

**CHAPTER 252—S.F.No. 2411**

*An act relating to Northern Itasca Hospital District; modifying the membership requirements for the district hospital board.*

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

**Section 1. HOSPITAL BOARD MEMBERSHIP; NORTHERN ITASCA HOSPITAL DISTRICT.**

Notwithstanding the requirement of Minnesota Statutes, section 447.32, subdivision 1, and Laws 1993, chapter 200, for one at-large member on a hospital board, the hospital board for the Northern Itasca Hospital District may include one member elected at large from each county having within its boundaries any city, town, or unorganized territory that is part of the hospital district.

Presented to the governor February 28, 2000

Signed by the governor March 1, 2000, 11:00 a.m.

**CHAPTER 253—S.F.No. 2320**

*An act relating to towns; authorizing the Crow Wing county board to change the name of the township of Lake Edwards upon receipt of a resolution from the town board.*

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

**Section 1. NAME CHANGE.**

Notwithstanding the petition requirements of Minnesota Statutes, chapter 379, the Crow Wing county board may change the name of the township of Lake Edwards to the township of Lake Edward upon receipt of a resolution requesting the change from the board of supervisors of the township of Lake Edwards.

Presented to the governor February 28, 2000

Signed by the governor March 1, 2000, 11:00 a.m.

**CHAPTER 254—S.F.No. 86**

*An act relating to education; providing for technical and other changes to kindergarten through grade 12 education provisions; amending Minnesota Statutes 1998, sections 120B.11, subdivision 5; 121A.25, subdivision 1; 123A.22, subdivisions 6 and 7; 123A.48, subdivision 19; 123A.485, subdivision 1; 123B.14, subdivision 5; 123B.31; 123B.70, subdivision 1; 123B.86, subdivision 1; 123B.88, subdivisions 1, 13, and 22; 123B.95, subdivision 2; 124D.11, subdivision 5; 124D.114; 124D.21; 124D.38, subdivision 9; 124D.40; 124D.41; 124D.42, subdivisions 4, 6,*

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*and 7; 124D.43; 124D.45, subdivisions 1 and 2; 124D.53, subdivision 2; 124D.61; 124D.83, subdivision 2; 124D.895; 124D.896; 126C.14; 126C.16, subdivisions 1 and 2; 126C.41, subdivision 1; 126C.48, subdivisions 2 and 5; and 127A.41, subdivision 1; Minnesota Statutes 1999 Supplement, sections 123A.27; 124D.454, subdivision 8; 124D.81, subdivision 1; 125A.79, subdivision 1; 126C.10, subdivision 9; 126C.15, subdivision 3; 126C.22, subdivision 4; 126C.44; and 127A.45, subdivision 13; Laws 1998, chapter 398, article 5, section 50, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 120A; repealing Minnesota Statutes 1998, sections 124D.128, subdivision 4; 124D.38, subdivision 10; and 124D.45, subdivision 3; Laws 1995, First Special Session chapter 3, article 5, section 9; Laws 1997, chapter 192, section 19.*

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

**Section 1. [120A.02] DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.**

The department of children, families, and learning shall carry out the provisions of chapters 120A to 129C and other related education provisions under law.

Sec. 2. Minnesota Statutes 1998, section 120B.11, subdivision 5, is amended to read:

Subd. 5. **REPORT.** (a) By October 1 of each year, the school board shall use standard statewide reporting procedures the commissioner develops and adopt a report that includes the following:

- (1) student performance goals for meeting state graduation standards adopted for that year;
- (2) results of local assessment data, and any additional test data;
- (3) the annual school district improvement plans;
- (4) information about district and learning site progress in realizing previously adopted improvement plans; and
- (5) the amount and type of revenue attributed to each education site as defined in section 123B.04, subdivision 2.

(b) The school board shall publish the report in the local newspaper with the largest circulation in the district or by mail. The board shall make a copy of the report available to the public for inspection. The board shall send a copy of the report to the commissioner of children, families, and learning by October 15 of each year.

(c) The title of the report shall contain the name and number of the school district and read "Annual Report on Curriculum, Instruction, and Student Performance." The report must include at least the following information about advisory committee membership:

- (1) the name of each committee member and the date when that member's term expires;

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(2) the method and criteria the school board uses to select committee members; and

(3) the date by which a community resident must apply to next serve on the committee.

Sec. 3. Minnesota Statutes 1998, section 121A.25, subdivision 1, is amended to read:

Subdivision 1. **APPLICABILITY.** The definitions in this section apply to Laws 1987, chapter 295 sections 121A.26 to 121A.29 and 121A.61, subdivision 3.

Sec. 4. Minnesota Statutes 1998, section 123A.22, subdivision 6, is amended to read:

Subd. 6. **COMMISSIONER APPROVAL.** ~~Prior to the commencement of the operation of any center~~ Before a center begins operation, the commissioner must approve the agreement establishing the center entered into by participating districts shall be approved by the commissioner.

Sec. 5. Minnesota Statutes 1998, section 123A.22, subdivision 7, is amended to read:

Subd. 7. **LAWS GOVERNING INDEPENDENT SCHOOL DISTRICTS APPLY.** As of the effective date of the creation of any center as contained in the agreement establishing the center, the organization, operation, maintenance, and conduct of the affairs of the center shall be governed by the general laws relating to independent school districts of the state unless provided otherwise ~~herein or by statute passed hereafter in statute.~~

Sec. 6. Minnesota Statutes 1999 Supplement, section 123A.27, is amended to read:

**123A.27 RESERVED REVENUE FOR DISTRICT COOPERATION.**

A district that was a member of an intermediate school district organized pursuant to chapter 136D on July 1, 1996, must place a portion of its general education revenue in a reserved account for instructional services from entities formed for cooperative services for special education programs and secondary vocational programs. The amount reserved is equal to the levy made according to Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6, for taxes payable in 1994 divided by the actual pupil units in the intermediate school district for fiscal year 1995 times the number of actual pupil units in the school district in 1995. The district must use 5/11 of the revenue for special education and 6/11 of the revenue for secondary vocational education. The district must demonstrate that the revenue is being used to provide the full range of special education and secondary vocational programs and services available to each child served by the intermediate. The secondary vocational programs and services must meet the requirements established in an articulation agreement developed between the commissioner of children, families, and learning and the board of trustees of the Minnesota state colleges and universities.

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A district that was a member of an education district organized pursuant to section 123A.15 on July 1, 1999, must place a portion of its general education revenue in a reserve account for instructional services from entities formed for cooperative services. Services may include secondary vocational programs, special education programs, staff development, and gifted and talented instruction. The amount reserved is equal to \$50 per pupil unit times the actual number of pupil units in the district.

Sec. 7. Minnesota Statutes 1998, section 123A.48, subdivision 19, is amended to read:

Subd. 19. **BONDS; ELECTION.** The board of the newly created district, when constituted as provided in Minnesota Statutes 1990, section 122.23, subdivision 17, may provide for an election of that district on the issuance of bonds. It may issue and sell bonds authorized at the election, or bonds authorized at an election previously held in any preexisting district wholly included within the newly created district, or bonds for a purpose for which an election is not required by law. The actions may be taken at any time after the date of the county auditor's order issued under Minnesota Statutes 1990, section 122.23, subdivision 17, and before or after the date upon which the consolidation becomes effective for other purposes, and taxes for the payment of the bonds shall be levied upon all taxable property in the newly created district. No bonds shall be delivered to purchasers until 30 days after the date of the county auditor's order. If within this period a notice of appeal from the county auditor's order to the district court is filed in accordance with section 123A.49, no bonds shall be delivered by the newly created district to purchasers unless:

(1) the county auditor's order is affirmed by final order of the district court in the special proceeding, and a period of 30 days from the service of the final order expires without an appeal being commenced; or

(2) if an appeal is taken, the order is affirmed and the time for petitioning for further review has expired. Notwithstanding the pendency of the appeal, if all of the territory of one and only one independent district maintaining a secondary school is included in the newly created district, and if the net tax capacity of taxable property in the territory comprises 90 percent or more of the net tax capacity of all taxable property in the newly created district, then the board may issue, sell, and deliver any bonds voted by the preexisting independent district and any bonds voted or otherwise authorized by the newly created district, and the bonds must be paid by the levy of taxes upon the property within the territory of the preexisting independent district and within the other areas, if any, that are finally determined to be properly included within the newly created district. In any election held in the newly created district as authorized in the preceding sentence, all qualified electors residing within the area of that district as defined in the county auditor's order shall be entitled to vote, but the votes cast by residents of former districts or portions of former districts included in the area, other than the independent district maintaining the secondary school, shall be received and counted separately. The bonds must not be issued and sold unless authorized by a majority of the votes cast thereon by electors of the independent district maintaining the secondary school, and also by a majority of the votes cast thereon by

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electors residing within the entire area of the newly created district.

Sec. 8. Minnesota Statutes 1998, section 123A.485, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBILITY AND USE.** A district that has been reorganized after June 30, 1994, under section 123A.48 is eligible for consolidation transition revenue. Revenue is equal to the sum of aid under subdivision 2 and levy under subdivision 3. Consolidation transition revenue may only be used according to this section. Revenue must be used for the following purposes and may be distributed among these purposes at the discretion of the district:

- (1) to offer early retirement incentives as provided by section 123A.48, subdivision 23;
- (2) to reduce operating debt as defined in section 123B.82;
- (3) to enhance learning opportunities for students in the reorganized district; and
- (4) for other costs incurred in the reorganization.

Revenue received and utilized under clause (3) or (4) may be expended for operating, facilities, and/or equipment. Revenue received under this section must not be included in the determination of the reduction under section ~~124A.26~~, subdivision ~~1~~.

Sec. 9. Minnesota Statutes 1998, section 123B.14, subdivision 5, is amended to read:

Subd. 5. **INSUFFICIENT FUNDS.** In the event that valid orders are presented to the treasurer for payment, and there are insufficient funds on hand to pay them, the treasurer shall receive, endorse and process them in accordance with section ~~124.06~~ 123B.12.

Sec. 10. Minnesota Statutes 1998, section 123B.31, is amended to read:

**123B.31 LIMITATION OF SECTIONS.**

Material contained in sections ~~120B.09~~, 120B.14, 120B.35, 121A.21, ~~121A.24~~, 122A.44, 122A.69, 123A.22, 123A.24, 123B.02, subdivisions 1 to 15 and 17 to 20, 123B.09, 123B.11, 123B.14, 123B.143, 123B.147, 123B.23, 123B.49, 123B.51, 123B.52, 123B.88, 124D.02, 124D.09, and 124D.51, unless expressly stated otherwise, relates only to independent school districts.

Sec. 11. Minnesota Statutes 1998, section 123B.70, subdivision 1, is amended to read:

Subdivision 1. **COMMISSIONER APPROVAL.** In determining whether to give a school facility a positive, negative, or unfavorable review and comment, the commissioner must evaluate the proposals for facilities using the information provided under section 123B.71, subdivision 9.

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The commissioner may submit a negative review and comment for a project if the district has not submitted its capital facilities plan required under section ~~124.243~~, subdivision 1, to the commissioner.

Sec. 12. Minnesota Statutes 1998, section 123B.86, subdivision 1, is amended to read:

Subdivision 1. **GENERAL PROVISIONS.** A district shall provide equal transportation within the district for all school children to any school when transportation is deemed necessary by the school board because of distance or traffic condition in like manner and form as provided in sections 123B.88 and ~~124.223~~ 123B.92, when applicable.

Sec. 13. Minnesota Statutes 1998, section 123B.88, subdivision 1, is amended to read:

Subdivision 1. **PROVIDING TRANSPORTATION.** The board may provide for the transportation of pupils to and from school and for any other purpose. The board may also provide for the transportation of pupils to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. In any district, the board must arrange for the attendance of all pupils living two miles or more from the school, except pupils whose transportation privileges have been voluntarily surrendered under subdivision 2, or whose privileges have been revoked under section 123B.91, subdivision 1, clause (6), or 123B.90, paragraph (b), or whose privileges have been voluntarily surrendered under subdivision 1a subdivision 2. The district may provide for the transportation of or the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. Arrangements for attendance may include a requirement that parents or guardians request transportation before it is provided. The board must provide transportation to and from the home of a child with a disability not yet enrolled in kindergarten when special instruction and services under sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided in a location other than in the child's home. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto must be within the sole discretion, control, and management of the board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 14. Minnesota Statutes 1998, section 123B.88, subdivision 13, is amended to read:

Subd. 13. **AREA LEARNING CENTER PUPILS.** Districts may provide bus transportation along school bus routes established to provide ~~nonregular transportation as defined in section 123B.92, subdivision 1, paragraph (e)(2)(ii);~~ when space is

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available, for pupils attending programs at an area learning center. The transportation is only permitted between schools and if it does not increase the district's expenditures for transportation. The cost of these services shall be considered part of the authorized cost for nonregular transportation for the purpose of section 123B.92.

Sec. 15. Minnesota Statutes 1998, section 123B.88, subdivision 22, is amended to read:

Subd. 22. **POST-SECONDARY ENROLLMENT OPTIONS PUPILS.** Districts may provide bus transportation along school bus routes established to provide nonregular transportation as defined in section 123B.92, subdivision 1, paragraph (c), clause (2), when space is available, for pupils attending programs at a post-secondary institution under the post-secondary enrollment options program. The transportation is permitted only if it does not increase the district's expenditures for transportation. Fees collected for this service under section 123B.36, subdivision 1, paragraph (13), shall be subtracted from the authorized cost for nonregular transportation for the purpose of section 123B.92.

Sec. 16. Minnesota Statutes 1998, section 123B.95, subdivision 2, is amended to read:

Subd. 2. **FINANCES.** The board must submit to the annual meeting an estimate of the expenses of the district for the coming year for a school term as determined by the board and for such other specified purposes as the board may deem proper. If the annual meeting fails to vote a sufficient tax to maintain the district for such time, the board must levy such tax pursuant to and within the limitations of sections 124.226, 124D.22, 126C.40 to 126C.45, and 126C.48; but no board shall expend any money or incur any liability for any purpose beyond the sum appropriated by vote of the district for such purpose, or levied by the board pursuant to this subdivision, or on hand and applicable thereto.

Sec. 17. Minnesota Statutes 1998, section 124D.11, subdivision 5, is amended to read:

Subd. 5. **SPECIAL EDUCATION AID.** Except as provided in subdivision 2, paragraph (b), special education aid must be paid to a charter school according to section 125A.76, as though it were a school district. The charter school may charge tuition to the district of residence as provided in section 125A.11. The charter school shall allocate its special education levy equalization revenue to the resident districts of the pupils attending the charter school. The districts of residence shall levy as though they were participating in a cooperative, as provided in section 125A.77, subdivision 3.

Sec. 18. Minnesota Statutes 1998, section 124D.114, is amended to read:

**124D.114 LACTOSE REDUCED MILK.**

(a) If a nonpublic school or district receives school lunch aid under section 124D.111 or participates in the school breakfast program and receives a written request from the parent of a pupil who is lactose intolerant, then the nonpublic school or

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district must make available lactose reduced milk; milk fortified with lactase in liquid, tablet, granular, or other form; or milk to which lactobacillus acidophilus has been added for the pupil.

(b) Notwithstanding any law, local ordinance, or local regulation to the contrary, a school may pour or serve portions of any product required by this section from a large container of the product at the time and place the pupil is being served.

Sec. 19. Minnesota Statutes 1998, section 124D.21, is amended to read:

**124D.21 ADDITIONAL COMMUNITY EDUCATION REVENUE.**

(a) A district that is eligible under section 124D.20, subdivision 2, may levy an amount up to the amount authorized by Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(b) Beginning with levies for fiscal year 1995, this levy must be reduced each year by the amount of any increase in the levying district's general community education revenue under section 124D.20, subdivision 3, for that fiscal year over the amount received by the district under Minnesota Statutes 1992, section 124.2713, subdivision 3, for fiscal year 1994.

(c) The proceeds of the levy may be used for the purposes set forth in section 124D.20, subdivision 8.

Sec. 20. Minnesota Statutes 1998, section 124D.38, subdivision 9, is amended to read:

Subd. 9. **COMMISSION.** "Commission" means the Minnesota commission on national and community service established in section ~~121.703~~ 124D.385.

Sec. 21. Minnesota Statutes 1998, section 124D.40, is amended to read:

**124D.40 YOUTH WORKS GRANTS.**

Subdivision 1. **APPLICATION.** An eligible organization interested in receiving a grant under sections 124D.39 to 124D.44 may prepare and submit to the commission, and ~~beginning January 1, 1997, the council,~~ an application that complies with section 124D.41.

Subd. 2. **GRANT AUTHORITY.** The commission and, ~~beginning January 1, 1997, the council~~ must use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works meeting the requirements of section 124D.41. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. In awarding grants, the commission and, ~~beginning January 1, 1997, the council~~ may select at least one residential proposal and one nonresidential proposal, provided the proposals meet or exceed the criteria in section 124D.41.

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Sec. 22. Minnesota Statutes 1998, section 124D.41, is amended to read:

**124D.41 GRANT APPLICATIONS.**

Subdivision 1. **APPLICATIONS REQUIRED.** An organization seeking federal or state grant money under sections 124D.39 to 124D.44 shall prepare and submit to the commission and, ~~beginning January 1, 1997, the council~~ an application that meets the requirements of this section. The commission and, ~~beginning January 1, 1997, the council~~ must develop, and the applying organizations must comply with, the form and manner of the application.

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

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

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

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

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

(5) describe local funds or resources available to meet the match requirements of section 124D.44;

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

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

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

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

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

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

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(12) describe the arbitration mechanism for dispute resolution required under section 124D.42, subdivision 2;

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

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

(15) certify to the commission and, beginning January 1, 1997, the council, and to any certified bargaining representatives representing employees of the applying organization that the project will not decrease employment opportunities that would be available without the project; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work;

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

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

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

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

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

Sec. 23. Minnesota Statutes 1998, section 124D.42, subdivision 4, is amended to read:

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

- (1) paying a student loan;
- (2) costs of attending an institution of higher education; or

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(3) expenses incurred by a student in an approved youth apprenticeship program under sections 124D.46 to 124D.49 or in a registered apprenticeship program approved by the department of labor and industry.

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

(b) Postservice benefits are to be used to develop skills required in occupations where numbers of jobs are likely to increase. The commission, ~~in consultation with the workforce development council, and beginning January 1, 1997, the workforce development council,~~ must determine how the benefits may be used in order to best prepare participants with skills that build on their service-learning and equip them for meaningful employment.

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

Sec. 24. Minnesota Statutes 1998, section 124D.42, subdivision 6, is amended to read:

Subd. 6. **PROGRAM TRAINING.** (a) The commission ~~and, beginning January 1, 1997, the council~~ must, within available resources, ensure an opportunity for each participant to have three weeks of training in a residential setting. If offered, each training session must:

- (1) orient each participant in the nature, philosophy, and purpose of the program;
- (2) build an ethic of community service through general community service training; and
- (3) provide additional training as it determines necessary.

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

Sec. 25. Minnesota Statutes 1998, section 124D.42, subdivision 7, is amended to read:

Subd. 7. **TRAINING AND EDUCATION REQUIREMENTS.** Each grantee organization must assess the educational level of each entering participant. Each grantee shall work to enhance the educational skills of each participant. The commission ~~and, beginning January 1, 1997, the council~~ may coordinate or contract with educational institutions or other providers for educational services and evaluation. All grantees shall give priority to educating and training participants who do not have a high school diploma or its equivalent, or who cannot afford post-secondary training and education.

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Sec. 26. Minnesota Statutes 1998, section 124D.43, is amended to read:

**124D.43 PRIORITY GIVEN TO ELIGIBLE ORGANIZATION MEETING SPECIFIC GOALS.**

The commission and, ~~beginning January 1, 1997, the council~~ must give priority to an eligible organization proposing a program that meets the goals of sections 124D.39 to 124D.42, and that:

- (1) involves youth in a meaningful way in all stages of the program, including assessing community needs, preparing the application, and assuming postservice leadership and mentoring responsibilities;
- (2) serves a community with significant unmet needs;
- (3) provides an approach that is most likely to reduce arrest rates, incarceration rates, teenage pregnancy, and other indicators of troubled youth;
- (4) builds linkages with existing, successful programs; and
- (5) can be operational quickly.

Sec. 27. Minnesota Statutes 1998, section 124D.45, subdivision 1, is amended to read:

Subdivision 1. **GRANTEE ORGANIZATIONS.** Each grantee organization shall report to the commission and, ~~beginning January 1, 1997, the council~~ at the time and on the matters requested by the commission and, ~~beginning January 1, 1997, the council.~~

Sec. 28. Minnesota Statutes 1998, section 124D.45, subdivision 2, is amended to read:

Subd. 2. **INTERIM REPORT.** The commission and, ~~beginning January 1, 1997, the council~~ must report semiannually to the legislature with interim recommendations to change the program.

Sec. 29. Minnesota Statutes 1999 Supplement, section 124D.454, subdivision 8, is amended to read:

Subd. 8. **USE OF AID.** The aid provided pursuant to under this section shall be paid only for services rendered as designated in subdivision 2 or for the costs designated in subdivision 3 which are incurred in according to this section for transition programs for children with a disability which are approved by the commissioner of children, families, and learning and operated in accordance with rules promulgated by the commissioner. These rules shall be subject to the restrictions provided in section 124D.453, subdivision 6. The procedure for application for approval of these programs shall be as provided in section 125A.75, subdivisions 4 and 6, and the application review process shall be conducted by the office of lifework development in the department.

Sec. 30. Minnesota Statutes 1998, section 124D.53, subdivision 2, is amended to read:

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Subd. 2. **PROGRAMS FUNDED.** Adult basic education programs established under section 124D.52 and approved by the commissioner are eligible for ~~revenue aid~~ aid under this section.

Sec. 31. Minnesota Statutes 1998, section 124D.61, is amended to read:

**124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.**

A district which receives aid pursuant to section ~~124.273~~ 124D.65 must comply with the following program requirements:

(1) to the extent possible, the district must avoid isolating children of limited English proficiency for a substantial part of the school day; and

(2) in predominantly nonverbal subjects, such as art, music, and physical education, pupils of limited English proficiency shall be permitted to participate fully and on an equal basis with their contemporaries in public school classes provided for these subjects. To the extent possible, the district must assure to pupils enrolled in a program for limited English proficient students an equal and meaningful opportunity to participate fully with other pupils in all extracurricular activities.

Sec. 32. Minnesota Statutes 1999 Supplement, section 124D.81, subdivision 1, is amended to read:

Subdivision 1. **GRANTS; PROCEDURES.** Each fiscal year the commissioner of children, families, and learning must make grants to no fewer than six American Indian language and culture education programs. At least three programs must be in urban areas and at least three must be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal, or alternative schools. The commissioner shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections ~~126.45~~ 124D.71 to ~~126.55~~ 124D.82. The commissioner must submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 33. Minnesota Statutes 1998, section 124D.83, subdivision 2, is amended to read:

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

(1) multiplying the formula allowance under section 126C.10, subdivision 2, less \$170, times the difference between (i) the resident pupil units as defined in section ~~124A.02~~ 126C.05, subdivision ~~45~~ 6, in average daily membership, excluding section 126C.05, subdivision 13, and (ii) the number of pupils for the current school year,

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weighted according to section 126C.05, subdivision 1, receiving benefits under section 123B.42 or 123B.44 or for which the school is receiving reimbursement under section 124D.69;

(2) adding to the result in clause (1) an amount equal to the product of the formula allowance under section 126C.10, subdivision 2, less \$300 times the tribal contract compensation revenue pupil units;

(3) subtracting from the result in clause (2) the amount of money allotted to the school by the federal government through Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 124D.69;

(4) dividing the result in clause (3) by the sum of the resident pupil units in average daily membership, excluding section 126C.05, subdivision 13, plus the tribal contract compensation revenue pupil units; and

(5) multiplying the sum of the resident pupil units, including section 126C.05, subdivision 13, in average daily membership plus the tribal contract compensation revenue pupil units by the lesser of \$1,500 or the result in clause (4).

Sec. 34. Minnesota Statutes 1998, section 124D.895, is amended to read:

**124D.895 PARENTAL INVOLVEMENT PROGRAMS.**

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

(1) engage the interests and talents of parents or guardians in recognizing and meeting the emotional, intellectual, and physical needs of their school-age children;

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

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

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

(5) encourage parents to actively participate in their district's curriculum advisory committee under section ~~126.666~~ 120B.11 in order to assist the school board in improving children's education programs; and

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

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Subd. 2. **PLAN CONTENTS.** Model plans for a parental involvement program must include at least the following:

- (1) program goals;
- (2) means for achieving program goals;
- (3) methods for informing parents or guardians, in a timely way, about the program;
- (4) strategies for ensuring the full participation of parents or guardians, including those parents or guardians who lack literacy skills or whose native language is not English, including involvement from parents or guardians of color;
- (5) procedures for coordinating the program with kindergarten through grade 12 curriculum, with parental involvement programs currently available in the community, with the PER process under sections ~~126.661~~ 120B.10 to ~~126.67~~ 120B.11, and with other education facilities located in the community;
- (6) strategies for training teachers and other school staff to work effectively with parents and guardians;
- (7) procedures for parents or guardians and educators to evaluate and report progress toward program goals; and
- (8) a mechanism for convening a local community advisory committee composed primarily of parents or guardians to advise a district on implementing a parental involvement program.

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

- (1) educational opportunities for families that enhance children's learning development;
- (2) educational programs for parents or guardians on families' educational responsibilities and resources;
- (3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;
- (4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;
- (5) technical assistance, including training to design and carry out family involvement programs;
- (6) parent resource centers;
- (7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;
- (8) reports to parents on children's progress;

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

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

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

(12) involvement in a district's curriculum advisory committee or a school building team under section ~~126.666~~ 120B.11; and

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

Sec. 35. Minnesota Statutes 1998, section 124D.896, is amended to read:

**124D.896 DESEGREGATION/INTEGRATION AND INCLUSIVE EDUCATION RULES.**

(a) By January 10, 1999, the commissioner shall ~~make~~ propose rules relating to desegregation/integration and inclusive education.

(b) In adopting a rule related to school desegregation/integration, the commissioner shall address the need for equal educational opportunities for all students and racial balance as defined by the commissioner.

Sec. 36. Minnesota Statutes 1999 Supplement, 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~~ section 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~~ section 125A.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~~ section 125A.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, subdivision 4. For fiscal years 1997 and later, "general revenue" means the sum of the general education revenue according to section 126C.10,

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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. 37. Minnesota Statutes 1999 Supplement, 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.

(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 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.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. 38. Minnesota Statutes 1998, section 126C.14, is amended to read:

**126C.14 GENERAL EDUCATION LEVY EQUITY.**

If a district's general education levy is determined according to section 126C.13, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapters 120B, 122A, 123A, 123B, ~~124B~~, 124D, 125A, and 127A, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124D.111 must not be reduced.

The amount of the deduction equals the difference between;

(1) the general education tax rate, according to section 126C.13, times the district's adjusted net tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding transition revenue and supplemental revenue, for the same school year, according to section 126C.10.

Sec. 39. Minnesota Statutes 1999 Supplement, section 126C.15, subdivision 3, is amended to read:

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Subd. 3. **RECOMMENDATION.** A school site decision-making team, as defined in section 123B.04, subdivision 3 2, 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.

Sec. 40. Minnesota Statutes 1998, section 126C.16, subdivision 1, is amended to read:

Subdivision 1. **REVENUE CONVERSION.** Except as provided under subdivision 3, the referendum authority under section 126C.17 and ~~the levy authority under section 124.912, subdivisions 2 and 3,~~ of a district must be converted by the department according to this section.

Sec. 41. Minnesota Statutes 1998, section 126C.16, subdivision 2, is amended to read:

Subd. 2. **RATE ADJUSTMENT.** The department must adjust a district's referendum authority for a referendum approved before July 1, 1991, excluding authority based on a dollar amount, and ~~the levy authority under section 124.912, subdivisions 2 and 3,~~ by multiplying the sum of the rates authorized by a district under section 126C.17 and the rates in ~~section 124.912, subdivisions 2 and 3,~~ by the ratio determined under subdivision 2 for the assessment year for which the revenue is attributable. The adjusted rates for assessment year 1993 apply to later years for which the revenue is authorized.

Sec. 42. Minnesota Statutes 1999 Supplement, section 126C.22, subdivision 4, is amended to read:

Subd. 4. **REVENUE USES.** (a) A district must place its district cooperation revenue in a reserved account and may only use the revenue to purchase goods and services from entities formed for cooperative purposes or to otherwise provide educational services in a cooperative manner.

(b) A district that was a member of an intermediate school district organized pursuant to chapter 136D on July 1, 1996, must place its district cooperation revenue in a reserved account and must allocate a portion of the reserved revenue for instructional services from entities formed for cooperative services for special education programs and secondary vocational programs. The allocated amount is equal to the levy made according to Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6, for taxes payable in 1994 divided by the resident pupil units in the intermediate school district for fiscal year 1995 times the number of resident pupil units in the school district in 1995. The district must use 5/11 of the revenue for special education and 6/11 of the revenue for secondary vocational education. The district must demonstrate that the revenue is being used to provide the full range of special education and secondary vocational programs and services available to each child served by the intermediate. The secondary vocational programs and service must meet the requirements established in an articulation agreement developed between the

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commissioner of children, families, and learning and the board of trustees of the Minnesota state colleges and universities.

(c) A district that was not a member of an intermediate district organized under chapter 136D on July 1, 1994, must spend at least \$9 per pupil unit of its district cooperation revenue on secondary vocational programs.

Sec. 43. Minnesota Statutes 1998, section 126C.41, subdivision 1, is amended to read:

Subdivision 1. **HEALTH INSURANCE.** (a) A district may levy the amount necessary to make employer contributions for insurance for retired employees under this subdivision.

(b) The school board of a joint vocational technical district formed under the provisions formerly codified as sections 136C.60 to 136C.69 and the school board of a school district may provide employer-paid hospital, medical, and dental benefits to a person who:

(1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on June 30, 1992;

(2) has at least 25 years of service credit in the public pension plan of which the person is a member on the day before retirement or, in the case of a teacher, has a total of at least 25 years of service credit in the teachers retirement association, a first-class city teacher retirement fund, or any combination of these;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) retires on or after May 15, 1992, and before July 21, 1992.

A school board paying insurance under this subdivision may not exclude any eligible employees.

(c) An employee who is eligible both for the health insurance benefit under this subdivision and for an early retirement incentive under a collective bargaining agreement or personnel plan established by the employer must select either the early retirement incentive provided under the collective bargaining agreement personnel plan or the incentive provided under this subdivision, but may not receive both. For purposes of this subdivision, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer.

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Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

(d) Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of chapter 179A. The authority provided in this subdivision for an employer to pay health insurance costs for certain retired employees is not subject to the limits in section 179A.20, subdivision 2a.

(e) If a school district levies according to this subdivision, it may not also levy according to section 123A.73, subdivision 12, for eligible employees.

Sec. 44. Minnesota Statutes 1999 Supplement, section 126C.44, is amended to read:

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

Each district may make a levy on all taxable property located within the district for 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 1994 Supplement, section 609.101, subdivision 3, paragraph (f)~~ (e), in the elementary schools; (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 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. 45. Minnesota Statutes 1998, section 126C.48, subdivision 2, is amended to read:

Subd. 2. **NOTICE TO COMMISSIONER; FORMS.** By October 7 of each year each district must notify the commissioner of the proposed levies in compliance with the levy limitations of this chapter and chapters 120B, 122A, 123A, 123B, ~~124B,~~ 124D, 125A, 127A, and 136D. By January 15 of each year each district must notify the commissioner of the final levies certified. The commissioner shall prescribe the form of these notifications and may request any additional information necessary to compute certified levy amounts.

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Sec. 46. Minnesota Statutes 1998, section 126C.48, subdivision 5, is amended to read:

Subd. 5. **ESTIMATES.** The computation of levy limitations pursuant to this chapter and chapters 120B, 122A, 123A, 123B, ~~124B~~, 124D, 125A, 127A, 136C, and 136D shall be based on estimates where necessary. If as a result of using estimates for these computations the amount of any levy is different from the amount which could actually have been levied if actual data had been available, levy limitations in the first year when the actual data is known shall be adjusted to reflect for this difference. The amount of any adjustment to levy limitations pursuant to this subdivision shall be recognized as revenue in the school year when the levy for which the levy limitation is so adjusted is recognized as revenue.

Sec. 47. Minnesota Statutes 1998, section 127A.41, subdivision 1, is amended to read:

Subdivision 1. **COMMISSIONER DUTIES.** The commissioner shall supervise distribution of school aids and grants in accordance with law. ~~The commissioner may make rules consistent with law for the distribution to enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for the reports and accounts to it as will assure accurate and lawful apportionment of aids. State and federal aids and discretionary or entitlement grants distributed by the commissioner shall not be subject to the contract approval procedures of the commissioner of administration or to chapter 16A, 16B, or 16C. The commissioner shall adopt internal procedures for administration and monitoring of aids and grants.~~

Sec. 48. Minnesota Statutes 1999 Supplement, 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. 49. Laws 1998, chapter 398, article 5, section 50, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT; PURPOSE.** A task force on prekindergarten through grade 12 education governance structure is established to examine the transitional issues related to the repeal of the state board of education under section 39, ~~paragraph (b) 56.~~

Sec. 50. **REPEALERS WITHOUT EFFECT.**

Subdivision 1. **EFFECT.** (a) The repeal of Minnesota Statutes 1994, section 121.703, by Laws 1995, chapter 131, section 3, subdivision 3, with an effective date

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of July 1, 1997, is without effect and Minnesota Statutes 1996, section 121.703, as amended by Laws 1997, First Special Session chapter 4, article 3, section 10, remains in effect after June 30, 1997.

(b) The repeal of Minnesota Statutes 1996, section 121.11, subdivision 7d, by Laws 1998, chapter 398, article 6, section 38, paragraph (b), with an effective date of January 10, 1999, is without effect and Minnesota Statutes 1996, section 121.11, subdivision 7d, as amended by Laws 1998, chapter 397, article 4, section 51, and chapter 398, article 5, section 7, remains in effect after January 9, 1999. Any rules adopted under section 121.11, subdivision 7d, remain in effect until otherwise provided by law or rule.

Subd. 2. REVISOR INSTRUCTION. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall renumber section 121.703 as 124D.385. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Subd. 3. EFFECTIVE DATE. Subdivision 1, paragraph (a), is effective retroactive to July 1, 1997. Subdivision 1, paragraph (b), is effective retroactive to July 1, 1998.

**Sec. 51. REPEALER.**

(a) Minnesota Statutes 1998, sections 124D.128, subdivision 4; 124D.38, subdivision 10; and 124D.45, subdivision 3, are repealed.

(b) Laws 1997, chapter 192, section 19, is repealed.

(c) Laws 1995, First Special Session chapter 3, article 5, section 9, is repealed.

**Sec. 52. EFFECTIVE DATE.**

Section 43 is effective retroactive to July 1, 1995. Section 35 is effective retroactive to January 1, 1999.

Presented to the governor March 3, 2000

Signed by the governor March 7, 2000, 3:40 p.m.

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**CHAPTER 255—H.F.No. 2067**

*An act relating to juvenile justice; when an extended jurisdiction juvenile offender has stayed sentence executed for violation of stay no credit is granted for time in juvenile facility; amending Minnesota Statutes 1999 Supplement, section 260B.130, subdivision 5.*

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

Section 1. Minnesota Statutes 1999 Supplement, section 260B.130, subdivision 5, is amended to read:

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