluster of which the district is a member.

(b) The application must, at a minimum, contain information to document for each applicant school district the following:

(1) that the proposed connection meets the minimum standards and employs an open network architecture that will ensure interconnectivity and interoperability with other education institutions and libraries;

(2) that the proposed connection and system will be connected to the state information infrastructure through the department of administration under section 16B.465 and that a network service and management agreement is in place;

(3) that the proposed connection and system will be connected to the higher education telecommunication network and that a governance agreement has been adopted which includes agreements between the school district system, a higher education regional council, libraries, and coordinating entities;

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



(4) the telecommunication vendor selected to provide service from the district to a state information infrastructure hub or to a more cost-effective connection point to the state information infrastructure; and

(5) other information, as determined by the commissioner in consultation with the education telecommunications council, to ensure that connections are coordinated, meet state standards and are cost-effective, and that service is provided in an efficient and cost-effective manner.

(c) A school district may include, in its grant application, telecommunications access for collaboration with nonprofit arts organizations for the purpose of educational programs, or access for a secondary media center that: (1) is a member of a multitype library system; (2) is open during periods of the year when classroom instruction is occurring; and (3) has licensed school media staff on site.

(d) The Minnesota education telecommunications council shall award grants and the funds shall be dispersed by the commissioner. ~~The highest priority for these grants shall be to bring school districts up to the minimum connectivity standards. A grant to enhance telecommunications capacity beyond the minimum connectivity standards shall be no more than 75 percent of the maximum grant under this subdivision. Grant applications for minimum connection and enhanced telecommunications capacity grants must be submitted to the commissioner by a coordinating organization including, but not limited to, service cooperatives and education districts. Grant applications must be submitted to the commissioner by a telecommunications access grant cluster organization.~~ For the purposes of the grant, a school district may include a charter school under section 124D.10, or the Faribault academies. Based on the award made by the council, all grants under this subdivision shall be paid by the commissioner directly to a school district (unless this application requests that the funds be paid to the coordinating agency). Nonpublic schools as defined in section 237.065, subdivision 2, located within the district may access the network. The nonpublic school is responsible for actual costs for connection from the school to the access site.

(e) Money awarded under this section may be used only for the purposes explicitly stated in the grant application.

Subd. 3. **REGIONAL LIBRARY TELECOMMUNICATION GRANT.** (a) A regional public library system may apply for a telecommunication access grant. Priority will be given to public libraries that have not received access to data connection under the telecommunications access grant program. The grant must be used to create or expand the capacity of electronic data access and connect the library system with the state information infrastructure administered by the department of administration under section 16B.465. ~~Connections must meet minimum system standards of a 56 kilobyte data line and 768 kilobyte ITV connection.~~ To be eligible for a telecommunications access grant, a regional public library system must: (1) meet the level of local support required under section 134.34; and (2) ~~be open at least 20 hours per week.~~

(b) Any grant award under this subdivision may not be used to substitute for any existing local funds allocated to provide electronic access, or equipment for library staff or the public, or local funds previously dedicated to other library operations.

(c) An application for a regional public library telecommunications access grant must, at a minimum, contain information to document the following:

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

(1) that the connection meets the minimum standards and employs an open network architecture that will ensure interconnectivity and interoperability with other libraries and the educational system;

(2) that the connection is being established through the most cost-effective means and that the public library has explored and coordinated connections through school districts or other governmental agencies;

(3) that the proposed connection and system will be connected to the state information infrastructure through the department of administration under section 16B.465 and that a network service and management agreement is in place;

(4) that the proposed connection and system will be connected to the higher education and to the school district telecommunication networks subject to a governance agreement with one or more school districts and a higher education regional council specifying how the system will be coordinated;

(5) the telecommunication vendor selected to provide service from the library to a state information infrastructure hub or through a more cost-effective connection point to the state information infrastructure; and

(6) other information, as determined by the commissioner, to ensure that connections are coordinated, meet state standards, are cost-effective, and that service is provided in an efficient and cost-effective manner so that libraries throughout the state are connected in as seamless a manner as technically possible.

Subd. 4. **AWARD OF GRANTS.** The council shall develop application forms and procedures for ~~school district minimum connectivity grants, enhanced telecommunications grants, and regional library telecommunication access grants.~~ The council shall select the grant recipient and shall promptly notify any applicant that is found not to be qualified. The commissioner shall make the grant payments directly to the school district or regional library system. At the request of the district or regional library system, the commissioner may make the grant payment directly to the coordinating organization. ~~If appropriations are insufficient to fund all applications, the commissioner shall first fully fund the minimum connectivity grants. Unsuccessful applicants may reapply for a grant.~~

Subd. 5. **E-RATES.** The telecommunication access grant clusters are required to file e-rate applications for telecommunication access grant-related expenditures on behalf of grant participants in their clusters. Discounts received on telecommunication access grant expenditures shall be used to offset or reduce operations funding provided by the state.

Sec. 12. Minnesota Statutes 1998, section 126C.40, subdivision 4, is amended to read:

Subd. 4. **INTERACTIVE TELEVISION.** (a) A 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 for ITV revenue up to the greater of ~~5~~ .6 percent of the adjusted net tax capacity of the district or \$25,000. Eligible interactive television expenditures include the construction, maintenance, and lease costs of an interactive television system for instructional purposes. An eligible school district that has completed the construction of its interactive television system may also purchase computer hardware and software used primarily for instructional purposes and

New language is indicated by underline, deletions by strikeout.

access to the Internet provided that its total expenditures for interactive television maintenance and lease costs and for computer hardware and software under this subdivision do not exceed its interactive television revenue for fiscal year 1998. The approval by the commissioner and the application procedures set forth in subdivision 1 shall apply to the revenue in this subdivision. In granting the approval, the commissioner shall consider whether the district is maximizing efficiency through peak use and off-peak use pricing structures.

(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 resident adjusted marginal cost pupil units in the district for the year to which the levy is attributable; to

(2) \$10,000 \$8,404.

(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 sections 123A.35 to 123A.41, 123A.46, or 123A.48 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.

(e) The revenue in paragraph (d) is increased by the difference between the initial revenue and ITV lease costs for leases that had been entered into by the preexisting districts on the effective date of the consolidation or combination and with a term not exceeding ten years. This increased revenue is only available for the remaining term of the lease. However, in no case shall the revenue exceed the amount available had the preexisting districts received revenue separately.

(f) Effective for fiscal year 2000, the revenue under this section shall be 75 percent of the amount determined in paragraph (a); for fiscal year 2001, 50 percent of the amount in paragraph (a); and for fiscal year 2002, 25 percent of the amount in paragraph (a).

(g) This section subdivision expires effective for revenue for fiscal year 2003, or ~~when leases in existence on the effective date of Laws 1997, First Special Session chapter 4, expire.~~

Sec. 13. Minnesota Statutes 1998, section 126C.55, is amended by adding a subdivision to read:

Subd. 10. CONTINUING DISCLOSURE AGREEMENTS. The commissioner of finance may enter into written agreements or contracts relating to the continuing disclosure of information needed to facilitate the ability of school districts to issue debt obligations according to federal securities laws, rules, and regulations, including securities and exchange commission rules and regulations, section 240.15c2-12. Such agreements or contracts may be in any form the commissioner of finance deems reasonable and in the state's best interests.

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

Sec. 14. Minnesota Statutes 1998, section 126C.63, subdivision 5, is amended to read:

Subd. 5. **LEVY.** "Levy" means a district's net debt service levy after the reduction of debt service equalization aid under section 123B.53, subdivision 6. For taxes payable in 1994 and later, each district's maximum effort debt service levy for purposes of subdivision 8, must be reduced by an equal number of percentage points if the commissioner determines that the levy reduction will not result in a statewide property tax as would be required under Minnesota Statutes 1992, section 124.46, subdivision 3. A district's levy that is adjusted under this section must not be reduced below ~~18.74~~ 22.3 percent of the district's adjusted net tax capacity.

Sec. 15. Minnesota Statutes 1998, section 126C.63, subdivision 8, is amended to read:

Subd. 8. **MAXIMUM EFFORT DEBT SERVICE LEVY.** "Maximum effort debt service levy" means the lesser of:

(1) a levy in whichever of the following amounts is applicable:

(a) in any district receiving a debt service loan for a debt service levy payable in 1991 and thereafter, or granted a capital loan after January 1, 1990, a levy in a total dollar amount computed at a rate of ~~20~~ 24 percent of adjusted net tax capacity for taxes payable in 1991 and thereafter;

(b) in any district granted a debt service loan after July 31, 1981, or granted a capital loan which is approved after July 31, 1981, a levy in a total dollar amount computed as a tax rate of ~~13.08~~ percent on the adjusted gross tax capacity for taxes payable in 1990 or a tax rate of ~~18.42~~ 21.92 percent on the adjusted net tax capacity for taxes payable in 1991 and thereafter;

(c) in any district granted a debt service loan before August 1, 1981, or granted a capital loan which was approved before August 1, 1981, a levy in a total dollar amount computed as a tax rate of ~~12.26~~ percent on the adjusted gross tax capacity for taxes payable in 1990 or a tax rate of ~~17.17~~ percent on the adjusted net tax capacity for taxes payable in 1991 and thereafter, until and unless the district receives an additional loan; or

(2) a levy in whichever of the following amounts is applicable:

(a) in any district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as ~~4.10~~ mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) in any district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as ~~5~~ 5-1/2 mills on the market value in each year, until and unless the district receives an additional loan;

(c) in any district granted a debt service or capital loan between July 1, 1969, and July 1, 1975, a levy in a total dollar amount computed as ~~6.3~~ mills on market value in each year until and unless the district has received an additional loan;

(d) in any district for which a capital loan was approved prior to August 1, 1981, a levy in a total dollar amount equal to the sum of the amount of the required debt service

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levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted.

The board in any district affected by the provisions of clause (2)(d) may elect instead to determine the amount of its levy according to the provisions of clause (1). If a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)(d), the liability of the district for the amount of the difference between the amount it levied under clause (2)(d) and the amount it would have levied under clause (1), and for interest on the amount of that difference, must not be satisfied and discharged pursuant to Minnesota Statutes 1988, or an earlier edition of Minnesota Statutes if applicable, section 124.43, subdivision 4.

Sec. 16. Minnesota Statutes 1998, section 126C.69, subdivision 2, is amended to read:

Subd. 2. **CAPITAL LOANS ELIGIBILITY.** Beginning July 1, ~~1992~~ 1999, a district is not eligible for a capital loan unless the district's estimated net debt tax rate as computed by the commissioner after debt service equalization aid would be more than ~~20~~ 24 percent of adjusted net tax capacity. The estimate must assume a 20-year maturity schedule for new debt.

Sec. 17. Minnesota Statutes 1998, section 126C.69, subdivision 9, is amended to read:

Subd. 9. **LOAN AMOUNT LIMITS.** (a) A loan must not be recommended for approval for a district exceeding an amount computed as follows:

(1) the amount requested by the district under subdivision 6;

(2) plus the aggregate principal amount of general obligation bonds of the district outstanding on June 30 of the year following the year the application was received, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or ~~305~~ 363 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(3) less the maximum net debt permissible for the district on December 1 of the year the application is received, under the limitation in section 475.53, subdivision 4, or ~~305~~ 363 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(4) less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted.

(b) The loan may be approved in an amount computed as provided in paragraph (a), clauses (1) to (3), subject to later reduction according to paragraph (a), clause (4).

Sec. 18. Laws 1995, First Special Session chapter 3, article 12, section 7, as amended by Laws 1997, First Special Session chapter 4, article 9, section 2, Laws 1998, chapter 270, section 4, and Laws 1998, chapter 359, section 20, is amended to read:

Sec. 7. **MINNESOTA EDUCATION TELECOMMUNICATIONS COUNCIL.**

Subdivision 1. **STATE COUNCIL MEMBERSHIP.** The membership of the Minnesota education telecommunications council established in Laws 1993, First Special

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Session chapter 2, is expanded to include representatives of elementary and secondary education. The membership shall consist of three representatives from the University of Minnesota; three representatives of the board of trustees for Minnesota state colleges and universities; one representative of the higher education services offices; one representative appointed by the private college council; one representative selected by the commissioner of administration; eight representatives selected by the commissioner of children, families, and learning, at least one of which must come from each of the six higher education telecommunication regions; a representative from the office of technology; two members each from the senate and the house of representatives selected by the subcommittee on committees of the committee on rules and administration of the senate and the speaker of the house, one member from each body must be a member of the minority party; and three representatives of libraries, one representing regional public libraries, one representing multitype libraries, and one representing community libraries, selected by the governor. The council shall:

- (1) develop a statewide vision and plans for the use of distance learning technologies and provide leadership in implementing the use of such technologies;
- (2) recommend to the commissioner and the legislature by December 15, 1996, a plan for long-term governance and a proposed structure for statewide and regional telecommunications;
- (3) recommend educational policy relating to telecommunications;
- (4) (3) determine priorities for use;
- (5) (4) oversee coordination of networks for post-secondary campuses, ~~K-12 kindergarten through grade 12~~ education, and regional and community libraries;
- (6) (5) review application for telecommunications access grants under Minnesota Statutes, section ~~124C.74~~ 125B.20, and recommend to the department grants for funding;
- (7) (6) determine priorities for grant funding proposals; and
- (8) (7) work with the information policy office to ensure consistency of the operation of the learning network with standards of an open system architecture.

The council shall consult with representatives of the telecommunication industry in implementing this section.

Subd. 2. **DISTRICT COUNCIL MEMBERSHIP.** District organizations that coordinate applications for telecommunication access grants are encouraged to become members of the regional higher education telecommunication council in their area.

Subd. 3. **CRITERIA.** In addition to responsibilities of the council under Laws 1993, First Special Session chapter 2, as amended, the telecommunications council shall evaluate grant applications under Minnesota Statutes, section 124C.74 and applications from district organizations using the following criteria:

- (1) evidence of cooperative arrangements with other post-secondary institutions, school districts, and community and regional libraries in the geographic region;
- (2) plans for shared classes and programs;

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

(3) avoidance of network duplication;

(4) evidence of efficiencies to be achieved in delivery of instruction due to use of telecommunications;

(5) a plan for development of a list of all courses available in the region for delivery at a distance;

(6) a plan for coordinating and scheduling courses; and

(7) a plan for evaluation of costs, access, and outcomes.

Sec. 19. Laws 1997, First Special Session chapter 4, article 9, section 13, is amended to read:

Sec. 13. **REPEALER.**

(a) Minnesota Statutes 1996, section 124C.74, is repealed effective July 1, 1999 2001.

(b) Minnesota Statutes 1996, section 134.46, is repealed.

Sec. 20. Laws 1998, chapter 404, section 5, subdivision 5, is amended to read:

Subd. 5. Metropolitan Magnet Schools

22,200,000

For awarding metropolitan magnet school grants to groups of qualified metropolitan school districts under Minnesota Statutes, section 124C.498.

\$1,900,000 is for the completion of the Downtown Integration magnet school in Minneapolis.

\$3,800,000 is for planning, design, acquisition of land, architectural fees, and engineering fees for the East Metropolitan Integration magnet school in the East Metropolitan area. Of that amount, \$2,800,000 is for land acquisition and site development.

\$14,500,000 is for the construction of the Metropolitan Integration magnet school in Robbinsdale.

\$2,000,000 is for the Southwest Metropolitan Integration magnet school in Edina.

Sec. 21. **REORGANIZATION DEBT; HOWARD LAKE-WAVERLY-WINSTED.**

Notwithstanding Laws 1994, chapter 647, article 6, section 38, or any other law to the contrary, the unreserved operating fund balance used to compute the reorganization operating debt levy authority for independent school district No. 2687, Howard Lake-Waverly-Winsted, is June 30, 1995.

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

**Sec. 22. FISCAL YEARS 2000 TO 2003 DECLINING PUPIL UNIT AID; ST. PETER.**

Subdivision 1. **FISCAL YEAR 2000.** For fiscal year 2000 only, independent school district No. 508, St. Peter, is eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2000 times the difference between the district's adjusted marginal cost pupil units for the 1996-1997 school year and the district's adjusted marginal cost pupil units for the 1999-2000 school year.

Subd. 2. **FISCAL YEAR 2001.** For fiscal year 2001 only, independent school district No. 508, St. Peter, is eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2001 times 75 percent of the difference between the district's adjusted marginal cost pupil units for the 1996-1997 school year and the district's adjusted marginal cost pupil units for the 2000-2001 school year.

Subd. 3. **FISCAL YEAR 2002.** For fiscal year 2002 only, independent school district No. 508, St. Peter, is eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2002 times 50 percent of the difference between the district's adjusted marginal cost pupil units for the 1996-1997 school year and the district's adjusted marginal cost pupil units for the 2001-2002 school year.

Subd. 4. **FISCAL YEAR 2003.** For fiscal year 2003 only, independent school district No. 508, St. Peter, is eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2003 times 25 percent of the difference between the district's adjusted marginal cost pupil units for the 1996-1997 school year and the district's adjusted marginal cost pupil units for the 2002-2003 school year.

**Sec. 23. FISCAL YEARS 2000 to 2002 DECLINING PUPIL UNIT AID; CLIMAX, KITTSON CENTRAL, ADA-BORUP, WARREN-ALVARADO-OSLO, BRECKENRIDGE, EAST GRAND FORKS, AND STEPHEN-ARGYLE CENTRAL.**

Subdivision 1. **FISCAL YEAR 2000.** For fiscal year 2000 only, independent school district Nos. 592, Climax; 2171, Kittson Central; 2854, Ada-Borup; 2176, Warren-Alvarado-Oslo; 846, Breckenridge; 595, East Grand Forks; and 2856, Stephen-Argyle Central are eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2000 times 75 percent of the difference between the districts' adjusted marginal cost pupil units for the 1996-1997 school year and the districts' adjusted marginal cost pupil units for the 1999-2000 school year.

Subd. 2. **FISCAL YEAR 2001.** For fiscal year 2001 only, independent school district Nos. 592, Climax; 2171, Kittson Central; 2854, Ada-Borup; 2176, Warren-Alvarado-Oslo; 846, Breckenridge; 595, East Grand Forks; and 2856, Stephen-Argyle Central are eligible for declining pupil unit aid equal to the product of the general education formula allowance for fiscal year 2001 times 50 percent of the difference between the districts' adjusted marginal cost pupil units for the 1996-1997 school year and the districts' adjusted marginal cost pupil units for the 2000-2001 school year.

Subd. 3. **FISCAL YEAR 2002.** For fiscal year 2002 only, independent school district Nos. 592, Climax; 2171, Kittson Central; 2854, Ada-Borup; 2176, Warren-Alvarado-Oslo; 846, Breckenridge; 595, East Grand Forks; and 2856, Stephen-Argyle Central are eligible for declining pupil unit aid equal to the product of the general education for-

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mula allowance for fiscal year 2002 times 25 percent of the difference between the districts' adjusted marginal cost pupil units for the 1996-1997 school year and the districts' adjusted marginal cost pupil units for the 2001-2002 school year.

#### Sec. 24. **HEALTH AND SAFETY; PROCTOR.**

Notwithstanding any law to the contrary, independent school district No. 704, Proctor, may include in its health and safety program the amounts necessary to make health and safety improvements to an ice arena located within the district boundaries in order for the district to use the facility to meet the district's curriculum needs under the state graduation rule. The district must attempt to renegotiate its lease agreement with the county that operates the arena before it is eligible for health and safety revenue under this section. The total amount of revenue approved for this purpose shall not exceed \$150,000.

#### Sec. 25. **ALTERNATIVE FACILITIES REVENUE PROGRAM.**

Subdivision 1. INDEPENDENT SCHOOL DISTRICT NO. 622, NORTH ST. PAUL-MAPLEWOOD-OAKDALE. Independent school district No. 622, North St. Paul-Maplewood-Oakdale, is eligible for the alternative facilities revenue program under Minnesota Statutes, section 123B.59, for the purposes of financing school facilities in the district.

Subd. 2. STILLWATER. Independent school district No. 834, Stillwater, is eligible for the alternative facilities revenue program under Minnesota Statutes, section 123B.59, for the purposes of financing school facilities in the district.

#### Sec. 26. **RESIDENTIAL ACADEMIES.**

(a) If a recipient has been awarded a grant under Laws 1998, chapter 398, article 5, section 46, and fails to meet the requirements under the application process for implementing the program after June 30, 1999, any grant money awarded but not paid shall not cancel but is appropriated to the commissioner for additional capital grants to new or existing grantees. The commissioner may reopen the application process with any funds made available.

(b) All projects awarded grants must submit updated capital and operating budget plans to the department of children, families, and learning by June 11, 1999. The commissioner shall approve all educationally and economically advisable plans by June 15, 1999. Only projects with approved updated plans shall be eligible to receive funds. If any project is found ineligible to receive funds, the commissioner may reallocate the funds formerly allocated to that project to the remaining eligible projects.

#### Sec. 27. **APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING. The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. HEALTH AND SAFETY AID. For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

\$14,528,000	.....	2000
\$14,957,000	.....	2001

The 2000 appropriation includes \$1,415,000 for 1999 and \$13,113,000 for 2000.

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The 2001 appropriation includes \$1,456,000 for 2000 and \$13,501,000 for 2001.

Subd. 3. DEBT SERVICE AID. For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

<u>\$33,165,000</u>	<u>.....</u>	<u>2000</u>
<u>\$32,084,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$3,842,000 for 1999 and \$29,323,000 for 2000.

The 2001 appropriation includes \$3,256,000 for 2000 and \$28,828,000 for 2001.

Subd. 4. INTERACTIVE TELEVISION (ITV) AID. For interactive television (ITV) aid under Minnesota Statutes, section 126C.40, subdivision 4:

<u>\$4,197,000</u>	<u>.....</u>	<u>2000</u>
<u>\$2,851,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$405,000 for 1999 and \$3,792,000 for 2000.

The 2001 appropriation includes \$421,000 for 2000 and \$2,430,000 for 2001.

Subd. 5. ALTERNATIVE FACILITIES BONDING AID. For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59:

<u>\$19,058,000</u>	<u>.....</u>	<u>2000</u>
<u>\$19,286,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$1,700,000 for 2000 and \$17,358,000 for 2001.

The 2001 appropriation includes \$1,928,000 for 2000 and \$17,358,000 for 2001.

Subd. 6. URBAN LEAGUE STREET ACADEMY. For a grant to special school district No. 1, Minneapolis, for the urban league street academy for the costs of acquiring and moving to a larger building to expand the academy's program:

<u>\$750,000</u>	<u>.....</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

Subd. 7. TELECOMMUNICATION ACCESS GRANTS. (a) For telecommunication access grants according to Minnesota Statutes, section 125B.20:

<u>\$5,000,000</u>	<u>.....</u>	<u>2000</u>
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(b) Any balance in the first year does not cancel but is available in the second year. This amount shall not be included as part of the base for fiscal year 2002-2003.

Subd. 8. DISASTER RELIEF FACILITIES GRANT; ST. PETER. For a disaster relief facilities grant to independent school district No. 508, St. Peter:

<u>\$250,000</u>	<u>.....</u>	<u>2000</u>
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This grant is for facilities replacement costs not covered by the district's insurance settlement or through federal emergency management agency payments.

New language is indicated by underline, deletions by strikeout.

This appropriation is available until June 30, 2001.

Subd. 9. DISASTER RELIEF FACILITIES GRANT; COMFREY. For a disaster relief facilities grant to independent school district No. 81, Comfrey:

<u>\$450,000</u>	<u>.....</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

This grant is for facilities replacement costs not covered by the district's insurance settlement or through federal emergency management agency payments.

Subd. 10. DECLINING PUPIL AID; ST. PETER. For a grant to independent school district No. 508, St. Peter, to ameliorate general fund operating losses associated with the March, 1998 tornado:

<u>\$ 105,000</u>	<u>.....</u>	<u>2000</u>
<u>\$ 278,000</u>	<u>.....</u>	<u>2001</u>

Subd. 11. FLOODS; DECLINING PUPIL AID. For declining pupil aid under section 23:

<u>\$2,132,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,758,000</u>	<u>.....</u>	<u>2001</u>

#### Sec. 28. REVISOR INSTRUCTION.

In the next and subsequent editions of Minnesota Statutes, the revisor shall codify section 18 as Minnesota Statutes, section 125B.21.

#### Sec. 29. REPEALER.

(a) Minnesota Statutes 1998, sections 123A.44; 123A.441; 123A.442; 123A.443; 123A.444; 123A.445; 123A.446; 123B.57, subdivisions 4, 5, and 7; 123B.59, subdivision 7; 123B.63, subdivisions 1 and 2; 123B.66; 123B.67; 123B.68; and 123B.69, are repealed effective the day following final enactment.

(b) Minnesota Statutes 1998, section 123B.58, is repealed effective July 1, 2004.

(c) Minnesota Statutes 1998, section 123B.64, subdivision 4, is repealed effective for revenue for fiscal year 2000.

(d) Minnesota Statutes 1998, section 123B.64, subdivisions 1, 2, and 3, are repealed effective for revenue for fiscal year 2001.

(e) Minnesota Rules, parts 3500.3900; 3500.4000; 3500.4100; 3500.4200; and 3500.4300, are repealed.

#### Sec. 30. EFFECTIVE DATES.

Sections 2, 7, 12, 14, 15, 16, and 17 are effective for revenue for fiscal year 2000 and later. Sections 9, 10, 13, 18, 19, 20, and 26 are effective the day following final enactment. Section 21 is effective retroactive to July 1, 1996.

New language is indicated by underline, deletions by strikeout.

## ARTICLE 5

## EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 1998, section 41D.02, subdivision 2, is amended to read:

Subd. 2. **ELEMENTARY AND SECONDARY AGRICULTURAL EDUCATION.** The council may provide grants for:

- (1) planning and establishment costs for elementary and secondary agriculture education programs;
- (2) new instructional and communication technologies; and
- (3) curriculum updates.

Sec. 2. Minnesota Statutes 1998, section 122A.18, is amended by adding a subdivision to read:

Subd. 7a. **PERMISSION TO SUBSTITUTE TEACH.** The board of teaching may allow a person who is enrolled in and making satisfactory progress in a board-approved teacher program and who has successfully completed student teaching to be employed as a short-call substitute teacher.

Sec. 3. Minnesota Statutes 1998, section 122A.60, subdivision 3, is amended to read:

Subd. 3. **STAFF DEVELOPMENT OUTCOMES.** The advisory staff development committee must adopt a staff development plan for improving student achievement of education outcomes. The plan must be consistent with education outcomes that the school board determines. The plan must include ongoing staff development activities that contribute toward continuous improvement in achievement of the following goals:

- (1) improve student achievement of state and local education standards in all areas of the curriculum by using best practices methods;
- (2) effectively meet the needs of a diverse student population, including at-risk children, children with disabilities, and gifted children, within the regular classroom and other settings;
- (3) provide an inclusive curriculum for a racially, ethnically, and culturally diverse student population that is consistent with the state education diversity rule and the district's education diversity plan;
- (4) improve staff ability to collaborate and consult with one another and to resolve conflicts collaboration and develop mentoring and peer coaching programs for teachers new to the school or district;
- (5) effectively teach and model violence prevention policy and curriculum that address early intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution; and
- (6) provide teachers and other members of site-based management teams with appropriate management and financial management skills.

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

Sec. 4. Minnesota Statutes 1998, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. **STAFF DEVELOPMENT REVENUE.** A district is required to reserve an amount equal to at least one percent of the basic revenue under section 126C.10, subdivision 2, for in-service education for programs under section 120B.22, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of ~~basic unreserved~~ revenue for staff development based on their needs. With the exception of amounts reserved for staff development from revenues allocated directly to school sites, the board must initially allocate 50 percent of the reserved revenue to each school site in the district on a per teacher basis, which must 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 must be used to make grants to school sites that demonstrate exemplary use of allocated staff development revenue for best practices methods. A grant may be used for any purpose authorized under section 120B.22, subdivision 2, 122A.60, or for the costs of curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site decision-making professional development team. The site decision-making professional development 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.

Sec. 5. Minnesota Statutes 1998, section 123B.36, subdivision 1, is amended to read:

Subdivision 1. **SCHOOL BOARDS MAY REQUIRE FEES.** (a) For purposes of this subdivision, "home school" means a home school as defined in sections 120A.22 and 120A.24 with five or fewer students receiving instruction.

(b) A school board is authorized to require payment of fees in the following areas:

(1) in any program where the resultant product, in excess of minimum requirements and at the pupil's option, becomes the personal property of the pupil;

(2) admission fees or charges for extra curricular activities, where attendance is optional and where the admission fees or charges a student must pay to attend or participate in an extracurricular activity is the same for all students, regardless of whether the student is enrolled in a public or a home school;

(3) a security deposit for the return of materials, supplies, or equipment;

(4) personal physical education and athletic equipment and apparel, although any pupil may personally provide it if it meets reasonable requirements and standards relating to health and safety established by the board;

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

(5) items of personal use or products that a student has an option to purchase such as student publications, class rings, annuals, and graduation announcements;

(6) fees specifically permitted by any other statute, including but not limited to section 171.05, subdivision 2; provided (i) driver education fees do not exceed the actual cost to the school and school district of providing driver education, and (ii) the driver education courses are open to enrollment to persons between the ages of 15 and 18 who reside or attend school in the school district;

(7) field trips considered supplementary to a district educational program;

(8) any authorized voluntary student health and accident benefit plan;

(9) for the use of musical instruments owned or rented by the district, a reasonable rental fee not to exceed either the rental cost to the district or the annual depreciation plus the actual annual maintenance cost for each instrument;

(10) transportation of pupils to and from extra curricular activities conducted at locations other than school, where attendance is optional;

(11) transportation of pupils to and from school for which aid for fiscal year 1996 is not authorized under Minnesota Statutes 1994, section 124.223, subdivision 1, and for which levy for fiscal year 1996 is not authorized under Minnesota Statutes 1994, section 124.226, subdivision 5, if a district charging fees for transportation of pupils establishes guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay;

(12) motorcycle classroom education courses conducted outside of regular school hours; provided the charge must not exceed the actual cost of these courses to the school district;

(13) transportation to and from post-secondary institutions for pupils enrolled under the post-secondary enrollment options program under section 123B.88, subdivision 22. Fees collected for this service must be reasonable and must be used to reduce the cost of operating the route. Families who qualify for mileage reimbursement under section 124D.09, subdivision 22, may use their state mileage reimbursement to pay this fee. If no fee is charged, districts must allocate costs based on the number of pupils riding the route.

Sec. 6. Minnesota Statutes 1998, section 123B.49, subdivision 4, is amended to read:

Subd. 4. **BOARD CONTROL OF EXTRACURRICULAR ACTIVITIES.** (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities means all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. The board shall allow all resident pupils receiving instruction in a home school as defined in section 123B.36, subdivision 1, paragraph (a), to be eligible to fully participate in extracurricular activities on the same basis as public school students.

(b) Extracurricular activities have all of the following characteristics:

(1) they are not offered for school credit nor required for graduation;

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(2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fundraising events. The general fund must reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded according to the "Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges." Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, the teachers or pupils in the district must not participate in such activity, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 7. Minnesota Statutes 1998, section 124D.10, subdivision 3, is amended to read:

Subd. 3. **SPONSOR.** A school board, intermediate school district school board, education districts organized under sections 123A.15 to 123A.19, private college, community college, state university, technical college, or the University of Minnesota may sponsor one or more charter schools.

Sec. 8. Minnesota Statutes 1998, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **FORMATION OF SCHOOL.** (a) A sponsor may authorize one or more licensed teachers under section 122A.18, subdivision 1, to operate a charter school subject to approval by the state board. A board must vote on charter school application for sponsorship no later than 90 days after receiving the application. After 90 days, the applicant may apply to the state board. ~~If a board elects not to sponsor a charter school, the applicant may appeal the board's decision to the state board if two members of the board voted to sponsor the school.~~ If the state board authorizes the school, the state board must sponsor the school according to this section. The school must be organized and operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.

(b) Before the operators may form and operate a school, the sponsor must file an affidavit with the state board stating its intent to authorize a charter school. The affidavit must state the terms and conditions under which the sponsor would authorize a charter school. The state board must approve or disapprove the sponsor's proposed authorization within 60 days of receipt of the affidavit. Failure to obtain state board approval precludes a sponsor from authorizing the charter school that was the subject of the affidavit.

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(c) The operators authorized to organize and operate a school must hold an election for members of the school's board of directors in a timely manner after the school is operating. Any staff members who are employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school, including teachers providing instruction under a contract with a cooperative, must be a majority of the members of the board of directors, unless the state board waives the requirement for the school. A provisional board may operate before the election of the school's board of directors. Board of director meetings must comply with section 471.705. .

(d) The granting or renewal of a charter by a sponsoring entity must not be conditioned upon the bargaining unit status of the employees of the school.

Sec. 9. Minnesota Statutes 1998, section 124D.10, subdivision 5, is amended to read:

Subd. 5. **CONVERSION OF EXISTING SCHOOLS.** A board may convert one or more of its existing schools to charter schools under this section if ~~90~~ 60 percent of the full-time teachers at the school sign a petition seeking conversion. The conversion must occur at the beginning of an academic year.

Sec. 10. Minnesota Statutes 1998, section 124D.10, subdivision 6, is amended to read:

Subd. 6. **CONTRACT.** The sponsor's authorization for a charter school must be in the form of a written contract signed by the sponsor and the board of directors of the charter school. The contract must be completed within 90 days of the state board approval of the sponsor's proposed authorization. The contract for a charter school must be in writing and contain at least the following:

- (1) a description of a program that carries out one or more of the purposes in subdivision 1;
- (2) specific outcomes pupils are to achieve under subdivision 10;
- (3) admission policies and procedures;
- (4) management and administration of the school;
- (5) requirements and procedures for program and financial audits;
- (6) how the school will comply with subdivisions 8, 13, 16, and 23;
- (7) assumption of liability by the charter school;
- (8) types and amounts of insurance coverage to be obtained by the charter school;
- (9) the term of the contract, which may be up to three years; and
- (10) if the board of directors or the operators of the charter school provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability.

Sec. 11. Minnesota Statutes 1998, section 124D.10, subdivision 11, is amended to read:

Subd. 11. **EMPLOYMENT AND OTHER OPERATING MATTERS.** A charter school must employ or contract with necessary teachers, as defined by section 122A.15,

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subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties.

The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

Sec. 12. Minnesota Statutes 1998, section 124D.11, subdivision 4, is amended to read:

Subd. 4. **BUILDING LEASE AID.** When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid for this purpose. Criteria for aid approval and revenue uses shall be as defined for the building lease levy in section 126C.40, subdivision 1, paragraphs (a) and (b). The amount of building lease aid per pupil unit served for a charter school for any year shall not exceed the lesser of (a) ~~80~~ 90 percent of the approved cost or (b) the product of the pupil units served for the current school year times the ~~sum of the state average debt redemption fund revenue plus capital revenue~~, according to section 126C.40, per pupil unit served for the current fiscal year \$1,500.

Sec. 13. Minnesota Statutes 1998, section 124D.11, subdivision 6, is amended to read:

Subd. 6. **OTHER AID, GRANTS, REVENUE.** (a) A charter school is eligible to receive other aids, grants, and revenue according to chapters 120A to 129C, as though it were a district, ~~except that, notwithstanding section 127A.45, subdivision 3, the payments must be of an equal amount on each of the 23 payment dates unless a charter school is in its first year of operation in which case it shall receive on its first payment date ten percent of its cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter the sum of which shall be 90 percent of the cumulative amount guaranteed. However, it~~

(b) Notwithstanding paragraph (a), a charter school may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section.

(c) 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) (d) A charter school may receive money from any source for capital facilities needs. In the year-end report to the state board of education, the charter school shall report the total amount of funds received from grants and other outside sources.

(e) Notwithstanding paragraph (a) or (b), a charter school is eligible to receive the aid portion of integration revenue under section 124D.86, subdivision 3, for enrolled students who are residents of a district that is eligible for integration revenue if the enrollment of the pupil in the charter school contributes to desegregation or integration purposes. If the charter school has elected not to provide transportation under section

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124D.10, subdivision 16, the aid shall be reduced by the amount per pupil unit specified for the district where the charter school is located under section 123B.92, subdivision 8.

Sec. 14. Minnesota Statutes 1998, section 124D.11, is amended by adding a subdivision to read:

Subd. 9. PAYMENT OF AIDS TO CHARTER SCHOOLS. (a) Notwithstanding section 127A.45, subdivision 3, aid payments for the current fiscal year to a charter school not in its first year of operation shall be of an equal amount on each of the 23 payment dates. A charter school in its first year of operation shall receive, on its first payment date, ten percent of its cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter the sum of which shall be 90 percent of the cumulative amount guaranteed.

(b) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 90 percent of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day of student attendance for that school year.

Sec. 15. Minnesota Statutes 1998, section 125B.05, subdivision 3, is amended to read:

~~Subd. 3. SOFTWARE DEVELOPMENT. The commissioner may charge school districts or cooperative units for the actual cost of software development used by the district or cooperative unit. Any amount received is annually appropriated to the department of children, families, and learning for this purpose. A school district, charter school, or cooperative unit may not implement a payroll financial, 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. 16. Laws 1997, First Special Session chapter 4, article 9, section 6, is amended to read:

#### Sec. 6. LEARNING ACADEMY.

Subdivision 1. **ESTABLISHMENT.** The commissioner shall develop standards and requirements and certify courses for a Minnesota learning academy to provide training opportunities for educators, administrators, school media and information technology professionals, and librarians in the use of technology and its integration into learning activities for meeting the educational needs of all students. Only certified classes may be used to fulfill the requirements of the learning academy.

Subd. 2. **DEVELOPMENT OF THE LEARNING ACADEMY.** To develop the learning academy, the commissioner shall consult with representatives of public schools, higher education, teacher organizations, students, private business, state agencies, libraries, and political subdivisions to do the following:

- (1) set measures for teacher training opportunities on technical skills and technology integration skills;
- (2) identify and establish outcomes for a series of training courses that provide for technical skills and technology classroom integration skills, including skills to enable school media and information specialists to train school staff;
- (3) identify existing education organizations, public, or private institutions to develop and provide training courses;

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- (4) evaluate prerequisites for the classroom integration skills course;
- (5) certify or decertify classes and courses for inclusion in or exclusion from the learning academy; and
- (6) coordinate and make certified classes and courses available to eligible participants.

Subd. 3. **FUNDING.** The commissioner shall use available appropriations to provide start-up and initial operating subsidies for the learning academy sites. Appropriated funds may also be used to partially subsidize costs of attendees of the academy.

**Sec. 17. SALARY CREDIT FOR PRIOR EXPERIENCE AND TRAINING.**

For purposes of determining the placement on the salary schedule of a program graduate of the collaborative urban educator, southeast Asian teacher licensure, or circles of support in educational leadership program, a school district that employs a program graduate may give additional credit on the salary schedule for that person's teaching experience and academic preparation attained while participating in the program, and also may consider the person's employment experience and academic preparation attained before enrolling in any of these three programs.

**Sec. 18. APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING. The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. ST. PAUL COMMUNITY-BASED SCHOOL PROGRAM. For a grant to independent school district No. 625, St. Paul, for the operation of a community-based school program. The school district must report to the legislature on the academic and social results of this program by January 15, 2000.

\$3,000,000	.....	2000
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Any balance in the first year does not cancel but is available in the second year. This is a one-time appropriation.

Subd. 3. ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS. For the state advanced placement and international baccalaureate programs:

\$1,875,000	.....	2000
\$1,875,000	.....	2001

Notwithstanding Minnesota Statutes, section 120B.13, subdivisions 1 and 2, \$375,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

Notwithstanding Minnesota Statutes, section 120B.13, subdivision 3, in each year to the extent of available appropriations, the commissioner shall pay all examination fees

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for all students sitting for an advanced placement examination, international baccalaureate examination, or both. If this amount is not adequate, the commissioner may pay less than the full examination fee.

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

Subd. 4. STATEWIDE TESTING. For supporting implementation of the graduation standards:

\$9,000,000	.....	2000
\$9,000,000	.....	2001

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

Subd. 5. CHARTER SCHOOL BUILDING LEASE AID. For building lease aid according to Minnesota Statutes, section 124D.11, subdivision 4:

\$2,992,000	.....	2000
\$3,616,000	.....	2001

The 2000 appropriation includes \$194,000 for 1999 and \$2,798,000 for 2000.

The 2001 appropriation includes \$311,000 for 2000 and \$3,305,000 for 2001.

Subd. 6. CHARTER SCHOOL START-UP GRANTS. For charter school start-up cost aid under Minnesota Statutes, section 124D.11:

\$1,789,000	.....	2000
\$1,876,000	.....	2001

The 2000 appropriation includes \$100,000 for 1999 and \$1,689,000 for 2000.

The 2001 appropriation includes \$188,000 for 1999 and \$1,688,000 for 2001.

Any balance in the first year does not cancel but is available in the second year. This appropriation may also be used for grants to convert existing schools into charter schools.

Subd. 7. GRADUATION RULE RESOURCE GRANTS. For graduation rule resource grants according to Laws 1998, chapter 398, article 5, section 40:

\$600,000	.....	2000
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This appropriation is available until June 30, 2001.

Of this amount, \$500,000 is for a current recipient of funding from the National Geographic Society Education Foundation; and \$100,000 is for a program offering horse riding as an alternative educational program for children with a disability.

Subd. 8. CHARTER SCHOOL INTEGRATION AID. For new integration aid to go to charter schools according to Minnesota Statutes, section 124D.11, subdivision 6, paragraph (e):

\$50,000	.....	2000
\$50,000	.....	2001

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

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Subd. 9. HOMEWORK HOTLINE. For grants for homework hotline providers:

\$ 40,000	.....	2000
\$ 40,000	.....	2001

This appropriation is available to assist students with homework by telephone or other interactive technology. The program providers must offer assistance to students at least four days per week. The state aid is contingent upon the program matching each \$1 of state revenue with \$2 of local or private funding or in-kind contributions.

Subd. 10. MINNESOTA TALENTED YOUTH MATH PROJECT. For a grant to the South Central Service Cooperative for the Minnesota talented youth math project program operated by the South Central Service Cooperative and as fiscal agent for the talented youth math project programs established and operated by the Northwest Service Cooperative, Northeast Service Cooperative, North Central Service Cooperative, and Southwest/ West Central Service Cooperative.

\$ 145,000	.....	2000
\$ 175,000	.....	2001

Any balance in the first year does not cancel but is available in the second year. This is a one-time appropriation.\* (The preceding subdivision was vetoed by the governor.)

Subd. 11. PROGRAMS TRAINING TEACHERS OF SPECIAL NEEDS STUDENTS. For programs training teachers of special needs students under Laws 1998, chapter 398, article 5, section 42:

\$1,500,000	.....	2000
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This appropriation is available until June 30, 2001.

Sec. 19. EFFECTIVE DATES.

Sections 5, 6, 11, and 17 are effective for the 1999-2000 school year and later.

## ARTICLE 6

### OTHER PROGRAMS

Section 1. Minnesota Statutes 1998, section 120A.24, subdivision 1, is amended to read:

Subdivision 1. **REPORTS TO SUPERINTENDENT.** The person in charge of providing instruction to a child must submit the following information to the superintendent of the district in which the child resides:

(1) by October 1 of each school year, the name, age birth date, and address of each child receiving instruction;

(2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120A.22, subdivision 10;

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(3) an annual instructional calendar; and

(4) for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.

Sec. 2. Minnesota Statutes 1998, section 123A.48, subdivision 10, is amended to read:

Subd. 10. **DISTRICT BOARD ADOPTION OF PROPOSED PLAT.** 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, must, within 45 days of the approval of the plat by the 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. If any school board is unable to obtain a majority of its members' votes to accept or reject the plat and plan, a petition of residents of the district unable to obtain a majority of votes equal to 20 percent of the votes cast in the last school district general election in that district may be submitted to the county auditor requesting a public vote to accept or reject the plat and plan. The vote shall be scheduled on the next available election date. The county auditor shall notify the commissioner of the scheduled vote, conduct the election in that district and certify the results of the election to the commissioner. Other affected school boards that approve the plat and plan may choose to hold an election. If elections are conducted in each affected school district, results shall be separate and a majority vote to approve the plat and plan must be reached in each of the affected districts. If the plat and plan are rejected by the voters, a new plat and plan cannot be submitted, except by school board resolution in a district where the plat and plan were rejected, until January 1 of the year following the next school district general election.

Sec. 3. Minnesota Statutes 1998, section 123B.195, is amended to read:

**123B.195 BOARD MEMBERS' RIGHT TO EMPLOYMENT.**

Notwithstanding section 471.88, subdivision 5, a school board member may be newly employed or may continue to be employed by a school district as an employee only if there is a reasonable expectation at the beginning of the fiscal year or at the time the contract is entered into or extended that the amount to be earned by that officer under that contract or employment relationship will not exceed \$5,000 in that fiscal year. Notwithstanding section 122A.40 or 122A.41 or other law, if the officer does not receive unanimous majority approval to be initially employed or to continue in employment at a meeting at which all board members are present, that employment is immediately terminated and that officer has no further rights to employment while serving as a school board member in the district.

Sec. 4. Minnesota Statutes 1998, section 124D.94, subdivision 3, is amended to read:

Subd. 3. **BOARD OF DIRECTORS.** The board of directors of the foundation shall consist of the commissioner of children, families, and learning, ~~a member of the state board of education selected by the state board who shall serve as chair and 20 members to be appointed by the governor.~~ Of the 20 members appointed by the governor, eight shall

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represent a variety of education groups and 12 shall represent a variety of business groups. The members of the board of directors shall select one member to serve as chair. The commissioner of children, families, and learning shall serve as secretary for the board of directors and provide administrative support to the foundation. An executive committee of the foundation board composed of the board officers and chairs of board committees, may only advise and make recommendations to the foundation board.

Sec. 5. Minnesota Statutes 1998, section 124D.94, subdivision 6, is amended to read:

Subd. 6. **CONTRACTS.** The foundation board shall review and approve each contract of the board. Each contract of the foundation board shall be subject to the same review and approval procedures as a contract of the state board of education department of children, families, and learning.

Sec. 6. Minnesota Statutes 1998, section 124D.94, subdivision 7, is amended to read:

Subd. 7. **FOUNDATION STAFF.** (a) The state board foundation board with review by the commissioner 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 with review by the state board commissioner, 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. 7. Minnesota Statutes 1998, section 126C.42, subdivision 1, is amended to read:

Subdivision 1. **1977 STATUTORY OPERATING DEBT.** (a) In each year in which so required by this subdivision, a district must 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 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~~ 1.98 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in ~~1994~~ 2000 and thereafter; provided that in the last year in which the district is required to make this levy, it must levy an amount not to exceed the amount raised by a levy of a net tax rate of ~~1.66~~ 1.98 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in ~~1994~~ 2000 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 123B.79, subdivision 6, equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(b) The district must 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 must be used only for cash flow requirements and must not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

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

(c) Any district which is required to levy pursuant to this subdivision must certify the maximum levy allowable under section 126C.13, subdivision 2, in that same year.

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

Sec. 8. Minnesota Statutes 1998, section 126C.42, subdivision 2, is amended to read:

Subd. 2. **1983 OPERATING DEBT.** (1) Each year, a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of a net tax rate of ~~1.85~~ 2.2 percent times the adjusted net tax capacity for taxes payable in ~~1994~~ 2000 and thereafter of the district for the preceding year as determined by the commissioner. However, the total amount of this levy for all years it is made must not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according to Laws 1981, Third Special Session chapter 2, article 2, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, section 6, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy must be discontinued.

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

(3) A district that levies pursuant to this subdivision must certify the maximum levy allowable under section 126C.13, subdivision 2, in that same year.

Sec. 9. Minnesota Statutes 1998, section 126C.46, is amended to read:

**126C.46 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 127A.49, subdivision 2, that is not paid in state aid including any aid amounts not paid due to proration;

(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~~ two years. With the approval of the commissioner, 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 and each district located within the county.

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



Sec. 10. Minnesota Statutes 1998, section 127A.45, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) The term "cumulative amount guaranteed" means the sum of the following:

- (1) one-third of the final adjustment payment according to subdivision 9; plus
- (2) the product of
  - (i) (1) the cumulative disbursement percentage shown in subdivision 3; times
  - (ii) (2) the sum of
    - (i) 90 percent of the estimated aid and credit entitlements paid according to subdivision 13; plus
    - (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus
    - (iii) the other district receipts; plus
    - (iv) the final adjustment payment according to subdivision 9.

(c) The term "payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately following preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

Sec. 11. Minnesota Statutes 1998, section 127A.45, subdivision 3, is amended to read:

Subd. 3. **PAYMENT DATES AND PERCENTAGES.** The commissioner shall pay to a 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:	<del>2.25</del> 4.6
Payment 2	July 30:	4.50 <u>6.9</u>
Payment 3	August 15: 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 <del>6.75</del> <u>15.2</u> percent	
Payment 4	August 30:	9.0 <u>17.4</u>

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Payment 5	September 15:	12.75	19.6
Payment 6	September 30:	16.50	21.8
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 <del>20.75</del> 24 percent		
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 <del>25.0</del> 27.3 percent		
Payment 9	November 15:	31.0	33.3
Payment 10	November 30:	37.0	39.3
Payment 11	December 15:	40.0	42.3
Payment 12	December 30:	43.0	45.3
Payment 13	January 15:	47.25	49.5
Payment 14	January 30:	51.5	53.8
Payment 15	February 15:	56.0	58.3
Payment 16	February 28:	60.5	62.8
Payment 17	March 15:	65.25	67.6
Payment 18	March 30:	70.0	72.3
Payment 19	April 15:	73.0	75.3
Payment 20	April 30:	79.0	81.3
Payment 21	May 15:	82.0	84.3
Payment 22	May 30:	90.0	92.3
Payment 23	June 20:	100.0	

Sec. 12. Minnesota Statutes 1998, section 127A.45, subdivision 4, is amended to read:

Subd. 4. **APPEAL.** (a) 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:

- (1) there is an emergency; or
- (2) there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness; or
- (3) the district is facing a serious cash flow problem because of an abatement that exceeds \$100 times the resident pupil units of the district.

(b) The commissioner shall establish a process and criteria for districts to appeal the payment dates and percentages established in subdivision 3.

**Sec. 13. LEVY AUTHORITY; CONTINUATION.**

Subdivision 1. **EXTENSION OF AUTHORITY.** The levy authority granted under Laws 1992, chapter 499, article 6, section 35, to the Lac qui Parle joint powers district is extended to independent school district No. 2853, Lac qui Parle Valley.

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

Subd. 2. **LEVY AUTHORITY.** For taxes payable in 2000 to 2004, independent school district No. 2853, Lac qui Parle Valley, may levy an amount not to exceed \$80,000 for costs associated with operating the cooperative secondary high school.

#### Sec. 14. APPROPRIATIONS.

Subdivision 1. **DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.** The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. **ABATEMENT AID.** For abatement aid according to Minnesota Statutes, section 127A.49:

\$9,110,000	.....	2000
\$8,947,000	.....	2001

The 2000 appropriation includes \$1,352,000 for 1999 and \$7,758,000 for 2000.

The 2001 appropriation includes \$861,000 for 2000 and \$8,086,000 for 2001.

Subd. 3. **NONPUBLIC PUPIL AID.** For nonpublic pupil education aid according to Minnesota Statutes, sections 123B.40 to 123B.48 and 123B.87:

\$10,996,000	.....	2000
\$11,878,000	.....	2001

The 2000 appropriation includes \$970,000 for 1999 and \$10,026,000 for 2000.

The 2001 appropriation includes \$1,114,000 for 2000 and \$10,764,000 for 2001.

The department shall recompute the maximum allotments established on March 1, 1999, for fiscal year 2000 under Minnesota Statutes, sections 123B.42, subdivision 3, and 123B.44, subdivision 6, to reflect the amount appropriated in this subdivision for fiscal year 2000.

Subd. 4. **CONSOLIDATION TRANSITION AID.** For districts consolidating under Minnesota Statutes, section 123A.485:

\$451,000	.....	2000
\$375,000	.....	2001

The 2000 appropriation includes \$113,000 for 1999 and \$338,000 for 2000.

The 2001 appropriation includes \$37,000 for 2000 and \$338,000 for 2001.

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

Subd. 5. **NONPUBLIC PUPIL TRANSPORTATION.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$18,586,000	.....	2000
\$20,922,000	.....	2001

The 2000 appropriation includes \$1,848,000 for 2000 and \$16,738,000 for 2001.

The 2001 appropriation includes \$1,860,000 for 2000 and \$19,062,000 for 2001.

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

Subd. 6. MINNESOTA LEARNING RESOURCE CENTER. For a grant to A Chance To Grow/New Visions for start-up costs related to implementing the Minnesota learning resource center's comprehensive training program for education professionals charged with helping children acquire basic reading and math skills:

\$450,000      .....      2000

This appropriation is available until June 30, 2001. This is a one-time appropriation.

Subd. 7. HIV EDUCATION TRAINING SITES. For regional training sites for HIV education in schools established according to Laws 1997, First Special Session chapter 4, article 6, section 18:

\$458,000      .....      2000

Of this amount, \$150,000 must be used for continued development of the existing sites; \$150,000 for adding two additional training sites; \$75,000 for coordination, technical assistance, evaluation, and contract management services for the sites; and \$50,000 for a report and recommendations on the effectiveness of HIV education in public schools according to Minnesota Statutes, section 121A.23.

This appropriation is available until June 30, 2001.

Subd. 8. MAGNET SCHOOL GRANTS. For a magnet school grant:

\$50,000      .....      2000

This appropriation is for a planning grant for an urban agricultural high school for curriculum, design, coordination with the state's graduation standards, demographic research, development of partnerships, site acquisition, market assessment of student interest, collaboration with the local municipality and school district on any proposed site prior to acquisition, and facility predesign purposes.

This appropriation is available until June 30, 2001.\* (The preceding subdivision was vetoed by the governor.)

Subd. 9. ONE ROOM SCHOOLHOUSE. For a grant to independent school district No. 690, Warroad, to operate the Angle Inlet School:

\$25,000      .....      2000  
\$25,000      .....      2001

**Sec. 15. REPEALER.**

Minnesota Statutes 1998, section 127A.45, subdivision 5, is repealed.

**Sec. 16. EFFECTIVE DATES.**

Section 4 is effective December 31, 1999. Sections 10, 11, and 12 are effective for the payment of state aids for fiscal year 2000 and later. Section 13 is effective for taxes payable in 2000.

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

## ARTICLE 7

## NUTRITION PROGRAMS

Section 1. [124D.1155] FAST BREAK TO LEARNING GRANTS.

Subdivision 1. **ESTABLISHMENT.** A grant program is established to ensure that all children have an opportunity to eat a nutritious breakfast each school day and that barriers such as the social stigma of poverty, or inadequate facilities or transportation do not deny student access to nutritious food.

Subd. 2. **ELIGIBILITY.** An applicant for a grant must be a public or nonpublic elementary school that participates in the federal school breakfast and lunch programs. The commissioner must give first priority to schools where at least 33 percent of the lunches the school served to children during the preceding school year were provided free or at a reduced price. The commissioner must give second priority to all other public or nonpublic elementary schools.

Subd. 3. **APPLICATION PROCESS.** To obtain a grant to receive reimbursement for providing breakfasts to all children, a public or nonpublic elementary school must submit an application to the commissioner in the form and manner the commissioner prescribes. The application must describe how the applicant will encourage all children in the school to participate in the breakfast program. The applicant also must demonstrate to the commissioner that the applicant will collect a \$1 local funding match for every \$3 of state funding the applicant receives. The applicant must raise the local match either by charging student households not eligible for federal free or reduced price meals or by soliciting funds from nonpublic sources. The applicant can determine the method for charging student households for school breakfast, but must consider the household's ability to pay. The applicant cannot charge student households for school breakfast so that the total charges exceed the difference between the revenue from federal and state aids and the actual cost of providing the breakfast. The commissioner may require additional information from the applicant.

Subd. 4. **GRANT AWARDS.** The commissioner shall award grants to the 41 grant recipients under Laws 1997, First Special Session chapter 4, article 6, section 19, and then according to need as determined by the percentage of students enrolled in the school who are eligible for federal free or reduced price meals and that meet the requirements of subdivisions 2 and 3 until funding under this section is expended. The commissioner shall determine the amount of the grant using average statewide statistics and individual school statistics adjusted for other state and federal reimbursements. Grant recipients must use the proceeds to provide breakfast to school children every day school is in session.

Subd. 5. **EXPIRATION.** This section expires June 30, 2001.

Sec. 2. **APPROPRIATIONS.**

Subdivision 1. **DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.** The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. **SCHOOL LUNCH AID.** (a) For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17, and for school milk aid according to Minnesota Statutes, section 124D.118:

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

<u>\$8,200,000</u>	<u>.....</u>	<u>2000</u>
<u>\$8,200,000</u>	<u>.....</u>	<u>2001</u>

(b) Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

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

(d) Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

Subd. 3. SUMMER FOOD SERVICE REPLACEMENT AID. For summer food service replacement aid under Minnesota Statutes, section 124D.119:

<u>\$150,000</u>	<u>.....</u>	<u>2000</u>
<u>\$150,000</u>	<u>.....</u>	<u>2001</u>

Subd. 4. FAST BREAK TO LEARNING GRANTS. For fast break to learning grants under Minnesota Statutes, section 124D.115:

<u>\$2,500,000</u>	<u>.....</u>	<u>2000</u>
<u>\$2,500,000</u>	<u>.....</u>	<u>2001</u>

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

Subd. 5. SCHOOL BREAKFAST. To operate the school breakfast program according to Minnesota Statutes, sections 124D.115 and 124D.117:

<u>\$456,000</u>	<u>.....</u>	<u>2000</u>
<u>\$456,000</u>	<u>.....</u>	<u>2001</u>

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid 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 unexpended balance remaining shall be used to subsidize the payments made for school lunch aid per Minnesota Statutes, section 124D.111.

Up to one percent of the program funding can be used by the department of children, families, and learning for technical and administrative assistance.

### Sec. 3. REPEALER.

Minnesota Statutes 1998, sections 124D.112; 124D.113; and 124D.116, are repealed.

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

## ARTICLE 8

## LIBRARIES

Section 1. Laws 1997, First Special Session chapter 4, article 8, section 4, is amended to read:

Sec. 4. **LIBRARY PILOT PROJECT.**

Subdivision 1. **ESTABLISHMENT.** Notwithstanding law to the contrary and subject to approvals in subdivision 2, a public library may operate as a ~~pilot~~ library project jointly with the school library at Nashwauk-Keewatin high school, located in the city of Nashwauk. The public library is established to serve persons within the boundaries of independent school district No. 319, except the city of Keewatin.

Subd. 2. **APPROVALS.** Operation of the public library is contingent upon a ~~resolution~~ approved by the governing bodies of cities, towns, and unorganized townships within the geographical boundaries of independent school district No. 319, except for the city of Keewatin, entering into a joint powers agreement under Minnesota Statutes 1998, section 471.59, to accomplish the purpose of this section. The joint powers agreement must provide for continuing the library project if one party to the agreement withdraws from the agreement. For the purposes of this subdivision, the Itasca county board is designated as the governing body for the unorganized townships.

Subd. 3. **BOARD; APPOINTMENTS.** The ~~resolution~~ joint powers agreement in subdivision 2 shall provide for a library board of ~~five~~ seven members as follows: ~~two~~ members appointed by the school board of independent school district No. 319, one member appointed by each town board located within independent school district No. 319 boundaries, one member appointed by the council of the city of Nashwauk, and one member appointed by the Itasca county board to represent the unorganized towns within the school district territory.

Subd. 4. **BOARD TERMS; COMPENSATION.** The library board members shall serve for the term of the ~~pilot program~~ library project. An appointing authority may remove for misconduct or neglect any member it has appointed to the board and may replace that member by appointment. Board members shall receive no compensation for their services but may be reimbursed for actual and necessary travel expenses incurred in the discharge of library board duties and activities.

Subd. 5. **FUNDING.** For taxes payable in 1998 ~~and~~, 1999, 2000, 2001, 2002, and 2003 only, the library board may levy a tax in an amount up to \$25,000 annually on property located within the boundaries of independent school district No. 319, except the city of Keewatin. The Itasca county auditor shall collect the tax and distribute it to the library board. The money may be used for library staff and for the purchase of library materials, including computer software. The levy must also fund the amount necessary to receive bookmobile services from the Arrowhead regional library system. For taxes payable in 1998 ~~and~~, 1999, 2000, 2001, 2002, and 2003 only, the county may not levy under Minnesota Statutes, section 134.07, for the areas described in this section.

Subd. 6. **BUILDING.** The school district shall provide the physical space and costs associated with operating the library including, but not limited to, heat, light, telephone service, and maintenance.

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

Subd. 7. **ORGANIZATION.** Immediately after appointment, the library board shall organize by electing one of its number as president and one as secretary, and it may appoint other officers it finds necessary.

Subd. 8. **DUTIES.** The library board shall adopt bylaws and regulations for the library and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditure of all money collected for it. The library board shall appoint a qualified library director and other staff, establish the compensation of employees, and remove any of them for cause. The library board may contract with the school board, the regional library board, or the city in which the library is located to provide personnel, fiscal, or administrative services. The contract shall state the personnel, fiscal, and administrative services and payments to be provided by each party.

Subd. 9. **CRITERIA.** 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. Public parking, restrooms, drinking water, and other necessities shall be easily accessible to library patrons.

Subd. 10. **REPORT.** The library board shall report to the department of children, families, and learning by February 1, 1999, about the costs of providing the library service and the number of patrons served.

Subd. 11. **EXPIRATION.** This section expires January 31, 2000.

Sec. 2. Laws 1997, First Special Session chapter 4, article 9, section 7, subdivision 2, is amended to read:

Subd. 2. **APPLICATION; ELIGIBILITY.** The commissioner of children, families, and learning shall establish a process and application forms for library sites to apply for grant funds. Libraries must describe how they will cooperate with schools. An applicant must submit a technology plan with the application. Eligible applicants must, at a minimum, describe how the proposed project is consistent with the technology plan; describe how it ensures interoperability of hardware, software, and telecommunication and meets existing Minnesota technical standards appropriate to the project; identify the specific site needs that the project will address; define the project's expected outcomes; and provide the source, type, and amounts of all matching funds. To be eligible for a site-based technology learning grant, a library site must:

(1) be a school library, a public library, or a partnership of public and school libraries or be a publicly funded or nonprofit library in partnership with school libraries, public libraries, or public library systems;

(2) be a member of a regional multicounty, multitype library cooperation system;

(3) have each dollar of grant money matched by at least \$1 of library site money, including in-kind contributions;

(3) (4) agree to disseminate and share information about its project;

(4) (5) provide a benefit to the greater community; and

(5) (6) maintain any ongoing costs of support for the technology project after the initial funding under the grant program.

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



Sec. 3. Laws 1998, chapter 398, article 9, section 7, is amended to read:

**Sec. 7. DATABASE ACCESS PROGRAM FOR PUBLIC LIBRARIES AND SCHOOL MEDIA CENTERS.**

Subdivision 1. **ESTABLISHMENT.** The commissioner of children, families, and learning and the director of the higher education services office shall establish a program to provide statewide licenses to commercial electronic databases of periodicals, encyclopedias, and associated reference materials for school media centers and, public libraries, state government agency libraries, and public or private college or university libraries. ~~The commissioner, in consultation with Minitex and in cooperation with the Library Planning Task Force, shall solicit proposals for access licenses to commercial vendors of the databases. Responses to those proposals shall be evaluated by staff of the office of library development and services in the department of children, families, and learning, Minitex staff, and a representative panel of librarians and school media specialists and public librarians.~~

Subd. 2. **ELIGIBILITY.** Access to the selected databases shall be made available to a school or school district that is a member of a multicounty, multitype library system as defined in Minnesota Statutes, section 134.001, subdivision 6, or a public library as defined in Minnesota Statutes, section 134.001, subdivision 2, that is a member of a multicounty, multitype library system school media center or library that is eligible to participate in MnLink. With appropriate authentication any user of an eligible library a school media center or library that is eligible to participate in MnLink may have access to the databases from a remote site.

Subd. 3. **RESOURCE GRANTS.** Graduation rule resource grants are available for the purposes of this section.

**Sec. 4. APPROPRIATIONS.**

Subdivision 1. **DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.** The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal years designated.

Subd. 2. **BASIC SUPPORT GRANTS.** For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

<u>\$8,495,000</u>	<u>.....</u>	<u>2000</u>
<u>\$8,570,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$782,000 for 1999 and \$7,713,000 for 2000.

The 2001 appropriation includes \$857,000 for 2000 and \$7,713,000 for 2001.

Subd. 3. **MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.** For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<u>\$903,000</u>	<u>.....</u>	<u>2000</u>
<u>\$903,000</u>	<u>.....</u>	<u>2001</u>

The 2000 appropriation includes \$90,000 for 1999 and \$813,000 for 2000.

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

The 2001 appropriation includes \$90,000 for 2000 and \$813,000 for 2001.

Subd. 4. REGIONAL LIBRARY TELECOMMUNICATIONS AID. For grants to regional public library systems under Minnesota Statutes, section 125B.20, subdivision 3:

<u>\$1,200,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,200,000</u>	<u>.....</u>	<u>2001</u>

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

Subd. 5. LIBRARY FOR THE BLIND. For compact shelving, technology, and staffing for the Minnesota library for the blind and physically handicapped:

<u>\$212,000</u>	<u>.....</u>	<u>2000</u>
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Subd. 6. DATABASE ACCESS PROGRAM. For the database access program for public libraries and school media centers under section 3:

<u>\$250,000</u>	<u>.....</u>	<u>2000</u>
<u>\$250,000</u>	<u>.....</u>	<u>2001</u>

Sec. 5. REPEALER.

Minnesota Statutes 1998, section 134.155, is repealed.

ARTICLE 9

EDUCATION POLICY

Section 1. Minnesota Statutes 1998, section 13.46, subdivision 2, is amended to read:

Subd. 2. **GENERAL.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;

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

(7) between personnel of the welfare system working in the same program;

(8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names, social security numbers, income, addresses, and other data as required, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, early refund of refundable tax credits, and the income tax. "Refundable tax credits" means the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and, if the required federal waiver or waivers are granted, the federal earned income tax credit under section 32 of the Internal Revenue Code;

(9) between the department of human services and the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for re-employment insurance, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the statewide Minnesota family investment program by exchanging data on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education services office to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a recipient of aid to families with dependent children or Minnesota family investment program—statewide may be disclosed to law enforcement officers who provide the name of the recipient and notify the agency that:

(i) the recipient:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

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

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, social security number, and, if available, photograph of any member of a household receiving food stamps shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) certain information regarding child support obligors who are in arrears may be made public according to section 518.575;

(20) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(21) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(22) to the department of children, families, and learning for the purpose of matching department of children, families, and learning student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and

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

free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to produce accurate numbers of students receiving aid to families with dependent children or Minnesota family investment program statewide as required by section 126C.06; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(23) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(24) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(25) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs; or

(26) to monitor and evaluate the statewide Minnesota family investment program by exchanging data between the departments of human services and children, families, and learning, on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 2. Minnesota Statutes 1998, section 120A.40, is amended to read:

#### 120A.40 SCHOOL CALENDAR.

(a) Except for learning programs during summer, flexible learning year programs authorized under sections 124D.12 to 124D.127, and learning year programs under section 124D.128, a district must not commence an elementary or secondary school year ~~prior to before~~ September 1, except as provided under paragraph (b). Days which are devoted to teachers' workshops may be held before September 1. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

(b) A district may begin the school year on any day before September 1 to accommodate a construction or remodeling project of \$400,000 or more affecting a district school facility.

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

Sec. 3. Minnesota Statutes 1998, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **STATEWIDE TESTING.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, shall include in the comprehensive assessment system, for each grade level to be tested, a single statewide norm-referenced or criterion-referenced test, or a combination of a norm-referenced and a criterion-referenced test, which shall be highly correlated with the state's graduation standards and administered annually to all students in the third, fifth, and eighth grades. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. Only Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' testing requirements for a passing state notation.

(b) In addition, at the secondary level, districts shall assess student performance in all required learning areas and selected required standards within each area of the profile of learning. The testing instruments and testing process shall be determined by the commissioner. The results shall be aggregated at the site and district level. The testing shall be administered beginning in the 1999-2000 school year and thereafter.

(c) The comprehensive assessment system shall include an evaluation of school site and school district performance levels during the 1997-1998 school year and thereafter using an established performance baseline developed from students' test scores under this section that records, at a minimum, students' unweighted mean test scores in each tested subject, a second performance baseline that reports, at a minimum, the same unweighted mean test scores of only those students enrolled in the school by January 1 of the previous school year, and a third performance baseline that reports the same unweighted test scores of all students except those students receiving limited English proficiency instruction. The evaluation also shall record separately, in proximity to the performance baselines, the percentages of students who are eligible to receive a free or reduced price school meal, demonstrate limited English proficiency, or are eligible to receive special education services.

(d) In addition to the testing and reporting requirements under paragraphs (a), (b), and (c), the commissioner, ~~in consultation with the state board of education,~~ shall include the following components in the statewide educational accountability and public reporting system:

(1) uniform statewide testing of all third, fifth, eighth, and post-eighth grade students with exemptions, only with parent or guardian approval, from the testing requirement only for those very few students for whom the student's individual education plan team under sections 125A.05 and 125A.06, determines that the student is incapable of taking a statewide test, or a limited English proficiency student under section 124D.59, subdivision 2, if the student has been in the United States for fewer than 12 months and for whom special language barriers exist, such as the student's native language does not have a written form or the district does not have access to appropriate interpreter services for the student's native language;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis;

(3) students' scores on the American College Test;

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

(4) participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement; and

(5) basic skills and advanced competencies connecting teaching and learning to high academic standards, assessment, and transitions to citizenship and employment.

(e) Districts must report exemptions under paragraph (d), clause (1), to the commissioner consistent with a format provided by the commissioner.

Sec. 4. Minnesota Statutes 1998, section 120B.35, is amended to read:

**120B.35 STUDENT ACHIEVEMENT LEVELS.**

(a) Each school year, a school district must determine if the student achievement levels at each school site meet state expectations. If student achievement levels at a school site do not meet state expectations for two out of three consecutive school years, beginning with the ~~1999-2000~~ 2000-2001 school year, the district must work with the school site to adopt a plan to raise student achievement levels to state expectations. The legislature will determine state expectations after receiving a recommendation from the commissioner of children, families, and learning. The commissioner must submit its recommendations to the legislature by ~~December 15, 1998~~ January 15, 2000.

(b) The department must assist the district and the school site in developing a plan to improve student achievement. The plan must include parental involvement components.

Sec. 5. Minnesota Statutes 1998, section 121A.61, subdivision 1, is amended to read:

Subdivision 1. **REQUIRED POLICY.** Each school board must adopt a written districtwide school discipline policy which includes written rules of conduct for students, minimum consequences for violations of the rules, and grounds and procedures for removal of a student from class. The policy must be developed in consultation with the participation of administrators, teachers, employees, pupils, parents, community members, law enforcement agencies, county attorney offices, social service agencies, and such other individuals or organizations as the board determines appropriate. A school site council may adopt additional provisions to the policy subject to the approval of the school board.

Sec. 6. **[121A.57] CRISIS MANAGEMENT POLICY.**

Subdivision 1. **MODEL POLICY.** By December 1, 1999, the commissioner shall maintain and make available to school boards a model crisis management policy.

Subd. 2. **SCHOOL DISTRICT POLICY.** By July 1, 2000, a school board must adopt a district crisis management policy to address potential violent crisis situations in the district. The policy must be developed in consultation with administrators, teachers, employees, students, parents, community members, law enforcement agencies, county attorney offices, social service agencies, and any other appropriate individuals or organizations.

Sec. 7. Minnesota Statutes 1998, section 122A.09, subdivision 4, is amended to read:

Subd. 4. **LICENSE AND RULES.** (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

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(b) The board must adopt rules requiring a person to successfully complete a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure. Such rules must 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 must adopt rules to approve teacher preparation programs. The board, upon the request of a post-secondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program shall assist in resolving a dispute between the person and a post-secondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must 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 must 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 September 1, 2001.

(f) The board must 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 must grant licenses to interns and to candidates for initial licenses.

(h) The board must 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 must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule. The rules adopted under this paragraph apply to teachers who renew their licenses in year 2001 and later.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or regis-

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tration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

Sec. 8. Minnesota Statutes 1998, section 122A.18, is amended by adding a subdivision to read:

Subd. 2a. **READING STRATEGIES.** All colleges and universities approved by the board of teaching to prepare persons for classroom teacher licensure must include in their teacher preparation programs reading best practices that enable classroom teacher licensure candidates to know how to teach reading, such as phonics or other research-based best practices.

Sec. 9. Minnesota Statutes 1998, section 122A.19, subdivision 4, is amended to read:

**Subd. 4. TEACHER PREPARATION PROGRAMS.** For the purpose of licensing bilingual and English as a second language teachers, the board may approve programs at colleges or universities designed for their training subject to the approval of the state board of education.

Sec. 10. Minnesota Statutes 1998, section 122A.20, subdivision 1, is amended to read:

**Subdivision 1. GROUND FOR REVOCATION, SUSPENSION, OR DENIAL.** ~~The board of teaching or the state board of education, or the commissioner, with the advice from an advisory task force of supervisory personnel established under section 15.014,~~ whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a 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.

The written complaint must specify the nature and character of the charges. 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. 11. Minnesota Statutes 1998, section 122A.20, subdivision 2, is amended to read:

**Subd. 2. MANDATORY REPORTING.** A school board must report to the board of teaching, ~~the state board of education,~~ or the board of trustees of the Minnesota state colleges and universities, whichever has jurisdiction over the teacher's license, when its teacher is discharged or resigns from employment after a charge is filed with the school board under section 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7, or after charges are filed that are ground for discharge under section 122A.40, subdivision 13, clauses (a), (b), (c), (d), and (e), or when a teacher is suspended or resigns while an inves-

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tigation is pending under section 122A.40, subdivision 13, clauses (a), (b), (c), (d), and (e); 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7; or 626.556. The report must be made to the appropriate licensing board within ten days after the discharge, suspension, or resignation has occurred. The licensing board to which the report is made must investigate the report for violation of subdivision 1 and the reporting board must cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the teacher's license, a board or school superintendent shall provide the licensing board with information about the teacher from the district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a board or school superintendent may, at the discretion of the board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the district. Any data transmitted to any board under this section is private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

The licensing board to which a report is made must transmit to the attorney general's office any record or data it receives under this subdivision for the sole purpose of having the attorney general's office assist that board in its investigation. When the attorney general's office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's license within 45 days of receiving a stipulation executed by the teacher under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

Sec. 12. Minnesota Statutes 1998, section 122A.21, is amended to read:

**122A.21 TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.**

Each application for the issuance, renewal, or extension of a license to teach and each application for the issuance, renewal, or extension of a license as supervisory personnel must be accompanied by a processing fee in an amount set by the board of teaching by rule. Each application for the issuance, renewal, or extension of a license as supervisory personnel must be accompanied by a processing fee in an amount set by the state board of education by rule. The processing fee for a teacher's license and for the licenses of supervisory personnel must be paid to the executive secretary of the board of teaching. The processing fee for the licenses of supervisory personnel must be paid to the commissioner. The executive secretary of the board of teaching and the commissioner shall deposit the fees with the state treasurer, as provided by law, and report each month to the commissioner of finance the amount of fees collected. The fees as set by the boards board are nonrefundable for applicants not qualifying for a license. However, a fee must be refunded by the state treasurer in any case in which the applicant already holds a valid unexpired license. The boards board may waive or reduce fees for applicants who apply at the same time for more than one license, even if the licenses are under the jurisdiction of different boards.

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Sec. 13. Minnesota Statutes 1998, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **PROBATIONARY PERIOD.** The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and after completion thereof, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period. Evaluation must occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. During the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before ~~June~~ July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reasons in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

Sec. 14. Minnesota Statutes 1998, section 122A.40, subdivision 7, is amended to read:

Subd. 7. **TERMINATION OF CONTRACT AFTER PROBATIONARY PERIOD.** A teacher who has completed a probationary period in any district, and who has not been discharged or advised of a refusal to renew the teacher's contract pursuant to subdivision 5, shall have a continuing contract with such district. Thereafter, the teacher's contract must remain in full force and effect, except as modified by mutual consent of the board and the teacher, until terminated by a majority roll call vote of the full membership of the board prior to April 1 upon one of the grounds specified in subdivision 9 or prior to ~~June~~ July 1 upon one of the grounds specified in subdivision 10 or 11, or until the teacher is discharged pursuant to subdivision 13, or by the written resignation of the teacher submitted prior to April 1. If an agreement as to the terms and conditions of employment for the succeeding school year has not been adopted pursuant to the provisions of sections 179A.01 to 179A.25 prior to March 1, the teacher's right of resignation is extended to the 30th calendar day following the adoption of said contract in compliance with section 179A.20, subdivision 5. Such written resignation by the teacher is effective as of June 30 if submitted prior to that date and the teachers' right of resignation for the school year then beginning shall cease on July 15. Before a teacher's contract is terminated by the board, the board must notify the teacher in writing and state its ground for the proposed termination in reasonable detail together with a statement that the teacher may make a written request for a hearing before the board within 14 days after receipt of such notification. If the grounds are those specified in subdivision 9 or 13, the notice must also state a teacher may request arbitration under subdivision 15. Within 14 days after receipt of this notification the teacher may make a written request for a hearing before the board

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or an arbitrator and it shall be granted upon reasonable notice to the teacher of the date set for hearing, before final action is taken. If no hearing is requested within such period, it shall be deemed acquiescence by the teacher to the board's action. Such termination shall take effect at the close of the school year in which the contract is terminated in the manner aforesaid. Such contract may be terminated at any time by mutual consent of the board and the teacher and this section does not affect the powers of a board to suspend, discharge, or demote a teacher under and pursuant to other provisions of law.

Sec. 15. Minnesota Statutes 1998, section 122A.40, subdivision 16, is amended to read:

Subd. 16. **DECISION.** After the hearing, the board must issue a written decision and order. If the board orders termination of a continuing contract or discharge of a teacher, its decision must include findings of fact based upon competent evidence in the record and must be served on the teacher, accompanied by an order of termination or discharge, prior to April 1 in the case of a contract termination for grounds specified in subdivision 9, prior to June 1 for grounds specified in subdivision 10 or 11, or within ten days after conclusion of the hearing in the case of a discharge. If the decision of the board or of a reviewing court is favorable to the teacher, the proceedings must be dismissed and the decision entered in the board minutes, and all references to such proceedings must be excluded from the teacher's record file.

Sec. 16. Minnesota Statutes 1998, section 122A.41, subdivision 4, is amended to read:

Subd. 4. **PERIOD OF SERVICE AFTER PROBATIONARY PERIOD; DISCHARGE OR DEMOTION.** After the completion of such probationary period, without discharge, such teachers as are thereupon reemployed shall continue in service and hold their respective position during good behavior and efficient and competent service and must not be discharged or demoted except for cause after a hearing.

A probationary teacher is deemed to have been reemployed for the ensuing school year, unless the school board in charge of such school gave such teacher notice in writing before June 1 of the termination of such employment. In event of such notice the employment terminates at the close of the school sessions of the current school year.

Sec. 17. Minnesota Statutes 1998, section 122A.60, subdivision 1, is amended to read:

Subdivision 1. **STAFF DEVELOPMENT COMMITTEE.** A school board must use the revenue authorized in section 122A.61 for in-service education for programs under section 120B.22, subdivision 2, or for staff development plans under this section. The board must establish an advisory staff development committee to develop the plan, assist site decision-making professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators. Districts must report staff development results and expenditures to the commissioner in the form and manner determined by the commissioner. The expenditure report must include expenditures by the board for district level activities and expenditures made by the staff. The report must provide a breakdown of expenditures for (1) curriculum development

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and programs, (2) in-service education, workshops, and conferences, and (3) the cost of teachers or substitute teachers for staff development purposes. Within each of these categories, the report must also indicate whether the expenditures were incurred at the district level or the school site level, and whether the school site expenditures were made possible by the grants to school sites that demonstrate exemplary use of allocated staff development revenue. These expenditures are to be reported using the UFARS system. The commissioner shall report the staff development expenditure data to the education committees of the legislature by February 15 each year.

**Sec. 18. [123A.245] COOPERATIVE UNITS; ELIGIBILITY FOR GRANTS.**

A cooperative unit, through its governing board, may apply for all competitive grants administered by agencies of the state and other government or nongovernment sources.

Sec. 19. Minnesota Statutes 1998, section 123B.02, subdivision 3, is amended to read:

**Subd. 3. LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.**

(a) A district must not be required by any type of formal or informal agreement except an agreement to provide building space according to paragraph (f), including a joint powers agreement, or membership in any cooperative unit defined in section 123A.24, subdivision 2, to participate in or provide financial support for the purposes of the agreement for a time period in excess of four fiscal years, 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. This paragraph applies only to agreements entered into between July 1, 1993, and June 30, 1999.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred as a result of any agreement before July 1, 1993. The 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 district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the board must 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 except that for a member of an education district organized under sections 123A.15 to 123A.19 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 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 must 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 must be adopted within a time sufficient to allow the board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122A.40, 122A.41, and 123A.33. The governing

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body responsible for implementing the agreement shall notify each participating 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 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 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 total obligation of the district for the outstanding bonds or other debt is not increased.

(f) A district that is a member of a cooperative unit as defined in section 123A.24, subdivision 2, may obligate itself to participate in and provide financial support for an agreement with a cooperative unit to provide school building space for a term not to exceed two years with an option on the part of the district to renew for an additional two years.

(g) Notwithstanding any limitations imposed under this subdivision, a school district may, according to section 123B.51, subdivision 4, enter into a lease of all or a portion of a schoolhouse that is not needed for school purposes, including, but not limited to, a lease with a term of more than one year.

Sec. 20. Minnesota Statutes 1998, section 123B.77, subdivision 4, is amended to read:

Subd. 4. **BUDGET APPROVAL.** Prior to July 1 of each year, the board of each district must approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted must be considered an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures. Prior to the appropriation of revenue for the next school year in the initial budget, the board shall calculate the general education revenue, basic

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skills revenue, and referendum revenue for that year that it estimates will be generated by the pupils in attendance at each site, and shall inform each site of that estimate and report this information to the department of children, families, and learning.

Sec. 21. Minnesota Statutes 1998, section 123B.83, subdivision 4, is amended to read:

Subd. 4. **SPECIAL OPERATING PLAN.** (1) If the net negative unappropriated operating fund balance as defined in section 126C.01, subdivision 11, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, as of June 30 each year, is more than 2-1/2 percent of the year's expenditure amount, the district must, prior to January 31 of the next fiscal year, submit a special operating plan to reduce the district's deficit expenditures to the commissioner for approval. The commissioner may also require the district to provide evidence that the district meets and will continue to meet all of the curriculum high school graduation requirements of the state board.

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner must not receive any aid pursuant to chapters 120B, 122A, 123A, 123B, 124D, 125A, 126C, and 127A until a special operating plan of the district is so approved.

(2) A district must receive aids pending the approval of its special operating plan under clause (1). A district which complies with its approved operating plan must receive aids as long as the district continues to comply with the approved operating plan.

Sec. 22. Minnesota Statutes 1998, section 123B.90, subdivision 2, is amended to read:

Subd. 2. **STUDENT TRAINING.** (a) Each district must provide public school pupils enrolled in grades kindergarten through 10 with age-appropriate school bus safety training. The training must 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 and not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the school bus;
- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe street or road crossing; and
- (7) school bus evacuation and other emergency procedures; and

(8) appropriate training on the use of lap belts or lap and shoulder belts, if the district uses buses equipped with lap belts or lap and shoulder belts.

(b) Each nonpublic school located within the district must provide all nonpublic school pupils enrolled in grades kindergarten through 10 who are transported by school

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bus at public expense and attend school within the district's boundaries with training as required in paragraph (a). The school district shall make a bus available for the practical training if the district transports the nonpublic students. Each nonpublic school shall provide the instruction.

(c) All students enrolled in grades kindergarten through 3 who are transported by school bus and are enrolled during the first or second week of school must demonstrate achievement of the school bus safety training competencies by the end of the third week of school. All students enrolled in grades 4 through 10 who are transported by school bus and are enrolled during the first or second week of school must demonstrate achievement of the competencies by the end of the sixth week of school. Students enrolled in grades kindergarten through 10 who enroll in a school after the second 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 four weeks of the first day of attendance. The pupil transportation safety director in each district must certify to the commissioner annually that all students transported by school bus within the district 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. The principal or other chief administrator of each nonpublic school must certify annually to the public transportation safety director of the district in which the school is located that all of the school's students transported by school bus at public expense have received training. A 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, or to a student who attends a nonpublic school that fails to provide training as required by this subdivision.

(d) A district and a nonpublic school with students transported by school bus at public expense must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.

(e) A district and a nonpublic school with students transported by school bus at public expense must also provide student safety education for bicycling and pedestrian safety, for students enrolled in grades kindergarten through 5.

(f) A district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus, bicycle, and pedestrian safety training of pupils known to speak English as a second language and pupils with disabilities.

Sec. 23. Minnesota Statutes 1998, section 123B.90, subdivision 3, is amended to read:

Subd. 3. **MODEL TRAINING PROGRAM.** The commissioner 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. The model training program for students riding buses with lap belts or lap and shoulder belts must include information on the appropriate use of lap belts or lap and shoulder belts. The program must be adaptable for use by students with disabilities.

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Sec. 24. Minnesota Statutes 1998, section 123B.91, subdivision 1, is amended to read:

Subdivision 1. **COMPREHENSIVE POLICY.** Each district must develop and implement a comprehensive, written policy governing pupil transportation safety, including transportation of nonpublic school students, when applicable. The policy shall, at minimum, contain:

- (1) provisions for appropriate student bus safety training under section 123B.90;
- (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, including the district's seat belt policy, if applicable;
- (5) an intradistrict system for reporting school bus accidents or misconduct and a system for dealing with local law enforcement officials in cases of criminal conduct on a school bus;
- (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 123B.89 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, qualifications to drive a type III vehicle, qualifications for a type III vehicle 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;
- (14) a system for maintaining and inspecting equipment;
- (15) requirements of the school district, if any, that exceed state law minimum requirements for school bus operations; and
- (16) requirements for basic first aid training, which must include the Heimlich maneuver and procedures for dealing with obstructed airways, shock, bleeding, and seizures.

Districts are encouraged to use the model policy developed by the Minnesota school boards association, the department of public safety, and the department of children, families, and learning, as well as the current edition of the "National Standards for School

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Buses and Operations" published by the National Safety Council, in developing safety policies. Each district shall review its policy annually and make appropriate amendments, which must be submitted to the school bus safety advisory committee within one month of approval by the school board.

Sec. 25. Minnesota Statutes 1998, section 124D.03, is amended by adding a subdivision to read:

Subd. 12. **TERMINATION OF ENROLLMENT.** A district may terminate the enrollment of a nonresident student enrolled under this section or section 124D.07 or 124D.08 at the end of a school year if the student meets the definition of a habitual truant under section 260.015, subdivision 19, the student has been provided appropriate services under chapter 260A, and the student's case has been referred to juvenile court. A district may also terminate the enrollment of a nonresident student over the age of 16 enrolled under this section if the student is absent without lawful excuse for one or more periods on 15 school days and has not lawfully withdrawn from school under section 120A.22, subdivision 8.

Sec. 26. Minnesota Statutes 1998, section 124D.86, subdivision 1, is amended to read:

Subdivision 1. **USE OF THE REVENUE.** Integration revenue under this section must be used for programs established under a desegregation plan mandated by the state board or under court order, to increase learning opportunities and reduce the learning gap between learners living in high concentrations of poverty and their peers.

Sec. 27. Minnesota Statutes 1998, section 124D.86, subdivision 3, is amended to read:

Subd. 3. **INTEGRATION REVENUE.** For fiscal year 1999 and later fiscal years, integration revenue equals the following amounts:

(1) for independent school district No. 709, Duluth, \$193 times the resident pupil units for the school year;

(2) for independent school district No. 625, St. Paul, \$427 times the resident pupil units for the school year;

(3) for special school district No. 1, Minneapolis, \$523 times the resident pupil units for the school year; and

(4) for a district not listed in clause (1), (2), or (3) that is required to implement a plan according to the requirements of Minnesota Rules, parts ~~3535.0200 to 3535.2200~~ 3535.0100 to 3535.0180, as proposed in 23 State Register 1344, December 7, 1998, the lesser of the actual cost of implementing the plan during the fiscal year or \$93 times the resident pupil units for the school year.

Sec. 28. Minnesota Statutes 1998, section 124D.89, subdivision 1, is amended to read:

Subdivision 1. **CULTURAL EXCHANGE PROGRAM GOALS.** (a) 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~~

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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 (b) to (e).

(b) The program must develop curriculum reflective of particular ethnic, racial, and other cultural aspects of various demographic groups in the state.

(c) The program must develop immersion programs that are coordinated with the programs offered in paragraph (b).

(d) The program must create opportunities for students from across the state to enroll in summer programs in districts other than the one of residence, or in other schools within their district of residence.

(e) The program must create opportunities for staff exchanges on a cultural basis.

Sec. 29. Minnesota Statutes 1998, section 125A.09, subdivision 11, is amended to read:

Subd. 11. **HEARING REVIEW OFFICER'S QUALIFICATIONS.** The commissioner must select an individual who has the qualifications enumerated in this subdivision to serve as the hearing review officer:

(1) the individual must be knowledgeable and impartial;

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

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

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

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

(6) the individual must not have substantial involvement in the development of a state or local policy or procedures that are challenged in the appeal;

(7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, or the department, and the state board of education; and

(8) the individual is not a current employee or board member of a disability advocacy organization or group.

Sec. 30. Minnesota Statutes 1998, section 127A.05, subdivision 1, is amended to read:

Subdivision 1. **APPOINTMENT AND DUTIES.** The department shall be under the administrative control of the commissioner of children, families, and learning which office is established. ~~The commissioner shall be the secretary of the state board.~~ The governor shall appoint the commissioner under the provisions of section 15.06.

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The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and the rules of the state board may provide and be held responsible for the efficient administration and discipline of the department. The commissioner shall make recommendations to the board and be is charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, and to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

### Sec. 31. [127A.25] SURVEY OF DISTRICTS.

The commissioner of children, families, and learning shall survey the state's school districts and report to the education committees of the legislature by January 15 of each odd-numbered year on the status of the teacher shortage and the substitute teacher shortage, including shortages in subject areas and regions of the state. The report must also include how districts are making progress in hiring teachers and substitutes in the areas of shortage.

Sec. 32. Minnesota Statutes 1998, section 127A.41, subdivision 5, is amended to read:

**Subd. 5. DISTRICT APPEAL OF AID REDUCTION; INSPECTION OF DISTRICT SCHOOLS AND ACCOUNTS AND RECORDS.** A reduction of aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the commissioner. The accounts and records of any district must be open to inspection by the state auditor, ~~the state board,~~ or the commissioner for the purpose of audits conducted under this section. Each district shall keep for a minimum of three years at least the following: (1) identification of the annual session days held, together with a record of the length of each session day, (2) a record of each pupil's daily attendance, with entrance and withdrawal dates, and (3) identification of the pupils transported who are reported for transportation aid.

Sec. 33. Minnesota Statutes 1998, section 127A.42, subdivision 5, is amended to read:

**Subd. 5. DISPUTE VIOLATIONS; HEARING.** The board to which such notice is given may, by a majority vote of the whole board, decide to dispute that the specified violation exists or that the time allowed is reasonable or the correction specified is correct, or that the commissioner may reduce aids. The board must give the commissioner written notice of the decision. If the commissioner, after further investigation as the commissioner deems necessary, adheres to the previous notice, ~~the board shall be entitled to a hearing by the state board~~ the commissioner shall notify the school board of its decision. ~~The state board must set a hearing time and place and the board of the district must be given notice by mail. The state board must adopt rules governing the proceedings for hearings. The hearings must be designed to give a full and fair hearing and permit interested parties an opportunity to produce evidence relating to the issues involved. The rules may provide that any question of fact to be determined at the hearing may be referred to~~

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one or more members of the board or to an employee of the state board acting as a referee to hear evidence and report the testimony taken to the state board. The state board, or a person designated to receive evidence at a hearing, shall have the same right to issue subpoenas and administer oaths and parties to the hearing shall have the same right to subpoenas issued as are allowed for proceedings before the industrial commission. A stenographic record must be made of all testimony given and other proceedings during the hearing. If practicable, rules governing admission of evidence in courts shall apply to the hearing. The decision of the state board must be in writing and the controlling facts upon which the decision is made must be stated in sufficient detail to apprise the parties and the reviewing court of the basis and reason for the decision. The decision must be confined to whether any of the specified violations existed at the date of the commissioner's first notice, whether the violations were corrected within the time permitted, and whether the violations require reduction of the state aids under this section.

Sec. 34. Minnesota Statutes 1998, section 127A.42, subdivision 6, is amended to read:

Subd. 6. **VIOLATION; AID REDUCTION.** The commissioner shall not reduce state aids payable to the district if the violation specified is corrected within the time permitted, or if the commissioner on being notified of the district board's decision to dispute decides the violation does not exist, or if the state board decides after hearing no violation specified in the commissioner's notice existed at the time of the notice, or that the violations were corrected within the time permitted. Otherwise state aids payable to the district for the year in which the violation occurred shall be reduced as follows: The total amount of state aids to which the district may be entitled shall be reduced in the proportion that the period during which a specified violation continued, computed from the last day of the time permitted for correction, bears to the total number of days school is held in the district during the year in which a violation exists, multiplied by 60 percent of the basic revenue, as defined in section 126C.10, subdivision 2, of the district for that year.

Sec. 35. Minnesota Statutes 1998, section 127A.60, subdivision 1, is amended to read:

Subdivision 1. **DEPARTMENT.** A state department of children, families, and learning is hereby created which shall be maintained under the direction of a state board of education composed of nine representative citizens of the state, at least one of whom shall reside in each congressional district in the state.

Of the nine representative citizens of the state who are appointed to the state board of education not less than three members thereof shall previously thereto have served as an elected member of a board of education of a school district however organized.

The members of the state board shall be appointed by the governor, with the advice and consent of the senate. One member shall be chosen annually as president, but no member shall serve as president more than three consecutive years. The state board shall hold its annual meeting in August. It shall hold meetings on dates and at places as it designates. No member shall hold any public office, or represent or be employed by any board of education or school district, public or private, and shall not voluntarily have any personal financial interest in any contract with a board of education or school district, or be engaged in any capacity where a conflict of interest may arise.

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

Sec. 36. Minnesota Statutes 1998, section 127A.66, subdivision 2, is amended to read:

Subd. 2. **ADMINISTRATIVE RULES.** The state board commissioner may adopt new rules and amend them or amend any of its existing rules only under specific authority and consistent with the requirements of chapter 14. The state board commissioner may repeal any of its the commissioner's existing rules. Notwithstanding the provisions of section 14.05, subdivision 4, the state board commissioner may grant a variance to its the commissioner's rules upon application by a school district for purposes of implementing experimental programs in learning or school management. This subdivision shall not prohibit the state board commissioner from making technical changes or corrections to its the commissioner's rules.

Sec. 37. Minnesota Statutes 1998, section 128C.01, subdivision 4, is amended to read:

Subd. 4. **BOARD.** (a) The league must have a 20-member governing board.

(1) The governor must appoint four members according to section 15.0597. Each of the four appointees must be a parent. At least one of them must be an American Indian, an Asian, a Black, or a Hispanic.

(2) The Minnesota association of secondary school principals must appoint two of its members.

(3) The remaining 14 members must be selected according to league bylaws.

(b) The terms, compensation, removal of members, and the filling of membership vacancies are governed by section 15.0575, except that the four-year terms begin on August 1 and end on July 31. As provided by section 15.0575, members who are full-time state employees or full-time employees of school districts or other political subdivisions of the state may not receive any per diem payment for service on the board.

Sec. 38. Minnesota Statutes 1998, section 128C.02, is amended by adding a subdivision to read:

Subd. 9. **PURCHASING.** In purchasing goods and services, the league must follow all laws that apply to school districts under sections 123B.52 and 471.345.

Sec. 39. Minnesota Statutes 1998, section 128C.20, subdivision 1, is amended to read:

Subdivision 1. **ANNUALLY.** Each year the commissioner of children, families, and learning shall obtain and review the following information about the league:

(1) an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes information about the compensation of and the expenditures by the executive director of the league and league staff;

(2) a list of all complaints filed with the league and all lawsuits filed against the league and the disposition of those complaints and lawsuits;

(3) an explanation of the executive director's performance review;

(4) information about the extent to which the league has implemented its affirmative action policy, its comparable worth plan, and its sexual harassment and violence policy and rules; and

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(5) an evaluation of any proposed changes in league policy.

The commissioner may examine any league activities or league-related issues when the commissioner believes this review is warranted.

Sec. 40. Minnesota Statutes 1998, 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 120A.22, 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, a transit bus providing services as defined in section 174.22, subdivision 7, or a vehicle otherwise qualifying as a type III vehicle under paragraph (5), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled transportation. A school bus may be type A, type B, type C, or type D, or type III as follows:

(1) A "type A school bus" is a conversion or body constructed upon a van-type or cutaway front section vehicle with a left-side driver's door, designed for carrying more than ten persons. This definition includes two classifications: type A-I, with a gross vehicle weight rating (GVWR) over 10,000 pounds; and type A-II, with a GVWR of 10,000 pounds or less.

(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, designed 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. A type C school bus has a maximum length of 45 feet.

(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. A type D school bus has a maximum length of 45 feet.

(5) Type III school buses and type III Head Start buses are restricted to passenger cars, station wagons, vans, and buses in service after January 1, 1999, having an original a maximum manufacturer's rated seating capacity of ten or fewer 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" and "type III Head Start bus" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

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Sec. 41. Minnesota Statutes 1998, section 169.03, subdivision 6, is amended to read:

Subd. 6. **WORKING ON HIGHWAY.** (a) The provisions of this chapter shall not apply to persons, motor vehicles, and other equipment while actually engaged in work upon the highway, except as provided in paragraphs (b) and (c).

(b) This chapter shall apply to those persons and vehicles when traveling to or from such work, except that persons operating equipment owned, rented or hired by road authorities shall be exempt from the width, height and length provisions of sections 169.80 and 169.81 and shall be exempt from the weight limitations of this chapter while engaged in snow or ice removal and while engaged in flood control operations on behalf of the state or a local governmental unit.

(c) Sections 169.121 to 169.129 and 169.444 apply to persons while actually engaged in work upon the highway.

Sec. 42. Minnesota Statutes 1998, section 171.3215, subdivision 2, is amended to read:

Subd. 2. **CANCELLATION FOR DISQUALIFYING AND OTHER OFFENSES.** Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a disqualifying offense, the commissioner shall permanently cancel the school bus driver's endorsement on the offender's driver's license and in the case of a nonresident, the driver's privilege to operate a school bus in Minnesota. A school bus driver whose endorsement or privilege to operate a school bus in Minnesota has been permanently canceled may not apply for reinstatement. Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a ~~gross misdemeanor~~, or a violation of section 169.121, 169.129, or a similar statute or ordinance from another state, 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 or the nonresident's privilege to operate a school bus in Minnesota for five years. After five years, a school bus driver may apply to the commissioner for reinstatement. Even after five years, cancellation of a school bus driver's endorsement or a nonresident's privilege to operate a school bus in Minnesota for a violation under section 169.121, 169.123, 169.129, or a similar statute or ordinance from another state, shall remain in effect until the driver provides proof of successful completion of an alcohol or controlled substance treatment program. For a first offense, proof of completion is required only if treatment was ordered as part of a chemical use assessment. Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a fourth moving violation in the last three years, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license or the nonresident's privilege to operate a school bus in Minnesota until one year has elapsed since the last conviction. A school bus driver who has no new convictions after one year may apply for reinstatement. Upon canceling the offender's school bus driver's endorsement, the 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.

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Sec. 43. Minnesota Statutes 1998, section 171.3215, subdivision 4, is amended to read:

Subd. 4. **WAIVER OF PERMANENT CANCELLATION.** (a) The commissioner of public safety or the commissioner's designee, in consultation with the division of driver and vehicle services, may waive the permanent cancellation requirement of this section 171.3215 for a person convicted of a misdemeanor, a gross misdemeanor, a non-felony violation of chapter 152, or a felony that is not a violent crime under section 609.1095.

(b) After notice to the requesting school district and contract provider of school bus transportation, the commissioner may waive the permanent cancellation requirement after ten years have elapsed since the person was convicted of a violation of section 609.582, subdivision 2, 3, or 4.

Sec. 44. Minnesota Statutes 1998, section 181.101, is amended to read:

**181.101 WAGES; HOW OFTEN PAID.**

Every employer must pay all wages earned by an employee at least once every ~~30~~ 31 days on a regular pay day designated in advance by the employer regardless of whether the employee requests payment at longer intervals. Unless paid earlier, the wages earned during the first half of the first ~~30-day~~ 31-day pay period become due on the first regular payday following the first day of work. If wages earned are not paid, the commissioner of labor and industry or the commissioner's representative may demand payment on behalf of an employee. If payment is not made within ten days of demand, the commissioner may charge and collect the wages earned and a penalty in the amount of the employee's average daily earnings at the rate agreed upon in the contract of employment, not exceeding 15 days in all, for each day beyond the ten-day limit following the demand. Money collected by the commissioner must be paid to the employee concerned. This subdivision section does not prevent an employee from prosecuting a claim for wages. This section does not prevent a school district or other public school entity from paying any wages earned by its employees during a school year on regular pay days in the manner provided by an applicable contract or collective bargaining agreement, or a personnel policy adopted by the governing board. For purposes of this section, "employee" includes a person who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an employee works.

Sec. 45. Minnesota Statutes 1998, section 209.07, is amended by adding a subdivision to read:

Subd. 4. **SCHOOL DISTRICT BOARD ELECTION; SURETY BOND REQUIREMENTS.** If an election approving the issuance of bonds by a school district is contested, the contestant shall file in the district court a surety bond of at least \$5,000 or a greater amount determined necessary by the court to provide security for costs of the contest to the school district, including any additional costs that may be incurred by the school district if the bond issue is delayed. The court may waive the requirements of this subdivision to the extent it finds that there is a reasonable likelihood that the contestant will prevail and that filing the bond would impose an undue hardship. If the surety bond is not filed within the time allowed by the court, the contest shall be dismissed with prejudice.

New language is indicated by underline, deletions by strikeout.

Sec. 46. Laws 1997, First Special Session chapter 4, article 5, section 22, is amended to read:

**Sec. 20. GRANT PROGRAM TO PROMOTE PROFESSIONAL TEACHING STANDARDS.**

Subdivision 1. **ESTABLISHMENT.** A grant program to promote professional teaching standards through the national board for professional teaching standards for fiscal year 1998 is established to provide eligible teachers with the opportunity to receive national board for professional teaching standards certification and to reward teachers who have already received such certification.

Subd. 2. **ELIGIBILITY.** An applicant for a grant must be a licensed K-12 school teacher employed in a state school. To be eligible for a grant, the teacher must have been employed as a teacher for a minimum of five school years and demonstrate either that the national board for professional teaching standards has accepted the teacher as a candidate for board certification or that the teacher already has received board certification.

Subd. 3. **APPLICATION PROCESS.** To obtain a grant to participate in the national board for professional teaching standards certification process or to receive a reward for already completing the board certification process, a teacher must submit an application to the commissioner of children, families, and learning in the form and manner the commissioner establishes. The applicant must demonstrate either that the national board for professional teaching standards has accepted the teacher as a candidate for board certification or that the teacher already has received board certification. The commissioner shall consult with the state board of teaching when reviewing the applications.

Subd. 4. **GRANT AWARDS; PROCEEDS.** (a) The commissioner may award matching grants of \$1,000 each to eligible teachers who provide a matching amount through collaboration with either a school district, professional organization, or both and are accepted as candidates for national board for professional teaching standards certification. Grant recipients shall use the grant to participate in the certification process. The grant award shall be paid to the national board for professional teaching standards in the teacher's name. Within 24 months of receiving certification, a grant recipient must satisfactorily complete one year of teaching service in a state school the certification process or repay the state the amount of the grant, except if the commissioner determines that death or disability prevents the grant recipient from providing the one year of teaching service.

(b) The commissioner may award grants to eligible teachers who have earned national board for professional teaching standards certification. The amount of each grant shall not exceed \$1,000 and the commissioner shall establish criteria to determine the actual amount of each grant. Grant recipients shall use the grant proceeds for educational purposes, including purchasing instructional materials, equipment, or supplies and realizing professional development opportunities.

Subd. 5. **REGIONAL COORDINATORS.** The state shall provide the equivalent of four full-time regional coordinators with two located in the seven-county metropolitan area and two located in greater Minnesota. \$25,000 per year, for the first two years only, shall be provided to cover expenses of the regional coordinators including, but not limited to, travel, meetings, web page maintenance, and cost related to supporting candi-

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date's expenses. After the first two years, individual school districts must negotiate with the exclusive representative of the teachers in the district for coordinator positions.

**Sec. 47. ALTERNATIVE PATHWAYS FOR TEACHER PREPARATION.**

Subdivision 1. ESTABLISHMENT. A program is established to allow Minnesota school districts, in collaboration with accredited teacher preparation institutions, to offer undergraduate and graduate teacher preparation opportunities. The program must provide teacher preparation opportunities that effectively address the needs of different types of schools, students, and teachers.

Subd. 2. ELIGIBILITY; PROGRAM USES; EMPLOYMENT TERMS. (a) An applicant under this program must be a school district. The school district must collaborate with an accredited teacher preparation program and an exclusive representative of the teachers in the district. The program must be used to assist in improving teacher preparation by placing teacher education students in preschool, elementary, and secondary classrooms or other education settings under the supervision of a licensed classroom teacher.

(b) Each school district participating in this program may select the teacher preparation model that best promotes understanding the needs of each educational system or institution. For example:

(1) a public school educator may teach courses that assist in preparing future educators or take professional development courses; or

(2) a post-secondary teacher may teach courses at the school district or mentor student teachers.

Participation is not limited to one school or institution and may involve other participants, including parent/community groups, teacher organizations, and business groups. Participating schools and institutions are encouraged to develop program components that engage nontraditional teacher preparation students.

(c) Temporary placements made under this program must not have a negative effect on participants' salaries, seniority, or other benefits. Specifically, temporary placements of teachers may not displace or cause any reduction in the number of nonovertime hours worked, wages, or benefits of a currently employed teacher. Notwithstanding Minnesota Statutes, sections 122A.16 and 123B.02, subdivision 14, a member of the staff of a post-secondary institution may teach in a preschool, elementary school, secondary school, or other education settings, or perform a service agreed upon under this section for which a license would otherwise be required without holding the applicable license. In addition, a licensed educator employed by a school district may teach or perform a service, agreed upon under this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A district is not subject to Minnesota Statutes, section 127A.43, as a result of entering into an agreement according to this section that enables a post-secondary educator to teach or provide services in the district. All arrangements and details regarding an exchange must be mutually agreed to by each participating school district and post-secondary institution before implementing the exchange and must not violate any term or condition of the participating school district's collective bargaining agreement.

(d) An educator who held a temporary position or an exchanged position under this section must be continued in or restored to the position previously held, or to a position of

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like seniority, status, and pay upon return. Retirement benefits under an employer-sponsored pension or retirement plan must not be reduced because of time spent on an exchange or temporary position under this section.

(e) An educator who is continued in or restored to a position under paragraph (d):

(1) must be continued or restored without loss of seniority; and

(2) may participate in insurance or other benefits offered by the employer under its established rules and practices.

Subd. 3. APPLICATION PROCESS. To participate in this program, a school district must submit an application to the commissioner of children, families, and learning in the form and manner established by the commissioner. The application must describe how the applicant will improve teacher education by providing undergraduate or graduate teacher preparation opportunities in order to effectively address the needs of different types of schools, students, and teachers, and how the applicant will use technology to implement the program. The commissioner may require additional information from an applicant.

Subd. 4. PROGRAM PARTICIPANTS; MONETARY AWARDS. (a) When selecting program participants, the commissioner must determine:

(1) whether an applicant has met the requirements of this section;

(2) whether the location of a program is particularly suitable for realizing the purpose of this section;

(3) the number of teacher candidates, teachers, and students who would participate in the program;

(4) the ability of the applicant to demonstrate the positive effect of the existing program on students enrolled in a participating school district by using standardized test scores, the rate at which students pass the state's reading, math, and writing basic skills test, or other valid and reliable assessment measures;

(5) whether public post-secondary institutions with board of teaching approved teacher preparation programs and other organizations representing parents, business interests, and community interests are integral participants in the proposed program;

(6) whether the program addresses the shortage of teachers in any areas identified by the commissioner of children, families, and learning; and

(7) the ability of the applicant to provide information about the program to interested school districts and post-secondary institutions.

(b) The commissioner may select applicants to participate in this program for the 1999-2000 school year and later. Participants must be located throughout the state. The commissioner must provide one-time start-up costs of up to \$20,000 per participating site.

Subd. 5. POST-SECONDARY INSTITUTION FUNDING. Notwithstanding other law to the contrary, and consistent with subdivision 6, a post-secondary institution participating in this program must provide the instructional costs of educating students in teacher preparation programs and may charge the students the costs of tuition.

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Subd. 6. PARTICIPANTS' FEES. A school district participating in this program may charge reasonable fees to a student in a teacher preparation program placed in a pre-school, elementary, or secondary classroom to receive teacher training.

Subd. 7. EVALUATION. The commissioner must contract with an independent qualified expert to evaluate the impact of the program on teacher efficacy and student performance and present a report to the commissioner and the education committees of the legislature by February 15, 2005.

**Sec. 48. BOARD OF TEACHING.**

The board of teaching must communicate with school districts, including district human resources personnel, on the procedures available to districts for expediting the hiring of substitute teachers.

**Sec. 49. TRANSITION.**

Notwithstanding Minnesota Statutes, section 15.0597, the terms of persons who are members appointed by the governor before the effective date of section 8, shall have their term end on July 31 of the year following the last year of their appointment.

**Sec. 50. MODEL STATE POLICY ON STUDENT RECORDS.**

Subdivision 1. COMMISSIONER OF ADMINISTRATION. By December 1, 1999, the commissioner of administration shall compile and make available a model policy that accurately reflects state and federal data regulations regarding access to and dissemination of educational data by schools and by other government agencies who serve school-aged children, and access by schools to data about students who have exhibited violent behaviors. The model policy shall include procedures and other guidelines detailing allowable use and transfer of educational data according to state and federal law.

Subd. 2. RECOMMENDATIONS TO THE LEGISLATURE. By January 15, 2000, the commissioner, in consultation with representatives from federal agencies, state agencies, county governments, school districts, cities, and parents who have an interest in educational and other applicable data, shall make recommendations to the legislature regarding necessary clarifications of state law and any enforcement mechanisms identified as essential for the proper sharing of data.

**Sec. 51. SCHOOL YEAR START DATE.**

Subdivision 1. GOODHUE. Notwithstanding Minnesota Statutes, section 120A.40, and Laws 1997, First Special Session chapter 4, article 7, section 49, subdivision 1, for the 1999-2000 school year independent school district No. 253, Goodhue, may begin the school year on August 30, 1999.

Subd. 2. MILACA. Notwithstanding Minnesota Statutes 1996, section 126.12, subdivision 1, and Laws 1997, First Special Session chapter 4, article 7, section 49, subdivision 1, for the 1998-1999 school year only, independent school district No. 912, Milaca, may begin the school year on August 24, 1998.

Subd. 3. WORTHINGTON. Notwithstanding Minnesota Statutes, section 120A.40, and Laws 1997, First Special Session chapter 4, article 7, section 49, subdivision 1, for the 1999-2000 school year, independent school district No. 518, Worthington, may begin the school year on August 23, 1999.

New language is indicated by underline, deletions by strikeout.

**Sec. 52. STATE BOARD OF EDUCATION CHANGED TO COMMISSIONER OF CHILDREN, FAMILIES, AND LEARNING; OTHER CHANGES.**

The provisions of Laws 1998, chapter 398, article 5, section 55, and related sections apply except as provided under this article.

**Sec. 53. APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING. The following sums are appropriated from the general fund to the department of children, families, and learning in the fiscal years indicated.

Subd. 2. ALTERNATIVE PATHWAYS FOR TEACHER PREPARATION. For providing program participants under section 58 with start-up costs:

<u>\$100,000</u>	<u>.....</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

The commissioner shall award a \$20,000 grant to independent school district No. 138, North Branch, if the district meets the requirements of the program.\* (The preceding subdivision was vetoed by the governor.)

Subd. 3. COLLABORATIVE URBAN EDUCATOR PROGRAMS. For collaborative urban educator programs providing alternative pathways to licensure:

<u>\$1,300,000</u>	<u>.....</u>	<u>2000</u>
<u>\$1,300,000</u>	<u>.....</u>	<u>2001</u>

\$400,000 each year is for the Collaborative Urban Educators Program at St. Thomas University; \$400,000 each year is for Hamline University and \$500,000 each year is for the South East Asia Teachers Program at Concordia University, St. Paul.

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

Subd. 4. PILLAGER REIMBURSEMENT. For independent school district No. 116, Pillager, for reimbursement of extraordinary legal expenses due to a lawsuit with statewide implications:

<u>\$325,000</u>	<u>.....</u>	<u>2000</u>
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Subd. 5. PARTNERS FOR QUALITY SCHOOL IMPROVEMENT. For the school improvement pilot training program established in Laws 1997, First Special Session chapter 4, article 7, section 47:

<u>\$500,000</u>	<u>.....</u>	<u>2000</u>
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This appropriation is available until June 30, 2001.

Subd. 6. PROFESSIONAL TEACHING STANDARDS. For grant awards for national board for professional teaching standards certification and for regional coordinators to counsel and assist teacher candidates for the certification:

<u>\$400,000</u>	<u>.....</u>	<u>2000</u>
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This appropriation is available until June 30, 2001. This is a one-time appropriation.

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

**Sec. 54. REPEALER.**

Minnesota Statutes 1998, sections 127A.42, subdivision 8; 127A.60, subdivisions 2, 3, and 4; 127A.61; 127A.62, subdivision 2; 127A.64; and 127A.66, subdivision 1, are repealed effective December 31, 1999.

**Sec. 55. EFFECTIVE DATES.**

Sections 1; 7, paragraphs (c) and (e); 27; 28; 37; 44; 47, and 49 are effective the day following final enactment. Notwithstanding any law to the contrary, section 2 is effective for the 1999-2000 school year and thereafter. Sections 3, 9 to 12, 21, 26, 29, 30, 32 to 36, and 52 are effective December 31, 1999. Section 38 is effective for the 1999-2000 school year and thereafter. Section 51, subdivision 2, is effective retroactive to July 1, 1998.

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**ARTICLE 10****STATE AGENCIES**

Section 1. Minnesota Statutes 1998, section 125A.64, is amended by adding a subdivision to read:

Subd. 6. EXEMPTION TO SEPTEMBER 1 SCHOOL START RESTRICTION. Notwithstanding Minnesota Statutes, section 120A.40, subdivision 1, the board of the Minnesota state academies for the deaf and blind may begin the school year any day prior to September 1.

Sec. 2. Minnesota Statutes 1998, section 129C.10, is amended by adding a subdivision to read:

Subd. 8. EXEMPTION TO SEPTEMBER 1 SCHOOL START RESTRICTION. Notwithstanding Minnesota Statutes, section 120A.40, subdivision 1, the Lola and Rudy Perpich Minnesota center for arts education may begin the school year any day prior to September 1.

Sec. 3. Minnesota Statutes 1998, section 626.556, subdivision 10b, is amended to read:

**Subd. 10b. DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN FACILITY.** (a) This section applies to the commissioner of children, families, and learning. The commissioner of the agency responsible for assessing or investigating the report shall immediately investigate if the report alleges that:

(1) a child who is in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, or has been so neglected or abused by an individual in that facility within the three years preceding the report; or

(2) a child was neglected, physically abused, or sexually abused by an individual in a facility defined in subdivision 2, while in the care of that facility within the three years preceding the report.

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

The commissioner shall arrange for the transmittal to the commissioner of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section. The commissioner or local welfare agency may interview any children who are or have been in the care of a facility under investigation and their parents, guardians, or legal custodians.

(b) Prior to any interview, the commissioner or local welfare agency shall notify the parent, guardian, or legal custodian of a child who will be interviewed in the manner provided for in subdivision 10d, paragraph (a). If reasonable efforts to reach the parent, guardian, or legal custodian of a child in an out-of-home placement have failed, the child may be interviewed if there is reason to believe the interview is necessary to protect the child or other children in the facility. The commissioner or local agency must provide the information required in this subdivision to the parent, guardian, or legal custodian of a child interviewed without parental notification as soon as possible after the interview. When the investigation is completed, any parent, guardian, or legal custodian notified under this subdivision shall receive the written memorandum provided for in subdivision 10d, paragraph (c).

(c) In conducting investigations under this subdivision the commissioner or local welfare agency shall obtain access to information consistent with subdivision 10, paragraphs (h), (i), and (j).

(d) Except for foster care and family child care, the commissioner has the primary responsibility for the investigations and notifications required under subdivisions 10d and 10f for reports that allege maltreatment related to the care provided by or in facilities licensed by the commissioner. The commissioner may request assistance from the local social service agency.

#### Sec. 4. TRANSFER OF PROGRAMS.

The powers and duties of the department of children, families, and learning with respect to drug policy and violence prevention under Minnesota Statutes 1998, sections 119A.25, 119A.26, 119A.27, 119A.28, 119A.29, 119A.31, 119A.32, 119A.33, and 119A.34, are transferred to the department of public safety under Minnesota Statutes, section 15.039.

#### Sec. 5. APPROPRIATIONS; DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.

Subdivision 1. DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING. The sums indicated in this section are appropriated from the general fund unless otherwise indicated to the department of children, families, and learning for the fiscal years designated.

Subd. 2. TEACHING AND LEARNING PROGRAM. (a) For the teaching and learning program in the department of children, families, and learning:

\$9,979,000	.....	2000
\$9,926,000	.....	2001

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

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



(c) \$21,000 each year is from the trunk highway fund.

(d) \$673,000 in 2000 and \$678,000 in 2001 is for the board of teaching.

(e) Notwithstanding Minnesota Statutes, section 15.53, subdivision 2, the commissioner of children, families, and learning may contract with a school district for a period no longer than five consecutive years to work in the development or implementation of the graduation rule. The commissioner may contract for services and expertise as necessary. The contracts are not subject to Minnesota Statutes, section 16B.06.

Subd. 3. **LIFEWORX DEVELOPMENT PROGRAM.** For the lifework development program in the department of children, families, and learning:

\$1,162,000	.....	2000
\$1,183,000	.....	2001

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

Subd. 4. **MANAGEMENT AND SUPPORT SERVICES PROGRAM.** (a) For the management and support services program in the department of children, families, and learning:

\$16,987,000	.....	2000
\$14,421,000	.....	2001

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

(c) \$165,000 in 2000 is for the state board of education. Any functions of the state board of education that are not specifically transferred to another agency are transferred to the department of children, families, and learning under Minnesota Statutes, section 15.039. For the position that is classified, upon transferring the responsibilities, the current incumbent is appointed to the classified position without exam or probationary period.

(d) \$2,000,000 in 2000 is for litigation costs and may only be used for those purposes. This is a one-time appropriation.

Subd. 5. **OFFICE OF COMMUNITY SERVICES PROGRAM.** For the office of community services program in the department of children, families, and learning:

\$4,188,000	.....	2000
\$4,255,000	.....	2001

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

**Sec. 6. APPROPRIATIONS; LOLA AND RUDY PERPICH MINNESOTA CENTER FOR ARTS EDUCATION.**

The sums indicated in this section are appropriated from the general fund to the center for arts education for the fiscal years designated:

\$7,239,000	.....	2000
\$7,400,000	.....	2001

Of each year's appropriation, \$154,000 is to fund artist and arts organization participation in the education residency and education technology projects, \$75,000 is for

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

school support for the residency project, \$121,000 is for further development of the partners: arts and school for students (PASS) program, including pilots, and \$220,000 is to fund the center for arts education base for asset preservation and facility repair. The guidelines for the education residency project and the pass program shall be developed and defined by the center for arts education in cooperation with the Minnesota arts board. The Minnesota arts board shall participate in the review and allocation process. The center for arts education and the Minnesota arts board shall cooperate to fund these projects.

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

**Sec. 7. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota state academies for the deaf and the blind for the fiscal years designated:

<u>\$10,039,000</u>	<u>.....</u>	<u>2000</u>
<u>\$10,258,000</u>	<u>.....</u>	<u>2001</u>

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

(c) \$75,000 each year is for asset preservation and facility repair.

(d) \$15,000 each year is for the cost of holding board meetings in Faribault.

**Sec. 8. REVISOR INSTRUCTION.**

(a) In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor shall change all references of the "Lola and Rudy Perpich Minnesota center for arts education" to the "Perpich center for arts education."

(b) In the next and subsequent editions of Minnesota Statutes the revisor shall renumber each section in column A with the corresponding number in column B. The revisor shall correct all cross-references to be consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>119A.25</u>	<u>299A.291</u>
<u>119A.26</u>	<u>299A.292</u>
<u>119A.27</u>	<u>299A.293</u>
<u>119A.28</u>	<u>299A.294</u>
<u>119A.29</u>	<u>299A.295</u>
<u>119A.31</u>	<u>299A.296</u>
<u>119A.32</u>	<u>299A.297</u>
<u>119A.33</u>	<u>299A.298</u>
<u>119A.34</u>	<u>299A.299</u>

**Sec. 9. REPEALER.**

Minnesota Statutes 1998, section 119A.04, subdivision 5, is repealed.

**Sec. 10. EFFECTIVE DATE.**

Section 2 is effective the day following final enactment.

Presented to the governor May 24, 1999

Signed by the governor May 25, 1999, 4:05 p.m.

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