

## CHAPTER 121

## ADMINISTRATION AND SUPERVISION

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**121.11 STATE BOARD.**

*[For text of subds 5 and 6, see M.S.1986]*

**Subd. 7. General supervision over educational agencies.** The state board of education shall exercise general supervision over public schools and public educational agencies in the state, classify and standardize public elementary and secondary schools, and prepare for them outlines and suggestive courses of study. The board shall establish rules relating to examinations, reports, acceptances of schools, courses of study, and other proceedings in connection with elementary and secondary schools applying for special state aid. The state board may recognize educational accrediting agencies for the sole purposes of sections 120.101, 120.102, and 120.103.

*[For text of subds 8 to 15, see M.S.1986]*

**Subd. 16. Courses offered in summer.** A school board may comply with curriculum rules of the state board by offering any elective secondary course during the summer.

**History:** 1987 c 178 s 5; 1987 c 398 art 7 s 5

**121.20** [Repealed, 1987 c 398 art 8 s 45]

**121.609 EDUCATIONAL EFFECTIVENESS INSTRUCTION.**

*[For text of subds 1 to 3, see M.S.1986]*

**Subd. 4. Regional services.** The department of education shall contract with educational cooperative service units or other regional educational service agencies to provide assistance to the school districts in an educational cooperative service unit region in implementing educational effectiveness. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal. Every two years, the department shall evaluate the performance of the regional service providers and shall consider new proposals to provide regional services.

*[For text of subd 5, see M.S.1986]*

**History:** 1987 c 398 art 8 s 1

**121.612 CITATION.**

*[For text of subds 1 to 2, see M.S.1986]*

**Subd. 3. Foundation programs.** The foundation shall plan for programs which advance the concept of educational excellence. These may include but are not limited to:

- (a) recognition programs and awards for students demonstrating academic excellence;
- (b) summer institute programs for students with special talents;
- (c) recognition programs for teachers, administrators, and others who contribute to academic excellence;
- (d) summer mentorship programs with business and industry for students with special career interests and high academic achievements; and
- (e) governor's awards ceremonies to promote academic competition.

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

**Subd. 3a. Academic league plans.** The academic excellence foundation shall develop a plan for an academic league to promote academic excellence through organized challenges requiring both cooperation and competition for public and nonpublic pupils in elementary and secondary schools. The foundation shall develop the plan in consultation with administrators of existing programs of academic competition and cooperation, the Minnesota state high school league, and the Minnesota association of secondary school principals. The foundation shall submit the plans to the education committees of the legislature by January 15, 1989.

*[For text of subd 4, see M.S.1986]*

**Subd. 5. Report.** The board of directors of the foundation shall submit an annual report to the education committees of the legislature on the progress of its activities made pursuant to the provisions of this section. The annual report shall contain a financial report for the preceding year, including all receipts and expenditures of the foundation.

**Subd. 6. Foundation publications.** The foundation may publish brochures or booklets relating to the purposes of the foundation. The foundation may collect reasonable fees for the publications.

**Subd. 7. Appropriation.** There is annually appropriated to the academic excellence foundation any and all amounts received by the foundation pursuant to subdivision 6.

**History:** 1987 c 398 art 7 s 6-10

## 121.87 STATE COMMUNITY EDUCATION ADVISORY TASK FORCE.

**Subdivision 1. Appointment; membership.** The state board of education shall appoint a 15-member community education advisory task force to promote the goals of community education and to expand educational, recreational, and social opportunities through the maximum use of public facilities and community resources throughout the state of Minnesota. The task force shall include at least one member from each congressional district and members who represent government and professions most closely related to community education and youth development activities, functions and school administrative jurisdictions.

**Subd. 1a. Responsibilities.** The community education advisory task force, in consultation with the commissioners of health, human services, and jobs and training or their designees, shall:

(1) develop a statewide plan to promote a coordinated interagency approach to addressing the needs and developing the resources of youth, from birth to age 21, at both the state and local level through programs such as positive youth development partnerships, youth in community service programs, and interagency programs for providing services to young children and youth;

(2) make recommendations to the state board of education and other appropriate entities on means for improving coordination of efforts by various state and local agencies and programs in addressing the needs of and opportunities for youth; and

- (3) develop model plans for an interagency approach by local advisory councils.

*[For text of subd 3, see M.S.1986]*

**History:** 1987 c 398 art 4 s 1,2

## 121.88 COMMUNITY EDUCATION PROGRAMS; ADVISORY COUNCIL.

*[For text of subd 1, see M.S.1986]*

Subd. 2. **Advisory council.** Each board shall provide for an advisory council to consist of members who represent: various service organizations; churches; public and nonpublic schools; local government including elected officials; public and private nonprofit agencies serving youth and families; parents; youth; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

*[For text of subds 3 to 6, see M.S.1986]*

Subd. 7. **Program approval.** To be eligible for handicapped adult program revenue, a program and budget must receive approval from the community education section in the department of education. Approval may be for one or two years. For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. A request for approval must include all of the following:

- (1) characteristics of the people to be served;
- (2) description of the program services and activities;
- (3) program budget and amount of aid requested;
- (4) participation by handicapped adults in developing the program;
- (5) assessment of the needs of handicapped adults; and
- (6) cooperative efforts with community organizations.

Subd. 8. **Youth development plans.** A district advisory council may prepare a youth development plan. The council is encouraged to use the state model plan developed under section 121.87, subdivision 1a, when developing the local plan. If the school board approves the youth development plan and the district makes a community education levy, the district is eligible for additional community education revenue under section 124.271, subdivision 2b.

**History:** 1987 c 398 art 4 s 3-5

## 121.901 ADVISORY COUNCIL.

Subdivision 1. There is created an advisory council on uniform financial accounting and reporting standards, composed of 13 members appointed as follows:

- (1) two employees of the state department of education appointed by the commissioner of education;
- (2) an employee of the office of state auditor appointed by the state auditor;
- (3) one licensed certified public accountant appointed by the state board of education;
- (4) eight persons who are representative of the various size school districts in the state and who are public school employees whose positions involve activities related to school financing and accounting, appointed by the state board; and
- (5) one person appointed by the state director of vocational technical education.

Professional associations composed of persons eligible to be appointed under clauses (3) and (4) may recommend nominees from their associations to the state board.

*[For text of subds 2 and 3, see M.S.1986]*

**History:** 1987 c 258 s 2

**121.904 REVENUE; REPORTING.**

*[For text of subds 1 to 4, see M.S.1986]*

Subd. 4a. **Levy recognition.** (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus 27 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 27 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the appropriated fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to section 275.125, subdivision 6a, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

*[For text of subds 4c to 11, see M.S.1986]*

Subd. 11a. Revenues received pursuant to sections 298.018; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values shall be recognized as revenue in the school year received.

Subd. 11b. (1) Each district affected by the provisions of subdivision 11a shall account for and expend according to the provisions of this subdivision the total amount by which its 1976 payable 1977 and its 1977 payable 1978 permissible levies pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 were reduced on account of payments pursuant to Minnesota Statutes 1976, sections 294.21 or 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; any law 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. Notwithstanding the provisions of section 124A.035, subdivision 5, clause (2), and the provisions of section 275.125, subdivision 9, clause (2) or any other

law to the contrary, this total amount shall not be applied to reduce the foundation aid which the district is entitled to receive pursuant to section 124A.02 or again be applied to reduce the permissible levies of the district.

(2) The lesser of the amount in clause (1) or an amount equal to \$200 times the pupil units in the district computed pursuant to section 124.17 for the 1977-1978 school year shall be reflected in an "appropriated fund balance reserve account for current use of taconite payments" which shall be established in the general fund. Each school year, beginning in 1978-1979, each affected district shall transfer an amount equal to \$20 times the number of pupil units in the district in 1977-1978 out of this account into other operating accounts in the general fund, until the amount transferred equals the amount originally reflected in the reserve account; provided that in the last year in which the district is required to make this transfer, it shall transfer the balance of the reserve account, not to exceed an amount equal to \$20 times the number of pupil units in the district in 1977-1978. Notwithstanding the provisions of section 121.917, each affected district may use the amount so transferred each year to increase its expenditures above the amount it would otherwise be authorized to expend in that school year.

(3) Of the amount in clause (1), any amount not reflected in the account established pursuant to clause (2) shall be reflected in the district's appropriated fund balance reserve account for purposes of reducing statutory operating debt, if the district has established this account pursuant to section 275.125, subdivision 9a. The June 30, 1977, statutory operating debt of the district shall be reduced by the amount so reflected and shall be recertified accordingly by the commissioner.

(4) Notwithstanding the provisions of section 121.912, any portion of the amount in clause (1) remaining after the application of clauses (2) and (3) shall be transferred to the district's capital expenditure fund; provided that before July 1, 1979, not exceeding \$75,000 of the amount transferred to the capital expenditure fund pursuant to this clause may be transferred to the district's general fund.

*[For text of subs 11c to 14, see M.S.1986]*

**History:** 1987 c 268 art 9 s 2,3; 1987 c 384 art 2 s 26; 1987 c 398 art 1 s 1

**NOTE:** The amendment to subdivision 11a by Laws 1987, chapter 268, article 9, section 2, that strikes the reference to sections 294.21 to 294.28 is effective for taxable years beginning after December 31, 1989. See Laws 1987, chapter 268, article 9, section 44.

**NOTE:** Subdivision 11a was also amended by Laws 1987, chapter 384, article 2, section 25, to read as follows:

"Subd. 11a. Beginning with payments received in fiscal year 1978, revenues received pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax on severed mineral values or any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties, shall be recognized as revenue in the school year received."

## 121.912 PERMANENT FUND TRANSFERS.

**Subdivision 1. Limitations.** Except as provided in this subdivision, sections 121.9121, 123.36, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any 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 any other operating funds if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a 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. The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred. 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 transportation fund.

*[For text of subds 1a to 4, see M.S.1986]*

**Subd. 5. Account transfer for certain severance pay.** A school district may maintain in a designated for certain severance pay account not more than 50 percent of the amount necessary to meet the obligations for the portion of severance pay that constitutes compensation for accumulated sick leave to be used for payment of premiums for group insurance provided for former employees by the district. The amount necessary shall be calculated according to standards established by the advisory council on uniform financial accounting and reporting standards. If there is a deficit in any year in any reserved fund balance account, the district shall transfer the amount necessary to eliminate the deficit from the designated for certain severance pay account to the reserved fund balance account.

**History:** 1987 c 143 s 2; 1987 c 398 art 7 s 13

#### **121.9121 EXCEPTIONS FOR PERMANENT FUND TRANSFERS.**

**Subdivision 1. State board authorization.** The state board may authorize a board to transfer money from any fund or account other than the debt redemption fund to another fund or account according to this section.

*[For text of subds 2 to 7, see M.S.1986]*

**History:** 1987 c 143 s 1

#### **121.932 STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM; DEPARTMENT DUTIES.**

*[For text of subds 1 and 2, see M.S.1986]*

**Subd. 3. Exemption from chapter 14.** Except as provided in section 121.931, subdivision 8, the data element dictionary, annual data acquisition calendar, and essential data elements are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

*[For text of subd 4, see M.S.1986]*

**Subd. 5. Essential data.** The department shall maintain a list of essential data elements which must be recorded and stored about each pupil, licensed and non-licensed staff member, and educational program. Each school district shall send the essential data to the ESV regional computer center to which it belongs, where it shall be assembled and transmitted to the department in the form and format prescribed by the department.

**History:** 1987 c 398 art 7 s 14,15

#### **121.933 STATEWIDE MANAGEMENT INFORMATION SYSTEM; DELEGATION OF POWERS AND DUTIES.**

**Subdivision 1. Permitted delegations.** The state board of vocational technical education, the state board of education, 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 121.931, 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 of vocational technical education, the state board of education, and the department may not delegate to the Minnesota educational computing consortium any of their powers and duties to devel-

op 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 sections 121.931, subdivisions 3, 4, 6, 7, and 8 and 121.932, subdivisions 1 and 2.

**History:** 1987 c 258 s 3

#### 121.934 ESV COMPUTER COUNCIL.

Subdivision 1. **Creation.** An advisory council to the state board appointed by the governor is established. Section 15.059, subdivisions 2, 4, and 5, shall govern membership terms, removal of members, and filling of membership vacancies.

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) three persons employed in management positions in the private sector, at least two of whom are data processing managers or hold an equivalent position in the private sector;

(c) three persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least two of whom are data processing managers or hold an equivalent position in the public sector;

(d) one person from the general public;

(e) one person representing post-secondary vocational technical education; and

(f) one person from the department of education.

Members selected pursuant to clauses (b) and (c) shall not be employees or board members of local school districts or the department of education. The council shall include at least one resident of each congressional district.

*[For text of subds 3 to 5, see M.S.1986]*

Subd. 6. **Support services.** The commissioner shall provide all necessary materials and assistance to transact the business of the council. The commissioner is not required to pay compensation or expenses of the council.

*[For text of subd 7, see M.S.1986]*

**History:** 1987 c.258 s 4,5; 1987 c 398 art 7 s 16,18

#### 121.935 REGIONAL MANAGEMENT INFORMATION CENTERS.

*[For text of subds 1 to 5, see M.S.1986]*

Subd. 6. **Fees.** Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and the district's proportionate share of outstanding regional debt. If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, the district is liable for its contracted proportionate share of the outstanding regional debt. The district is not liable for any additional outstanding regional debt that occurs after written notice is given to transfer or use an alternative finance system. In no event shall the annual fee of a district participating in a state pilot program of an alternative financial management information system exceed the annual fee chargeable to the district in the absence of the pilot program.

**History:** 1987 c 398 art 7 s 11

#### 121.936 SCHOOL DISTRICT MANAGEMENT INFORMATION SYSTEMS.

Subdivision 1. **Mandatory participation.** (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and report-

ing system utilizing multidimensional 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) 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 process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center or an alternative system approved by the state board.

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system and is reporting directly to the state as of January 1, 1987.

(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).

Districts operating an approved alternative system may transfer their affiliation from one regional management information center to another. At least one year prior to July 1 of the year in which the transfer is to occur, the district shall give written notice to its current region of affiliation of its intent to transfer to another region. The one year notice requirement may be waived if the two regions mutually agree to the transfer.

*[For text of subs 1a to 5, see M.S.1986]*

**History:** 1987 c 398 art 7 s 12