

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 473.596, is amended to read:

**473.596 ACCESS STREETS AND HIGHWAYS, HIGHWAY USER TAX DISTRIBUTION FUND.** So long as the tax imposed pursuant to article XIV, section 10, of the Minnesota Constitution is at or below the rate fixed by law on January 1, 1979, No money derived from the highway user tax distribution fund shall be used to construct, relocate, or improve any streets, highways, or other public thoroughfares, except ones included in the municipal state aid street system established pursuant to article XIV, section 4, if such work is done in order to provide or improve access to a new sports facility constructed pursuant to sections 473.551 to 473.595. The commissioner of transportation shall determine whether expenditures are in violation of this section.

**Sec. 3. EFFECTIVE DATE.** Section 1 is effective May 1, 1980, and applies to all gasoline and special fuels as defined in Minnesota Statutes, Section 296.01, Subdivision 6, in distributor storage on that date.

Approved April 24, 1980

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## CHAPTER 609—H.F.No. 1781

*An act relating to education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain powers and duties to school districts, the state board of education, and others; providing aid for the education of students of limited English proficiency; providing individualized instructional materials for nonpublic school pupils; increasing the amount of severance pay available to public employees; clarifying provisions governing education management information systems; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 121.90; 121.902, Subdivision 1; 121.906, Subdivision 2; 121.908, Subdivision 1; 121.912, Subdivision 2, and by adding a subdivision; 121.914, Subdivision 1; 122.22, Subdivisions 2 and 4; 122.23, Subdivisions 9 and 10; 122.25, Subdivision 1; 122.531, by adding subdivisions; 123.11, Subdivision 7; 123.35, Subdivision 5; 123.36, Subdivision 10, and by adding a subdivision; 123.51; 123.932, Subdivision 9, and by adding subdivisions; 123.933; 124.11, by adding a subdivision; 124.20; 124.214, Subdivision 2; 124.565, by adding a subdivision; 124.572, Subdivision 7; 124.65; 125.12, Subdivisions 2 and 9; 125.182, Subdivision 1; 125.60, by adding a subdivision; 126.07; 126.10; 126.36, Subdivisions 1, 3, 4 and 5; 126.52, Subdivision 5, and by adding a subdivision; 126.54, Subdivisions 5 and 6; 127.09; 127.11; 127.21; 134.03; 134.08; 275.125, Subdivisions 5, 5a, 12, and by adding a subdivision; 354.05, Subdivision 2, as amended; Chapters 16, by adding a section; 120, by adding sections; 121, by adding sections; 123, by adding a section; 124, by adding a section; 125, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 3.9279, Subdivision 13; 120.075, Subdivision 4, as amended, and by adding subdivisions; 121.912, Subdivision 1; 121.917, Subdivision 4; 122.541, Subdivision 5; 123.937; 124.11, Subdivisions 2a and 2b; 124.19, Subdivision 4; 124.212, Subdivision 7d; 124.223; 124.224, Subdivision 8;*

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124.225; 124.245, Subdivisions 1 and 2; 124.247, Subdivisions 3 and 4; 124.271, Subdivisions 1a and 2; 124.561, Subdivision 3a; 124.562, Subdivisions 3 and 4; 124.5621, Subdivision 11, and by adding a subdivision; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivisions 3 and 6; 124.566; 124.572, Subdivisions 2 and 7; 126.54, Subdivision 1; 275.125, Subdivisions 2a, 2b, 7a, 7b, 8, 9, 11a and 20; 353.01, Subdivision 2b; 354A.011, Subdivision 27; Laws 1959, Chapter 462, Section 3, as amended; Laws 1965, Chapter 705, as amended; Laws 1977, Chapter 85, Section 1, as amended; Laws 1979, Chapter 69, Sections 2 and 5; Chapter 334, Article V, Section 32, Subdivisions 6 and 7; Chapter 334, Article VIII, Section 29; Laws 1980, Chapter 345, Section 17; repealing Minnesota Statutes 1978, Sections 121.92, Subdivision 1; 122.531, Subdivision 3; 122.85, Subdivision 7; 123.34, Subdivision 6; 123.39, Subdivision 3; 123.65; 125.61, Subdivisions 1a and 6; 126.31; 126.32; 126.33; 126.34; 126.35; 126.36, Subdivision 6; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8 and 9; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6 and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6 and 7; 127.22; Minnesota Statutes, 1979 Supplement, Sections 16.93; 121.92, Subdivision 2; 124.222, Subdivision 3; 125.61, Subdivisions 1, 2, 3, 3a, 4, 4a and 4b; 126.39, Subdivision 10; 126.40, Subdivision 3; 126.41, Subdivision 1; 126.52, Subdivision 10; and Laws 1979, Chapter 334, Article V, Section 29, Subdivision 4.

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

#### ARTICLE I FOUNDATION AID

Section 1. Minnesota Statutes 1978, Section 122.531, is amended by adding a subdivision to read:

Subd. 3a. (1) For purposes of computing the levy limitation under section 275.125, subdivision 6b, and the foundation aid under section 124.212, of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more existing districts, the amounts specified in this subdivision shall be used in lieu of the amounts specified in the designated clauses of section 275.125, subdivision 6b and section 124.212.

(2) In lieu of the amount specified in section 275.125, subdivision 6b, clause (2), part (b), subpart (i); section 124.212, subdivision 7c, clause (3), part (a); and section 124.212, subdivision 7d, clause (3), part (a), subpart (i), there shall be used the sum of the amounts derived by performing the following multiplication for each component district:

(a) the product in section 275.125, subdivision 6b, clause (1), part (b), computed for the component district, times

(b) the quotient obtained by dividing the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), from that component district who are enrolled in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective, by the total number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the component district in the year preceding the year when the consolidation or dissolution and attachment becomes effective.

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(3) In lieu of the quotient used in the computation in section 275.125, subdivision 6b, clause (2), part (b), subpart (ii), and in section 124.212, subdivision 7d, clause (3), part (a), subpart (ii), there shall be used the quotient obtained by dividing:

(a) the sum derived in clause (2) of this subdivision, by

(b) the sum of the amounts derived by performing the following computation for each component district:

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2) in the component district in 1979-1980, times

(ii) the quotient derived for that component district in clause (2), part (b) of this subdivision.

Sec. 2. Minnesota Statutes 1978, Section 122.531, is amended by adding a subdivision to read:

Subd. 5. (1) For purposes of computing the levy limitation under section 275.125, subdivision 6c, of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more other districts, there shall be used in lieu of the amount specified in section 275.125, subdivision 6c, clause (1), part (a)(i) (A), the quotient obtained by dividing:

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

(i) the quotient in section 275.125, subdivision 6c, clause (1), part (a)(i)(A), computed for the component district for purposes of 1979 payable 1980 levy limitations, times

(ii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), from that component district who are enrolled in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective; by

(b) the total number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective.

(2) For purposes of computing the district's foundation aid pursuant to section 124.212, in lieu of the amount derived in section 124.212, subdivision 7c, clause (4), part (a), there shall be used the sum derived in clause (1), part (a) of this subdivision.

Sec. 3. Minnesota Statutes 1978, Section 122.531, is amended by adding a subdivision to read:

Subd. 6. (1) For purposes of computing foundation aid under section 124.212, subdivision 7c, clauses (3) and (4), or section 124.212, subdivision 7d, clauses (3) and (4), of a district newly created through consolidation or enlarged

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through the dissolution of a district and its attachment to one or more other districts, in the year when the consolidation or dissolution and attachment becomes effective, there shall be used in lieu of the ratio of the district's actual levy to its permitted levy in 1979 payable 1980 or 1980 payable 1981, as applicable, pursuant to section 275.125, subdivision 6b or 6c, as applicable, the quotient obtained by dividing:

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

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

Sec. 4. Minnesota Statutes 1978, Section 122.531, is amended by adding a subdivision to read:

Subd. 7. For purposes of computing foundation aid under section 124.212, subdivision 7c, clause (5) or section 124.212, subdivision 7d, clause (5), of a district newly created through consolidation or through the dissolution of a district and its attachment to one or more other districts, in the year when the consolidation or dissolution and attachment becomes effective, there shall be used in lieu of the mill rate levied by the district on its adjusted assessed valuation in 1979 payable 1980 or 1980 payable 1981, as applicable, pursuant to section 275.125, subdivision 7a, the sum of the amounts derived by performing the following multiplication for each component district:

(a) the mill rate levied by the component district on its adjusted assessed valuation in 1979 payable 1980 or 1980 payable 1981, as applicable, pursuant to section 275.125, subdivision 7a; times

(b) the ratio of the amount of the adjusted assessed valuation of the property from the component district which is included in the new district to the total amount of the adjusted assessed valuation of the new district.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 124.19, Subdivision 4, is amended to read:

Subd. 4. In an elementary a school where the number of instructional hours in the school day is greater than the number of instructional hours prescribed in the rules of the state board for the school day, the excess number of *instructional hours for those days may be included in calculating the required number of days school is in session for purposes of fulfilling the requirements of subdivision 1, provided that the school is in session for not less than 160 days*

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during the school year, and provided that no instructional hours are included from half-day sessions or any school day which has less instructional hours than the number of instructional hours prescribed in the rules of the state board.

Sec. 6. Minnesota Statutes 1978, Section 124.20, is amended to read:

**124.20 EDUCATION; STATE AID; SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES.** Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, (3) summer school classes in elementary and secondary schools, and (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid at a proportionate rate for foundation aids paid for the preceding regular school year; provided that no district shall receive aid for programs under this section in an amount greater than its actual expenditures for these programs; provided further, that for purposes of computing summer school foundation aid through 1980, a district's foundation aid for the regular school year shall be reduced by the amount of the agricultural tax credit included in that foundation aid; provided further, that for purposes of computing summer school foundation aid starting in 1981, foundation aid for the regular school year shall be reduced by amounts of foundation aid computed pursuant to section 124.212, subdivision 7c, clauses (2), (3), (4) and (5), and section 124.212, subdivision 7d, clauses (2), (3), (4) and (5), or their successor provisions.

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 124.212, Subdivision 7d, is amended to read:

Subd. 7d. For the 1981-1982 school year a district shall receive in foundation aid:

(1) \$1,354 per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less 21 mills times the 1979 adjusted assessed valuation of the district; plus

(2) the amount of the agricultural tax credit by which 1980 payable 1981 property taxes in the district are reduced pursuant to section 273.132; plus

(3) an amount equal to the product obtained by multiplying the ratio of the district's actual levy to its permitted levy in 1980 payable 1981 pursuant to section 275.125, subdivision 6b, times the difference between

(a) the greater of

(i) the amount derived in subdivision 7c, clause (3), part (a), or

(ii) the product obtained by multiplying the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), in the district in 1980-1981, times the quotient obtained by dividing the amount derived in subdivision 7c, clause (3), part (a), by the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2) in the district in 1979-1980, and

(b) the product obtained by multiplying the amount derived in part (a) of this clause times the lesser of

(i) one or

(ii) the ratio of the district's 1979 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1980-1981, to the state average 1979 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the state in 1980-1981; plus

(4) an amount equal to the ratio of the district's actual levy to its permitted levy in 1980 payable 1981 pursuant to section 275.125, subdivision 6c, times the difference between

(a) the product obtained by multiplying

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1981-1982 times

(ii) 107 percent of the quotient obtained by dividing the amount derived in subdivision 7c, clause (4), part (a), by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1980-1981, and

(b) the product obtained by multiplying the ratio of the amount derived in part (a) (ii) of this clause to \$64,476, times the district's 1979 adjusted assessed valuation; plus

(5) an amount equal to the difference between

(a) the product obtained by multiplying the mill rate levied by the district on its adjusted assessed valuation in 1980 payable 1981 pursuant to section 275.125, subdivision 7a, times \$64,476, times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1980-1981; and

(b) the product obtained by multiplying the mill rate levied by the district on its adjusted assessed valuation in 1980 payable 1981 pursuant to section 275.125, subdivision 7a, times the district's 1979 adjusted assessed valuation.

(6) No district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6 and 6a, comprises 60 percent or more of the assessed valuation of the district shall receive an amount of foundation aid pursuant to clause (1) which is less than the following difference:

(a) ~~\$600~~ \$800 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less

(b) the sum of

(i) the amount of the agricultural tax credit by which 1980 payable 1981 property taxes in the district are reduced pursuant to section 273.132, plus

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(ii) the amount by which 1980 payable 1981 property taxes in the district are reduced pursuant to section 273.13, subdivisions 6, 7 and 14a, plus

(iii) the amount by which 1980 payable 1981 property taxes in the district are reduced pursuant to section 273.135, plus

(iv) the amount by which 1980 payable 1981 taxes in the district are reduced pursuant to section 273.138, subdivision 6.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 124.224, Subdivision 8, is amended to read:

Subd. 8. **EXPIRATION.** This section shall expire ~~June 30, 1980~~ with the final 1980 payment pursuant to subdivision 7.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. (1) In 1979, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 23 mills times the 1978 adjusted assessed valuation of the district.

(2) In 1980, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 21 mills times the 1979 adjusted assessed valuation of the district.

(3) For any district levying less than 95 percent of the maximum levy allowable in clauses (1) and (2), ~~beginning with the levy certified in 1978, payable in 1979, the foundation aid to the district for the 1979-1980 school year, and for subsequent levies, foundation aid for subsequent school years when the levy is recognized as revenue, calculated pursuant to section 124.212, subdivision 7c, clauses (1) and (6); or section 124.212, subdivision 7d, clauses (1) and (6); or their successor provisions, as applicable, shall be reduced to an amount equal to the ratio between the actual levy and the maximum levy allowable under clauses (1) and (2) times the foundation aid calculated pursuant to section 124.212, subdivision 7c, clauses (1) and (6); or section 124.212, subdivision 7d, clauses (1) and (6); or their successor provisions, as applicable, to which the district is otherwise entitled for that year. For purposes of computations pursuant to this clause, the maximum levy allowable and the actual levy under clauses (1) and (2) shall be increased by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law.~~

(4) (a) The levy authorized by clauses (1) or (2) may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held to approve a levy increase which will commence in a specific school year. The question on the ballot shall state the maximum amount of the increased levy in mills, the amount that will be raised by that millage in the first year it is to be levied, and that the millage shall be used to finance school opera-

tions. The question may designate a specific number of years for which the referendum authorization shall apply. If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked by the voters of the district at a subsequent referendum.

(b) A referendum on the question of revoking the increased levy amount authorized pursuant to clause (a) of this clause may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. The amount approved by the voters of the district pursuant to clause (a) of this clause must be levied at least once before it is subject to a referendum on its revocation for subsequent years. Only one such revocation election may be held to revoke a levy for any specific year and for years thereafter.

(c) A petition authorized by clauses (a) or (b) of this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(d) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(e) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 2b, is amended to read:

Subd. 2b. (1) ~~Beginning in 1979,~~ In any year when the amount of the maximum levy allowed by subdivision 2a, clause (1) or (2), for any district with 950 or more pupil units under section 124.17, subdivision 1, clauses (1) and (2), exceeds the product of the district's foundation aid formula allowance under section 124.212 for the ~~corresponding~~ school year in which the levy is recognized as revenue times the estimated number of pupil units computed for that district under section 124.17, subdivision 1, clauses (1), (2), (4) and (5), for that school year, the levy permitted that district by subdivision 2a, clause (1) or (2) shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under subdivision 2a, clause (1) or ~~107 percent of~~ the sum of the following, but not to exceed the ~~amount raised by the number of mills permitted~~ levy limitation under subdivision 2a, clause (1) or (2):

(a) (i) the product of the district's foundation aid formula allowance under section 124.212 for the school year in which the levy is certified recognized as revenue, times the estimated number of pupil units computed for that district under section 124.17, subdivision 1, clauses (1), (2), (4) and (5), for ~~the that~~ school year in which the levy is certified; ~~plus less~~



(ii) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124.212, subdivision 5a in the school year in which the levy is recognized as revenue; plus

(b) the district's estimated aid entitlement pursuant to section 124.20 for the summer school which begins in the school year in which the levy is certified recognized as revenue; plus

(c) that district's estimated entitlement, for the year in which the levy is certified recognized as revenue, for transportation aid pursuant to section 124.225, special education aid pursuant to section 124.32, secondary vocational aid pursuant to section 124.573 and secondary vocational aid for handicapped children pursuant to section 124.574.

(2) If a district levies the full 107 percent of its entitlement under clause (1) for a school year and that amount is less than the amount to which the district would actually have been entitled under sections 124.20, 124.212, 124.225, 124.32, 124.573, and 124.574, for the year to which the levy is attributable, the district may adjust its levies in the succeeding years to make up this difference. The amount by which the district adjusts any levy in the succeeding years pursuant to this section shall be recognized as revenue in the school year when the levy which is so adjusted is recognized as revenue.

(3) If a district levies pursuant to clause (1) for school year and the amount levied is greater than the amount to which the district would actually have been entitled under sections 124.20, 124.212, 124.225, 124.32, 124.573, and 124.574, for the year to which the levy is attributable, the district shall reduce its levies in the succeeding years by the amount of this difference.

(4) However, if the amount of the difference in clause (2), when calculated as an addition to the original levy for that year, would have exceeded the amount raised by the millage limitation in subdivision 2a, clause (1) or (2) for that year, the state shall pay the amount to which the district is entitled under sections 124.20, 124.212, 124.225, 124.32, 124.573, and 124.574, for that school year, which exceeds the amount raised by that millage limitation.

(5) If the district is unable to levy the full 107 percent of its entitlement for a school year because of the millage limitation in subdivision 2a, clause (1) or (2), the state shall pay the amount under sections 124.20, 124.212, 124.225, 124.32, 124.573, or 124.574 to which the district is entitled for that school year which exceeds the amount raised by that millage limitation.

(6) (2) Prior to the certification of levies, the commissioner of education shall notify an applicable district that it is subject to the levy limitation of this subdivision and of its estimated entitlements pursuant to sections 124.20, 124.212, 124.225, 124.32, 124.573, and 124.574. The commissioner shall decide that a district is subject to this levy limitation if it appears reasonably certain that the maximum levy allowed that district pursuant to subdivision 2a, clause (1) or (2) will exceed the district's foundation aid formula allowance times the number of pupil units computed for that district under section 124.17, subdivision 1, clauses

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(1); (2); (4) and (5); for that corresponding year. If, upon the order of the commissioner, the district levies pursuant to this subdivision but the maximum levy allowed that district pursuant to subdivision 2a, clause (1) or (2) would not actually have exceeded the district's foundation aid formula allowance times the number of pupil units computed for that district under section 124.17, subdivision 1, clauses (1); (2); (4) and (5); for that corresponding year, the district shall reduce its levy for the next year by the amount by which the levy certified pursuant to this subdivision exceeded the amount the district could have levied under subdivision 2a, clause (1) or (2). Also in that case, the district shall receive all aids from the state pursuant to sections 124.20, 124.212, 124.225, 124.32, 124.573, and 124.574 to which it would otherwise have been entitled if its permitted levy had not been computed pursuant to this subdivision.

(7) (3) Any district which is required to compute its permitted levy levy limitation under this subdivision shall not be eligible to receive that amount of aid for the corresponding school year under sections 124.20, 124.212, 124.225, 124.32, 124.573, and 124.574 for the corresponding year except as authorized by this subdivision for which it is eligible to levy pursuant to this subdivision and subdivision 20. Clause (1) and this clause shall apply to aids pursuant to these sections in the following order: (a) 124.20; (b) 124.225; (c) 124.32; (d) 124.573; (e) 124.574 .

(8) (4) Nothing within the provisions of this subdivision shall be construed to affect any other levy under this section, including levies made pursuant to subdivision 2a, clause (4), to which a district is otherwise entitled.

(9) (5) A levy made by a district pursuant to the provisions of this subdivision shall be construed to be the levy made by that district pursuant to subdivision 2a, clause (1) and (2), for purposes of statutory cross-reference.

(10) The provisions of clauses (2) to (9) shall govern 1979-1980 aids, the adjustment of levies, and statutory cross-references to the 1978 levy, for any district which levied pursuant to clause (1) in 1978 and which is not required to levy pursuant to clause (1) in 1979 or subsequent years.

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 7a, is amended to read:

Subd. 7a. (1) ~~In 1979~~ In 1980 each district which levies the maximum permissible amount pursuant to ~~subdivisions 2a, clauses (1), (2) and (4); subdivision 2a, clause (1) or (2) and subdivision 6b, and 6e;~~ subdivisions 2a, clause (1) or (2) and subdivision 6b, and 6e; may levy an additional amount which shall not exceed the lesser of (a) an amount equal to ~~one-half one~~ one mill times the district's ~~1978~~ 1979 adjusted assessed valuation or (b) the product obtained by multiplying ~~\$27.50~~ \$64.48 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in ~~1979-1980~~ the 1980-1981 school year.

(2) In ~~1980~~ 1981 and each year thereafter, each district which levies the maximum permissible amount pursuant to ~~subdivisions 2a, clauses (1), (2) and (4); subdivision 2a, clause (1) or (2) and subdivision 6b- and 6e;~~ subdivisions 2a, clause (1) or (2) and subdivision 6b- and 6e; may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one

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~~mill and one-half mills~~ times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying (i) one and one-half times ~~(i)~~ (ii) the ratio of the equalizing factor to 1.000, times ~~(ii)~~ (iii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the school year when the levy is certified.

(3) ~~By August 1 before a district certifies any levy pursuant to this subdivision in 1979; or~~ By the July 1 before a district certifies any levy pursuant to this subdivision in 1980, in any even-numbered year thereafter, or in any odd-numbered year thereafter when the district has not certified a levy pursuant to this subdivision in the preceding year, the board of the district shall hold a public hearing on the need for the proposed levy pursuant to this subdivision. At least three weeks published notice of the hearing in 10 point type, on 12 point body, with a larger headline, shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the amount of the proposed levy in dollars and mills, the estimated net unappropriated fund balance in the district's operating funds as of the June 30 before the levy is certified, and the tax impact of the proposed levy on homesteads with market values of \$30,000 and \$50,000. At the hearing, the district shall present its proposed revenue and expenditure budgets for the next two school years and the estimated net unappropriated fund balances in all district funds as of the June 30 before the levy is certified, and the board shall hear all parties requesting to give testimony for and against the proposed levy. Upon petition within 20 days after the hearing of five percent the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the preceding statewide general most recent regular school board election, the board shall call a referendum on a reduction of the proposed levy. The petition shall state the number of mills on the district's adjusted assessed valuation by which it proposes to reduce the proposed levy. No petition or referendum shall provide for a reduction of a proposed levy pursuant to this subdivision to a rate less than one-half mill on the district's adjusted assessed valuation below the rate levied by the district pursuant to this subdivision in the preceding year. The referendum shall be held on a date set by the school board, but no later than ~~September 20 in 1979 or~~ the August 20 before the levy is certified in ~~subsequent years~~. The question on the ballot shall state the maximum amount of the proposed levy, the amount of the proposed reduction of the levy and the amount of the levy if the reduction is approved, in mills on the district's adjusted assessed valuation and in dollars in the first year of the proposed levy. The district may levy the amount provided by the millage proposed by the school board, reduced by any reduction in millage approved at a referendum pursuant to this clause, applied to the preceding year's adjusted assessed valuation until the next even-numbered year. The district is not required to hold a public hearing or call a referendum on a levy pursuant to this subdivision in any odd-numbered year ~~after 1979~~ which succeeds a year in which a levy is certified pursuant to this subdivision.

Sec. 12. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 7b, is amended to read:

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Subd. 7b. (1) It is the intention of the legislature that the revenue provided by the discretionary levy authorized in subdivision 7a and by the corresponding portion of foundation aid provided in section 124.212, subdivisions 7c, clause (5), and 7d, clause (5), be used to improve instructional programs in grades kindergarten through 12 and not be used to increase a district's balance - ~~If the board of any district with a reasonable general fund balance determines that all or part of this revenue is not needed for this purpose and if this determination is demonstrated by an increase in the district's general fund balance in any fiscal year starting in fiscal year 1981, the mill rate used to calculate the authorized discretionary levy and the corresponding portion of foundation aid shall be reduced as provided in this subdivision. For purposes of this subdivision, a "reasonable general fund balance" shall mean \$150 in all operating funds above \$165 per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5).~~

(2) In any district where the maximum permissible levy pursuant to subdivision 7a in 1981 or in any year thereafter is determined according to clause (2), part (a), of that subdivision, and where the net unappropriated ~~general fund~~ balance in all operating funds has increased between the second June 30 before the levy is certified and the June 30 before the levy is certified, the maximum permissible levy pursuant to subdivision 7a in that year shall be reduced by an amount equal to the product obtained by multiplying

(a) the ratio of

(i) the quotient obtained by dividing the amount of that increase in the ~~general fund balance~~ in all operating funds by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the year when the levy is certified, to

(ii) the equalizing factor, times

(b) the district's adjusted assessed valuation for the preceding year.

No levy reduction pursuant to this clause, however, shall exceed an amount equal to the product obtained by multiplying

(a) the ratio of

(i) the difference obtained by subtracting ~~\$150~~ \$165 from the quotient obtained by dividing the total amount of the net unappropriated ~~general fund~~ balance in all operating funds of the district as of the June 30 before the levy is certified, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the year when the levy is certified, to

(ii) the equalizing factor, times

(b) the district's adjusted assessed valuation for the preceding year.

(3) In any district where the maximum permissible levy pursuant to subdivision 7a in 1981 or in any year thereafter is determined according to clause (2), part (b), of that subdivision, and where the net unappropriated ~~general fund~~

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balance in all operating funds has increased between the second June 30 before the levy is certified and the June 30 before the levy is certified, the maximum permissible levy pursuant to subdivision 7a in that year shall be reduced by the total amount of that the increase in the general fund balance in all operating funds. No levy reduction pursuant to this clause, however, shall exceed an amount equal to the difference obtained by subtracting

(a) the product obtained by multiplying \$150 \$165 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the year when the levy is certified, from

(b) the total amount of the net unappropriated general fund balance in all operating funds in the district as of the June 30 before the levy is certified.

Sec. 13. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 20, is amended to read:

Subd. 20. The computation of levy limitations pursuant to subdivisions 2b, 2c, 6c and 19 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. 14. **REPEALER.** Minnesota Statutes 1978, Section 122.531, Subdivision 3, is repealed.

Sec. 15. **DEFICIENCY APPROPRIATION; SUMMER SCHOOL.** The sum of \$685,000 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1980, for the payment of a deficiency in funds available for state aid for summer school. This amount is for 1979 summer school programs and shall be added to the sum appropriated for fiscal year 1980 for summer school aid in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 3. \* Section 15 was vetoed by the governor.

Sec. 16. **DEFICIENCY APPROPRIATION; SPARSITY AID.** There is appropriated from the general fund to the department of education the sum of \$30,000 for the fiscal year ending June 30, 1980, and the sum of \$6,000 for the fiscal year ending June 30, 1981, for the payment of a deficiency in funds available for sparsity aid for 1980 pursuant to section 124.224. These appropriations shall be added to the amounts appropriated for sparsity aid in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 4.

Sec. 17. **EFFECTIVE DATE.** Sections 8, 15 and 16 are effective on the day following final enactment.

**ARTICLE II**  
**TRANSPORTATION AID**

Section 1. Minnesota Statutes, 1979 Supplement, Section 124.223, is amended to read:

**124.223 TRANSPORTATION AID AUTHORIZATION.** School transportation and related services for which state transportation aid is authorized are:

(1) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

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

(3) Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils during the school day to other buildings within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to the requirement in clause (1) that the pupil reside at least one mile from school in order for the transportation to qualify for aid;

(5) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

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

(7) Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) Services described in clauses (1) to (7) and ~~clause clauses~~ clauses (9) and (10) when provided in conjunction with a state board approved summer school program;

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

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

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 124.225, is amended to read:

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

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

(b) Beginning with the 1980-1981 school year, "region" means development region as defined in section 462.384, subdivision 5, except that for purposes of this section, development regions 1 and 2 are one region, development regions 4 and 5 are one region, development regions 6E and 6W are one region, and development regions 7E and 7W are one region.

(c) "Total authorized cost" or "total authorized expenditure" means the sum of:

(i) all expenditures for transportation for which aid is authorized in section 124.223, plus

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

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

(e) ~~(d)~~ "Total authorized predicted cost" means the total authorized cost predicted by a linear multiple regression formula determined by the department of education.

~~(d)~~ (e) For the 1979-1980 school year, "regular and summer school authorized FTE's transported" means full time equivalent pupils transported under section 124.223, clause (1), during the regular school year and in conjunction with a state board approved summer school program.

(f) "Transportation category" means a category of transportation service provided to pupils. Each category includes transportation provided during the

regular school year and in conjunction with a state board approved summer school program. For purposes of this section, transportation categories are as follows:

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

(ii) Secondary vocational center transportation is transportation services provided under section 124.223, clause (3);

(iii) Handicapped transportation is transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

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

(v) Between schools transportation is transportation services between schools provided under section 124.223, clause (1);

(vi) Shared time regular transportation is transportation services provided under section 124.223, clause (6), excluding transportation provided for pupils attending shared time special education classes;

(vii) Shared time special education transportation is transportation services for pupils attending shared time special education classes provided under section 124.223, clause (6);

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

(ix) Cooperative academic and vocational transportation is transportation services provided under section 124.223, clause (9);

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

(g) "Pupil weighting factor" means the ratio of the actual regional average cost per FTE in a particular transportation category to the actual regional average cost per FTE in the regular transportation category.

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

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

Subd. 1a. For the 1980-1981 school year and thereafter, in computing transportation aid, the department of education shall establish the pupil weighting



factors for each transportation category for each region using transportation cost data for the second prior school year. The department shall use the statewide pupil weighting factor for any transportation category for which a region had no experience during the second prior school year.

Subd. 2. For the 1979-1980 school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. A linear regression formula shall be determined for each planning region by the department of education, using the terms specified in subdivision 4, to maximize the amount of variance accounted for between the total actual authorized cost per FTE for the 1977-1978 school year and the total authorized predicted cost per FTE for the 1977-1978 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per FTE for the 1977-1978 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 5 and 7. ~~The linear regression formulas shall be determined so that the total transportation aid for the 1979-1980 school year does not exceed the amount appropriated for transportation aid for the 1979-1980 school year.~~

Subd. 3. For the 1980-1981 school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. A linear multiple regression formula shall be determined through step-wise multiple regression analysis for each planning region by the department of education, using the terms specified in subdivision 4 4a, to maximize the amount of variance accounted for between the total actual authorized cost per weighted FTE for the 1978-1979 school year and the total authorized predicted cost per weighted FTE for the 1978-1979 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per weighted FTE for the 1978-1979 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 6 and 7 7a. ~~The linear regression formulas shall be determined so that the total transportation aid for all districts for the 1980-1981 school year does not exceed the amount appropriated for transportation aid for the 1980-1981 school year.~~

Subd. 4. To predict the natural logarithm of the total authorized cost per FTE transported authorized by law for the 1979-1980 school year, the linear regression formula shall use the following terms and all their cross products:

(1) The natural logarithm of the quotient of 1.00 divided by the total number of authorized FTE's transported;

(2) The natural logarithm of the sum of 100 plus the difference between the average of the square roots computed for all districts in the state of the number of regular and summer school authorized FTE's transported per square mile minus the square root of the number of regular and summer school authorized FTE's transported per square mile in the district;

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(3) The natural logarithm of the ratio of the number of regular and summer school authorized FTE's transported to the district's total average daily membership;

(4) The natural logarithm of the number of regular and summer school authorized FTE's transported per square mile;

(5) The natural logarithm of the district's average daily membership;

(6) The natural logarithm of the size of the district measured in square miles; and

(7) The natural logarithm of the total number of FTE's transported by the district authorized for aid pursuant to section 124.223 minus the number of regular and summer school authorized FTE's transported.

Subd. 4a. To predict the total authorized cost per weighted FTE for each district beginning in the 1980-1981 school year, each regional multiple regression formula shall use the following terms and their squares for each district in the region:

(1) The area of the district measured in square miles;

(2) The district's average daily membership;

(3) The total number of authorized FTE's transported by the district;

(4) The total number of authorized FTE's transported by the district in the handicapped, shared time special education, and to and from board and lodging facility transportation categories as a percentage of the total number of authorized FTE's transported by the district;

(5) The number of authorized FTE's transported by the district in the board and lodging transportation category as a percentage of the total number of authorized FTE's transported by the district;

(6) The number of authorized FTE's transported by the district in the between schools transportation category as a percentage of the total number of authorized FTE's transported by the district;

(7) The number of authorized FTE's transported by the district in the shared time regular transportation category as a percentage of the total number of authorized FTE's transported by the district;

(8) The number of authorized FTE's transported by the district in the secondary vocational center transportation category as a percentage of the total number of authorized FTE's transported by the district;

(9) The number of authorized FTE's per square mile transported by the district in the regular transportation category;

(10) The number of authorized FTE's per square mile transported by the district in the handicapped transportation category;

(11) The number of authorized FTE's transported by the district in the regular transportation category as a percentage of the district's average daily membership;

(12) An index of the district's shape computed by the department of education based on a comparison of the perimeter of the district to the perimeter of a circle with the same square mile area as the district;

(13) The percentage of the district's square mile area which is classified by the state planning agency as water-covered or marshland;

(14) The number of 40 acre parcels of land in the district which are contiguous to or intersected by unpaved roads, as a percentage of the number of 40 acre parcels of land in the district which are contiguous to or intersected by any roads, paved or unpaved. The number of 40 acre parcels of each type shall be obtained from the state planning agency;

(15) The percentage of the district's square mile area which is classified by the state planning agency as having a slope of land exceeding six percent;

(16) The number of authorized FTE's transported to nonpublic schools by the district in the regular transportation category as a percentage of the total number of authorized FTE's transported by the district in the regular transportation category.

Subd. 5. The total authorized predicted cost per FTE determined for a district under subdivision 2 for 1977-1978 shall be increased by 47 27 percent.

Subd. 6. The total authorized predicted cost per weighted FTE determined for a district under subdivision 3 for 1978-1979 shall be increased by 47 29 percent.

Subd. 7. (1) Each district's adjusted total authorized predicted cost per FTE determined for ~~each~~ the 1979-1980 school year according to subdivision 5 ~~or~~ 6 shall be compared to the total actual expenditure per FTE for authorized transportation for that district for that year to determine the district's aid entitlement per FTE for that year.

(2) For the 1979-1980 school year, if the adjusted total authorized predicted cost per FTE is greater than the district's actual authorized expenditure per FTE, its aid entitlement per FTE shall equal the adjusted predicted cost per FTE minus 10 percent of the first \$10 of difference between the adjusted total authorized predicted cost per FTE and the actual expenditure per FTE; minus 20 percent of the next \$20; minus 40 percent of the next \$20; minus 60 percent of the next \$50; and minus 75 percent of the difference which exceeds \$100.

(3) For the 1979-1980 school year, if the adjusted total authorized predicted cost per FTE is less than the district's actual authorized expenditure per FTE, its aid entitlement per FTE shall equal the adjusted total authorized predicted cost per FTE plus 10 percent of the first \$10 of difference between the adjusted predicted cost per FTE and the actual expenditure per FTE; plus 20 percent of the next \$20; plus 40 percent of the next \$20; plus 60 percent of the next \$50; and plus 75 percent of the difference which exceeds \$100.

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(4) Notwithstanding clauses (2) and (3), for the 1979-1980 school year, no district's aid entitlement per FTE shall be less than its actual authorized expenditure per FTE minus \$20 or more than its actual authorized expenditure per FTE plus \$20.

Subd. 7a. (1) Each district's adjusted total authorized predicted cost per weighted FTE determined for the 1980-1981 school year and each year thereafter according to subdivision 6 shall be compared to the total actual expenditure per weighted FTE for authorized transportation for that district for that year to determine the district's aid entitlement per weighted FTE for that year.

(2) If the adjusted total authorized predicted cost per weighted FTE is greater than the district's actual authorized expenditure per weighted FTE, its aid entitlement per weighted FTE shall equal the adjusted predicted cost per weighted FTE minus 20 percent of the first \$10 of difference between the adjusted total authorized predicted cost per weighted FTE and the actual expenditure per weighted FTE; minus 40 percent of the next \$10; 60 percent of the next \$10; minus 75 percent of the difference which exceeds \$30.

(3) If the adjusted total authorized predicted cost per weighted FTE is less than the district's actual authorized expenditure per weighted FTE, its aid entitlement per weighted FTE shall equal the adjusted total authorized predicted cost per weighted FTE plus 20 percent of the first \$10 of difference between the adjusted predicted cost per weighted FTE and the actual expenditure per weighted FTE; plus 40 percent of the next \$10; plus 60 percent of the next \$10; plus 75 percent of the difference which exceeds \$30.

Subd. 8. A district's aid pursuant to this section for ~~each~~ the 1979-1980 school year shall equal the district's aid entitlement per FTE determined according to subdivision 7 times the total number of authorized FTE's transported in the district in that school year, minus the amount raised by one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year.

Subd. 8a. A district's aid pursuant to this section for the 1980-1981 school year and each year thereafter shall equal the district's aid entitlement per weighted FTE determined according to subdivision 7a times the total number of authorized weighted FTE's transported in the district in that school year, minus the amount raised by one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year.

Subd. 8b. (a) In addition to the amount authorized in subdivision 8a, for the 1980-1981 school year, the state shall pay aid for the excess costs of providing transportation for handicapped students as provided in this subdivision to a district where:

- (1) the average daily membership in that year is 2,500 or fewer pupils,
- (2) the total actual authorized expenditures exceed the aid entitlement, and

(3) the actual authorized expenditure per weighted FTE in the handicapped and board and lodging categories exceeds 140 percent of the aid entitlement per weighted handicapped and board and lodging FTE.

(b) This aid shall equal 80 percent of the difference between:

(1) the actual authorized expenditure per weighted handicapped and board and lodging FTE and

(2) 140 percent of the aid entitlement per weighted handicapped and board and lodging FTE.

(3) For purposes of the computation of aid pursuant to this subdivision, the amounts of the actual authorized expenditure and the aid entitlement shall exclude amounts attributable to depreciation. Aid pursuant to this subdivision shall not exceed the difference between the district's total actual authorized expenditures and its total aid entitlement.

Subd. 9. Each district shall report to the department before July 1 of each year an estimate for the next school year of the total number of FTE's transported by transportation category and an estimate of the district's total actual authorized transportation expenditure by transportation category. The district's aid shall be determined for purposes of the first three transportation aid payments for the school year using these estimates. Before August 15 of each year, 1980, each district shall provide the department with the information for the preceding 1979-1980 school year which the department determines is necessary to compute the district's actual authorized expenditure per FTE for purposes of the computation in subdivision 7 and the district's actual total number of FTE's transported for purposes of the aid computation in subdivision 8. Before August 15, 1981, and each August 15 thereafter, each district shall provide the department with the information for the preceding school year which the department determines is necessary to compute the district's actual authorized expenditure per weighted FTE for purposes of the computation in subdivision 7a and the district's actual total number of weighted FTE's transported for purposes of the aid computation in subdivision 8a. The district's final transportation aid payment for ~~that~~ the school year shall be based on these computations.

Subd. 10. Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its bus purchase transportation fund at least an amount equal to 12-1/2 percent of the original cost of each bus or mobile unit until the original cost of each bus or mobile unit is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its bus purchase transportation fund.

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Subd. 11. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, the state shall pay to each school district 30 percent of its estimated school transportation aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

Sec. 3. Minnesota Statutes 1978, Section 275.125, Subdivision 5, is amended to read:

Subd. 5. For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of one mill times the adjusted assessed valuation of the taxable property of the district for the preceding year. A district may levy under this subdivision for the ~~annual cash payments to be made for the purchase of buses, but only for that portion of the payments not offset by state transportation aid received on account of depreciation amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in the school year when the levy is recognized as revenue.~~ Beginning with the levy certified in 1976, A district may also levy for transportation costs or other related services which are approved by the commissioner as necessary because of extraordinary traffic hazards for the current fiscal year.

Sec. 4. Minnesota Statutes 1978, Section 275.125, Subdivision 5a, is amended to read:

Subd. 5a. ~~Upon approval of the commissioner, a district may levy for increased transportation costs above the formula limitation resulting from changes in transportation patterns required by leasing a school in another district provided that the cost increases are estimated to be a direct result of leasing that school and the increases result in costs above the formula limitation.~~ When the transportation patterns of a district change as a result of leasing a school in another district, the district may, upon approval of the commissioner, levy for any increase in transportation cost above the cost that would occur without the leasing of the school. The commissioner shall approve a specific dollar amount which may be levied because of these increased costs. The levy authorized by this subdivision may be computed on the basis of estimated increased costs. In the first year a district makes the levy authorized by this subdivision, the commissioner may authorize a levy sufficient to pay for estimated increased costs resulting from leasing for two years. The amount provided by this levy shall not be included in the computation of the actual net operating cost per pupil transported in future years.

Sec. 5. **SCHOOL BUS ALCOHOL FUEL DEMONSTRATION.** Subdivision 1. The commissioner of education may make grants to school districts for the purpose of converting gasoline-fueled school buses to the use of straight alcohol fuel. Each grant shall be limited to the actual cost of the conversion from gasoline fuel to alcohol fuel, but the total grant shall not exceed \$700 per bus to be converted plus reimbursement for additional costs necessary for compliance with subdivision 4. The commissioner shall provide general guidelines for districts to follow in making these conversions.

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Subd. 2. SELECTION OF PARTICIPATING DISTRICTS. To the extent feasible, the commissioner shall make grants pursuant to subdivision 1 so as to include one or more school districts in each of the following categories: districts with primarily urban bus routes, districts with primarily rural bus routes, districts with gravel or unpaved roads on their bus routes, and suburban school districts having a broad range of population densities.

Subd. 3. ALCOHOL FUEL STORAGE FACILITIES. School districts which participate in this program may apply for an additional grant to cover the costs of establishing satisfactory alcohol fuel storage facilities. These additional grants shall be limited to \$1,000 per school district or to the actual cost of the necessary storage facilities, whichever is less.

Subd. 4. REPORT BY DISTRICTS. On or before February 1, 1981, every school district receiving a grant pursuant to subdivision 1 shall make a report to the commissioner including the following information: (1) the fuel cost differences between using alcohol as a fuel and using gasoline as a fuel in its school buses; (2) any fuel system or drivability problems with its buses converted to alcohol; (3) any differences in maintenance costs between gasoline-fueled and alcohol-fueled buses; (4) any difficulties with the availability of alcohol fuel; and (5) any other observations the district deems pertinent.

This reporting requirement shall not apply to any school district which has not used any of its alcohol-fueled school buses on a regular basis before November 15, 1980.

Subd. 5. REPORT TO LEGISLATURE. The commissioner shall make the information received pursuant to subdivision 4 available to the energy agency and shall report to the legislature on or before February 15, 1981, evaluating the practicality of alcohol as a fuel for school buses.

Sec. 6. [121.96] TRANSPORTATION STUDY; COMPUTERIZED BUS ROUTING. Subdivision 1. Before February 1, 1981, the department of education shall report to the appropriate committees of the legislature on proposed measures for economy and cost effectiveness in school transportation and related services. The report shall include a study of the existing administration of transportation services based on a sampling of school districts of representative sizes and locations, and other data throughout the state. The report shall also include recommendations by the department on the following:

(1) Measures by districts to reduce fuel costs, conserve fuel and increase the overall efficiency of transportation and related services;

(2) Adjustments to the transportation aid entitlement formula; and

(3) Measures by the department of education which will assist districts in reducing their costs for transportation and related services.

Subd. 2. After February 1, 1981, the department of education shall provide technical assistance to school districts which request it for developing computer assisted bus routing plans.

Subd. 3. The department of education may increase its staff complement by two professional employees and one clerical employee for the purposes of subdivisions 1 and 2. The department may also contract with consultants or employ necessary temporary personnel for the purposes of subdivision 1.

Sec. 7. REPEALER. Minnesota Statutes 1978, Section 123.39, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Section 124.222, Subdivision 3, are repealed.

Sec. 8. APPROPRIATION; ALCOHOL CONVERSION. For grants pursuant to section 5, there is appropriated to the department of education from the general fund the sum of \$30,000 for the fiscal year ending June 30, 1981. If this appropriation amount is insufficient for the purposes indicated, the state shall not be obligated for any amount in excess of the appropriation in this section for these purposes.

Sec. 9. APPROPRIATION; TRANSPORTATION STUDY; COMPUTERIZED BUS ROUTING. There is appropriated from the general fund to the department of education the sum of \$150,000 for the purposes of section 6 of this article. This appropriation is available until June 30, 1981. \* Section 9 was vetoed by the governor.

Sec. 10. APPROPRIATION. Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

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

|                     |              |              |
|---------------------|--------------|--------------|
| <u>\$ 2,000,000</u> | <u>.....</u> | <u>1980,</u> |
| <u>\$13,688,300</u> | <u>.....</u> | <u>1981.</u> |

(a) The appropriation for 1980 is for aid for fiscal year 1980 payable in fiscal year 1980.

(b) The appropriation for 1981 includes \$2,225,600 for aid for fiscal year 1980 payable in fiscal year 1981 and \$11,462,700 for aid for fiscal year 1981 payable in fiscal year 1981.

(c) The amounts appropriated in this subdivision shall be added to the amounts appropriated for transportation aid in Laws 1979, Chapter 334, Article II, Section 15, Subdivision 2.

Subd. 3. Any unexpended balance remaining from the appropriation in this section for 1980 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriated amount attributable to either year for any purpose indicated is insufficient when added to the amount appropriated for the purpose in Laws 1979, Chapter 334, Article II, Section 15, Subdivision 2, the aid for that year shall be prorated among all qualifying districts. The state shall not be obligated for any amount in excess of the total appropriations in this section and in Laws 1979, Chapter 334, Article II, Section 15, Subdivision 2, for those purposes.

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Sec. 11. **EFFECTIVE DATE.** This article is effective the day after final enactment, except that the provisions of section 2 relating to mobile units are effective July 1, 1980.

**ARTICLE III**  
**SPECIAL EDUCATION**

Section 1. Minnesota Statutes 1978, Section 120.095, Subdivision 6, is amended to read:

Subd. 6. The school census shall include an enumeration of children of limited English speaking ability proficiency residing within the district by primary language, ~~race and national origin~~. In making this census the school board shall seek the assistance and cooperation of agencies, organizations or community groups, public or private, which might have information about students of limited English speaking ability proficiency residing in the school district. As used in this subdivision, the following terms have the meanings given them:

(a) "Children of limited English speaking ability proficiency" means children whose primary language is other than English or who come from home environments where the primary language is other than English and by reason thereof have difficulty reading, writing, speaking and understanding ordinary classroom instruction and have difficulty in performing ordinary classwork in the English language; and

(b) "Primary language" shall have the meanings ascribed to them in section 126.34 means a language other than English which is the language normally used by the child or the language which is spoken in the child's home environment.

Sec. 2. Minnesota Statutes 1978, Section 120.10, Subdivision 2, is amended to read:

Subd. 2. **SCHOOL.** A school, to satisfy the requirements of compulsory attendance, must be one: (1) in which all the common branches are taught in the English language, from textbooks written in the English language, and taught by teachers whose qualifications are essentially equivalent to the minimum standards for public school teachers of the same grades or subjects and (2) which is in session each school year for at least 175 days or their equivalent; provided that in a program of instruction for children of limited English speaking ability proficiency, instruction and textbooks may be in the primary language of the children of limited English speaking ability proficiency enrolled therein. Any other language may be taught as provided in section 126.07. As used in this subdivision, the terms "children of limited English speaking ability proficiency" and "primary language" shall have the meanings ascribed to them in section ~~126.34~~ 15 of this article.

Sec. 3. Minnesota Statutes 1978, Section 126.07, is amended to read:

126.07 **INSTRUCTION, USE OF ENGLISH LANGUAGE.** The books used and the instruction given in public schools shall be in the English language, but any other language may be used by teachers in explaining to pupils who understand such language the meaning of English words: provided that in the case of a

program for children of limited English ~~speaking ability~~ proficiency, instructions and books may be in the primary language of the children of limited English ~~speaking ability~~ proficiency. As used in this section, the terms "children of limited English ~~speaking ability~~ proficiency" and "primary language" shall have the meanings ascribed to them in section ~~126.34~~ 15 of this article. In secondary and elementary schools other languages may be taught, when made a part of a regular or optional course of study.

Sec. 4. Minnesota Statutes 1978, Section 126.36, Subdivision 1, is amended to read:

**126.36 TEACHERS; LICENSES. Subdivision 1. BILINGUAL AND ENGLISH AS A SECOND LANGUAGE LICENSES.** The board of teaching, hereinafter the board, shall grant teaching licenses in bilingual education and English as a second language to persons who present satisfactory evidence that they:

- (a) Possess competence and communicative skills in English and in another language;
- (b) Possess a bachelor's degree or other academic degree approved by the board, ~~or~~ and meet such requirements as to course of study and training as the board may prescribe.

Sec. 5. Minnesota Statutes 1978, Section 126.36, Subdivision 3, is amended to read:

**Subd. 3. EMPLOYMENT OF TEACHERS.** Teachers employed in a bilingual education or English as a second language program established pursuant to sections ~~126.31~~ 14 to ~~126.42~~ 22 of this article shall not be employed to replace any presently employed teacher who otherwise would not be replaced.

Sec. 6. Minnesota Statutes 1978, Section 126.36, 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. 7. Minnesota Statutes 1978, Section 126.36, Subdivision 5, is amended to read:

**Subd. 5. PERSONS ELIGIBLE FOR EMPLOYMENT.** Any person licensed under this section shall be eligible for employment by a school board as a teacher in a bilingual education or English as a second language program in which the language for which he is licensed is taught or used as a medium of instruction. A school board may prescribe only those additional qualifications for teachers licensed under this section as are approved by the board of teaching. ~~Any school board upon request may be exempted from the licensure requirements of this section in the hiring of one or more bilingual education teachers for any school year in which compliance would, in the opinion of the commissioner of education, create a hardship in the district in the securing of the teachers. The commissioner~~

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shall notify the board of teaching of any exemptions granted pursuant to this subdivision-

Sec. 8. Minnesota Statutes 1978, Section 126.52, Subdivision 5, is amended to read:

Subd. 5. **COMMUNITY INVOLVEMENT.** The state board shall provide for the maximum involvement of the state advisory task force on American Indian language and culture education, parents of American Indian children, secondary students eligible to be served, American Indian language and culture education teachers, teachers' aides, representatives of community groups, and persons knowledgeable in the field of American Indian language and culture education, in the formulation of policy and procedures relating to the administration of sections 126.45 to 126.55. ~~The needs assessments and resource evaluations provided for in subdivisions 4 and 2 shall be undertaken on Indian reservations only in connection with; or with the permission of; the respective tribal governments-~~

Sec. 9. Minnesota Statutes 1978, Section 126.52, is amended by adding a subdivision to read:

Subd. 12. **COMPREHENSIVE STUDY; INDIAN NEEDS.** The state planning agency shall prepare a comprehensive study of the educational, economic and social needs of American Indians in Minnesota. The department of education, department of economic development, department of economic security, and the department of corrections shall provide the planning agency with the available information it requests. The commissioners of these departments shall cooperate with the director of the state planning agency in preparing the study. The study shall be presented to the education and finance committees of the senate, and to the education and appropriations committees of the house of representatives by February 1, 1981.

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 126.54, Subdivision 1, is amended to read:

**126.54 CONTINUATION OF INDIAN EDUCATION PILOT PROJECT GRANTS.** Subdivision 1. **GRANTS; PROCEDURES.** For fiscal years ~~1978; 1979; and 1980;~~ as part of the needs assessment effort year 1981, the state board of education shall make grants to no fewer than six school year pilot American Indian language and culture education programs. At least three pilot programs shall be in urban areas and at least three shall 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 pilot 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 state board 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 to 126.55. The state board shall 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.

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Sec. 11. Minnesota Statutes 1978, Section 126.54, Subdivision 5, is amended to read:

Subd. 5. **RECORDS.** Participating schools and school districts shall keep records and afford access to them as the commissioner finds necessary to ensure that American Indian language and culture education programs are implemented in conformity with sections 126.45 to 126.55. Each school district or participating school shall keep an accurate, detailed, and separate revenue and expenditure accounts ~~account of all money received and paid out by it~~ for pilot American Indian language and culture education programs funded under this section.

Sec. 12. Minnesota Statutes 1978, Section 126.54, Subdivision 6, is amended to read:

Subd. 6. **MONEYS FROM OTHER SOURCES.** A school district or participating school providing American Indian language and culture education programs shall be eligible to receive ~~funds~~ moneys for these programs from other government agencies and from private sources when the ~~funds~~ moneys are available.

Sec. 13. **HANDICAPPED CHILDREN; NEEDS; SERVICES.** Subdivision 1. The legislature is concerned about the special needs of handicapped children younger than the age of four years who are not receiving special instruction and services pursuant to section 120.17.

Subd. 2. The commissioner of education, in cooperation with the commissioner of health and the commissioner of public welfare, shall design and conduct a statewide assessment of the special education and related services needs of all children younger than four years of age who are handicapped as defined by section 120.03. The procedures for this needs assessment shall be established by the commissioners by September 1, 1980, and the needs assessment shall be completed by June 30, 1981.

Subd. 3. By January 1, 1981, every school district shall provide to the commissioner of education an estimate of the number of handicapped children, as defined by section 120.03, under four years of age in that district. The district shall also report to the commissioner the number of these children receiving special instruction and services according to section 120.17 on the date the estimate is prepared.

Subd. 4. The commissioner of education shall report to the legislature by September 1, 1981, on the information gathered pursuant to subdivisions 2 and 3.

Sec. 14. [126.261] **CITATION.** Sections 14 to 22 of this article may be cited as the education for limited English proficient students act.

Sec. 15. [126.262] **DEFINITIONS.** Subdivision 1. For purposes of sections 14 to 22 of this article, the terms defined in this section shall have the meanings given them.

Subd. 2. "Pupil of limited English proficiency" means a pupil in any of the grades of kindergarten through 12 who meets the following requirements:

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(a) The pupil, as declared by his parent or guardian (1) first learned a language other than English, (2) comes from a home where the language usually spoken is other than English, or (3) usually speaks a language other than English; and

(b) The pupil's score is significantly below the average district score for pupils of the same age on a nationally normed English reading or English language arts achievement test. A pupil's score shall be considered significantly below the average district score for pupils of the same age if it is one-third of a standard deviation below that average score.

Subd. 3. "Essential instructional personnel" means the following:

(a) A teacher licensed by the state board of teaching to teach bilingual education or English as a second language;

(b) A teacher with an exemption from a teaching license requirement pursuant to section 19 of this article who is employed in a school district's English as a second language or bilingual education program;

(c) Any teacher as defined in section 125.03 who holds a valid license from the state board of teaching, if the district assures the state department of education that the teacher will obtain the preservice and inservice training the department considers necessary to enable the teacher to provide appropriate service to pupils of limited English proficiency.

Subd. 4. "English as a second language program" means a program for the instruction of pupils of limited English proficiency in the following English language skills: reading, writing, listening and speaking.

Subd. 5. "Bilingual education program" means an educational program in which instruction is given in both English and the primary language of the pupil of limited English proficiency to the extent necessary to allow the pupil to progress effectively through the educational system and to attain the basic skills of reading, writing, listening, and speaking in the English language so that the pupil will be able to perform ordinary classwork successfully in English.

Subd. 6. "Primary language" is a language other than English which is the language normally used by the child or the language which is spoken in the child's home environment.

Subd. 7. "Parent" includes a child's legal guardian.

Subd. 8. "Educational program for limited English proficient students" means an English as a second language program, bilingual education program, or both an English as a second language and a bilingual education program.

Sec. 16. [126.263] AID AUTHORIZATION. Subdivision 1. Beginning with the 1980-1981 school year, the department of education shall pay a school district an amount not to exceed 70 percent of the salaries paid to essential instructional personnel employed by the district in its educational program for students of limited English proficiency. The department shall pay a district an amount not to

exceed 70 percent of the salary of one full time equivalent teacher for each 45 pupils of limited English proficiency, or a pro rata amount thereof for fewer than 45 pupils. Notwithstanding the foregoing, the department shall pay an amount not to exceed 70 percent of the salary for one-half of a full time equivalent teacher for a district which has 22 or fewer pupils of limited English proficiency.

Subd. 2. PARTICIPATION OF NONPUBLIC SCHOOL PUPILS. In counting the number of pupils of limited English proficiency for purposes of this section, districts may include pupils of limited English proficiency who attend nonpublic schools in the district. A district which counts those pupils and receives aid pursuant to this section shall offer those pupils the same programs on the same terms that it offers to pupils of limited English proficiency who attend the public school. A program provided for a nonpublic school pupil pursuant to this subdivision shall be provided at a public school or a neutral site as defined in section 123.932, subdivision 9. Nonpublic school pupils served by a district's educational program for limited English proficient students shall be counted for average daily membership pursuant to section 124.212, subdivision 9a.

Subd. 3. APPLICATIONS. (a) A district that wishes to receive aid pursuant to this section for programs to serve pupils enrolled before the application deadline shall apply to the commissioner of education before September 15 in each year in the manner prescribed by the commissioner. The application shall include the number of pupils to be served in the district educational program for limited English proficient students, the number of essential instructional personnel the district proposes to employ in this program and any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section, and districts which have fewer than 45 pupils of limited English proficiency are encouraged to submit joint applications and to share essential instructional personnel for English as a second language programs or bilingual education programs. A district that wishes to receive aid pursuant to this section for programs to serve pupils enrolled after the application deadline may apply to the commissioner of education at any time before the end of the school year in the manner prescribed by the commissioner.

(b) The commissioner shall provide procedures for districts to submit additional applications for aid pursuant to this section for additional essential instructional personnel needed to serve substantial increases in the number of limited English proficient pupils who enroll in a district's educational program for limited English proficient students after the district has received aid for that school year pursuant to this section.

Subd. 4. NOTICE OF AID; PAYMENTS. The department shall inform each applicant district of the amount of aid it will receive pursuant to this section by October 15 for applications received before September 15, and it shall pay this aid by December 1. For districts submitting an application after September 15, the department shall inform the applicant district of the amount of aid it will receive pursuant to this section within a month after the application is submitted, and the department shall pay the aid within 15 days after notifying the district that it will receive aid.

Subd. 5. RECORDS; AUDIT. A district which applies for aid pursuant to this section shall maintain records which support the information contained in all of its applications. The commissioner of education may audit these records upon request. A district which receives aid pursuant to this section shall keep such additional records in the manner prescribed by the commissioner as the commissioner deems necessary to ensure that an educational program for limited English proficient students is implemented and operated in accordance with sections 14 to 22 of this article.

Subd. 6. MONEY FROM OTHER SOURCES. A school district providing a program for limited English proficient students shall be eligible to receive moneys for these programs from other government agencies and from private sources when these moneys are available.

Sec. 17. [126.264] RIGHTS OF PARENTS. Subdivision 1. No later than ten days after the enrollment of any pupil in an instructional program for limited English proficient students, the school district in which the pupil resides shall notify the parent or guardian by mail. This notice shall:

(a) Be in writing in English and in the primary language of the pupil's parents;

(b) Inform the parents that their child has been enrolled in an instructional program for limited English proficient students;

(c) Contain a simple, nontechnical description of the purposes, method and content of the program;

(d) Inform the parents that they have the right to visit the educational program for limited English proficient students in which their child is enrolled;

(e) Inform the parents of the time and manner in which to request and receive a conference for the purpose of explaining the nature and purpose of the program; and

(f) Inform the parents of their rights to withdraw their child from an educational program for limited English proficient students and the time and manner in which to do so.

The department of education shall, at the request of the school district, prepare the notice in the primary language of the parent or guardian.

Subd. 2. Any parent whose child is enrolled in an educational program for limited English proficient students shall have the right, either at the time of the original notification of enrollment or at the close of any semester thereafter, to withdraw his child from the program by providing written notice of this intent to the principal of the school in which his child is enrolled or to the superintendent of the school district in which his child resides. Nothing herein shall preclude a parent from reenrolling a child of limited English proficiency in an educational program for limited English proficient students.

Subd. 3. A district which receives moneys pursuant to section 16 of this article shall encourage involvement of parents of pupils enrolled in the educational program for limited English proficient students in this program. The district shall solicit the views of parents about the program and its effects upon their children.

**Sec. 18. [126.265] GENERAL REQUIREMENTS FOR PROGRAMS.** A district which receives aid pursuant to section 16 of this article shall comply with the following program requirements:

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

(b) 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 school district shall 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. 19. [126.266] EXEMPTION FROM TEACHING LICENSURE.** Subdivision 1. The commissioner of education may grant an exemption from the licensure requirement in the hiring of teachers of English as a second language or bilingual education teachers to a school district if the commissioner finds that compliance would impose a hardship upon the district in the securing of teachers for its educational programs for limited English proficient students. The commissioner of education shall notify the board of teaching of any exemptions granted pursuant to this section.

Subd. 2. A teacher serving under an exemption as provided in subdivision 1 shall be granted a license as soon as that teacher qualifies for it. Not more than one year of service by a teacher under an exemption shall be credited to the teacher for the purposes of section 125.12, and not more than two years shall be credited to the teacher for purposes of section 125.17; and the one or two years shall be deemed to precede immediately and be consecutive with the year in which the teacher becomes licensed.

**Sec. 20. [126.267] TECHNICAL ASSISTANCE.** The state board of education shall provide technical assistance to school districts receiving aid pursuant to section 16 of this article and to post-secondary institutions for preservice and inservice training for bilingual education teachers and English as a second language teachers employed in educational programs for limited English proficient students, teaching methods, curriculum development, testing and testing mechanisms, and the development of instructional materials for these educational programs.

**Sec. 21. [126.268] DEPARTMENT OF EDUCATION STAFF COMPLE-  
MENT; MONEYS FROM OTHER SOURCES.** Subdivision 1. In order to carry out the duties imposed by sections 16, 17, 19, and 20 of this article, the depart-

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ment of education may add two professional positions and one clerical position with moneys appropriated to the commissioner of education for this purpose in section 27, subdivision 2 of this article. In addition, if the commissioner of education receives moneys for that purpose pursuant to Title IV of the Civil Rights Act of 1964 (P.L. 88-352), as amended, or Title VII of the Elementary and Secondary Education Act of 1965 (P.L. 89-10), as amended, the department may add two professional positions and one clerical position and pay the salaries for the positions from the federal moneys.

Subd. 2. The state board of education may apply for moneys which are or may become available under federal refugee assistance and other programs for administration, demonstration projects, training, technical assistance, planning, and evaluation of programs for limited English proficient students.

Sec. 22. [126.269] CONSTRUCTION. Nothing in the provisions of sections 14 to 21 of this article shall be construed to violate the provisions of section 127.08 or Chapter 363. Programs and activities pursuant to sections 14 to 21 of this article shall be deemed to be positive action programs to combat discrimination.

Sec. 23. OUT OF SCHOOL YOUTH PROGRAM. Subdivision 1. The state department of education shall develop recommendations to provide for a system for identifying and serving youth who have left the educational system without appropriate learning skills, social skills and employability.

Subd. 2. The state department of education shall identify problems and alternative approaches to serving the needs of out of school youth. A report on serving out of school youth and recommendations for legislation shall be submitted to the legislature by February 2, 1981.

The state department of education shall also develop a system for facilitating cooperative action between the educational system, the employment and training system, the juvenile justice system and community service agencies.

Sec. 24. REPEALER. Minnesota Statutes 1978, Sections 126.31; 126.32; 126.33; 126.34; 126.35; 126.36, Subdivision 6; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 9; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6, and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6 and 7; and Minnesota Statutes, 1979 Supplement, Sections 126.39, Subdivision 10; 126.40, Subdivision 3; 126.41, Subdivision 1; and 126.52, Subdivision 10, are repealed.

Sec. 25. APPROPRIATION; INDIAN PILOT PROGRAMS. The sum of \$600,000 is appropriated from the general fund to the department of education for the purpose of making the grants authorized by section 10 of this article and shall be available until June 30, 1981.

Sec. 26. APPROPRIATION; INDIAN EDUCATION. Subdivision 1. For certain Indian education programs there is appropriated:

\$398,000 ..... 1981.

This appropriation is available for expenditure with the approval of the governor after consultation with the legislative advisory commission in the manner provided in section 3.30.

The governor shall not approve the payment of any amount to a school district pursuant to this section unless that school district is in compliance with all applicable laws of this state.

Up to the following amounts of this appropriation may be distributed to the following school districts: \$125,000 to Independent School District No. 309 - Pine Point School; \$22,000 to Independent School District No. 166; \$34,000 to Independent School District No. 432; \$32,000 to Independent School District No. 435; \$96,000 to Independent School District No. 707; and \$89,000 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

This appropriation is available August 15, 1980, but only if there will not be available for the districts enumerated in this section for the 1980-1981 school year any operational support funds from the federal bureau of Indian affairs pursuant to the Johnson-O'Malley Act, P. L. 73-167 or 25 CFR 273.31, or equivalent money from the same or another source.

Subd. 2. Before a district can receive moneys pursuant to subdivision 1, the district must submit to the commissioner of education evidence that it has:

(a) Complied with the uniform financial accounting and reporting standards act, sections 121.90 to 121.92 and article VII, sections 9 to 17 of this act. For the 1980-1981 school year, compliance with section 121.908, subdivision 3a shall require the school district to prepare one budget including the amount available to the district pursuant to subdivision 1 and one budget which does not include these moneys. The budget of that school district for the 1981-1982 school year prepared according to section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1980-1981 budgets and shall not include any moneys appropriated in this section;

(b) Conducted a special education needs assessment and prepared a proposed service delivery plan according to Minnesota Statutes, Sections 120.03 and 120.17; Public Law 94-142, an act of the 94th Congress of the United States cited as the "Education for All Handicapped Children Act of 1975"; and applicable state board of education rules; and

(c) Compiled accurate daily pupil attendance records.

Subd. 3. The commissioner of education, in consultation with the commissioner of finance, shall make a recommendation to the legislative advisory commission regarding the release of moneys appropriated in this section. Prior to making this recommendation, the commissioners shall review and evaluate each affected district's compliance with subdivision 2 and any other applicable laws, and each affected district's need for the moneys. Each affected district's net unappropriated fund balance in all operating funds as of June 30, 1980, shall be taken into consideration.

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Subd. 4. It is the intention of the legislature that the appropriation in this section is the final appropriation to replace operational support funds from the federal bureau of Indian affairs pursuant to the Johnson-O'Malley Act, P. L. 73-167 or 25 CFR 273.31, and that no further appropriations be made for this purpose.

**Sec. 27. APPROPRIATION; LIMITED ENGLISH PROFICIENT STUDENTS PROGRAMS.** Subdivision 1. The sums set forth in this section are appropriated from the general fund to the department of education for the purposes specified in subdivisions 2 and 3 of this section and shall be available until June 30, 1981.

Subd. 2. For aid to educational programs for limited English proficient students as provided in section 16 of this article and for the department of education staff complement as provided in section 21 of this article, there is appropriated to the department of education for the fiscal year ending June 30, 1981 the sum of \$3,450,000. Of this amount, \$87,000 is to be used for the state paid complement as provided in section 21 of this article.

Subd. 3. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount for aid to districts providing educational programs for limited English proficient students appropriated in this section is insufficient, the aid shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriation in subdivision 2 of this section for this purpose.

**Sec. 28. OUT OF SCHOOL YOUTH PROGRAMS.** For the program authorized pursuant to section 23 of this article, there is appropriated the sum of \$33,000 to the department of education for the fiscal year ending June 30, 1981. Of this amount, \$3,000 is for statewide meetings and the establishment of a task force representing employment, training, education, juvenile justice, community service, parents and students.

**Sec. 29. HANDICAPPED ADULTS.** Subdivision 1. The sum of \$75,000 is appropriated to the department of education for the fiscal year ending June 30, 1981 for the council on quality education to fund programs designed for adults and handicapped adults. The appropriation in this subdivision shall be added to the amount appropriated for venture fund grants for fiscal year 1981 by Laws 1979, Chapter 334, Article VII, Section 8, Subdivision 2.

Subd. 2. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

**Sec. 30. EFFECTIVE DATE.** Sections 13, 23 and 28 of this article shall be effective the day following final enactment.

#### **ARTICLE IV OTHER AIDS AND LEVIES**

Section 1. Minnesota Statutes, 1979 Supplement, Section 3.9279, Subdivision 13, is amended to read:

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Subd. 13. **SPECIAL CATEGORICAL PROGRAM GRANT.** For the programs funded pursuant to subdivision 12, there is hereby created a special categorical program grant for those programs serving economically disadvantaged persons. The council on quality education shall apportion the grant money among the eligible programs in proportion to the estimated number of low income participants in each program from families which receive aid to families with dependent children compared to the estimated number of low income participants in all the eligible programs from families which receive aid to families with dependent children. For purposes of this apportionment, the estimated number of low income participants in a program shall equal the total number of participants in the program times the percentage of elementary pupils in the area served by the program who are eligible for free type "A" lunches pursuant to section 9 of the National School Lunch Act of 1946 as amended (42 U.S.C. 1758).

Sec. 2. Minnesota Statutes 1978, Section 123.932, is amended by adding a subdivision to read:

Subd. 1e. "Individualized instructional materials" means educational materials which:

(a) Are designed primarily for individual pupil use in a particular class or program in the school the pupil regularly attends;

(b) Are secular, neutral, nonideological and not capable of diversion for religious use; and

(c) Are available and are of benefit to Minnesota public school pupils.

Subject to the requirements in clauses (a), (b) and (c), "individualized instructional materials" include the following if they do not fall within the definition of "textbook" in subdivision 1b: published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; film strips; prepared slides; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems; prepared instructional computer software programs; and prerecorded film cartridges.

"Individualized instructional materials" do not include the following: chemicals; wall maps; wall charts; pencils, pens or crayons; notebooks; blackboards; chalk and erasers; duplicating fluids; paper; 16 mm films; unexposed films; blank tapes, cassettes or videotape; and instructional equipment.

Sec. 3. Minnesota Statutes 1978, Section 123.933, is amended to read:

**123.933 PURCHASE OR LOAN OF TEXTBOOKS, INDIVIDUALIZED INSTRUCTIONAL MATERIALS, STANDARDIZED TESTS.** Subdivision 1. The state board of education shall promulgate rules under the provisions of chapter 157 requiring that in each school year, based upon formal requests by or on behalf of nonpublic school pupils in a nonpublic school, the local districts or intermediary service areas shall purchase or otherwise acquire textbooks, individual-

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ized instructional materials and standardized tests and loan or provide them for use by children enrolled in that nonpublic school. These textbooks, individualized instructional materials and standardized tests shall be loaned or provided free to the children for the school year for which requested. The loan or provision of the textbooks, individualized instructional materials and standardized tests shall be subject to rules prescribed by the state board of education.

Subd. 2. The title to textbooks, individualized instructional materials and standardized testing materials shall remain in the servicing school district or intermediary service area, and possession or custody may be granted or charged to administrators of the nonpublic school attended by the nonpublic school pupil or pupils to whom the textbooks, individualized instructional materials or standardized tests are loaned or provided.

Subd. 3. (a) The cost per pupil of the textbooks, individualized instructional materials and standardized tests provided for in this section for each school year shall not exceed the statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department of education by March 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the foundation aid formula allowance, pursuant to section 124.212, from the second preceding school year to the current school year.

(c) The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional materials and standardized tests for the pupils in each nonpublic school ~~which~~. The allotment shall not exceed the product of the statewide average expenditure per pupil, adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 123.937, is amended to read:

123.937 **APPROPRIATION.** There is appropriated annually to the department of education from the general fund of the state treasury the sum of \$3,250,000 for the purposes of sections 123.931 to 123.937. If this amount is not sufficient to make the payments required pursuant to sections 123.931 to 123.937, the amount necessary to make these payments is appropriated from the general fund to the department of education. The amounts appropriated pursuant to this section for the year ending June 30, 1980 shall not cancel but shall be available for the second year of the biennium.

Sec. 5. Minnesota Statutes 1978, Chapter 123, is amended by adding a section to read:

**[123.947] RESTRICTIONS TO PREVENT IMPROPER USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.** (a) The department of education shall assure that individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.

(b) Individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.

(c) Individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the department of education. The request forms shall provide for verification by the parent or guardian or pupil that the requested individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.

(d) The department of education or the servicing school district or the intermediary service area shall take adequate measures to ensure an accurate and periodic inventory of all individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provisions of chapter 15 to terminate the eligibility of any nonpublic school pupil if the department or the servicing school district or intermediary service area determines, after notice and opportunity for hearing, that the individualized instructional materials have been used in a manner contrary to the provisions of section 2, 3 or 5 of this article or any rules promulgated by the state board of education.

(e) Nothing contained in section 2, 3 or 5 of this article shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.

**Sec. 6. SEVERABILITY.** If any provision of section 2, 3 or 5 of this article, including the loan of any particular type of individualized instructional material shall be declared invalid, the holding shall not affect the validity of a remaining provision or the loan of any other type of individualized instructional material. If a provision of section 2, 3 or 5 of this article is invalid in one or more of its applications to a person or circumstance, the validity of the application of the provision to another person or circumstance shall not be affected.

**Sec. 7.** Minnesota Statutes 1978, Section 124.214, Subdivision 2, is amended to read:

Subd. 2. **ABATEMENTS.** Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and whenever the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon such changed valuations, the county auditor shall, prior to February 1 of each year, ~~beginning in 1979,~~ certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. In

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August of each year, beginning in 1979, when the district's net revenue loss during the preceding year exceeds \$1 per pupil unit in the district in the most recent school year for which data is available, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of (1) the net revenue loss as certified by the county auditor, times (2) the ratio of the sum of the amounts of the district's levy limitations in the preceding October pursuant to section 275.125, subdivision 2a, clause (1) or (2), and ~~subdivision subdivisions 5, 6c, and subdivision 13, 7a~~ to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. For purposes of this computation, the district's levy limitation pursuant to section 275.125, subdivision 5, shall not include the amounts authorized to be levied for bus purchases or because of extraordinary traffic hazards. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 124.245, Subdivision 1, is amended to read:

**124.245 CAPITAL EXPENDITURE EQUALIZATION AID. Subdivision 1.**

(a) In the 1980-1981 school year, the state shall pay a school district the difference by which an amount equal to \$80 per pupil unit in that school year or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$85 per pupil unit in that school year, exceeds the amount raised by ten mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this section in any year the 1980-1981 school year, a district must have levied the full ten EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

(b) In the 1981-1982 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$90 per pupil unit in that school year or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$95 per pupil unit in that school year, exceeds the amount raised by seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this section in any school year, a district must have levied the full seven EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 124.245, Subdivision 2, is amended to read:

Subd. 2. As used in this section, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7). Beginning in the 1980-1981 school year, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5); provided that notwithstanding the expiration of Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clauses (6) and (7), pupil units identified in those

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clauses shall also be included for purposes of the computation of capital expenditure aid for the 1980-1981 school year.

Sec. 10. **CAPITAL EXPENDITURE LEVY LIMITATION, 1979.** Notwithstanding the provisions of Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 11a, regarding pupil units, the computation of 1979 payable 1980 capital expenditure levy limitations by the department of education pursuant to that subdivision using pupil units identified in Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clauses (1), (2), (4), (5), (6) and (7), and the certification of 1979 payable 1980 capital expenditure levies by districts in accordance with these levy limitations are hereby sanctioned.

Sec. 11. **CAPITAL EXPENDITURE LEVY LIMITATION, 1980.** Notwithstanding any law to the contrary, for any district which made its 1979 payable 1980 capital expenditure levy in an amount less than the maximum limitations computed by the department of education in order to comply with the provisions of Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 11a, regarding pupil units, the 1980 payable 1981 capital expenditure levy limitation shall be increased by the difference between the amount of the 1979 payable 1980 capital expenditure levy limitation certified by the department of education and the amount of the 1979 payable 1980 capital expenditure levy certified by the district. In order to qualify for the increased levy limitation provided by this section, the clerk of the school board of the district shall notify the commissioner in writing by September 1, 1980, stating the amount by which the district's 1979 payable 1980 capital expenditure levy was reduced, and stating the school board's desire to have its 1980 payable 1981 capital expenditure levy limitation increased accordingly.

Sec. 12. Minnesota Statutes, 1979 Supplement, Section 124.271, Subdivision 1a, is amended to read:

Subd. 1a. In fiscal year 1980, the state shall pay the greater of 75 cents per capita or \$5,000 to each school district which is operating a community school program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or the maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1); \$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2), for use in that year.

Sec. 13. Minnesota Statutes, 1979 Supplement, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. In fiscal year 1981 and each year thereafter, the state shall pay the greater of 75 cents per capita or \$7,000 to each school district which is operating a community school program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or the maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1) \$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2), for use in that year.

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Sec. 14. Minnesota Statutes 1978, Section 124.65, is amended to read:

124.65 **TYPES OF SCHOOL AID.** Appropriations made for special state aid are for the ~~following purposes: enumerated in this chapter.~~

~~Foundation program aid; emergency aid; transportation aid; aid for special classes of handicapped children; school lunch; county tuition equalization aid; gross earnings tax refund; and vocational aid.~~

Sec. 15. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. (1) ~~In 1979, and each year thereafter,~~ A district which has established a community school advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$2.50 per capita, or (B) one hundred and ten percent of the amount certified pursuant to this subdivision in 1976. These levies shall be used for community services including nonvocational adult programs, recreation and leisure time activity programs, and programs contemplated by sections 121.85 to 121.88. For purposes of computing the levy limitation pursuant to this subdivision, the amount certified pursuant to this subdivision in 1976 shall not reflect reductions pursuant to subdivision 9.

(2) A school district shall be authorized to make a levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to make a levy pursuant to this subdivision.

(3) The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 16. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by that portion of the previous year's payment not deducted from foundation aid on account of the payment. *The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies.* Reductions in levies pursuant to this clause, subdivision 10 of this section, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to ~~294.28~~ 294.26; 298.23 to 298.28; ~~298.32~~; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; and any law

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imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections in the previous fiscal year less the product of the same dollar amount of payments times the ratio of the maximum levy allowed the district under subdivision 2a, to the total levy allowed the district under this section in the year in which the levy is certified.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to subdivision 2a, clause (1) or (2), to an amount less than the amount raised by a levy of 10 mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to subdivision 2a, clause (4) shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 7a shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by subdivision 11a, and the community service levy authorized by subdivision 8, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to ~~that~~ subdivision 11a and for community services pursuant to subdivision 8. The reduction of the capital expenditure levy and the community services levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 294.21 to ~~294.28~~ 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.212, subdivision 8a, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amount on the designated date: on or before March 15 of each year, 100 percent of the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section 124.212, subdivision 8a, which is in excess of the foundation aid earned for that fiscal year. The commissioner of finance shall deposit any amounts received pursuant to this clause in the taconite property tax relief fund in the state treasury, established pursuant to section 16A.70 for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 17. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 11a, is amended to read:

Subd. 11a. (a) In 1979, a school district may levy an amount not to exceed the amount equal to \$80 per pupil unit or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$85 per pupil unit. For purposes of computing allowable levies under section 275.125, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5). No levy under this subdivision clause in 1979 shall exceed ten mills times the adjusted assessed valuation of the taxable property in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.

(b) In 1980 and each year thereafter, a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$95 per pupil unit. In 1980 and each year thereafter, no levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.

~~(b)~~ (c) The proceeds of the tax may be used only to acquire land, to equip and reequip buildings and permanent attached fixtures, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as required pursuant to section 116H.126, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to article VI, section 17.

~~(c)~~ (d) Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the renting or leasing of buildings for school purposes and the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal with respect to the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

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(d) (e) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) (f) The proceeds of the tax shall not be used for custodial or other maintenance services.

Sec. 18. Minnesota Statutes 1978, Section 275.125, Subdivision 12, is amended to read:

Subd. 12. When a district finds it economically advantageous to rent or lease existing school buildings or other buildings for instructional purposes, and the proceeds of the levy permitted under section ~~274.04~~ or 275.125, subdivision 11a are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this clause shall contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this clause shall include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and regulations of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner shall not authorize a levy under this clause in an amount greater than the cost to the district of renting or leasing a school building or other building for approved purposes. The proceeds of this levy shall not be used for custodial or other maintenance services.

Sec. 19. **POLICY AND PROCEDURES FOR MINIMIZING STUDENT CHEMICAL USE PROBLEMS.** Subdivision 1. STATEMENT OF PURPOSE. The legislature finds that the development of local policies to minimize chemical use problems among school pupils and a report to the legislature on these local policies are necessary for the legislature to determine what further legislative action is needed to assist school districts in addressing these chemical use problems. The legislature further finds that inservice training of staff is needed to assist school district staff in dealing with pupils with chemical use problems.

Subd. 2. During the 1980-1981 school year each school board shall adopt a comprehensive policy and procedures to minimize chemical use problems among pupils in grades kindergarten through 12 and pupils enrolled in area vocational-technical institutes.

Subd. 3. To develop the policy and procedures required by subdivision 2, each school board, citizens advisory council on community schools, or citizens task force, as applicable, is encouraged to do the following:

(a) Assess the magnitude of the chemical use problem as it affects pupils in schools of the district;

(b) Identify and evaluate existing policies and programs in the schools of the district for minimizing chemical use problems;

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(c) Assess the needs of pupils for additional chemical abuse prevention, intervention, and referral programs and for support programs for pupils who have or have had chemical abuse problems;

(d) Define the role of the school in minimizing chemical use problems among pupils;

(e) Identify public and private community resources available to assist schools in minimizing chemical use problems among pupils in the district;

(f) Study the feasibility of cooperative efforts among the school district and public and private agencies, including law enforcement agencies, to minimize chemical use problems among pupils;

(g) Examine research studies for assistance in formulating the policies and procedures required pursuant to subdivision 2;

(h) Assess school district staff training needs for the program to minimize chemical use problems among pupils;

(i) Evaluate the need for community chemical abuse awareness programs;

(j) Consult with health officials and providers of chemical use treatment and rehabilitation services; and

(k) Take any other action the school board deems appropriate to develop the policy and procedures required by subdivision 2.

Subd. 4. The school board is encouraged to request that the citizens advisory council for community schools established pursuant to section 121.88, subdivision 2 develop the policies and procedures required by subdivision 2. The school board may designate any other citizens task force to develop the policies and procedures.

Subd. 5. The department of education in cooperation with the department of welfare and the commissioner of health shall develop comprehensive community approaches to support school district efforts to reduce chemical use problems among pupils. The department of education shall provide technical assistance to school boards which request the assistance of the department in performing the duties imposed by this section.

Subd. 6. REPORT. By February 15, 1981, the department of education shall report to the education committees of the legislature on the policies and procedures developed by school districts pursuant to subdivision 2. The report shall include any other information deemed pertinent to the needs of school districts in their efforts to minimize chemical use problems among school pupils.

Sec. 20. INSERVICE TRAINING; CHEMICAL USE PROBLEMS. Subdivision 1. Each school district which submits a written plan describing the policies and procedures required by section 19 of this article to the department of education on or before February 1, 1981 shall be eligible to participate in an inservice training program for chemical use problems. The state shall pay the

greater of \$1.00 per pupil in average daily membership, as defined in section 124.17, subdivision 2, or \$1,000 to each eligible school district for the inservice training of teachers, counselors, school nurses, school social workers and other school staff employed to work with pupils and parents in chemical use problems of pupils.

Subd. 2. The department of education shall advise eligible school districts on available options for inservice training about chemical use problems. The training shall assist teachers, counselors, school nurses, school social workers and other school staff employed to work with pupils and parents in helping pupils who may experience or who are experiencing or have experienced chemical use problems. The content of the training shall be limited to the following:

- (a) Approaches to the prevention of chemical use problems;
- (b) Identification of pupil behavior which indicates chemical use problems;
- (c) Intervention techniques;
- (d) Development of support services for pupils who have completed treatment for chemical use problems;
- (e) Options for referral of pupils for treatment of chemical use problems.

Sec. 21. STAFF COMPLEMENT. The department of education may increase its permanent staff complement by three professional positions for the purpose of providing the assistance in section 19, subdivision 5, of this article.

Sec. 22. INSTRUCTION TO REVISOR OF STATUTES; COMMUNITY EDUCATION TERMINOLOGY. In accordance with section 648.34, in the next edition of Minnesota Statutes, the revisor of statutes shall remove the reference to "community school" in sections 3.9279, subdivision 7; 120.76; 121.85; 121.86; 121.87; 121.88, subdivisions 1, 2 and 3; 124.271, subdivisions 1a, 2, 4, and 5; and 275.125, subdivision 8, and replace them with references to "community education." The revisor shall, where appropriate, delete obsolete language in these sections and make necessary grammatical corrections.

Sec. 23. DEFICIENCY APPROPRIATION; SCHOOL LUNCH AID. There is appropriated from the general fund to the department of education the sum of \$162,000 for the fiscal year ending June 30, 1980, and the sum of \$160,000 for the fiscal year ending June 30, 1981, for the payment of deficiencies in funds available for school lunch aid pursuant to section 124.646 in those years. These appropriations shall be added to the sums appropriated for fiscal years 1980 and 1981 for school lunch aid in Laws 1979, Chapter 334, Article VI, Section 35, Subdivision 8.

Sec. 24. APPROPRIATION; CHEMICAL DEPENDENCY PROGRAMS. There is appropriated from the general fund to the department of education the sum of \$1,000,000 for the biennium ending June 30, 1981. This appropriation is for aid for chemical dependency programs authorized in section 20 of this article, and for the increase in department of education complement authorized in section 21 of this article. Of this amount, \$150,000 is for the increase in the staff complement in the department of education authorized in section 21 of this article. If the

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appropriation amount in this section is insufficient, the aid shall be prorated among all eligible districts and the state shall not be obligated for any excess amount.

Sec. 25. **EFFECTIVE DATE.** Sections 1, 4, 10, 12, 17, 19, 21, 23 and 24 of this article are effective the day following final enactment.

#### ARTICLE V VOCATIONAL EDUCATION

Section 1. Minnesota Statutes, 1979 Supplement, Section 124.11, Subdivision 2a, is amended to read:

Subd. 2a. Ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month beginning in July 1980. A final payment of the remainder of the post-secondary vocational instructional aid for each fiscal year shall be made to each district in September of the following fiscal year. The September 1980 payment shall be adjusted to reflect any deficit or excess in post-secondary vocational foundation aid received by a district in fiscal year 1980. The September 1981 final payment and the September final payment in each year thereafter shall be adjusted to reflect the actual average daily membership for the previous fiscal year. The final payment in September 1982 and each year thereafter shall be adjusted to reflect the actual annual student count for the previous fiscal year. ~~For Beginning with the 1980-1981 school year, 90 percent of the estimated post-secondary vocational instructional aid shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted in September, December, March and June to reflect any increases or decreases in enrollment. Beginning with the 1981-1982 school year, the estimated post-secondary vocational instructional aid shall be paid on the basis of the department of education's estimates of the current year's annual student count, adjusted in September, December, March and June to reflect any increases or decreases in enrollment, pursuant to section 124.5621, subdivision 11.~~

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 124.11, Subdivision 2b, is amended to read:

Subd. 2b. Post-secondary vocational supply aid, ~~and support services aid and equipment aid~~ shall be paid to districts in equal installments on or before August 1. ~~December~~ November 1, March ~~February 1, and June~~ May 1 of each year. Additional post-secondary vocational supply aid, support services aid, and equipment aid may be distributed on or before March and June 1 of each year if it is apportioned at a consolidated public hearing held before February 15 of that year in the manner specified in section 124.561, subdivision 3a. Eighty percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before May 1 of each year.

Sec. 3. Minnesota Statutes 1978, Section 124.11, is amended by adding a subdivision to read:

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Subd. 2c. Additional post-secondary vocational supply aid, support services aid and capital expenditure aid may be distributed on or before May 1 of each year if it is apportioned at a consolidated public hearing held before February 15 of that year pursuant to section 124.561, subdivision 3a.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 124.561, Subdivision 3a, is amended to read:

Subd. 3a. **HEARING.** The consolidated public hearing held by the state board pursuant to ~~subdivisions~~ subdivision 2a and 3 shall take place with at least six board members present and shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. In 1980 and each year thereafter the state board shall authorize the allocations of post-secondary vocational supply aid, support services aid and capital expenditure aid for the following fiscal year at this hearing. Notice of intention to hold the hearing shall be given at least 20 days prior to the date set for the hearing by United States mail to each district submitting a post-secondary vocational school budget, to other interested persons, representatives, and organizations who register their names with the commissioner of education for that purpose, and in the state register. The department of education shall make available at least one free copy of the proposed ~~disposition of budgets or~~ allocations of aids to the education committees of the legislature and to any person requesting it. Unless the commissioner determines that the use of an audio magnetic recording device is more appropriate, a court reporter shall keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, provided that the request is in writing and the cost of preparing the transcript is borne by the requesting person. After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the final proposed ~~final disposition of budgets or~~ allocations of aids. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the final proposed ~~final disposition of~~ allocations. The report shall be available to all affected school districts upon request for at least 15 days before the state board takes final action ~~disposing of the budgets or~~ allocating aids. Any district which is adversely affected by the final proposed ~~disposition of budgets or~~ allocations of aids may demand and shall be given an opportunity to be heard in support of modification of the proposed ~~disposition of~~ allocations of aids at the meeting at which the state board takes final action ~~disposing of the budgets or~~ allocating aids; provided, the state board may place reasonable restrictions on the length of time allowed for testimony.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 124.562, Subdivision 3, is amended to read:

Subd. 3. All ~~funds~~ moneys, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational-technical education shall be apportioned by the state board for vocational education to the various school districts in accord-

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ance with law and shall be distributed by the state aids, statistics and research section of the state department of education. State board approval shall not be required for the adjustment of average daily membership ~~or for the adjustment of the annual student count~~, pursuant to section 124.11, subdivisions 2 and 2a.

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 124.562, Subdivision 4, is amended to read:

Subd. 4. Each district providing post-secondary vocational-technical education programs shall establish and maintain, in accordance with section 121.908, separate revenue, expenditure, asset and liability accounts separate from all other district accounts for the receipt and disbursement of all funds related to these post-secondary vocational-technical education programs within funds separate from all other district funds. All post-secondary vocational aids, all funds moneys received pursuant to the levy authorized by section 275.125, subdivision 13 as compiled in Minnesota Statutes 1978, and all tuition authorized by section 124.565 shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 124.5621, Subdivision 11, is amended to read:

Subd. 11. (1) "Student growth or decline factor" ~~for the 1980-1981 school year~~ means the following ratio, adjusted according to clause (4) ~~(2)~~ :

(a) The current year's average daily membership as defined in section 124.562, subdivision 2, for a particular AVTI, divided by:

(b) The second prior year's average daily membership for that AVTI.

~~(2) Beginning in the 1979-1980 school year, each AVTI shall take a count of all full time equivalent students in attendance on the fifteenth day of each quarter that full time post-secondary vocational programs are offered by that AVTI. These quarterly counts shall be totaled to produce an annual student count.~~

~~(3) Beginning in the 1981-1982 school year, "student growth or decline factor" means the following ratio, adjusted according to clause (4).~~

~~(a) The current year's annual student count for a particular AVTI, divided by~~

~~(b) The annual student count for the second prior year for that AVTI.~~

~~(4) (2) If the ratio in clause (1) or (3) is greater than .95 but less than 1.05, the ratio shall equal 1.0. If the ratio is .95 or less, the ratio shall be adjusted by adding .05. If the ratio is 1.05 or greater, the ratio shall be adjusted by subtracting .05.~~

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 124.5621, is amended by adding a subdivision to read:

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Subd. 13. The state board for vocational education shall promulgate rules pursuant to chapter 15 which specify appropriate minimum ratios of average daily membership to each full-time staff equivalent in each of the following subject area classifications: agriculture; distributive education; health; home economics; business and office; technical; and trade and industrial.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 124.5624, Subdivision 6, is amended to read:

Subd. 6. Before August 1, 1980 and before August 1 of each subsequent year, the commissioner shall issue a report on the capital expenditure aid allocation to each AVTI. This report shall include recommended aid allocations for each capital expenditure category and an explanation comparing the amount of the authorized capital expenditure aid allocation to the budget submitted for each AVTI. The fund balances used by the state board in determining the capital expenditure aid allocation shall be included.

Before August 1, 1980 and before August 1 of each subsequent year the commissioner shall also report on the equipment inventory of each AVTI, including original cost, ~~amortization schedule~~ and current value and estimated remaining useful life.

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 124.5625, is amended to read:

**124.5625 POST-SECONDARY VOCATIONAL CONTINGENCY FUND.** There is established a post-secondary ~~and adult~~ vocational contingency fund. This fund shall be used for the start-up costs of new full time post-secondary vocational programs, ~~including job training programs provided at the request of industry.~~ This fund shall also be used for ~~short term training of employees at the request of business and industry, when that training is specialized and not available from any other source.~~ The commissioner state board for vocational education shall establish rules for the administration of this fund. The rules shall conform, where applicable, to the rules and procedures for the approval of new post-secondary and adult vocational programs.

Sec. 11. Minnesota Statutes 1978, Chapter 124, is amended by adding a section to read:

**[124.5626] ADULT NEW JOBS FUND.** There is established a new jobs fund. This fund shall be used for the short term training of employees at the request of business and industry, when that training is specialized and not available from any other source. The state board for vocational education shall establish rules for the administration of this fund. The rules shall conform, where applicable, to the rules and procedures for the approval of new adult vocational programs.

Sec. 12. Minnesota Statutes, 1979 Supplement, Section 124.565, Subdivision 3, is amended to read:

Subd. 3. Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil shall be \$128 per quarter for each quarter the pupil is enrolled; ~~except that there shall be no charge for tuition for a person who, prior to July 1, 1978, entered active military service in a branch of the armed forces of the United States and who, under the laws in effect at the time of his induction into the armed forces, would be eligible to attend a post-secondary vocational-technical school without payment of tuition.~~ A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

Sec. 13. Minnesota Statutes, 1979 Supplement, Section 124.565, Subdivision 6, is amended to read:

Subd. 6. For purposes of the tuition charges established in this section, a quarter shall consist of 60 school days. The state board for vocational education shall adopt rules providing for proportionate tuition charges for quarters which are shorter or longer than 60 days ~~and~~ for pupils who enroll on a part time or and extended day basis enrollment, and for programs which begin or end during a quarter. The state board shall adopt rules providing for tuition charges based on approved program lengths for programs offered on an individualized basis.

Sec. 14. Minnesota Statutes 1978, Section 124.565, is amended by adding a subdivision to read:

Subd. 7. A veteran who is a Minnesota resident shall be exempt from the tuition required by subdivision 3 until the veteran has completed the lesser of (a) 360 post-secondary vocational-technical school days, or the equivalent as determined by the state board for vocational education, or (b) one post-secondary vocational-technical school program which the veteran began after the effective date of this subdivision.

"Veteran" for the purpose of this subdivision means a person who entered active military service in any branch of the armed forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable. This subdivision shall not apply to a veteran whose tuition is paid for by any federal or state agency.

Sec. 15. Minnesota Statutes, 1979 Supplement, Section 124.566, is amended to read:

124.566 **USE OF POST-SECONDARY VOCATIONAL AID APPROPRIATIONS.** Notwithstanding the provisions of section 16A.57 or any other law to the contrary, the state board for vocational education may expend amounts appropriated by the legislature for post-secondary vocational categorical aid to pay post-secondary vocational foundation aid for the 1979-1980 school year if the appropriation for post-secondary vocational foundation aid is insufficient because of an

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increase in average daily membership. Beginning with the 1980-1981 school year, the state board may expend amounts appropriated by the legislature for post-secondary vocational support services aid to pay post-secondary vocational instructional aid in the 1980-1981 school year if the appropriation for post-secondary vocational instructional aid is insufficient because of an increase in average daily membership; ~~or in the 1981-1982 school year, and each year thereafter, when the appropriation for post-secondary vocational instructional aid is insufficient because of an increase in the annual student count.~~ Beginning in the 1980-1981 school year, the state board may expend amounts appropriated by the legislature for post-secondary vocational instructional aid to pay post-secondary vocational support services aid in any year when the state board determines that the appropriation for instructional aid is excessive. On the date of any expenditure pursuant to this section, the state board shall report the expenditure to the appropriate committees of the legislature.

Sec. 16. Minnesota Statutes, 1979 Supplement, Section 124.572, Subdivision 2, is amended to read:

Subd. 2. The state shall pay to any district or cooperative vocational center 75 percent of the salaries paid to essential, licensed personnel or personnel exempt from licensure pursuant to section 18 of this article in that school year for services rendered in that district's or center's adult vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary travel between instructional sites by adult vocational education teachers. The commissioner may withhold all or any portion of this aid for an adult vocational education program which receives ~~funds~~ moneys from any other source, and in no event shall a district or center receive a total amount of state aid for salaries and travel pursuant to this section which, when added to ~~funds~~ moneys from other sources, will provide the program an amount for salaries and travel which exceeds 100 percent of the amount of its expenditures for salaries and travel in the program.

Sec. 17. Minnesota Statutes 1978, Section 124.572, Subdivision 7, is amended to read:

Subd. 7. Each district providing adult vocational education shall establish and maintain separate, accurate and detailed revenue and expenditure accounts ~~for the receipt and disbursement of all funds~~ related to these adult vocational education programs. All adult vocational education aid received by the district from any source shall be utilized solely for the purposes of adult vocational education programs.

Sec. 18. Minnesota Statutes 1978, Chapter 125; is amended by adding a section to read:

[125.031] LICENSURE, AREA VOCATIONAL-TECHNICAL SCHOOL INSTRUCTORS TEACHING LESS THAN SIX HOURS A QUARTER. Notwithstanding section 125.03, subdivision 1, a person who teaches in an adult vocational-technical education program not more than six hours per quarter is exempt from a license requirement.

Sec. 19. Minnesota Statutes 1978, Section 275.125, is amended by adding a subdivision to read:

Subd. 14a. A district maintaining a post-secondary area vocational technical institute may levy for its local share of the cost of construction of facilities for the post-secondary area vocational-technical institute as provided in this subdivision.

(1) The construction must be authorized by a specific legislative act pursuant to section 121.21, subdivision 4a, after January 1, 1980. The specific legislative act must require that 85 percent of the cost of construction for post-secondary vocational purposes shall be financed by the state and that 15 percent of the cost of construction for post-secondary vocational purposes shall be financed by the school district operating the post-secondary area vocational-technical institute.

(2) The district may levy an amount equal to the local share of the cost of construction for post-secondary vocational purposes, minus the amount of any unappropriated net balance in the district's post-secondary vocational-technical building construction fund. A district may levy the total amount authorized by this subdivision in one year, or a proportionate amount of the total authorized amount each year for up to three successive years.

(3) By the July 1 before a district certifies the first levy pursuant to this subdivision for the local share of any construction project, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose of the proposed levy, the duration of the proposed levy and the amount of the proposed levy in dollars and mills. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the most recent regular school board election, the board shall call a referendum on the proposed levy. The referendum shall be held on a date set by the school board, but no later than the August 20 before the levy is certified. The question on the ballot shall state the amount of the proposed levy in mills on the district's adjusted assessed valuation and in dollars in the first year of the proposed levy.

(4) For the purposes of this subdivision, "construction" includes the acquisition and betterment of land, buildings and capital improvements for post-secondary area vocational-technical institutes.

(5) A district may not levy for the cost of a construction project pursuant to the subdivision if it issues any bonds to finance any costs of the project.

Sec. 20. Minnesota Statutes, 1979 Supplement, Section 353.01, Subdivision 2b, is amended to read:

Subd. 2b. **EXCLUDED EMPLOYEES.** The following persons are excluded from the meaning of "public employee":

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(a) Persons employed for professional services where such service is incidental to regular professional duties.

(b) Election officers.

(c) Independent contractors and their employees.

(d) Patient and inmate help in governmental subdivision charitable, penal and correctional institutions.

(e) Members of boards, commissions, bands and others who serve the governmental subdivision intermittently.

(f) Employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$250 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service.

(g) Part-time employees other than firefighters who receive monthly compensation not exceeding \$250, and part-time employees other than firefighters and elected officials whose annual compensation is stipulated in advance to be not more than \$3,000 per year, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after March 1, 1978, the compensation for which does not exceed \$250 per month.

(i) Emergency employees who are employed by reason of work caused by fire, flood, storm or similar disaster.

(j) Employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this clause shall not prevent a person from contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time.

(k) Police matrons employed in a police department of any city who are transferred to the jurisdiction of a joint city and county detention and corrections authority.

(l) Chaplains and nuns who have taken a vow of poverty as members of a religious order.

(m) Full-time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided, no person employed full-time by a governmental subdivision shall be exempt under this paragraph.

(n) Resident physicians, medical interns and pharmacist interns who are serving in public hospitals.

(o) Appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971.

(p) Nothing in Laws 1973, Chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, Chapter 793.

(q) Persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal comprehensive employment and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contributions in addition to the required employee contribution.

(r) Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$250 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.

(s) Volunteer firefighters as defined in subdivision 34.

(t) A person holding a part time adult supplementary vocational-technical school license who renders part time teaching service in a vocational-technical school if (1) the service is incidental to the person's regular nonteaching occupation; and (2) the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year.

(u) A person exempt from licensure pursuant to section 18 of this article.

Sec. 21. Minnesota Statutes 1978, Section 354.05, Subdivision 2, as amended by Laws 1980, Chapter 342, Section 8, is amended to read:

Subd. 2. **TEACHER.** The word "teacher" includes any person who has rendered, is rendering, or shall hereafter render, service as a teacher, supervisor, principal, superintendent, or librarian in the public schools of the state, located

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outside of the corporate limits of the cities of the first class, in the state universities, or in any charitable or state institution including penal and corrective institutions supported, in whole or in part, by public funds, or who has been engaged, is engaged, or shall hereafter be engaged, in educational administration in connection with the state public school system, including the state university system and state community college system, but excluding the university of Minnesota, whether the position be a public office or an employment, not including members of any general governing or managing board or body connected with such systems, or the officers of common, independent, special, or associated school districts, or unorganized territory. The term shall also include an employee of the teachers retirement association employed subsequent to July 1, 1969, and any nurse, counselor, social worker or psychologist who has rendered, is rendering or shall hereafter render service in the public schools as defined above or in state universities. The term shall also include any person who renders teaching service on a part time basis and who also renders other services for a school district. In such cases, the teachers retirement association shall have the authority to determine whether all or none of such combined employment will be covered by the teachers retirement association. The term does not mean any person who works for such school or institution as an independent contractor. ~~The term also does not mean a person who works for a school or institution on a part time basis provided: (1) the person was not required to make contributions to the fund during the current fiscal year; (2) the person has certified that he has established and is contributing to an individual retirement account based on non-teaching employment; and (3) the certification is made annually on a form prescribed by the executive director.~~ The term shall not include any person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contribution in addition to the required employee contribution. The term shall not include any person holding a part time adult supplementary vocational-technical school license who renders part time teaching service in a vocational-technical school if (1) the service is incidental to the regular nonteaching occupation of the person; and (2) the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year. The term also shall not include a person exempt from licensure pursuant to section 18 of this article.

Sec. 22. Minnesota Statutes, 1979 Supplement, Section 354A.011, Subdivision 27, is amended to read:

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Subd. 27. **TEACHER.** "Teacher" means any person who renders service in a public school district located in the corporate limits of one of the cities of the first class which was so classified on January 1, 1979 as any of the following:

(a) a full time employee in a position for which a valid license from the state board of education is required;

(b) an employee of the teachers retirement fund association located in the city of the first class unless the employee has exercised the option pursuant to Laws 1955, Chapter 10, Section 1, to retain membership in the Minneapolis municipal employees retirement fund established pursuant to chapter 422A;

(c) a part time employee in a position for which a valid license from the state board of education is required who also renders other non-teaching services for the school district unless the board of trustees of the teachers retirement fund association determines that the combined employment is on the whole so substantially dissimilar to teaching service that the service shall not be covered by the association.

The term shall not mean any person who renders service in the school district as any of the following:

(1) an independent contractor or the employee of an independent contractor;

(2) a part time employee who, in the calendar year, has certified that he has established and is contributing to an individual retirement account established pursuant to federal law where certification is provided annually or upon request on a form prescribed by the board of the teachers retirement fund association;

(3) for the Duluth and St. Paul teachers retirement fund associations, and for the Minneapolis teachers retirement fund association, unless the person is designated by the board of education of special school district number 1 pursuant to section 356.451 as a provisional member of the teachers retirement fund association, a person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment, sufficient service credit in the teachers retirement fund association to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive employment and training act, or the person agrees in writing to make the required employer contributions, including any employer additional contributions, in addition to the required employee or member contributions;

(4) an employee who is a full time teacher covered by another teachers retirement fund association established pursuant to this chapter;

(5) an employee holding a part time adult supplementary vocational-technical school license who renders part time teaching service in a vocational-technical school if (1) the service is incidental to the regular nonteaching occupation of the person; and (2) the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year; or

(6) an employee exempt from licensure pursuant to section 18 of this article.

Sec. 23. CONTINGENCY FUND APPROPRIATION USE. Notwithstanding Laws 1979, Chapter 334, Article V, Section 31, the remaining funds in the appropriation for the contingency fund are immediately available to the department of education of which \$70,000 is for the short term training of employees at the request of business and industry pursuant to section 11 of this article, and at least \$130,000 is available for start-up costs of new full time post-secondary vocational programs.

Sec. 24. REPEALER. Laws 1979, Chapter 334, Article V, Section 29, Subdivision 4, is repealed. Minnesota Statutes, Section 124.562, Subdivision 2, remains effective.

Sec. 25. Laws 1979, Chapter 334, Article V, Section 32, Subdivision 6, is amended to read:

**Subd. 6. POST-SECONDARY VOCATIONAL SUPPORT SERVICES AID.** For post-secondary vocational support services aid there is appropriated:

~~\$18,706,800~~ \$19,206,800 ..... 1981.

This appropriation is based on the assumption that the state will spend for post-secondary vocational support services aid an amount equal to ~~\$6,886,400~~ \$6,386,400 in fiscal year 1981 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Sec. 26. Laws 1979, Chapter 334, Article V, Section 32, Subdivision 7, is amended to read:

**Subd. 7. POST-SECONDARY VOCATIONAL CAPITAL EXPENDITURE AID.** For post-secondary vocational capital expenditure aid there is appropriated:

~~\$9,000,000~~ ..... 1980,

~~\$9,000,000~~ \$8,500,000 ..... 1981.

This appropriation is based on the assumption that the state will spend for post-secondary vocational capital expenditures an amount equal to \$500,000 in fiscal year 1981 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Sec. 27. EFFECTIVE DATE. Sections 4, 8, 9, 10, 11, 13, 23 and 24 of this article shall be effective the day following final enactment.

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**ARTICLE VI**  
**MISCELLANEOUS**

Section 1. Minnesota Statutes, 1979 Supplement, Section 120.075, is amended by adding a subdivision to read:

Subd. 1a. Any pupil who, pursuant to section 123.39, subdivision 5, has continuously been enrolled since January 1, 1977 in a school district of which he was not a resident may continue in enrollment in that district, and that district shall be considered the pupil's district of residence.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 120.075, is amended by adding a subdivision to read:

Subd. 3a. Any child who was born on or before January 1, 1978 but who was adopted after January 1, 1978 and whose adoptive parent on January 1, 1978 owned property residence upon which would have qualified the child for enrollment pursuant to Minnesota Statutes 1976, Section 120.065, in a school district of which the child was not a resident may enroll in that district. Any child who was born on or before January 1, 1978 but who was adopted after January 1, 1978 and whose adoptive parent on January 1, 1978 owned or was a tenant upon property so as to qualify a child for enrollment pursuant to Minnesota Statutes, 1977 Supplement, Section 123.39, Subdivision 5a, in a school district of which the child was not a resident may enroll in that district.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 120.075, Subdivision 4, as amended by Laws 1980, Chapter 375, Section 1, is amended to read:

Subd. 4. Subdivisions 1, 1a, 2 and 3 and 3a shall also apply to any brother or sister of a qualified pupil who is related to that pupil by blood, adoption or marriage and to any foster child of that pupil's parents. The enrollment of any pupil pursuant to this section subdivision 1, 2, 3 or 3a and of a brother or sister of that pupil or of a foster child of that pupil's parents pursuant to this subdivision shall remain subject to the provisions of Minnesota Statutes 1976, Section 120.065 and Minnesota Statutes, 1977 Supplement, Section 123.39, Subdivision 5a, as they read on either January 1, 1978, or April 5, 1978.

Sec. 4. Minnesota Statutes 1978, Chapter 120, is amended by adding a section to read:

**[120.0751] STATE BOARD OF EDUCATION; ENROLLMENT EXCEPTIONS.** Subdivision 1. The state board of education may permit a pupil who enrolls in a school district of which he is not a resident to be deemed a resident pupil of that district pursuant to this section.

Subd. 2. The pupil or his parent or guardian shall make application to the state board, explaining the particular circumstances which make the nonresident district the appropriate district of attendance for the pupil. The application must be signed by the pupil's parent or guardian and the superintendent of the nonresident district.

Subd. 3. In granting or denying the application the state board of education shall consider the following criteria:

(a) whether attending school in the district of residence creates a particular hardship for the pupil; and

(b) whether the circumstances of the pupil are similar or analogous to the exceptions permitted by section 120.075.

Subd. 4. The state board of education shall render its decision in each case within 60 days of receiving the application in subdivision 2.

Subd. 5. The department of education shall provide the forms required by subdivision 2. These forms shall be available on or before July 31, 1980. The state board shall consider any application received by it on August 1, 1980, or thereafter. The state board of education shall adopt the procedures necessary to implement this section.

Sec. 5. Minnesota Statutes 1978, Chapter 120, is amended by adding a section to read:

**[120.0752] AGREEMENTS BETWEEN SCHOOL BOARDS; ENROLLMENT EXCEPTIONS.** Subdivision 1. A pupil may enroll in a school district of which he is not a resident and be deemed a resident pupil of that district pursuant to this section.

Subd. 2. The pupil's parent or guardian must receive the approval of the school board of the nonresident district and the school board of the resident district. The approval shall be on a form provided by the department of education. The superintendent of the nonresident district shall forward a copy of this form to the department of education within ten days of its approval. If the student withdraws his enrollment from the nonresident district the superintendent of that district shall report the fact to the department of education.

Sec. 6. Minnesota Statutes 1978, Chapter 120, is amended by adding a section to read:

**[120.68] FOUR DAY SCHOOL WEEK.** The state board of education, pursuant to sections 120.59 to 120.67, shall promulgate rules pursuant to chapter 15 permitting districts requesting to operate a four day week to qualify for a flexible school year program. The rules shall not apply to a school district located entirely within the seven county metropolitan area.

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 121.912, Subdivision 1, is amended to read:

**121.912 PERMANENT FUND TRANSFERS.** Subdivision 1. After July 4, 1977, No school district shall permanently transfer money from an operating fund to a nonoperating fund except as provided in this subdivision. Permanent transfers may be made from an operating fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to eliminate deficits in another

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fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner; provided, the levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred. Permanent transfers may be made from the general fund to the capital expenditure fund of a post-secondary vocational-technical school in the amount and for the purposes authorized by the state board for vocational education in approving the school's budget pursuant to section 124.561; provided, the state board shall not approve any permanent transfer for the purpose of an acquisition or betterment of lands or buildings or a capital improvement which requires the expenditure of an amount equal to or greater than \$50,000, which changes the perimeter walls of an existing facility, which adds more than 1,000 square feet to a post-secondary vocational facility, or which requires the issuance of school district bonds; provided further, the state board shall not approve the permanent transfer for any other purpose of any amount which exceeds \$150,000.

Sec. 8. Minnesota Statutes 1978, Section 121.912, is amended by adding a subdivision to read:

Subd. 3. For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund for a period past the end of the current fiscal year which is covered by moneys in an operating fund.

Sec. 9. Minnesota Statutes 1978, Section 122.22, Subdivision 2, is amended to read:

Subd. 2. Proceedings under this section may be instituted by:

(a) Resolution of the county board of the county containing the greatest land area of the district proposed for dissolution when ~~such~~ the district is dissolved pursuant to sections 122.32 to 122.52.

(b) Petition executed by a majority of the ~~resident freeholders eligible voters,~~ as defined in section 123.32, subdivision 1a, of the district proposed for dissolution and addressed to the county board of the county containing the greatest land area of the district.

(c) Certification by the clerk of the district proposed for dissolution to the county board of the county containing the greatest land area of the district to the effect that a majority of votes cast at an election were in favor of dissolving the district.

Sec. 10. Minnesota Statutes 1978, Section 122.22, Subdivision 4, is amended to read:

Subd. 4. Petition executed pursuant to subdivision 2(b) shall be filed with the auditor and shall contain:

(a) A statement that petitioners desire proceedings instituted leading to dissolution of the district and other provisions made for the education of the

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inhabitants of the territory; and that petitioners are ~~resident freeholders~~ eligible voters, as defined in section 123.32, subdivision 1a, of the district.

(b) ~~An~~ identification of the district.

(c) The reasons supporting the petition which may include recommendations as to disposition of territory to be dissolved. ~~Such~~ The recommendations are advisory in nature only and are not binding on any petitioners or county board for any purpose.

(d) The persons circulating the petition shall attach their affidavit swearing or affirming that the persons executing the petition are ~~resident freeholders~~ eligible voters, as defined in section 123.32, subdivision 1a, of the district and that they signed in the presence of one of the circulators.

(e) The auditor shall present the petition to the county board at its next meeting. At that meeting, the county board shall determine a date for a hearing not less than ten nor more than 60 days from the date of that meeting.

Sec. 11. Minnesota Statutes 1978, Section 122.23, Subdivision 9, is amended to read:

Subd. 9. If the approved plat contains land area in more than one independent district maintaining a secondary school, or common district maintaining a secondary school, and if each board entitled to act on the plat approves the plat, each ~~such~~ board shall cause notice of its action to be published at least once in its official newspaper. If five percent of the ~~resident freeholders~~ eligible voters, as defined in section 123.32, subdivision 1a, of any such district ~~shall~~ petition the clerk of the district, within 30 days after the publication of ~~such~~ the notice, for an election on the question, the consolidation shall not become effective until approved by a majority vote in ~~such~~ the district at an election held in the manner provided in subdivisions 11, 12 and 13.

Sec. 12. Minnesota Statutes 1978, Section 122.23, Subdivision 10, is amended to read:

Subd. 10. *If an approved plat contains land area in any district not entitled to act on approval or rejection of the plat by action of its board, the plat may be approved by the residents of ~~such~~ the land area within 60 days of approval of plat by the state board in the following manner:*

A petition calling upon the county auditor to call and conduct an election on the question of adoption or rejection of the plat may be circulated in ~~such~~ the land area by any person residing in ~~such~~ areas ~~the~~ area. Upon the filing of ~~such~~ the petition with the county auditor, executed by at least 25 percent of the ~~resident freeholders~~ eligible voters, as defined in section 123.32, subdivision 1a, in each district or part of a district contained in ~~such~~ the land area, the county auditor shall forthwith call and conduct a special election of the electors resident in the whole land area on the question of adoption of the plat. For the purposes of this section, the term "electors resident in the whole land area" means ~~and shall be construed to include~~ any person ~~or persons~~ residing on any remaining

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portion of land, a part of which is included in the consolidation plat. Any ~~freeholder eligible voter, as defined in section 123.32, subdivision 1a,~~ owning land included in ~~such the~~ plat who lives upon land adjacent or contiguous to that part of his land included in ~~such the~~ plat shall be included and counted in computing the 25 percent of the ~~resident freeholders eligible voters, as defined in section 123.32, subdivision 1a,~~ necessary to sign ~~such the~~ petition and shall also be qualified to sign ~~such the~~ petition. Failure to file ~~such the~~ petition within 60 days of approval of the plat by the state board terminates the proceedings.

Sec. 13. Minnesota Statutes 1978, Section 122.25, Subdivision 1, is amended to read:

**122.25 COMMON DISTRICT TO INDEPENDENT DISTRICT.** Subdivision 1. If six or more ~~resident freeholders eligible voters, as defined in section 123.32, subdivision 1a,~~ of a common district desire to change the organization of their district to an independent district, they may call for a vote upon the question at the next annual meeting by filing a petition therefor with the clerk. In the notice for the meeting, the clerk shall include a statement that the question will be voted upon at the meeting.

Sec. 14. Minnesota Statutes, 1979 Supplement, Section 122.541, Subdivision 5, is amended to read:

Subd. 5. If compatible plans are not negotiated pursuant to subdivision 4 before the ~~June~~ March 1 preceding any year of the agreement permitted by subdivision 1, the cooperating districts shall be governed by the provisions of this subdivision. Insofar as possible, teachers who have acquired continuing contract rights and whose positions are discontinued as a result of the agreement shall be employed by a cooperating district or assigned to teach in a cooperating district as exchange teachers pursuant to section 125.13. If necessary, teachers whose positions are discontinued as a result of the agreement and who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by a cooperating district, according to a combined seniority list of teachers in the cooperating districts.

Sec. 15. Minnesota Statutes 1978, Section 123.11, Subdivision 7, is amended to read:

Subd. 7. Upon the filing of a petition therefor, executed by five ~~resident freeholders eligible voters, as defined in section 123.32, subdivision 1a,~~ of the common district, specifying the business to be acted upon, or upon the adoption of a proper resolution, so specifying, signed by a majority of the members of the board, the clerk shall forthwith call a special meeting of the district upon ten days' posted notice and one week's published notice if there be a newspaper printed in ~~such the~~ district and specify in ~~such the~~ notice the business named in ~~such the~~ request or resolution and the time and place of the meeting. If there be no clerk in the district or if he fails for three days after receiving ~~such a~~ request or resolution to give notice of ~~such a~~ meeting, it may be called by like notice by five ~~freeholders qualified to vote~~ eligible voters, as defined in section 123.32, subdivi-

sion 1a, of the district. No business except that named in the notice shall be transacted at such the meeting. If there are not five ~~voters who are freeholders in the district~~ eligible voters, as defined in section 123.32, subdivision 1a, or if there is not a board therein, the county ~~superintendent~~ auditor may call a special meeting by giving notice thereof as provided in this section. The voters at a special meeting have power to repeal or modify their proceedings.

Sec. 16. Minnesota Statutes 1978, Section 123.35, Subdivision 5, is amended to read:

Subd. 5. The board shall employ and contract with necessary qualified teachers and discharge the same for cause, ~~but no substitute teacher shall be hired except to replace a regular teacher on leave of absence or in an emergency of less than one school year's duration. The board shall not hire a substitute teacher except:~~

(a) For a duration of time of less than one school year to replace a regular teacher who is absent; or

(b) For a duration of time equal to or greater than one school year to replace a regular teacher on a leave of absence.

If a substitute teacher is hired pursuant to clause (b), each full school year during which the teacher is employed by a district pursuant to that clause shall be deemed one year of the teacher's probationary period of employment pursuant to either section 125.12, subdivision 3, or section 125.17, subdivision 2. The teacher shall be eligible for continuing contract status pursuant to section 125.12, subdivision 4, or tenure status pursuant to section 125.17, subdivision 3, after completion of the applicable probationary period.

Sec. 17. Minnesota Statutes 1978, Section 123.36, Subdivision 10, is amended to read:

Subd. 10. (a) The board may lease a schoolhouse which is not needed for school purposes to any person or organization. The board may charge and collect reasonable consideration for the lease and may determine the terms and conditions of the lease.

(b) In districts with outstanding bonds, the net proceeds of the lease shall be used first pursuant to ~~section 475.61, subdivision 3, to reduce the levy authorized for payments for bonds issued and for interest thereon pursuant to section 275.125, subdivision 4 deposited in the debt retirement fund of the district in an amount sufficient to meet when due the principal and interest payments for all outstanding bonds.~~ Any remaining net proceeds in these districts and all net proceeds of the lease in districts without outstanding bonds shall be used to ~~reduce the levy authorized for general and special school purposes by section 275.125, subdivision 2a deposited in the capital expenditure fund of the district.~~

(c) The board may make capital improvements to a schoolhouse or a portion thereof, not exceeding in cost the replacement value of the schoolhouse, to facilitate its rental, and the lease of an improved schoolhouse shall provide for

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rentals which will recover the cost of the improvements over the initial term of the lease. Notwithstanding clause (b), the portion of the rentals representing the cost of the improvements shall be deposited in the capital expenditure fund of the district and the balance of the rentals shall be used as provided in clause (b).

Sec. 18. Minnesota Statutes 1978, Section 123.36, is amended by adding a subdivision to read:

Subd. 13. Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision.

(1) In districts with outstanding bonds the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due the principal and interest payments for all outstanding bonds. Any remaining proceeds in these districts of the sale or exchange and all proceeds in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(2) Notwithstanding clause (1), a district with outstanding bonds which sells a building or property in order to purchase a replacement, may apply to the commissioner to place proceeds of the sale in its capital expenditure fund in an amount necessary to purchase the replacement; provided the district places an amount in its debt retirement fund sufficient to meet when due the principal and interest payments for all outstanding bonds on the particular building or property which is sold.

Sec. 19. Minnesota Statutes 1978, Section 123.51, is amended to read:

**123.51 SPECIAL SCHOOL DISTRICTS, LAWS APPLICABLE.** Special districts as now organized shall continue to operate under the special legislation and charter provisions governing them until conversion to independent districts. The provisions of ~~Laws 1957, Chapter 947,~~ law relating to independent districts shall apply to and govern each special district unless the special laws and charter provisions governing the special district provide for the matter, in which case the special laws and charter provisions relating to the special district shall apply and control.

Sec. 20. Minnesota Statutes 1978, Section 123.932, is amended by adding a subdivision to read:

Subd. 3a. "Nonsectarian nonpublic school" means any nonpublic school as defined in subdivision 3, which is not church related, is not controlled by a church, and does not promote a religious belief.

Sec. 21. Minnesota Statutes 1978, Section 123.932, Subdivision 9, is amended to read:

Subd. 9. "Neutral site" means a public center, a nonsectarian nonpublic school, a mobile unit located off the nonpublic school premises, or any other location off the nonpublic school premises which is neither physically nor educationally identified with the functions of the nonpublic school.

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Sec. 22. Minnesota Statutes, 1979 Supplement, Section 124.247, Subdivision 3, is amended to read:

Subd. 3. **AID.** A district which establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to \$30 times the number of gifted and talented students in the district. No more than 2-1/2 percent of the students enrolled in the district shall be counted as gifted and talented for the purpose of aid computations pursuant to this subdivision. No more than five percent of the ~~funds~~ moneys received by a district pursuant to this subdivision may be expended for the purpose of administration of the program for gifted and talented students.

Sec. 23. Minnesota Statutes, 1979 Supplement, Section 124.247, Subdivision 4, is amended to read:

Subd. 4. **ACCOUNTS.** A district which receives ~~funds~~ moneys under this section shall, in accordance with section 121.908, maintain a separate ~~account for the receipt and disbursement of funds revenue and expenditure accounts which accurately reflect any state moneys~~ allocated to the district for the purpose of this section, and the ~~funds~~ moneys shall be spent only for the purpose of the program for gifted and talented students.

Sec. 24. Minnesota Statutes 1978, Section 125.12, Subdivision 2, is amended to read:

Subd. 2. **HIRING, DISMISSING.** School boards shall hire or dismiss teachers at duly called meetings. Where a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher shall be made or authorized except upon the unanimous vote of the full board. No teacher related by blood or marriage, within the fourth degree, computed by the civil law, to a board member shall be employed except by a unanimous vote of the full board. The initial employment of the teacher in the district shall be by written contract, signed by the teacher and by the chairman and clerk. All subsequent employment of the teacher in the district shall be by written contract, signed by the teacher and by the chairman and clerk, except where there is a master agreement covering the employment of the teacher. Contracts for teaching or supervision of teaching can be made only with qualified teachers. ~~Such contract shall specify the wages per year and the general assignment of the teacher. A teacher shall have 10 days after receipt to consider, demand corrections, execute and return such contract, but this period shall not be construed to be an extension of the final resignation date in subdivision 4.~~ No teacher shall be required to reside within the employing school district as a condition to teaching employment or continued teaching employment.

Sec. 25. Minnesota Statutes 1978, Section 125.12, Subdivision 9, is amended to read:

Subd. 9. **HEARING PROCEDURES.** Any hearing held pursuant to this section shall be held upon appropriate and timely notice to the teacher, and any hearing held pursuant to subdivision 6 or 8 shall be private or public at the discre-

tion of the teacher. A hearing held pursuant to subdivision 6b shall be public and may be consolidated by the school board. At the hearing, the board and the teacher may each be represented by counsel at its or his own expense, and such counsel may examine and cross-examine witnesses and present arguments. The board shall first present evidence to sustain the grounds for termination or discharge and then receive evidence presented by the teacher. Each party may then present rebuttal evidence. Dismissal of the teacher shall be based upon substantial and competent evidence in the record. All witnesses shall be sworn upon oath administered by the presiding officer of the board. The clerk of the board shall issue subpoenas for witnesses or the production of records pertinent to the grounds upon the request of either the board or the teacher. The board shall employ a court reporter to record the proceedings at the hearing, and either party may obtain a transcript thereof at its own expense.

Sec. 26. Minnesota Statutes 1978, Section 125.182, Subdivision 1, is amended to read:

**125.182 DEFINITIONS.** Subdivision 1. For the purpose of ~~Laws 1973, Chapter 749~~ sections 125.181 to 125.185, the words, phrases and terms defined in this section shall have the meanings ascribed to them.

Sec. 27. Minnesota Statutes 1978, Section 125.60, is amended by adding a subdivision to read:

**Subd. 8. HEALTH CARE BENEFITS.** A teacher on an extended leave of absence shall receive all of the health, accident, medical, surgical and hospitalization insurance or benefits, for both the teacher and the teacher's dependents, for which the teacher would otherwise be eligible if not on an extended leave, if such coverage is available from the school district's insurer, if the teacher requests the coverage, and if the teacher either (a) reimburses the district for the full amount of the premium necessary to maintain the coverage within one month following the district's payment of the premium, or (b) if the district is wholly or partially self-insured, pays the district, according to a schedule agreed upon by the teacher and the school board, an amount determined by the school board to be the amount that would be charged for the coverage chosen by the teacher if the school board purchased all health, accident, medical, surgical and hospitalization coverage for its teachers from an insurer.

Sec. 28. Minnesota Statutes 1978, Chapter 125, is amended by adding a section to read:

**[125.611] TEACHER EARLY RETIREMENT INCENTIVE PROGRAM.** Subdivision 1. For purposes of this section, "teacher" means a teacher as defined in section 125.03, subdivision 1, who is employed in the public elementary, secondary or area vocational-technical schools in the state, who has not less than 15 total years of full time teaching service in elementary, secondary and area vocational-technical schools, and who has or will have attained the age of 55 years but less than 65 years as of the June 30 in the school year during which an application for an early retirement incentive is made.

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Subd. 2. For purposes of this section, "retirement" means termination of services in the employing district and withdrawal from active teaching service.

Subd. 3. A teacher meeting the requirements of subdivision 1 may apply to the school board of the employing district for a contract for termination of his services, withdrawal from active teaching service, and payment of an early retirement incentive. This application shall be submitted on or before June 1 of the school year at the end of which the teacher wishes to retire, and shall be submitted on the form established by the commissioner of education for this purpose.

Subd. 4. A school board receiving an application submitted by a teacher pursuant to subdivision 3 shall approve or deny the application within 30 days after it is received by the board, and shall notify the teacher by United States mail of the board's approval or denial within seven days after the board's decision is made. The notification of approval shall state that no agreement for termination of services with an early retirement incentive shall be made unless and until the board receives authorization from the commissioner of education.

Subd. 5. If the school board approves the teacher's application, the board shall apply to the commissioner of education for authorization to enter into a contract with the teacher for termination of his services and payment of an early retirement incentive. The school board's application shall be submitted on the form required by the commissioner and must be received by the commissioner by the July 15 immediately following the school board's approval of the teacher's application. The commissioner of education shall establish procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of this section. Applications pursuant to this subdivision shall include the annual salaries which would be paid to the teachers for whom the applications are made if they did not retire and any other information required by the commissioner of education.

Subd. 6. Notwithstanding the time limitations imposed by subdivisions 4 and 5, the commissioner of education may approve applications received from school boards after the time limit established in subdivision 5 if the teacher's application was submitted to the school board within the time limit and in the form required by subdivision 3, unless the failure of the school board to meet the time limit of subdivision 5 was caused by conduct of that teacher.

Subd. 7. A teacher whose early retirement pursuant to this section has been approved by the commissioner of education shall be offered a contract for termination of services in the employing district, withdrawal from active teaching service, and payment of an early retirement incentive by the employing school district. An offer may be accepted by the teacher by submitting a written resignation to the school board of the employing district.

Subd. 8. An eligible teacher who is or will be 55 years of age as of the end of the school year during which an application for an early retirement incentive is made and accepted shall receive an early retirement incentive in the amount of

\$10,000. This amount shall be reduced by \$500 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$1,500 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Subd. 9. Notwithstanding the provisions of subdivision 8, an eligible teacher who wishes to retire at the end of the 1979-1980, 1980-1981, or 1981-1982 school year, who is employed by a school district which is implementing a desegregation plan ordered by federal court or approved by the state board, and who is offered and accepts an early retirement incentive contract pursuant to subdivision 7, shall receive an early retirement incentive in the amount of \$15,000. This amount shall be reduced by \$750 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$2,250 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Subd. 10. The early retirement incentive shall be paid by the employing school district at the time and in the manner mutually agreed upon by a teacher and the board. The state shall reimburse the district for 50 percent of any amount or amounts paid out as an early retirement incentive pursuant to this section. An early retirement incentive shall not be paid to any teacher who is discharged by a school district.

Subd. 11. Notwithstanding the provisions of subdivisions 2, 3 and 7, a teacher who has entered into an agreement for termination of services and withdrawal from active teaching service with an early retirement incentive may be employed as a substitute teacher after his retirement.

Subd. 12. Any amount of unemployment insurance which the teacher receives and for which the district is required to pay into the unemployment compensation fund pursuant to section 268.06, subdivision 25, at any time after the teacher has entered into an agreement pursuant to subdivision 7, may be deducted by the district from the amount of the teacher's early retirement incentive or recovered by the district from the teacher up to the amount of the early retirement incentive. The district shall pay 50 percent of any amount so deducted or recovered to the department of education, and any amount so received by the department shall be deposited in the state treasury.

Sec. 29. Minnesota Statutes 1978, Section 126.10, is amended to read:

126.10 **SPECIAL DAYS.** The following days or the school days nearest such days to them are hereby designated for special observance in the public schools of the state: September 28 as Frances Willard Day, October 9 as Leif Ericson Day, January 15 as Martin Luther King Day, and February 15 as Susan B. Anthony Day. On such these days one-half hour may be devoted in the schools may offer to instruction and appropriate exercises relative to and programs in commemoration of the life and history of the respective persons and the principles and ideals they fostered.

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Sec. 30. Minnesota Statutes 1978, Section 127.09, is amended to read:

**127.09 REFUSING TO SERVE ON SCHOOL BOARD.** Any person accepting an election or appointment upon any school board and refusing or neglecting to qualify or to serve or to perform any of the duties of ~~such~~ the office, shall forfeit for each offense the sum of \$10 to be collected in an action before a justice of the peace, to be prosecuted in the name of the district by any school board member of the district or by any ~~freeholder thereof~~ eligible voter, as defined in section 123.32, subdivision 1a, of the district.

Sec. 31. Minnesota Statutes 1978, Section 127.11, is amended to read:

**127.11 DRAWING ILLEGAL ORDER.** Any school district clerk who ~~shall~~ illegally draw ~~draws~~ an order upon the treasurer, any chairman or other officer who ~~shall attest such~~ attests the order, and any school district treasurer who ~~shall knowingly pay~~ pays the same order, shall each forfeit to the district twice the amount of ~~such~~ the order, to be collected in an action brought in the name of the district by any ~~freeholder thereof~~ eligible voter, as defined in section 123.32, subdivision 1a, of the district.

Sec. 32. Minnesota Statutes 1978, Section 127.21, is amended to read:

**127.21 COMBINATION TO CONTROL PRICES.** If at any time any publisher shall enter into any understanding, agreement, or combination to control the prices or to restrict competition in the adoption or sale of school books, ~~then the attorney general shall institute and prosecute legal proceedings for the forfeiture of the bond of the publisher and for the revocation of his license to sell school books in this state, and each and every contract made by the publisher under this chapter shall thereupon become null and void at the option of the other parties thereto.~~

Sec. 33. Minnesota Statutes 1978, Section 134.03, is amended to read:

**134.03 TAX LEVY. Subdivision 1.** In cities of less than 2,000 inhabitants not levying a tax for public library purposes, the school board may maintain a public library for the use of all residents of the district and provide ample and suitable rooms for its use in the school buildings or the district.

Upon a library being so established in any such school district, whose library building has been erected with funds acquired by gift or donation, the school board is empowered to appoint a library board of nine members, of which each member of the school board shall be a member ex officio.

The remaining members of such library board shall be appointed by the school board, one of which remaining members shall hold office for one year, one for two years, and one for three years if the school board has only six members, from the first Saturday of September following their appointment, the term of office of each being specified in such appointment; annually thereafter, such school board shall appoint a member of the library board for the term of three years and until his successor shall qualify. Such school board may remove any member so appointed for misconduct or neglect. Vacancies in such board shall be

filled by appointment for the unexpired term. Members of such board shall receive no compensation for their services as such.

Immediately after appointment, such board shall organize by electing one of its members as president and one as secretary and from time to time it may appoint such other officers and employees as it deems necessary. The secretary, before entering upon his duties, shall give bond to the school district in an amount fixed by the library board, conditioned for the faithful discharge of his official duties. The library board shall adopt such bylaws and regulations for the government of the library and reading-room and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditures of all money collected for, or placed to the credit of, the library funds, and of the rooms and buildings provided for library purposes. All moneys received for such library fund shall be kept in the treasury of the school district, credited to the library fund, and be paid out only upon itemized vouchers approved by the library board. The library board may fix the compensation of employees and remove any of them at pleasure.

All books or other property given, granted, conveyed, donated, devised, or bequeathed to, or purchased by, such library shall vest in, and be held in the name of, such school district. Every library and reading-room established hereunder shall be free to the use of the inhabitants of the school district, subject to such reasonable regulations as the directors may adopt.

When so established, no such library shall be abandoned without a two-thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.

~~When so established, in cases where the building has been erected with funds so donated, no such library shall be abandoned without a two thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.~~

Subd. 2. Notwithstanding subdivision 1, if the library building of a library established pursuant to this section has been erected with funds acquired by gift or donation, a school board may, if authorized by the vote of a majority of all members of the school board and the vote of a majority of all members of the governing body of the city, permanently transfer the responsibility for maintaining the library to the city.

Sec. 34. Minnesota Statutes 1978, Section 134.08, is amended to read:

134.08 **WHEN ESTABLISHED BY VOTE; EXISTING LIBRARIES.** If such a library or reading-room ~~be~~ is not otherwise established, the governing body of the municipality, upon the petition of 50 ~~freeholders thereof~~ eligible voters, as defined in section 200.02, subdivision 25, of the municipality, shall submit the question of ~~such the~~ establishment to the voters at the next municipal election. If two-thirds of the votes cast on the question ~~be~~ are in the affirmative, the governing body shall establish the library or reading-room and levy a yearly tax for its support, within the limits fixed by section 134.07. All public libraries and

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reading-rooms heretofore established and now existing in cities are continued and all ordinances setting apart public property for their support are hereby confirmed. Nothing in sections 134.08 to 134.15 shall be construed as abridging any power or duty in respect to libraries conferred by any city charter.

Sec. 35. Laws 1959, Chapter 462, Section 3, as amended by Laws 1961, Chapter 562, Section 2, as amended by Laws 1963, Chapter 645, Section 3, as amended and numbered subdivision 1 by Laws 1967, Chapter 661, is amended to read:

Sec. 3. Subdivision 1. Such special independent school district shall have all the powers, privileges, duties and obligations of independent school districts as provided by the state laws as of ~~April 20, 1961~~, except as follows or as otherwise provided by a special law or charter provision:

Sec. 36. **APPLICABILITY.** On its effective date, section 35 applies to Special Independent School District No. 1.

Sec. 37. Laws 1965, Chapter 705, as amended by Laws 1975, Chapter 261, Section 4, is amended to read:

Sec. 6. The school board, for the purpose of providing moneys for the payment of its severance pay obligations under a plan approved by resolution of the district, in addition to all other powers possessed by the school district and in addition to and in excess of any existing limitation upon the amount it is otherwise authorized by law to levy as taxes, is authorized to levy taxes annually not exceeding in any one year an amount equal to two-tenths of one mill upon each dollar of the assessed valuation thereof upon all taxable property within the school district which taxes as levied shall be spread upon the tax rolls, and all corrections thereof shall be held by the school district, and allocated therefor to be disbursed and expended by the school district in payment of any public school severance pay obligations and for no other purpose. Disbursements and expenditures previously authorized on behalf of the school district for payment of severance pay obligations shall not be deemed to constitute any part of the cost of the operation and maintenance of the school district within the meaning of any statutory limitation of any school district expenditures.

The amount of such severance pay allowable or to become payable in respect of any such employment or to any such employee shall not exceed ~~\$4,000~~ the amount permitted by Minnesota Statutes, Section 465.72.

Sec. 38. Laws 1977, Chapter 85, Section 1, as amended by Laws 1978, Chapter 764, Section 135, is amended to read:

Section 1. **INDEPENDENT SCHOOL DISTRICT NO. 625; SEVERANCE PAY.** Any employee of Independent School District 625 who resigns or retires after ~~December 25, 1974~~ July 1, 1980, may be paid severance pay benefits not exceeding ~~\$4,000~~ as provided by Laws 1975, Chapter 261 the amount permitted by Minnesota Statutes, Section 465.72, if the employee is otherwise eligible for benefits under a severance pay plan approved by the school board.



Sec. 39. Laws 1979, Chapter 69, Section 2. is amended to read:

Sec. 2. The board of Independent School District No. 275 may propose in its resolution for consolidation that the proposed new district be governed at first by the board of another pre-existing district and that one member of the board of Independent School District No. 275 serve as an additional member of the board of the new district for a specific period. These proposals shall be deemed to be part of the consolidation plat. If the plat containing the proposals is finally approved by all affected school boards and at each election held on the plat in an affected district, the new district shall be governed by the board of a pre-existing district as provided in the plat, and a member of the board of Independent School District No. 275 shall serve as an additional member of the board of the new district for the period specified in the plat. This governing board of the new district shall be deemed to be the newly elected board of the new district for purposes of Minnesota Statutes, Sections 122.23 and 122.532. As the terms of the members of the board of the pre-existing district expire, their successors shall be elected by the legally qualified voters of the new district. The members of the last board of Independent School District No. 275 to exist before the consolidation shall select the member of that board who shall serve as an additional member of the board of the new district and shall also select one of their number to replace that member if before the specified period elapses the member dies, resigns, ceases to be a resident of the area formerly contained in Independent School District No. 275 or is found by resolution of the board of the new district to be unable to serve on the board for a period of 90 days or more because of illness or prolonged absence from the district.

Sec. 40. Laws 1979, Chapter 69, Section 5, is amended to read:

Sec. 5. If the effective date of the consolidation is not July 1 of an odd-numbered year and if the new district is governed by the board of a pre-existing district as provided in section 2, the contract between the board of the pre-existing district and the exclusive bargaining representative of teachers in that district shall continue in effect for the remainder of its term and shall also govern the terms and conditions of employment in the new district of the teachers previously employed by Independent School District No. 275 and, if applicable, any placement of those teachers on unrequested leave of absence by the new district that board during the school year before the consolidation becomes effective.

Sec. 41. **APPLICABILITY.** On their effective date, sections 39 and 40 apply to Independent School District No. 275, Golden Valley.

Sec. 42. Laws 1979, Chapter 334, Article VIII, Section 29, is amended to read:

Sec. 29. **APPROPRIATION.** To meet the state's obligation prescribed in Minnesota Statutes, Sections 125.61, section 28 of this article, 354.094, 354.66, 354A.091 and 354A.22, there is appropriated from the general fund to the department of education the sum of \$1,247,000 for the fiscal year ending June 30, 1980 and the sum of \$1,532,800 for the fiscal year ending June 30, 1981.

Changes or additions indicated by underline deletions by ~~strikeout~~

(a) Any unexpended balance remaining from the appropriation in this section for fiscal year 1980 shall not cancel but shall be available for the second year of the biennium. If the appropriation amount attributable to either year for the purposes indicated is insufficient, the state shall not be obligated for any amount in excess of the appropriation in this section for this purpose.

(b) Notwithstanding the provisions of Minnesota Statutes, Sections 354.43 and 354A.12, the state's obligations prescribed in Minnesota Statutes, Sections 354.094, 354.66, 354A.091 and 354A.22 shall not be financed out of standing appropriations for the state's obligations pursuant to Minnesota Statutes, Chapter 354 or 354A.

Sec. 43. Laws 1980, Chapter 345, Section 17, is amended to read:

Sec. 17. Nothing contained in sections ~~1~~ ~~to~~ ~~16~~ ~~2~~ or 3 shall be construed as affecting the validity of a permanent license or certificate issued prior to August 1, ~~1979~~ 1980.

Sec. 44. Subdivision 1. AUTHORIZED FUND TRANSFER. Notwithstanding section 18 of this article or any other provisions of law to the contrary, Independent School District No. 283 may transfer up to \$500,000 of any unexpended balance in the debt retirement fund of the district, after a sufficient amount of moneys has been deposited in the debt retirement fund of the district to meet when due the principal and interest payments for all outstanding obligations, to the capital expenditure fund of the district. This transfer authority is available until July 1, 1980.

Subd. 2. APPLICABILITY. On its effective date, subdivision 1 applies to Independent School District No. 283.

Sec. 45. **INDEPENDENT SCHOOL DISTRICTS NOS. 279 AND 286; TRANSFER OF TERRITORY.** Subdivision 1. All that part of Independent School District No. 286 located in the NW 1/4 of section 35, township 119, range 21 lying south of a line commencing at a point on the west line of section 35, township 119, range 21, Hennepin County, where it intersects the existing center line of U.S. Highway 94, thence easterly along the existing center line of U.S. Highway 94 to a point on the north line of the southwest quarter of section 35, township 119, range 21, Hennepin County, and there terminating, is detached from Independent School District No. 286 and annexed to Independent School District No. 279.

Subd. 2. The property described in subdivision 1 shall remain subject to taxation for all bonded indebtedness incurred by Independent School District No. 286 before the effective date of this section. It shall not be subject to taxation for any bonded indebtedness incurred by Independent School District No. 279 before the effective date of this section.

Sec. 46. **INDEPENDENT SCHOOL DISTRICTS NOS. 279 AND 286; TRANSFER OF TERRITORY.** Subdivision 1. All that part of Independent School District No. 279 located in the SW 1/4 of section 35, township 119, range 21 lying north of a line commencing at a point on the north line of the southwest

quarter of section 35, township 119, range 21, Hennepin County, where it intersects with the existing center line of U.S. Highway 94, thence easterly along the existing center line of U.S. Highway 94 to a point on the east line of the southwest quarter of section 35, township 119, range 21, Hennepin County, and there terminating, is detached from Independent School District No. 279 and annexed to Independent School District No. 286.

Subd. 2. The property described in subdivision 1 shall remain subject to taxation for all bonded indebtedness incurred by Independent School District No. 279 before the effective date of this section. It shall not be subject to taxation for any bonded indebtedness incurred by Independent School District No. 286 before the effective date of this section.

Sec. 47. APPLICABILITY. Subdivision 1. On their effective dates, sections 45 and 46 apply to Independent School Districts Nos. 279 and 286.

Subd. 2. On its effective date, sections 37 and 38 apply to Independent School District No. 625.

Sec. 48. REPEALER. Minnesota Statutes 1978, Sections 122.85, Subdivision 7; 123.34, Subdivision 6; 123.65; 125.61, Subdivisions 1a and 6; and 127.22; and Minnesota Statutes, 1979 Supplement, Section 125.61, Subdivisions 1, 2, 3, 3a, 4, 4a and 4b, are repealed.

Sec. 49. EFFECTIVE DATE. Subdivision 1. Sections 1 to 4, 7 to 13, 15, 17 to 19, 25, 26, 28, 30 to 34, 36, 41 to 43, 47 and 48 of this article are effective the day following final enactment.

Subd. 2. Section 28, subdivision 6 shall apply retroactively to teachers who submitted applications for early retirement incentives on or before June 1, 1979 and retired at the end of the 1978-79 school year.

Subd. 3. Pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (a), sections 39, 40, and 44 of this article shall be effective without local approval on the day following final enactment.

Subd. 4. Pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (b), section 35 shall be effective without local approval the day following final enactment.

Subd. 5. Pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (b), sections 37 and 38 are effective without local approval July 1, 1980.

Subd. 6. Notwithstanding the provisions of Minnesota Statutes, Section 645.023, Subdivision 1, Clause (a), sections 45 and 46 are effective only upon approval by a majority vote of all members of the school board of Independent School District No. 286 and by a majority vote of all members of the school board of Independent School District No. 279 and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.

**ARTICLE VII**  
**STATEWIDE EDUCATION MANAGEMENT**  
**INFORMATION SYSTEM**

Section 1. Minnesota Statutes 1978, Chapter 16, is amended by adding a section to read:

**[16.931] EDUCATION MANAGEMENT INFORMATION SYSTEMS.** Subdivision 1. The authority of the commissioner of administration pursuant to sections 16.90 to 16.96 shall not apply to ESV-IS, but shall apply to SDE-IS and computer related services provided to the department of education by the department of administration's information services bureau. For purposes of this section, "ESV-IS" and "SDE-IS" shall have the meanings given them in section 9 of this article.

Subd. 2. To the extent permitted by available resources, the commissioner of administration may furnish staff and other assistance to the department, the state board, the ESV computer council and the Minnesota educational computing consortium in conjunction with their performance of the duties imposed by sections 10 to 17 of this article.

Sec. 2. Minnesota Statutes 1978, Section 121.90, is amended to read:

121.90 **DEFINITIONS.** "Receivables", "liabilities", "fund balances", "revenues" and "expenditures" have the meanings specified in the uniform financial accounting and reporting system standards for Minnesota school districts unless otherwise provided by law.

Sec. 3. Minnesota Statutes 1978, Section 121.902, Subdivision 1, is amended to read:

121.902 **COUNCIL RECOMMENDATIONS.** Subdivision 1. The council shall recommend to the state board uniform financial accounting and reporting standards for school districts. The state board shall adopt and maintain uniform financial accounting and reporting standards which are consistent with sections 121.90 to 121.92 and with generally accepted accounting principles and practices. The standards so adopted shall be known as the uniform financial accounting and reporting system standards for Minnesota school districts.

Sec. 4. Minnesota Statutes 1978, Section 121.906, Subdivision 2, is amended to read:

Subd. 2. There shall be fiscal year-end recognition of expenditures and the related offsetting liabilities recorded in each fund in accordance with the uniform financial accounting and reporting system standards for Minnesota school districts.

Sec. 5. Minnesota Statutes 1978, Section 121.908, Subdivision 1, is amended to read:

121.908 **REQUIREMENT FOR ACCOUNTING, BUDGETING AND REPORTING.** Subdivision 1. On or before June 30, 1977, each Minnesota school district shall adopt the uniform financial accounting and reporting system standards for Minnesota school districts provided for in section 121.902.

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Sec. 6. Minnesota Statutes 1978, Section 121.912, Subdivision 2, is amended to read:

Subd. 2. As used in this section, "operating fund" and "nonoperating fund" shall have the meanings specified in the uniform financial accounting and reporting system standards for Minnesota school districts. Any transfer for a period in excess of one year shall be deemed to be a permanent transfer.

Sec. 7. Minnesota Statutes 1978, Section 121.914, Subdivision 1, is amended to read:

121.914 **STATUTORY OPERATING DEBT.** Subdivision 1. The "operating debt" of a school district means the net negative unappropriated fund balance in all school district funds, other than capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated as of June 30 of each year in accordance with the uniform financial accounting and reporting system standards for Minnesota school districts.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 121.917, Subdivision 4, is amended to read:

Subd. 4. (1) If the net negative unappropriated fund balance in all the funds of a school district, other than statutory operating debt pursuant to section 121.914, capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated in accordance with the uniform financial accounting and reporting system standards for Minnesota school districts, as of June 30, 1980, and each year thereafter, is more than 2-1/2 percent of the year's expenditure amount, the district shall, prior to September 15, submit a special operating plan to reduce the district's deficit expenditures to the commissioner of education for his approval.

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 shall not receive any aid pursuant to chapter 124 until a special operating plan of the district is so approved.

(2) A district shall receive aids pending the approval of its special operating plan under clause (1). A district which complies with its approved operating plan shall receive aids as long as the district continues to comply with the approved operating plan.

Sec. 9. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

**[121.93] STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM; DEFINITIONS.** Subdivision 1. For purposes of sections 9 to 17, the terms defined in this section shall have the meanings attributed to them.

Subd. 2. "District" means a school district, an educational cooperative service unit, a cooperative center for vocational education, a cooperative center for special education, an area vocational-technical institute, or an intermediate service area.

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Subd. 3. "ESV-IS" or "elementary, secondary and vocational education management information system" means that component of the statewide elementary, secondary and vocational education management information system which provides administrative data processing and management information services to districts.

Subd. 4. "SDE-IS" or "state department of education information system" means that component of the statewide elementary, secondary and vocational education management information system which provides data processing and management information services to the department of education.

Subd. 5. "ESV computer council" means the advisory council to the state board of education established in section 13.

Sec. 10. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

**[121.931] STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM; STATE BOARD POWERS AND DUTIES. Subdivision 1. COMPONENTS; GOVERNANCE. The statewide elementary, secondary and vocational education management information system shall consist of the ESV-IS and the SDE-IS and shall be governed by the state board according to the provisions of sections 9 to 17 of this article.**

Subd. 2. PURPOSES. The purposes of the statewide elementary, secondary and vocational education management information system shall be:

(a) To provide comparable and accurate educational information in a manner which is timely and economical;

(b) To provide a computerized research capability for analysis of education information;

(c) To provide school districts with an educational information system capability which will meet school district management needs; and

(d) To provide a capability for the collection and processing of educational information in order to meet the management needs of the state of Minnesota.

Subd. 3. SYSTEMS ARCHITECTURE PLAN. The state board, with the advice and assistance of the ESV computer council, shall develop a systems architecture plan for providing administrative data processing to school districts, the department of education, and the legislature. In developing the plan, the state board shall consider at least the following: user needs; systems design factors; telecommunication requirements; computer hardware technology; and alternative hardware purchase and lease arrangements. The plan shall be completed by December 30, 1980.

Subd. 4. LONG RANGE PLAN. The state board, with the advice and assistance of the ESV computer council, shall develop a long-range plan for providing administrative data processing to elementary, secondary, and vocational school districts, the department of education, and the legislature. In developing the plan,

the state board shall consider at least the following: desirable major enhancements to the ESV-IS and SDE-IS; new system development proposals; new or modified approaches to provide support services to districts; the responsibility of regional management information centers to provide reports to the department on behalf of affiliated districts; and related development and implementation time schedules. The long-range plan shall address the feasibility and practicability of utilizing microcomputers, minicomputers, and larger computer systems. The preliminary plan shall be prepared by December 31, 1980, and the plan shall be completed by July 1, 1981. The plan shall be updated by September 15 of each even-numbered year. The long-range plan shall consist of one document and shall incorporate the systems architecture plan and all relevant portions of previous documents which have been referred to as the state computing plan.

Subd. 5. SOFTWARE DEVELOPMENT. The state board, with the advice of the ESV computer council, shall provide for the development of applications software for ESV-IS and SDE-IS. The state board may provide state or federal funds for the development of software for an alternative management information system only if it determines that this system may have statewide applicability. Notwithstanding the foregoing, the state board may for innovative projects involving computers approve grants to districts pursuant to section 3.926, Title IV of the Elementary and Secondary Education Act of 1965 as amended, or any other appropriate statute.

Subd. 6. DATA STANDARDS. The state board shall adopt rules containing standards for financial, student and payroll/personnel data and any other data included in ESV-IS. For financial data, the uniform financial accounting and reporting standards adopted pursuant to section 121.902 shall satisfy the requirement of this subdivision. The state board shall consider the recommendations of the advisory task forces on uniform data standards for student reporting and payroll/personnel reporting and the ESV computer council in adopting the standards for student data and payroll/personnel data. The state board shall ensure that the standards for different types of data are consistent with each other, and for this purpose shall consider the recommendations of the advisory task forces on uniform data standards for student reporting and personnel/payroll reporting, the advisory council on uniform financial accounting and reporting standards, and the ESV computer council. The data standards for each type of data shall include:

- (a) A standard set of naming conventions for data elements;
- (b) A standard set of data element definitions; and
- (c) A standard transaction processing methodology which uses the defined data elements, specifies mathematical computations on those data elements and specifies output formats.

The state board, with the advice and assistance of the ESV computer council, shall monitor and enforce compliance with the data standards.

Subd. 7. APPROVAL POWERS. The state board, with the advice and assistance of the ESV computer council, shall approve or disapprove the

following, according to the criteria in section 16 and in the rules adopted pursuant to subdivision 8:

(a) The creation of regional management information centers pursuant to section 14;

(b) The transfer by a district of its affiliation from one regional management information center to another;

(c) The use by a district of an alternative management information system to ESV-IS pursuant to section 15, subdivisions 2 to 4;

(d) Annual and biennial plans and budgets submitted by regional management information centers pursuant to section 14, subdivisions 3 and 4; and

(e) Expenditures by districts for computer activities other than fees paid to regional management information centers.

Subd. 8. RULES. The state board shall adopt rules prescribing criteria for its decisions pursuant to subdivision 7. These rules shall include at least the criteria specified in section 16. The state board shall also adopt rules specifying the criteria and the process for determining which data and data elements are included in the data element dictionary and the annual data acquisition calendar developed pursuant to section 11, subdivisions 1 and 2. The state board shall adopt rules requiring regional management information centers to use cost accounting procedures which will account by district for resources consumed at the center for support of each ESV-IS subsystem and of any approved alternative financial management information systems. The adoption of the systems architecture plan and the long range plan pursuant to subdivisions 3 and 4 shall be exempt from the rule-making procedures specified in chapter 15.

Sec. 11. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.932] STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM; DEPARTMENT DUTIES. Subdivision 1. DATA ELEMENT DICTIONARY. The department of education shall maintain a current data element dictionary defining all data elements included in the the ESV-IS and the SDE-IS.

Subd. 2. DATA ACQUISITION CALENDAR. The department of education shall maintain a current annual data acquisition calendar specifying the reports which districts are required to provide to the department, the reports which regional management information centers are required to provide to the department for their affiliated districts, and the dates when these reports are due.

Subd. 3. EXEMPTION FROM CHAPTER 15. Except as provided in section 10, subdivision 8, the development of the data element dictionary pursuant to subdivision 1, and the annual data acquisition calendar pursuant to subdivision 2, shall be exempt from the rule-making procedures specified in chapter 15.



Subd. 4. SDE-IS. The department shall develop and operate the SDE-IS with the advice and assistance of the ESV computer council. The SDE-IS shall include: (a) information required by federal or state law or rule; and (b) information needed by the divisions of the department in order to disburse funds, to implement research or special projects approved by the commissioner, and to meet goals or provide information required by the state board, the governor, the legislature or the federal government. The department shall consult the advisory council on uniform financial accounting and reporting standards, the advisory task forces on student reporting and payroll/personnel reporting, and representatives of the senate and the house of representatives and of each division of the department, about needs for information from SDE-IS.

Sec. 12. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

**[121.933] STATEWIDE MANAGEMENT INFORMATION SYSTEM; DELEGATION OF POWERS AND DUTIES. Subdivision 1. PERMITTED DELEGATIONS.** The state board and the department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 10, subdivision 5, by the Minnesota educational computing consortium, by a regional management information center or by any other appropriate provider.

Subd. 2. PROHIBITED DELEGATIONS. The state board and the department may not delegate to the Minnesota educational computing consortium any of their powers and duties to develop policy and to plan for ESV-IS and SDE-IS, to monitor and enforce compliance with rules and data standards, or to approve the actions of districts and regions. Powers and duties which may not be delegated include the powers and duties in section 10, subdivisions 3, 4, 6, 7, and 8 and section 11, subdivisions 1 and 2.

Sec. 13. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

**[121.934] ESV COMPUTER COUNCIL. Subdivision 1. CREATION.** An advisory council to the state board consisting of 11 members appointed by the governor is hereby established. Membership terms, compensation of members, removal of members, and the filling of membership vacancies shall be as provided in section 15.059. The governor is encouraged to solicit the suggestions of the state board, the governing boards of regional management information centers, and school boards in selecting members of the council.

Subd. 2. MEMBERSHIP. The council shall be composed of:

(a) Four representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, one school board member from a rural school district, and one school board member from an urban school district;

(b) Two representatives of regional management information center governing boards, including one member of a regional management information center board from a region which is predominantly rural and one member of a regional management information center board from a region which is predominantly urban;

(c) Two persons employed in management positions in the private sector, at least one of whom is a data processing manager or holds an equivalent position in the private sector;

(d) Two persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least one of whom is a data processing manager or holds an equivalent position in the public sector; and

(e) One person from the general public.

All the members appointed pursuant to clauses (a), (b) and (e) shall represent different regional management information centers. Members selected pursuant to clauses (c) and (d) shall not be employees or board members of local school districts or the department of education.

Subd. 3. STATUS CHANGES. The position of a member who leaves Minnesota or whose employment status changes to a category different from that for which he was appointed shall be deemed vacant.

Subd. 4. OFFICERS. The council shall elect a chairman and such other officers as it may deem necessary.

Subd. 5. MEETINGS. The ESV computer council shall meet regularly at such times and places as the council shall determine. Meetings shall be called by the chairman or at the written request of any six members.

Subd. 6. STAFF AND SUPPORT SERVICES. The state board shall employ with the concurrence of the council one professional individual, experienced in managing data processing services, who shall be in the unclassified civil service, who shall not be a member of the council, and who shall provide staff assistance to the council. The state board shall provide all necessary materials and assistance for the transaction of the business of the council. The expenses of undertaking the duties in this section shall be paid for from appropriations made to the state board of education.

Subd. 7. ADVISORY DUTIES. (a) Pursuant to section 10, the ESV computer council shall advise and assist the state board in:

(1) the development of the long range plan and the systems architecture plan;

(2) the development of applications software for ESV-IS and SDE-IS;

(3) the approval of the creation and alteration of regional management information centers;

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(4) the approval of the use by districts of alternative management information systems;

(5) the statewide applicability of alternative management information systems proposed by districts; and

(6) the approval of annual and biennial plans and budgets of regional management information centers; and

(7) the monitoring and enforcement of compliance with data standards.

(b) The council shall also review the data standards recommended by the council on uniform financial accounting and reporting standards and the advisory task forces on uniform standards for student reporting and personnel/payroll reporting and make recommendations to the state board concerning:

(1) the consistency of the standards for finance, student and personnel/payroll data with one another;

(2) the implications of the standards for implementation of ESV-IS and SDE-IS; and

(3) the consistency of the standards with the systems architecture plan and the long-range plan.

(c) Pursuant to section 11, the council shall advise the department in the development and operation of SDE-IS.

Sec. 14. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

**[121.935] REGIONAL MANAGEMENT INFORMATION CENTERS.**  
Subdivision 1. CREATION. Any group of two or more independent, special or common school districts may with the approval of the state board pursuant to sections 10 and 16 create a regional management information center pursuant to section 123.58 or 471.59 to provide computer services to school districts. A regional management information center which is not in existence on July 1, 1979 shall not come into existence until the first July 1 of an odd-numbered year after its creation is approved by the state board or until it can be accommodated by state appropriations, whichever occurs first.

Subd. 2. DUTIES. Every regional management information center shall:

(a) Assist its affiliated districts in complying with the reporting requirements of the annual data acquisition calendar and the rules of the state board of education;

(b) Respond within 15 calendar days to requests from the department for information based on the data elements in the data element dictionary;

(c) Operate financial management information systems consistent with the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to 121.92;

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(d) Make available to districts the opportunity to participate fully in all the subsystems of ESV-IS;

(e) Before July 1, 1981, develop a plan for the provision of services during a system failure or a disaster; and

(f) Beginning in 1981, comply with the requirement in section 121.908, subdivision 2, on behalf of districts affiliated with it.

Subd. 3. ANNUAL PLANS AND BUDGETS. No regional management information center may expend funds for administrative or management computer activities unless it receives state board approval of an annual plan, budget and financial report for these activities pursuant to sections 10 and 16. The annual budget and financial report shall be in a common format specified by the department and approved by the department of finance for all regional management information centers and shall conform to the uniform financial accounting and reporting standards for school districts. The annual financial report shall be accompanied by a summary statement of the accounting by district of resources consumed in support of the ESV-IS subsystems and any other management information systems.

Subd. 4. BIENNIAL BUDGET ESTIMATES. Every regional management information center shall submit to the department by July 1 of each even-numbered year a biennial budget estimate for its administrative and management computer activities. The biennial budget estimates shall be in a program budget format and shall include all estimated and actual revenues, expenditures, and fund balances of the center for the appropriate fiscal years. Budget forms developed pursuant to section 16A.10 may be used for these estimates. The department of education shall assemble this budget information into a supplemental biennial budget summary for the statewide elementary, secondary, and vocational management information system. Copies of this supplemental biennial budget summary shall be provided to the ESV computer council and the department of finance, and shall be available to the legislature upon request.

Subd. 5. REGIONAL SUBSIDIES. In any year when a regional management information center's annual plan and budget are approved pursuant to subdivision 3, the center shall receive a regional reporting subsidy grant from the department of education. The subsidy grant shall be in the amount allocated by the state board in the process of approving the annual budgets of the regional management information centers pursuant to subdivision 3. The amounts of the subsidy grants and an explanation of the allocation decisions shall be filed by the state board with the committees on education and finance of the senate and the committees on education and appropriations of the house of representatives.

For subsidy grants for fiscal year 1981 and for each fiscal year thereafter, the state board is encouraged to recognize that the diversity of regional management information centers precludes a formula-based allocation of subsidy grants, to promote equity and access to regional services in the allocation process, and to consider the following factors:

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(a) The number of students in districts affiliated with the center;

(b) The number of districts affiliated with the center;

(c) Fixed and overhead costs to be incurred in operating the regional center, the finance subsystem, the payroll/personnel subsystem, and the student support subsystem;

(d) Variable costs to be incurred which differ in proportion to the number of districts served and the number of subsystems implemented for those districts;

(e) Services provided to districts which enable the districts to meet state reporting requirements;

(f) The cost of meeting the reporting requirements of subdivision 2 for districts using approved alternative management information systems; and

(g) The number of districts affiliated with a regional management information center in relation to the geographic area occupied by those districts.

Subd. 6. **FEES.** Regional management information centers may charge fees to affiliated districts. A district which submits financial transactions to the center in summary form pursuant to section 15, subdivision 1, or which uses an approved alternative financial management information system pursuant to section 15, subdivisions 2 to 4, may apply to the commissioner to set the fee if the district and the center cannot agree on a fee. The commissioner shall issue an order setting the fee, which shall be binding on both the center and the district.

Sec. 15. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

**[121.936] SCHOOL DISTRICT MANAGEMENT INFORMATION SYSTEMS. Subdivision 1. MANDATORY PARTICIPATION.** (a) By July 1, 1980, every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multi-dimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92.

(b) By July 1, 1980, every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) The center shall provide reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) The district shall use the ESV-IS finance subsystem through the center to process every detailed financial transaction of the district.

Notwithstanding the foregoing, a district with 3,000 or fewer pupils in average daily membership as defined in section 124.17, subdivision 2, may submit its financial transactions to the center for processing in summary form if before July 1, 1980, the planned form of the district's submission of its transactions and

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the conformance of the district's financial accounting and reporting system to the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92 are approved by the following team: the director of school financial management in the department of education, and the director of management information services and the coordinator for the ESV-IS finance subsystem for the Minnesota educational computing consortium.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Subd. 2. ALTERNATIVE FINANCIAL MANAGEMENT INFORMATION SYSTEMS. After July 1, 1980 a district may be exempted from the requirement in subdivision 1, clause (b) (2), if it receives the approval of the state board to use an alternative financial management information system. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. Any district desiring to use an alternative system shall submit a detailed proposal to the state board, the ESV computer council and the regional management information center with which it is affiliated. The detailed proposal shall include a statement of all costs to the district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Subd. 3. ALTERNATIVE FINANCIAL MANAGEMENT INFORMATION SYSTEMS; EVALUATION. The regional management information center shall evaluate the district proposal according to the approval criteria in section 16, subdivision 1. The regional management information center shall submit its evaluation of the district proposal to the state board and the ESV computer council for their consideration in evaluating the proposal.

The ESV computer council shall evaluate the district proposal for cost effectiveness and conformance to the systems architecture plan, the long range plan, and the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92. Upon completion of the evaluation, the ESV computer council shall recommend to the state board that it (a) approve the proposal, (b) disapprove the proposal, or (c) approve the proposal if it is modified by the district in ways which are specified by the council.

Subd. 4. ALTERNATIVE SYSTEMS; STATE BOARD. Upon approval of the proposal by the state board the district may proceed in accordance with its approved proposal. Except as provided in section 10, subdivision 5, an alternative system approved pursuant to this subdivision shall be developed and purchased at the expense of the district. A district which has submitted a proposal for an alternative system which has been disapproved may not submit another proposal for that fiscal year, but it may submit a proposal for the subsequent fiscal year.

Subd. 5. REPORT TO LEGISLATURE. The department shall report to the legislature in the biennial budget on the number and status of districts which have received approval to operate alternative systems.

Subd. 6. APPROVED EXPENDITURES. A district may not expend funds for administrative or management computer activities without state board approval except for the payment of fees to regional management information centers.

Sec. 16. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.937] CRITERIA. Subdivision 1. The criteria adopted by the state board for approval of the creation of a regional management information center, the transfer of a school district's affiliation from one regional management information center to another, and the approval of an alternative management information system shall include:

(a) The provisions of the plans adopted by the state board pursuant to section 10, subdivisions 3 and 4;

(b) The cost effectiveness of the proposed center, transfer or alternative;

(c) The effect of the proposed center, transfer or alternative on existing regional management information centers; and

(d) Whichever of the following is applicable:

(i) The ability of a proposed center to comply with section 14, or the effect of a transfer on a center's ability to comply with section 14, or

(ii) The ability of a proposed alternative management information system to comply with section 15, subdivision 1, clauses (a) and (b) (1).

Subd. 2. Criteria for approval of annual plans and budgets of a regional management information center shall include:

(a) The provisions of the plans adopted by the state board pursuant to section 10, subdivisions 3 and 4;

(b) The cost effectiveness of the services provided by the center; and

(c) The ability of the center to comply with section 14.

Sec. 17. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.938] STUDENT AND PERSONNEL REPORTING STANDARDS; ADVISORY TASK FORCES. Subdivision 1. There are created two advisory task forces, one on uniform data standards for student reporting and one on uniform data standards for personnel/payroll reporting, each composed of nine members as follows:

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(a) One employee of the state department of education appointed by the commissioner of education;

(b) One representative of the management information services division of the Minnesota educational computing consortium appointed by the board of the Minnesota educational computing consortium;

(c) One representative from the regional management information centers appointed by the state board of education;

(d) Three persons who are representatives of the various size school districts in the state and who are public school employees whose positions involve activities related to student reporting or personnel/payroll reporting, as applicable, appointed by the state board of education;

(e) One person representing the office of the governor appointed by the governor to serve ex officio;

(f) One person representing the senate appointed by the committee on committees to serve ex officio;

(g) One person representing the house of representatives appointed by the speaker of the house to serve ex officio.

Subd. 2. Each task force shall report to the legislature, by January 1, 1981, recommendations for broad policy standards for school district reporting of student data or payroll/personnel data. Each task force shall recommend to the ESV computer council and the state board specific data standards for student data or personnel/payroll data. These data standards shall be consistent with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92.

Subd. 3. The task forces shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Sec. 18. REPEALER. Minnesota Statutes 1978, Section 121.92, Subdivision 1; and Minnesota Statutes, 1979 Supplement, Sections 16.93; and 121.92, Subdivision 2, are repealed.

Sec. 19. APPROPRIATION. The sum of \$130,000 is appropriated from the general fund to the department of education for the biennium ending June 30, 1981.

(a) This appropriation shall be used to pay the expenses of the ESV computer council and the advisory task forces on the payroll/personnel and student reporting and to support four additional complement positions. One of these positions shall be used to provide staff services to the ESV computer council, one position shall be used to provide staff services to the advisory task force on payroll/personnel reporting and one position shall be used to provide staff services to the advisory task force on student reporting.



(b) The department of education shall use an amount not to exceed \$200,000 from regional telecommunications aids and instructional telecommunications costs appropriated in Laws 1979, Chapter 335, Section 2, Subdivision 6, Clause (b) (1) and Clause (b) (3) for the purposes of this subdivision.

(c) \$100,000 of the funds made available by clause (b) shall be used by the department of education to hire a consultant to assist the department in implementing the recommendations in the evaluation which was performed pursuant to Laws 1979, Chapter 334, Article VI, Section 33. The employment of a consulting firm for this purpose shall not be subject to the contract approval procedures of the commissioner of administration.

(d) In addition, \$100,000 of the funds made available by clause (b) shall be used by the department of education and the Minnesota educational computing consortium to review the microcomputer finance system developed by Independent School District No. 62, Ortonville, and to develop and pilot test a finance system for microcomputers which will meet uniform financial accounting and reporting standards. The department of education shall report to the legislature by December 31, 1980 on the progress of the microcomputer finance system project, and the dates by which such a system could be released for use by school districts. Notwithstanding any provisions to the contrary, the council on quality education may continue to fund and evaluate the Ortonville innovative project on the use of a microcomputer for administrative data processing.

(e) \$1,300,000 of the amount appropriated for regional support aids to a contingent fund pursuant to Laws 1979, Chapter 335, Section 2, Subdivision 6, Clause (b) (2) is hereby released from the contingent fund and made available to the department of education for regional support aids for fiscal year 1981. No regional center shall receive an amount to support its fixed and overhead costs in 1981 which is less than the amount of state regional support aid the region used to support its fixed and overhead costs in fiscal year 1980.

Sec. 20. EFFECTIVE DATE. Sections 1 to 19 of this article shall be effective the day following final enactment.

#### ARTICLE VIII RESEARCH AND DEVELOPMENT

Section 1. PURPOSE. The legislature of the state of Minnesota recognizes the long standing tradition and commitment of the people of this state to quality in education. This commitment has required a growing and unprecedented expenditure of public funds. As these expenditures continue to grow, it becomes necessary to insure that the expectations and priorities of the people of Minnesota for education continue to be met. One of the most effective means of maintaining and improving quality in public education, as in business, industry, science and medicine, is through research and development. Research and development in education makes it possible for those concerned to find answers to questions of educational importance, develop improved measures for education and create new responses to address future problems. Presently, however, only a small fraction of one percent of the total revenues spent on public education is allocated for research and development. The purpose of this article is to encourage research and development programs at the local school district level.

**Changes or additions indicated by underline deletions by ~~strikeout~~**

Sec. 2. Subdivision 1. For the 1980-1981 and 1981-1982 school years, the state board of education, with the approval of the governor after consultation with the legislative advisory commission in the manner provided in section 3.30, shall make up to 15 grants to school districts to engage in educational research and development. Districts are encouraged, but are not limited, to conduct educational research and development in the following areas:

- (1) Review of school district purposes and priorities for education;
- (2) Programs encouraging the development of local citizen task forces on educational issues;
- (3) Programs in preventive education and basic living skills;
- (4) Developing programs which emphasize the purpose and results of education for the effective development of the child, including programs which focus on the importance of the home environment, the behavior of parents and family members in promoting the total development of the child, and programs which focus on the responsibility of parents as teachers and on membership in a family as a career; and
- (5) Developing uses for computerized instruction, cable television and other innovations in media technology.

The research may include a review of existing national and international research and may involve the cooperation of the private sector.

Subd. 2. Districts which wish to participate in the funded research and development shall submit a research and development proposal to the department of education no later than June 1 preceding the school year for which the research and development is proposed. Two or more districts may submit a joint proposal for cooperative research and development. A proposal may request funding for one year or two years. Districts are encouraged to establish offices of research and development with the grant funds and to coordinate the research and development grant received pursuant to this section with grants for research and development from other sources. The council on quality education shall provide technical assistance to the state board of education in evaluating proposals. Districts shall be notified of their participation in the funding no later than August 1 preceding the school year for which the research and development is proposed.

Subd. 3. The funds shall be as equally distributed as possible among districts in cities of the first class, in suburbs, and outside the seven county metropolitan area. Districts are encouraged to propose research and development which is district wide or statewide in its implementation.

Subd. 4. The department of education shall make a report to the legislature on the research and development conducted in accordance with this section before September 15, 1982.

**Sec. 3. APPROPRIATION; RESEARCH AND DEVELOPMENT PROGRAM.** The sum of \$250,000 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1981 for the program

**Changes or additions indicated by underline deletions by ~~strikeout~~**

authorized pursuant to sections 1 and 2 of this article. This appropriation is available until June 30, 1982. \* Section 3 was vetoed by the governor.

Sec. 4. **EFFECTIVE DATE.** This article is effective the day following final enactment.

Approved April 24, 1980

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**CHAPTER 610—H.F.No. 1813**

*An act relating to transportation; appropriating money for rail service improvement; authorizing issuance of state bonds.*

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

Section 1. **RAILROAD ASSISTANCE; APPROPRIATION.** The sum of \$13,500,000 is appropriated from the state building fund to the rail service improvement account in the special revenue fund, to be expended by the commissioner of transportation for the purposes specified in Minnesota Statutes, Sections 222.49 to 222.62.

Sec. 2. **BOND SALE; DEBT SERVICE.** Subdivision 1. To provide the money appropriated in this act from the state building fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$13,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67 and by the Constitution, Article XI, Sections 4 to 7.

Approved April 24, 1980

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**CHAPTER 611—H.F.No. 1842**

*An act relating to nuclear safety; providing for a nuclear power plant emergency response plan; providing for assessment of costs to nuclear power plants; requiring the department of public safety and health to monitor, provide training, and prepare plans for nuclear power plant incidents; requiring a study; appropriating money; amending Minnesota Statutes 1978, Chapter 12, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 12.03, Subdivision 4; and 12.21, Subdivisions 1 and 4.*

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

Section 1. Minnesota Statutes, 1979 Supplement, Section 12.03, Subdivision 4, is amended to read:

Changes or additions indicated by underline deletions by ~~strikeout~~