

CHAPTER 124

SCHOOL FINANCE

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124.09 SCHOOL ENDOWMENT FUND, APPORTIONMENT.

The school endowment fund shall be apportioned semiannually by the state board, on the first Monday in March and October in each year, to districts whose schools have been in session at least nine months. The apportionment shall be in proportion to the number of pupils in average daily membership during the preceding year; provided, that apportionment shall not be paid to a district for pupils for whom tuition is received by the district.

History: *1Sp1985 c 12 art 1 s 3*

124.10 AUDITOR'S DUTIES.

Subdivision 1. A copy of the apportionment of the school endowment fund shall be furnished by the state board to the commissioner of finance, who thereupon shall draw his warrants on the state treasury, payable to the several districts, for the amount due each district. There is hereby annually appropriated from the school endowment fund the amount of such apportionments.

Subd. 2. The county auditor shall at the time of making the March and November tax settlements of each year apportion to the several districts the amount received from liquor licenses, fines, estrays, and other sources belonging to the general school fund. The apportionment shall be made in proportion to each district's assessed value within the county in the prior year. No district shall receive any part of the money received from liquor licenses unless all sums paid for such licenses in such district are apportioned to the county school fund.

Subd. 3. The county auditor, on the first Wednesday after such apportionment, shall report to the commissioner on the amount apportioned, the sources from which such money was received, and the assessed valuation of each district in the county.

History: *1Sp1985 c 12 art 1 s 4*

124.14 DISTRIBUTION OF SCHOOL AIDS; APPROPRIATION.*[For text of subds 1 to 3a, see M.S.1984]*

Subd. 4. Final decision and records. A reduction of aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district shall be open to inspection by the state auditor, the state board, or the commissioner for the purpose of audits conducted under this section. Each district shall keep for a minimum of three years at least the following: (1) identification of the annual session days held, together with a record of the length of each session day, (2) a record of each pupil's daily attendance, with entrance and withdrawal dates, and (3) identification of the pupils transported who are reported for transportation aid.

[For text of subd 6, see M.S.1984]

Subd. 7. Appropriation transfers. If a direct appropriation to the commissioner of education for education aids authorized in this chapter and chapters 121, 123, 124A, 125, 126, 129B, and 134 exceeds the amount required for payment of the corresponding aid entitlement, the commissioner may transfer the excess to any education aid or grant appropriation that is insufficient to meet the required payment, except that a deficiency in the direct appropriation for foundation aid must be met by use of the appropriation in section 124A.032. The commissioner shall determine the method for allocating excess appropriations among aids or grants that have insufficient appropriations. The commissioner of finance shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. The commissioner of education shall report appropriation transfers to the education committees of the legislature each year by January 15.

History: *ISp1985 c 12 art 7 s 18; art 10 s 2***124.155 AID REDUCTIONS DUE TO TAX LEVY REVENUE RECOGNITION CHANGE.***[For text of subd 1, see M.S.1984]*

Subd. 2. Subtraction from aids. The amount specified in Laws 1981, Third Special Session chapter 2, article 4, section 3, subdivision 2, as amended by Laws 1982, chapter 548, article 7, section 7, as further amended by Laws 1982, Third Special Session chapter 1, article III, section 4 shall be subtracted from the following state aids and credits in the order listed in fiscal year 1983. The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) foundation aid as authorized in section 124.212, subdivision 1;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) gifted and talented aid authorized in section 124.247;
- (f) aid for pupils of limited English proficiency authorized in section 124.273;
- (g) aid for chemical use programs authorized in section 124.246;
- (h) transportation aid authorized in section 124.225;
- (i) community education programs aid authorized in section 124.271;
- (j) adult education aid authorized in section 124.26;
- (k) capital expenditure equalization aid authorized in section 124.245;
- (l) homestead credit authorized in section 273.13, subdivisions 22 and 23;

- (m) wetlands credit authorized in section 273.115;
- (n) native prairie credit authorized in section 273.116; and
- (o) attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the reductions from state aids and credits specified in Laws 1981, Third Special Session chapter 2, article 4, section 3, subdivision 2, as amended by Laws 1982, chapter 548, article 7, section 7, as further amended by article III, section 4 of this act, and the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible and in such a manner that will minimize the impact of Laws 1981, Third Special Session chapter 2, article 4, as amended on the cash flow needs of the school districts.

[For text of subd 3, see M.S.1984]

History: *1Sp1985 c 14 art 4 s 17*

124.17 DEFINITION OF PUPIL UNITS.

Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In a program approved by the commissioner, for each handicapped prekindergarten pupil, one-half pupil unit for up to 437 hours of education services in the school year as provided in the pupil's individual education plan or, for more than 437 hours of education services, a number of pupil units equal to the ratio of the number of hours of education service required in the school year by the pupil's individual education program plan, developed pursuant to the rules of the state board, to 875, but not more than one pupil unit;

(2) In an elementary school:

(a) For each handicapped kindergarten pupil, as defined in section 120.03, enrolled in a program approved by the commissioner, a number of pupil units equal to the ratio of the number of hours of education services required in the school year by the pupil's individual education program plan, developed pursuant to the rules of the state board, to 875, but not more than one pupil unit;

(b) For kindergarten pupils, other than those in clause (a), enrolled in one-half day sessions throughout the school year or the equivalent thereof, one-half pupil unit; and

(c) For other elementary pupils, one pupil unit.

(3) In secondary schools, 1-4/10 pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.

Subd. 1a. **AFDC pupil units.** In addition to the pupil units counted under subdivision 1, pupil units shall be counted as provided in this subdivision, beginning with the 1986-1987 school year.

(1) Each pupil in subdivision 1 from a family receiving aid to families with dependent children or its successor program who is enrolled in the school district on October 1 shall be counted as an additional five-tenths pupil unit.

(2) In every district in which the number of pupils from families receiving aid to families with dependent children or its successor program equals six percent or more of the actual pupil units in the district for the same year as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent for this paragraph. In districts in which the percent of concentration is less than six,

additional pupil units must not be counted under this paragraph for pupils from families receiving aid to families with dependent children or its successor program. A pupil must not be counted as more than 1-1/10 additional pupil units under this subdivision. The weighting in this paragraph is in addition to the weighting provided in subdivision 1 and paragraph (1).

[For text of subds 2 to 3, see M.S.1984]

History: *1Sp1985 c 12 art 1 s 5,6*

NOTE: Subdivision 1, as amended by Laws 1985, First Special Session chapter 12, article 1, section 5, is effective for the 1986-1987 school year and thereafter. See Laws 1985, First Special Session chapter 12, article 1, section 38, subdivision 3.

124.19 REQUIREMENTS FOR AID GENERALLY.

Subdivision 1. Instructional time. Every district which receives special state aid shall maintain school in session or provide instruction in other districts, in state university laboratory school or in the university laboratory school, for at least 175 days, not including summer school, or the equivalent in a district operating a flexible school year program. A district which holds school for the required minimum number of days and is otherwise qualified is entitled to special state aid as provided by law. If school is not held for the required minimum number of days, special state aid shall be reduced by the ratio that the difference between 175 days and the number of days school is held bears to 175 days, multiplied by 60 percent of the product of the foundation aid formula allowance times its pupil units for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose special state aid, if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board and, if proper evidence is submitted and a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to teachers' institutes or other meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. Not more than five days may be devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days, except that, for kindergarten classes, not more than ten days may be devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days.

[For text of subds 3 and 4, see M.S.1984]

Subd. 5. Schedule adjustments. (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district, including a district operating a program pursuant to sections 120.59 to 120.67 or 129B.42 to 129B.47, may adjust the annual school schedule throughout the calendar year so long as the number of instructional hours in the year is not less than the number specified in the rules of the state board.

[For text of subd 6, see M.S.1984]

History: *1Sp1985 c 12 art 7 s 19; art 8 s 17*

124.195 PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.

[For text of subds 1 to 6, see M.S.1984]

Subd. 7. **Payments to school nonoperating funds.** Each fiscal year state general fund payments for a district nonoperating fund shall be made at 85 percent of the estimated entitlement during the fiscal year of the entitlement, unless a higher rate has been established according to section 121.904, subdivision 4d. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid prior to October 31 of the following school year.

Subd. 8. **Payment percentage for reimbursement aids.** The following aids shall be paid at 100 percent of the entitlement for the prior fiscal year: summer program aid according to section 124A.033; abatement aid according to section 124.214, subdivision 2; special education residential aid according to section 124.32, subdivision 5; special education summer school aid, according to section 124.32, subdivision 10; planning, evaluating, and reporting process aid according to section 123.7431; and extended leave and part-time teacher aids according to chapters 354 and 354A.

Subd. 9. **Payment percentage for certain aids.** The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; reimbursement for transportation to a program of excellence, according to section 126.62, subdivision 6; handicapped adult program aid, according to section 124.271, subdivision 7; arts education aid according to section 124.275; school lunch aid, according to section 124.646; hearing impaired support services aid, according to section 121.201; technology demonstration site grants, according to section 129B.36 and courseware purchase subsidy according to section 129B.38.

Subd. 10. **Aid payment percentage.** Except as provided in subdivisions 8 and 9, each fiscal year, all education aids and credits in this chapter and chapters 121, 123, 124A, 125, 126, 134, and section 273.1392, except post-secondary vocational shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement, unless a higher rate has been established according to section 121.904, subdivision 4d. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Subd. 11. **Nonpublic aids.** The state shall pay to each school district 85 percent, unless a higher rate has been established according to section 121.904, subdivision 4d, of its aid for pupils attending nonpublic schools and nonpublic transportation aid requested by a district and approved by the commissioner according to sections 123.931 to 123.947 by October 31. The final aid distribution shall be made by October 31 of the following school year.

History: 1Sp1985 c 12 art 10 s 3-7

124.201 FOUNDATION AID FOR SPECIAL EDUCATION SUMMER SCHOOL.

[For text of subs 1 and 2, see M.S.1984]

Subd. 3. [Repealed, 1Sp1985 c 12 art 1 s 37 subd 1]

Subd. 4. [Repealed, 1Sp1985 c 12 art 1 s 37 subd 1]

Subd. 5. [Repealed, 1Sp1985 c 12 art 1 s 37 subd 1]

[For text of subd 6, see M.S.1984]

124.2131 EQUALIZATION AID REVIEW COMMITTEE.*[For text of subds 1 and 2, see M.S.1984]*

Subd. 3. Decrease in iron ore assessed value. If in any year the assessed value of class 9a property, as defined in sections 273.13, subdivision 30, and 273.165, subdivision 2, in any district is less than the assessed value of such property in the immediately preceding year, the equalization aid review committee shall redetermine for all purposes the adjusted assessed value of the immediately preceding year taking into account only the decrease in assessed value of class 9a property. If subdivision 2, clause (a) is applicable to such a district, the decrease in class 9a property shall be applied to the adjusted assessed value as limited therein. In all other respects, the provisions of clause (1) shall be applicable.

*[For text of subds 4 to 11, see M.S.1984]***History:** *1Sp1985 c 14 art 3 s 1; art 4 s 18*

NOTE: The amendment to subdivision 3 by Laws 1985, First Special Session chapter 14, article 4, section 18 is effective for taxes levied in 1986 and payable in 1987 and thereafter. See Laws 1985, First Special Session chapter 14, article 4, section 99.

124.2137 STATE SCHOOL AGRICULTURAL CREDIT.

Subdivision 1. Tax reductions. The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 23, by an amount equal to 36 percent of the tax levy imposed on up to 320 acres of land including the buildings and structures thereon but excluding all dwellings and an acre of land for each dwelling. The county auditor shall reduce the tax for school purposes on all other agricultural lands classified pursuant to section 273.13, subdivision 23, including buildings and structures thereon but excluding all dwellings and an acre of land for each dwelling, and on timber land classified pursuant to section 273.13, subdivision 23, paragraph (b) by an amount equal to 26 percent of the tax levy imposed on the property. The tax on timber land classified pursuant to section 273.13, subdivision 8a shall be reduced by an amount equal to 26 percent of the tax levy imposed on the property. The tax on all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount equal to 15 percent of the tax imposed on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review the certifications to determine their accuracy. He may make changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. The amount of the reduction provided under this subdivision which any taxpayer can receive shall not exceed \$100 in the case of seasonal residential recreational property. In the case of property owned by more than one person, the maximum amount of the reduction shall apply to the total of all the owners. For purposes of computing the credit pursuant to this subdivision, the "tax levy" shall be the tax levy reduced by the credits provided by sections 273.115, 273.116, 273.123, 273.42, subdivision 2, and 473H.10.

*[For text of subds 2 and 3, see M.S.1984]***History:** *1Sp1985 c 14 art 3 s 2; art 4 s 19*

NOTE: The amendment to subdivision 1 by Laws 1985, First Special Session chapter 14, article 4, section 19, is effective for taxes levied in 1986, payable in 1987 and thereafter. See Laws 1985, First Special Session chapter 14, article 4, section 99.

124.2138 TRANSPORT EQUITY DEDUCT; REPLACE STATE RETIREMENT PAY.

Subd. 2. **Transportation levy equity.** (1) If the transportation levy for fiscal year 1985 in any district, or for fiscal year 1986 in a nonagricultural district, of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, an amount shall be deducted as provided in this subdivision from special state aids of this chapter receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), to the extent that those special state aids and state payments have not been reduced pursuant to section 124A.037. However, aid authorized in sections 124.2137 and 124.646 shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) 1.75 mills times the adjusted assessed valuation of the district for the levy attributable to that fiscal year, and

(b) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); and for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b).

[For text of subd 3, see M.S.1984]

Subd. 4. **Nonagricultural district defined.** For the purposes of this section and section 124A.037, nonagricultural district means a district where the assessed valuation of agricultural land identified in section 273.13, subdivision 23, comprises less than 60 percent of the assessed valuation of the district.

History: *1Sp1985 c 12 art 1 s 7; 1Sp1985 c 14 art 4 s 20*

NOTE: Subdivision 2 is repealed by Laws 1985, First Special Session chapter 12, article 1, section 37, subdivision 2, effective June 30, 1986. See Laws 1985, First Special Session chapter 12, article 1, section 38, subdivision 1.

124.2139 REDUCTION OF HOMESTEAD CREDIT PAYMENTS TO SCHOOL DISTRICTS.

The commissioner of revenue shall reduce homestead credit payments made to school districts pursuant to section 273.13, subdivisions 22 and 23, by the product of:

(1) the district's fiscal year 1984 payroll for coordinated plan members of the public employees retirement association, times

(2) the difference between the employer contribution rate in effect prior to July 1, 1984, and the total employer contribution rate in effect after June 30, 1984.

History: *1Sp1985 c 14 art 4 s 21*

124.2161 TEACHER RETIREMENT AND F.I.C.A. AID AND LEVY; DEFINITIONS.

Subdivision 1. **Applicability.** For the purposes of Laws 1985, First Special Session chapter 12, article 11 and section 275.125, the following terms have the meanings given them.

Subd. 2. **F.I.C.A.** "F.I.C.A." means the Federal Insurance Contribution Act.

Subd. 3. **Teacher retirement obligations.** "Teacher retirement obligations" means a school district's obligations for employer contributions to a teacher retire-

ment fund as required by sections 354.42, subdivisions 3 and 5, and 354A.12, subdivision 2, excluding contributions on behalf of teachers employed at an area vocational technical institute, and excluding contributions based upon salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

Subd. 4. **F.I.C.A. obligations.** "F.I.C.A. obligations" means a school district's obligations for F.I.C.A. as required by sections 355.208 and 355.287, excluding contributions on behalf of teachers employed at an area vocational technical institute, and excluding contributions based upon salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

Subd. 5. **Teacher retirement inflation factor.** "Teacher retirement inflation factor" means a factor to be multiplied by a district's teacher retirement obligations for the base year. For the base year of fiscal year 1985, the teacher retirement inflation factor shall be 1.1396. For base years after fiscal year 1985, the teacher retirement inflation factor shall be equal to the foundation aid formula allowance for the current year, divided by the foundation aid formula allowance for the base year.

Subd. 6. **F.I.C.A. inflation factor.** "F.I.C.A. inflation factor" means a factor to be multiplied by a district's F.I.C.A. obligations for the base year. For the base year of fiscal year 1985, the F.I.C.A. inflation factor shall be 1.1806. For base years after fiscal year 1985, the F.I.C.A. inflation factor shall be equal to the foundation aid formula allowance for the current year, divided by the foundation aid formula allowance for the base year.

Subd. 7. **Base year.** "Base year" means the second fiscal year preceding the fiscal year for which a district's aid is computed under the provisions of this section and section 124.2162.

Subd. 8. **Current year.** "Current year" means the fiscal year for which a district's aid is computed under the provisions of this section and section 124.2162.

Subd. 9. **Intermediate school district.** "Intermediate school district" means a school district organized under chapter 136D.

Subd. 10. **Joint vocational technical district.** "Joint vocational technical district" means a school district organized under chapter 136C.

Subd. 11. **Other employing units.** "Other employing units" means secondary vocational education cooperative centers established under section 123.351, special education cooperative centers established under section 120.17, educational cooperative service units established under section 123.58, and regional management information centers established under section 121.935.

Subd. 12. **Full-time equivalent teachers; joint vocational technical and intermediate districts.** "Full-time equivalent teachers" means the full-time equivalent number of all teachers as defined in section 125.12, subdivision 1, employed in elementary and secondary programs at an intermediate school district or a joint vocational technical school district, excluding AVTI teachers and excluding teachers paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

Subd. 13. **Full-time equivalent teachers; other employing units.** "Full-time equivalent teachers" at secondary vocational cooperative centers, special education cooperative centers, educational cooperative service units, and regional management information centers means the full-time equivalent number of all employees who are members of the state teacher retirement association, excluding employees paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

History: 1Sp1985 c 12 art 11 s 1

124.2162 TEACHER RETIREMENT AID; SCHOOL DISTRICTS.

Subdivision 1. **Teacher retirement and F.I.C.A. aid allowance.** "Teacher retirement and F.I.C.A. aid allowance" for a district that is not an intermediate school district or a joint vocational technical school district is the quotient of (a) the sum of (1) teacher retirement obligations in the base year, multiplied by the teacher retirement inflation factor, and (2) F.I.C.A. obligations in the base year, multiplied by the F.I.C.A. inflation factor, divided by (b) the number of pupils in average daily membership in the district in the base year.

Subd. 2. **Aid.** Beginning in fiscal year 1987, the state shall pay each district for each fiscal year, teacher retirement and F.I.C.A. aid in the amount of the teacher retirement and F.I.C.A. aid allowance under subdivision 1 times the number of pupils in average daily membership in the district for the current school year. However, in no case shall the amount of aid paid to a district for any fiscal year exceed the sum of the district's teacher retirement obligations and F.I.C.A. obligations for that year.

History: *1Sp1985 c 12 art 11 s 2*

124.2163 TEACHER RETIREMENT AID; INTERMEDIATE DISTRICTS AND OTHER EMPLOYING UNITS.

Subdivision 1. **Calculation.** For an intermediate school district, a joint vocational technical school district or for other employing units, for each fiscal year the teacher retirement and F.I.C.A. aid is the product of (1) the sum of (A) teacher retirement obligations in the base year, multiplied by the teacher retirement inflation factor, and (B) F.I.C.A. obligations in the base year, multiplied by the F.I.C.A. inflation factor, times (2) the ratio of the number of full-time equivalent teachers or employees as defined in section 1, subdivisions 12 and 13 in the current year, to the number of full-time equivalent teachers or employees in the base year.

Subd. 2. **Aid.** Each year beginning with fiscal year 1987, the state shall pay teacher retirement and F.I.C.A. aid to intermediate school districts, joint vocational technical school districts, and other employing units equal to the district's or employing unit's aid under subdivision 1. However, in no case shall the amount of aid paid to an intermediate school district, joint vocational technical school district, or the employing unit exceed the sum of the intermediate school district or other employing unit's teacher retirement obligations and F.I.C.A. obligations for that year.

Subd. 3. **Charges prohibited.** An intermediate school district may not charge member districts for teacher retirement costs in excess of aid paid to the intermediate district under this section.

History: *1Sp1985 c 12 art 11 s 3; 1Sp1985 c 16 art 2 s 35*

124.223 TRANSPORTATION AID AUTHORIZATION.

School transportation and related services for which state transportation aid is authorized are:

(1) **To and from school; between schools.** Transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to, from, or between the schools the resident pupils attend pursuant to a program approved by the commissioner of education; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended;

transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79;

(2) **Outside district.** 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) **Secondary vocational centers.** 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) **Handicapped.** 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 from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by section 120.17 are provided, 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 elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid;

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

(6) **Shared time.** 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) **Faribault state schools.** Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) **Summer instructional programs.** Services described in clauses (1) to (7) and (9) and (10) when provided in conjunction with a summer program eligible for aid and levy under sections 124A.03 and 124A.033;

(9) **Cooperative academic and vocational.** 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) **Nonpublic support services.** 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.

History: *1Sp1985 c 12 art 2 s 2*

124.225 TRANSPORTATION AID ENTITLEMENT.

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

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

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in clause (e)(1), for which aid is authorized in section 124.223, plus

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

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

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982 for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education, and adjusted pursuant to subdivision 7a.

(d) "Aid entitlement per FTE" means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) "Transportation category" means a category of transportation service provided to pupils. For the 1984-1985 and 1985-1986 school years, each category includes transportation provided during the regular school year and in conjunction with a summer program eligible for aid and levy under sections 124A.03 and 124A.033. For purposes of this section, transportation categories for the 1984-1985 and 1985-1986 school years are as follows:

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

(2) nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (9), and (10).

For the purposes of this section, transportation categories for the 1986-1987 school year and thereafter are as follows:

(1) regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);

(2) nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10).

(f) "Pupil weighting factor" means the ratio of the actual district average cost per FTE in a particular transportation category in the base year to the actual district average cost per FTE in the regular transportation category in the base year.

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

(h) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and coun-

selling services and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(i) "Current year" means the school year for which aid will be paid.

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

(k) "Base cost" means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation.

(l) "Predicted base cost" means the base cost as predicted by subdivision 3.

[For text of subd 1a, see M.S.1984]

Subd. 3. **Formula.** For each 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. The department of education shall conduct multiple regression analysis using the terms specified in subdivision 4b for each school year to predict the base cost for each district. Each year a formula shall be derived based upon the regression analysis, and shall be used to determine a predicted base cost for each district. The amount determined for each district shall be adjusted according to the provisions of subdivisions 7a and 7b.

Subd. 4a. [Repealed, 1Sp1985 c 12 art 2 s 16]

Subd. 4b. **Formula terms, 1984-1985 and after.** To predict the logarithm of the base cost for each district pursuant to subdivision 3 for each school year, the multiple regression formula shall use the following terms for each district:

(1) the logarithm of the lesser of (a) the number of authorized FTE's per square mile transported by the district in the regular transportation category, or (b) 200;

(2) whether the district is nonrural, based upon criteria established by the department of education; and

(3) the logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

Subd. 7a. **Base year softening formula.** Each district's predicted base cost determined for each school year according to subdivision 3 shall be adjusted as provided in this clause to determine the district's adjusted authorized predicted cost per FTE for that year.

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

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

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

Subd. 7b. **Inflation factors.** The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 10.3 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year, by 8.9 percent to determine the district's aid entitlement per FTE for the 1985-1986 school year, and by 6.7 percent to determine the district's aid entitlement per FTE for the 1986-1987 school year.

Subd. 8a. **Aid.** For the 1984-1985 and 1985-1986 school years a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services aid reduction pursuant to subdivision 8k, minus the amount raised by 1.75 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 1.75 mills. Transportation aid shall be computed as if the district had levied the amount raised by 1.75 mills.

For the 1986-1987 school year and each year thereafter, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services aid reduction pursuant to subdivision 8k, minus the amount raised by 2.25 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 2.25 mills. Transportation aid shall be computed as if the district had levied the amount raised by 2.25 mills.

If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion.

Subd. 8b. **Basic aid computation.** A district's basic transportation aid pursuant to this section for each school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times the total number of authorized FTE's transported in the regular category in the district in the current school year.

Subd. 8c. [Repealed, 1Sp1985 c 12 art 2 s 16]

Subd. 8d. [Repealed, 1Sp1985 c 12 art 2 s 16]

Subd. 8e. [Repealed, 1Sp1985 c 12 art 2 s 16]

Subd. 8f. [Repealed, 1Sp1985 c 12 art 2 s 16]

Subd. 8g. [Repealed, 1Sp1985 c 12 art 2 s 16]

Subd. 8h. [Repealed, 1Sp1985 c 12 art 2 s 16]

[For text of subds 8i to 9, see M.S.1984]

Subd. 10. **Depreciation.** 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 transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, clause (b)(4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July

1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

(1) the district's total transportation aid without the reduction pursuant to subdivision 8a, plus

(2) for fiscal years 1985 and 1986 an amount equal to 1.75 mills times the adjusted assessed valuation of the district for the preceding year, and for fiscal year 1987 and thereafter, 2.25 mills times the adjusted assessed valuation of the district for the preceding year.

History: *1Sp1985 c 12 art 2 s 3-10*

124.245 CAPITAL EXPENDITURE AID.

Subdivision 1. **Basic computation.** (a) Each year 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 number of actual pupil units 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. To qualify for aid pursuant to this subdivision in any school year, a district must have levied seven EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

(b) The aid under clause (a) for any district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit which is \$5 higher than the amount specified in clause (a).

(c) If the sum of a district's capital expenditure levy under section 275.125, subdivision 11a, attributable to any school year and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$90 per pupil unit or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

Subd. 2. **Special purpose computation.** Each year the state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must levy pursuant to section 275.125, subdivision 11b for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11b may be used.

Subd. 3. **Hazardous substance computation.** The state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must levy pursuant to section 275.125, subdivision 11c for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11c may be used.

Subd. 4. **Proportionate aid.** For any district that does not levy the maximum permissible levy under section 275.125, subdivision 11a, 11b, or 11c, the aid under

subdivision 1, 2, or 3, that is attributable to the same school year shall be reduced by multiplying the aid amount by the ratio of the district's actual levy to its maximum permissible levy.

Subd. 5. **Pupil units.** As used in this section, pupil units means total pupil units.

History: *1Sp1985 c 12 art 6 s 6*

124.246 CHEMICAL USE PROGRAMS.

[For text of subd 1, see M.S.1984]

Subd. 2. **Aid.** An eligible district shall receive \$1.08 in fiscal years 1985, 1986, and 1987 for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than \$1,080 in fiscal years 1985, 1986, and 1987.

[For text of subds 3 and 4, see M.S.1984]

History: *1Sp1985 c 12 art 6 s 4*

124.247 PROGRAM FOR THE GIFTED AND TALENTED.

[For text of subds 1 and 2, see M.S.1984]

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 \$19 in the 1984-1985 school year, times the number of gifted and talented students in the district. In the 1985-1986 school year and later school years, a district shall receive the greater of \$40 per gifted and talented student or \$500 per district. No more than five 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 money received by a district pursuant to this subdivision may be expended for the purpose of administration of the program for gifted and talented students.

[For text of subd 4, see M.S.1984]

Subd. 6. [Repealed, 1Sp1985 c 12 art 6 s 31; art 8 s 65]

History: *1Sp1985 c 12 art 6 s 5*

124.252 TOBACCO USE PREVENTION PROGRAMS.

Subdivision 1. **Eligibility and purpose.** Each school board which institutes a tobacco use prevention program that meets the criteria specified in subdivision 2 and submits the proposed program to the commissioner of education shall be eligible for state aid for the following purposes:

- (1) in-service training for public and nonpublic school staff;
- (2) tobacco use prevention curricula including materials;
- (3) community and parent awareness programs; and
- (4) evaluation of curriculum and programs for tobacco use prevention.

Subd. 2. **Criteria.** Each tobacco use prevention curriculum must include at least the following components:

- (1) in-service training of teachers and staff;

- (2) evaluation of programs and curriculum results;
- (3) a kindergarten through grade 12 continuum of educational intervention related to tobacco use; and
- (4) targeted intervention on tobacco use onset for students who are 12 to 14 years old based on evaluated curricula that have been shown to reduce tobacco use onset rates; and
- (5) prohibition of smoking cigarettes and the use of other tobacco products on the school premises by minors.

Subd. 3. **District aid.** An eligible district shall receive 52 cents in fiscal year 1986 and 54 cents in fiscal year 1987 for each pupil, in average daily membership enrolled in a public elementary, secondary, or area vocational technical institute or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No school district shall receive less than \$1,000 in fiscal year 1986 and \$1,040 in fiscal year 1987.

Subd. 4. **Applications.** A district that is eligible for aid shall apply to the commissioner of education by October 1 of each school year on the form supplied by the commissioner.

Subd. 5. **Assistance to districts.** The commissioner of education, with the consultation and assistance of the commissioner of health, shall:

- (1) provide technical assistance to districts for the development, implementation, and evaluation of tobacco use prevention curricula and programs;
- (2) provide to districts information about evaluation results of various curricula as reported in the scientific literature and elsewhere; and
- (3) collect information from districts about prevention programs and evaluation results.

History: *1Sp1985 c 12 art 6 s 7; 1Sp1985 c 14 art 19 s 12*

NOTE: This section is effective upon enactment of an increase in the rate of the special sales and use tax imposed upon cigarettes, which provides that the proceeds be deposited in a public health fund and appropriates money to fund the program established in this section. See Laws 1985, First Special Session chapter 12, article 6, section 32, subdivision 2.

124.26 EDUCATION PROGRAMS FOR ADULTS.

Subdivision 1. **Compensation.** For adult basic and continuing education programs, the state shall pay aids only for programs approved by the commissioner of education. The total aid for all programs approved by the commissioner shall not exceed the amount appropriated for this purpose. The aid shall be paid on a current funding basis. For the 1984-1985 school year, aid shall be 90 percent of the compensation paid each teacher for services in the programs up to \$8,000 per year as approved in the current year application. Aid may also be paid for an alternative method of providing programs if the method is determined by the commissioner of education to be cost-effective. Not more than 2-1/2 percent of the amount appropriated for adult basic and continuing education programs may be for alternative programs.

Beginning in the 1985-1986 school year, aid shall be 75 percent of the salary paid to each adult education teacher, coordinator of volunteers, and nonlicensed instructional staff person; and 75 percent of expenditures for benefits, purchased services, and supplies and materials if the expenditures have been approved by the commissioner. Expenditures for which the district receives federal aid shall not qualify for state aid. All classes and other learning options shall be tuition free when subsidized under this section. No charge for registration, materials and supplies may be made except a security deposit for the return of materials, supplies, and equipment. Adult basic and continuing education programs are defined as

those public day or evening school programs which are established for persons over 16 years of age not in attendance at elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalency certificate or for academic achievement at the secondary level.

Subd. 2. Each district or group of districts providing adult basic and continuing education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of adult basic and continuing education programs. In no case shall federal and state aid equal more than 90 percent of the actual cost of providing these programs.

Subd. 6. **Applications; proration.** By August 1 of each fiscal year, the commissioner shall approve or disapprove all applications for funding for that year under this section that were received by the preceding June 1, and shall notify the applicant districts of the decision. In any fiscal year when the total amount requested by districts for approved programs exceeds the amount appropriated, the commissioner shall, to the extent possible, fully fund the programs which were approved by August 1, and shall prorate any remaining funds among programs which are approved after August 1.

History: 1Sp1985 c 12 art 4 s 3

124.271 COMMUNITY EDUCATION PROGRAMS AID.

Subd. 2. [Repealed, 1Sp1985 c 12 art 4 s 13]

Subd. 2a. [Repealed, 1Sp1985 c 12 art 4 s 13]

Subd. 2b. **Aid; 1985, 1986, 1987 and after.** (1) Each fiscal year a district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid. For fiscal year 1985, the aid shall be an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

\$7,000, or

\$5 times the population of the district.

For fiscal year 1986, the aid shall be an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

\$7,000, or

\$5.25 times the population of the district.

For fiscal year 1987 and each year thereafter, the aid shall be an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

\$7,140, or

\$5.35 times the population of the district.

(2) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, clause (1), the district's community education aid under clause (1) of this subdivision shall be reduced by multiplying the aid amount computed pursuant to clause (1) of this subdivision by the ratio of the district's actual levy under section 275.125, subdivision 8, clause (1), to its maximum permissible levy under section 275.125, subdivision 8, clause (1). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause (1), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

(3) In addition to the amount in clause (1), in fiscal year 1985 a district which makes a levy for community education programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 50 cents per capita.

Subd. 2c. [Repealed, 1Sp1985 c 12 art 4 s 13]

[For text of subds 3 and 4, see M.S.1984]

Subd. 7. **Handicapped adult program aid.** A district or group of districts offering an approved program for handicapped adults shall receive aid equal to the lesser of \$25,000 or one-half of the amount of the approved budget. A district or group of districts shall provide the remaining half from other public or private sources, the levy authorized in section 275.125, subdivision 8, clause (4), or combinations of sources.

History: 1Sp1985 c 12 art 4 s 4,5

124.2711 EARLY CHILDHOOD FAMILY EDUCATION AID.

Subdivision 1. **Definition of maximum revenue.** For fiscal year 1986 the "maximum revenue" for early childhood family education programs for a school year means the amount of revenue equal to the product of five percent of the foundation aid formula allowance for the current school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year. For fiscal year 1987 and each year thereafter, the "maximum revenue" for early childhood family education programs for a school year means the amount of revenue equal to the product of five percent of the foundation aid formula allowance for the prior school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year.

Subd. 2. **Population.** For the purposes of subdivision 1, data reported to the department of education according to the provisions of section 120.095 may be used to determine the number of people under five years of age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Subd. 3. **Aid.** If a district complies with the provisions of section 121.882, it shall receive early childhood family education aid equal to:

(a) the difference between the maximum revenue, according to subdivision 1, and the permitted levy attributable to the same school year, according to section 275.125, subdivision 8b, times

(b) the ratio of the district's actual levy to its permitted levy attributable to the same school year, according to section 275.125, subdivision 8b.

Subd. 4. Use of revenue restricted. The proceeds of the aid authorized by this section and the levy authorized by section 275.125, subdivision 8b, shall be used only for early childhood family education programs.

History: *1Sp1985 c 12 art 4 s 6*

124.272 INTERDISTRICT COOPERATION AID.

[For text of subds 1 and 2, see M.S.1984]

Subd. 3. Cooperation plan. To receive aid or to levy pursuant to section 275.125, subdivision 8a a district shall submit to the commissioner of education an application for aid by August 15. The application shall contain the following:

(a) a three-year plan to improve the district curriculum, which gives priority to offering of any of the following: a three-year mathematics sequence in grades 10 to 12, a three-year science sequence in grades 10 to 12, a two-year foreign language sequence, elementary and secondary courses in computer usage, or other programs recommended by the state board;

(b) an assurance that the proposed curriculum in clause (a) has been developed in conjunction with the planning, evaluation, and reporting process of section 123.741;

(c) a copy of the cooperation agreement;

(d) a description of the proposed increase in curriculum offerings resulting from the agreement;

(e) the estimated instructional cost of the cooperation plan for the following fiscal year;

(f) the attributable administrative cost, that may not exceed five percent of the instructional costs, of the cooperation plan for the following fiscal year; and

(g) other information required by the commissioner.

[For text of subds 4 to 7, see M.S.1984]

History: *1Sp1985 c 12 art 6 s 8*

124.273 LIMITED ENGLISH PROFICIENCY PROGRAMS AID.

Subd. 1b. Teachers salaries. The state shall pay a school district a portion of the salary, calculated from the date of hire, of one full-time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district. Notwithstanding the foregoing, the state shall pay a portion of the salary, calculated from the date of hire, of one-half of a full-time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled. The portion for a full-time teacher shall be the lesser of 65 percent of the salary or \$18,100. The portion for a part-time or limited-time teacher shall be the lesser of 65 percent of the salary or the product of \$18,100 times the ratio of the person's actual employment to full-time employment.

[For text of subds 2b to 7, see M.S.1984]

History: *1Sp1985 c 12 art 3 s 10*

124.275 ARTS EDUCATION AID.

Subdivision 1. **Purposes.** Each school district shall receive arts education aid for arts education programs such as creative dramatics, dance, creative writing, music, visual arts, and film and video arts. Districts are encouraged to offer cooperative programs and share staff with other districts when appropriate to maximize the use of the aid.

Subd. 2. **Guidelines.** Each district may determine how to use its arts education aid. A district is encouraged to use the following guidelines in the order listed:

(1) develop a long-range, comprehensive arts education plan, develop an arts curriculum, and implement arts programs for grades kindergarten through six;

(2) provide professional development for teachers to increase their arts skill level and to enable them to provide improved opportunities for pupils to learn in, about, and through the arts; and

(3) provide arts enrichment activities for pupils in grades kindergarten through six;

(4) increase the number of elementary arts teachers, with a goal of at least one full-time art teacher and one full-time music teacher for 400 pupils in grades kindergarten to six.

Subd. 3. **Aid amount.** Arts education aid shall equal the greater of: \$2.25 times the number of pupils in grades kindergarten to six in average, daily membership in the district, or \$1,200.

History: 1Sp1985 c 12 art 5 s 2

124.32 HANDICAPPED CHILDREN.

Subd. 1b. **Teachers salaries.** Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts. The portion for a full-time person shall be the lesser of 70 percent of the salary or \$19,500. The portion for a part-time or limited-time person shall be the lesser of 70 percent of the salary or the product of \$19,500 times the ratio of the person's actual employment to full-time employment.

[For text of subd 1c, see M.S.1984]

Subd. 1d. **Contract services.** (1) For special instruction and services provided during the regular school year to any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than school districts, the state shall pay each district 55 percent of the difference between the amount of the contract and the foundation aid formula allowance of the district for that pupil or a pro rata portion of the foundation aid formula allowance for pupils who receive services by contract on less than a full-time basis.

(2) For special instruction and services provided for a pupil by such a contract as part of a summer school program, the state shall pay each district 55 percent of the difference between the amount of the contract and the summer school revenue allowance of the district attributable to that pupil.

Subd. 2. **Supply and equipment aid.** The state shall pay each district for supplies and equipment purchased or rented for use in the instruction of handicapped children an amount equal to one-half of the sum actually expended by the district but not to exceed an average of \$50 in any one school year for each handicapped child receiving instruction.

Subd. 2b. **Travel aid.** The state shall pay each district one-half of the sum actually expended by a district for necessary travel of essential personnel providing home-based services to handicapped children under age five and their families.

[For text of subds 3a and 4, see M.S.1984]

Subd. 5. **Residential aid.** When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay aid to the resident district under the provisions of this subdivision. The aid shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. The aid for summer school programs for each handicapped child placed in a residential facility shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child. No aid shall be paid pursuant to this subdivision for tuition charged a resident district pursuant to section 120.17, subdivision 7a, for a child placed at the Minnesota school for the deaf or the Minnesota braille and sight-saving school.

The following types of facilities may be approved by the commissioner:

(a) a residential facility operated by the state or public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children within the state;

(b) a private, nonsectarian residential facility designed to provide educational services for handicapped children within the state; and

(c) a state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

[For text of subd 6, see M.S.1984]

Subd. 7. **Program and aid approval.** Before June 1 of each year, each district providing special instruction and services to handicapped children shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of handicapped children in the district who will receive special instruction and services during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to handicapped children pursuant to section 120.17. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel determined to be unnecessary or unessential on the basis of this review. The commissioner may also withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. By August 31 the commissioner shall approve, disapprove or modify each application, and notify each applying district of the action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for

districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of handicapped children in the district. Notwithstanding the provisions of section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid pursuant to this section without proceeding according to section 124.15 at any time the commissioner determines that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

[For text of subd 8, see M.S.1984]

Subd. 9a. [Repealed, 1Sp1985 c 12 art 3 s 30]

Subd. 10. **Summer school.** The state shall pay aid for summer school programs for handicapped children on the basis of subdivisions 1b, 1d, and 5 for the preceding school year. By March 15 of each year, districts shall submit separate applications for program and budget approval for summer school programs. The review of these applications shall be as provided in subdivision 7. By May 1 of each year, the commissioner shall approve, disapprove or modify the applications and notify the districts of the action and of the estimated amount of aid for the summer school programs.

History: 1Sp1985 c 12 art 3 s 11-17

NOTE: Subdivision 2b, as added by Laws 1985, First Special Session chapter 12, article 3, section 14, is effective for the 1986-1987 school year and thereafter. See Laws 1985, First Special Session chapter 12, article 3, section 31.

124.46 ISSUANCE AND SALE OF BONDS.

[For text of subs 1 and 2, see M.S.1984]

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

payments made from taxes shall be reimbursed from the loan repayment account in the maximum effort school loan fund, when the balance therein is sufficient.

[For text of subd 4, see M.S.1984]

History: *1Sp1985 c 14 art 4 s 22*

124.471 [Repealed, 1Sp1985 c 13 s 376]

124.48 INDIAN SCHOLARSHIPS.

[For text of subds 1 and 2, see M.S.1984]

Subd. 3. **Indian scholarship committee.** The Minnesota Indian scholarship committee is established. Members shall be appointed by the state board with the assistance of the Indian affairs council as provided in section 3.922, subdivision 6. Members shall be reimbursed for expenses as provided in section 15.059, subdivision 6. The state board shall determine the membership terms and duration of the committee. The committee shall provide advice to the state board in awarding scholarships to eligible American Indian students and in administering the state board's duties regarding awarding of American Indian post-secondary preparation grants to school districts.

History: *1Sp1985 c 11 s 12*

124.481 INDIAN POST-SECONDARY PREPARATION GRANTS.

The state board of education, with the advice of the Minnesota Indian scholarship committee, may make grants to school districts to support post-secondary preparation for secondary pupils who are of one-fourth or more Indian ancestry and who, in the opinion of the superintendent, have the capabilities to benefit from higher education. Distribution of the grants must be in accordance with a plan prepared by the state board, with the advice of the Minnesota Indian scholarship committee, that describes the objectives and methods of implementing the grant program, including the manner in which grants will be distributed in proportion to the geographical distribution of the Indian population of the state.

History: *1Sp1985 c 11 s 13*

124.573 CURRENT FUNDING FOR SECONDARY VOCATIONAL EDUCATION.

[For text of subd 1, see M.S.1984]

Subd. 2. **Salaries and travel.** The eligible expenses for secondary vocational aid are: (1) the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs; (2) the costs of necessary travel between instructional sites by secondary vocational education teachers; and (3) the costs of necessary travel by secondary vocational education teachers accompanying students to and from vocational student organization meetings held within the state for educational purposes. The state shall pay to any district or cooperative center 41.5 percent of the eligible expenses for each school year. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source. In no event shall a district or center receive a total amount of state aid pursuant to this section which, when added to funds 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.

[For text of subd 3, see M.S.1984]

Subd. 3a. Aid for contracted services. In addition to the provisions of subdivisions 2 and 3, a school district or cooperative center may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education services. The state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. The state board shall promulgate rules relating to program approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 4, the district or cooperative center contracting for these services shall be construed to be providing the services. For the purposes of subdivision 5, aid for these contracts shall be distributed on the same basis as aids for salaries and travel.

[For text of subd 4, see M.S.1984]

History: 1Sp1985 c 12 art 6 s 9,10

124.574 SECONDARY VOCATIONAL EDUCATION FOR HANDICAPPED CHILDREN.

[For text of subd 1, see M.S.1984]

Subd. 2b. Salaries. Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person employed during that school year for services rendered in that district or center's secondary vocational education programs for handicapped children. The portion for a full-time person shall be the lesser of 70 percent of the salary or \$19,500. The portion for a part-time or limited-time person shall be the lesser of 70 percent of the salary or the product of \$19,500 times the ratio of the person's actual employment to full-time employment.

[For text of subds 3 to 7, see M.S.1984]

History: 1Sp1985 c 12 art 3 s 18

124.646 SCHOOL LUNCH AID.

Subdivision 1. School lunch aid computation. (a) For the 1985-1986 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 7.5 cents for each full paid student lunch served to students in the district.

(b) For the 1986-1987 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 7.5 cents for each full paid student lunch served to students in the district.

[For text of subds 2 and 3, see M.S.1984]

History: 1Sp1985 c 12 art 6 s 11

124.76 SALE OF CERTIFICATES; DISBURSEMENT OF PROCEEDS.

[For text of subd 1, see M.S.1984]

Subd. 2. Public sale exception. Public sale of tax and aid anticipation certificates of indebtedness according to subdivision 1 shall not be required (1) if the

proposed borrowing is in an amount less than \$400,000, and if the sum of all outstanding tax and aid anticipation certificates issued by the board within the preceding six months does not exceed \$400,000 or, (2) if the certificates mature no later than 12 months after their date of issue. If no public sale is held, the certificates of indebtedness may be sold in accordance with the most favorable of two or more proposals solicited privately or the interest rates may be determined by direct negotiation.

History: *1Sp1985 c 12 art 7 s 20*