

A vehicle that must stop at grade crossings under subdivision 1 is not required to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad employee.

Sec. 2. Minnesota Statutes 1986, section 219.20, is amended to read:

219.20 STOP SIGNS.

Subdivision 1. **WHEN INSTALLATION REQUIRED; PROCEDURE.** At each grade crossing where, because of the dangers attendant upon its use, the reasonable protection of life and property makes it necessary for persons approaching the crossing to stop before crossing the railroad tracks, stop signs must be installed. ~~The commissioner may designate a crossing requiring this additional protection~~ When the government entity responsible for a road that crosses a railroad track deems it necessary to install stop signs at that crossing, it shall petition the commissioner to order the installation of the stop signs. The commissioner shall respond to the petition by investigating the conditions at the crossing to determine whether stop signs should be installed at the crossing. On determining, after an investigation following a petition from a governmental agency or subdivision or on the commissioner's own motion, that stop signs should be installed at a crossing, the commissioner shall designate the crossing as a stop crossing and shall notify the railway company operating the railroad at the crossing of this designation. Within 30 days after notification, the railway company shall erect the uniform stop crossing signs ~~in conspicuous places on each side of the crossing in accordance with the commissioner's order.~~

Subd. 2. **STOPPING DISTANCES.** When a stop sign has been erected at a railroad crossing, the driver of a vehicle approaching a railroad crossing shall stop within 50 feet, but not less than ten feet, from the nearest track of the crossing and shall proceed only upon exercising due care.

Sec. 3. EFFECTIVE DATE.

Section 1 is effective the day following final enactment.

Approved June 4, 1987

CHAPTER 398—H.F.No. 753

An act relating to education; providing aids for education and the distribution of tax revenues; providing aids to libraries; appropriations to the academies for the deaf and the blind, and the department of education; changing secondary pupil unit weighting; establishing general education revenue composed of basic compensatory education, training and experience, and sparsity revenue; combining certain categorical aids; increasing the community education formula; changing the capital expenditure formula; providing for special instruction and services for handicapped children from birth; establishing program improve-

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ment grants, education districts, and area learning centers; appropriating money; amending Minnesota Statutes, sections 43A.08, subdivisions 1 and 1a; 118.12; 118.13; 118.14; 120.03, subdivision 1; 120.0752, by adding a subdivision; 120.17, subdivisions 1, 2, 3, 3a, 3b, 5, 7a, 12, and by adding subdivisions; 121.11, by adding a subdivision; 121.609, subdivision 4; 121.612, subdivisions 3, 5, and by adding subdivisions; 121.87, subdivision 1, and by adding a subdivision; 121.88, subdivisions 2, 7, and by adding a subdivision; 121.904, subdivision 4a; 121.912, by adding a subdivision; 121.932, subdivision 3, and by adding a subdivision; 121.934, subdivisions 1, 2, and 6; 121.935, subdivision 6; 121.936, subdivision 1; 122.541, subdivision 2; 123.34, subdivision 9; 123.35, by adding a subdivision; 123.36, subdivision 13; 123.39, subdivision 1; 123.703, subdivision 3; 123.705; 124.05, subdivision 1; 124.14, subdivision 7; 124.17, subdivision 1, and by adding a subdivision; 124.195, subdivisions 8 and 9; 124.2162, by adding a subdivision; 124.223; 124.225, subdivisions 1, 4b, 7b, 8a, 8i, and 10; 124.245, subdivision 3, and by adding subdivisions; 124.246, subdivision 2; 124.247, subdivision 3; 124.252, subdivision 3; 124.26, by adding subdivisions; 124.271, subdivisions 2b and 7; 124.2711, subdivision 1; 124.273, subdivisions 1b and 5; 124.32, subdivisions 1b, 1d, 2, and 5; 124.573; 124.574, subdivisions 2b, 3, and 4; 124.646, subdivision 1; 124A.02, subdivisions 8, 9, 16, and by adding a subdivision; 124A.03, by adding a subdivision; 124A.031, subdivision 4; 124A.032; 124A.036, by adding a subdivision; 124A.21; 125.03, subdivision 5; 125.05, subdivision 1; 125.185, subdivision 4; 125.611, subdivisions 11, 12, and 13; 126.02, subdivision 2; 126.54, subdivision 1; 126.56, subdivisions 3 and 6; 126.67, subdivisions 3a, 6, and by adding a subdivision; 126.70, subdivision 1, and by adding a subdivision; 126.72, subdivision 1; 126.81, subdivision 2; 128A.01; 128A.02, subdivisions 2 and 4; 129B.041, subdivisions 1 and 3; 129B.39; 129B.43, subdivisions 1 and 4; 129C.10, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions; 134.10; 136D.27; 136D.71; 136D.74, subdivision 2; 136D.87; 171.29, subdivision 2; 275.125, subdivisions 4, 5, 5c, 6e, 8, 8c, 9, 11c, and by adding subdivisions; and 466.06; proposing coding for new law in Minnesota Statutes, chapters 122, 123, 124, 124A, 125, 126, 128A, 129B, and 134; repealing Minnesota Statutes, sections 120.17, subdivision 13; 121.20; 124.05, subdivision 2; 124.17, subdivisions 1a and 2d; 124.185; 124.2161; 124.2162; 124.2163; 124.225, subdivision 1a; 124.245, subdivisions 1 and 2; 124.246; 124.247; 124.26, subdivisions 1 and 6; 124.272; 124.273, subdivision 2b; 124.275; 124.65; 124.66; 124A.01; 124A.02, subdivision 2, 5, 6, 7, 9, 11, 12, 13, and 14; 124A.03, subdivisions 1, 1a, 3, 4, and 6; 124A.031, subdivision 1; 124A.033; 124A.035, subdivision 1; 124A.06, subdivisions 1, 1a, 1b, 2, 3a, and 4; 124A.08, subdivisions 1, 2, 3a, 4, and 5; 124A.10, subdivisions 1, 2, 3a, and 4; 124A.12, subdivisions 1, 2, 3a, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, 5a, and 6; 124A.16; 124A.20, subdivisions 1, 2, and 3; 124A.21; 125.611, subdivisions 8, 9, and 10; 126.031, subdivision 2; 126.60; 126.62; 126.64; 126.65; 126.66; 126.67, subdivisions 1, 1a, 2a, 5b, and 9; 126.71; 129B.01; 129B.02; 129B.04; 129B.041, subdivision 4; 129B.05; 129B.32, subdivisions 2 and 5; 129B.33; 129B.35; 129B.36; 129B.37; 129B.43, subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; 129B.67; 275.125, subdivisions 3, 5d, 8a, 11a, and 12; 354.66, subdivisions 4a and 9; 354A.094, subdivisions 4a and 9; and 645.35.

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

APPROPRIATION

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

SUMMARY

Section 1. WORDS OF APPROPRIATION; TABLE.

The sums shown are appropriated from the general fund, or any other named fund, to the agencies for the purposes specified in this act, to be available for the fiscal year indicated for each purpose. The figures "1988" and "1989," where used in this act, mean that the appropriation or appropriations listed under or along side them are available for the year ending June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

	<u>1988</u>	<u>1989</u>	<u>TOTAL</u>
<u>General</u>	<u>\$1,467,236,755</u>	<u>\$1,503,199,155</u>	<u>\$2,970,435,910</u>
<u>Public Health</u>	<u>693,000</u>	<u>719,600</u>	<u>1,412,600</u>
<u>Trunk Hwy</u>	<u>20,700</u>	<u>20,700</u>	<u>41,400</u>

ARTICLE 1

FOUNDATION AND GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1986, section 121.904, subdivision 4a, is amended to read:

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 ~~24~~ 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

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(3) ~~24~~ 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.

Sec. 2. Minnesota Statutes 1986, section 124.17, is amended by adding a subdivision to read:

Subd. 1b. AFDC PUPIL UNITS. In a district in which the number of pupils from families receiving aid to families with dependent children 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. In a district in which the percent of concentration is less than six, additional pupil units may not be counted for such pupils. A pupil may not be counted as more than .6 additional pupil unit under this subdivision. The weighting in this subdivision is in addition to the weighting provided in subdivision 1.

Sec. 3. Minnesota Statutes 1986, section 124.2162, is amended by adding a subdivision to read:

Subd. 3. REDISTRIBUTION. For purposes of aid calculations, the commissioner may redistribute current year teacher retirement and FICA obligations

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among districts that have agreements for sharing staff or for cooperative education of pupils to adjust for changes in staffing patterns between the base year and the current year resulting from the agreements.

Sec. 4. Minnesota Statutes 1986, section 124A.02, is amended by adding a subdivision to read:

Subd. 5a. BASIC FOUNDATION AID; 1987-1988 SCHOOL YEAR. A district's basic foundation aid for the 1987-1988 school year equals its basic foundation revenue for that school year, minus the lesser of (1) the basic maintenance mill rate times the applicable adjusted assessed valuation of the district; or (2) \$1,700 times the district's total pupil units for that school year.

Sec. 5. Minnesota Statutes 1986, section 124A.02, subdivision 8, is amended to read:

Subd. 8. EQUALIZING FACTOR. "Equalizing factor" means a number equal to the minimum EARC valuation per total pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for the 1987-1988 school year and for levies for use in that school year equals \$74,890. The equalizing factor for each school year, except the 1987-1988 school year, and for levies for use in that school year equals the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for that school year.

Sec. 6. Minnesota Statutes 1986, section 124A.02, subdivision 9, is amended to read:

Subd. 9. FORMULA ALLOWANCE. "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. The formula allowance shall be \$1,585 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year. The formula allowance shall be \$1,690 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. The formula allowance is ~~\$1,700~~ \$1,720 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year.

Sec. 7. Minnesota Statutes 1986, section 124A.02; subdivision 16, is amended to read:

Subd. 16. PUPIL UNITS, AFDC. For the 1984-1985 and 1985-1986 school years, "AFDC pupil units" means 98.5 percent of the pupil units identified in Minnesota Statutes 1980, section 124.17, subdivision 1, clauses (4) and (5) in the 1980-1981 school year.

For the 1986-1987 and 1987-1988 school year and each year thereafter years, "AFDC pupil units" means pupil units identified in section 124.17, subdivision 1a. For the 1988-1989 school year and each year thereafter, "AFDC pupil units" means pupil units identified in section 2.

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Sec. 8. Minnesota Statutes 1986, section 124A.03, is amended by adding a subdivision to read:

Subd. 3a. BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA; 1987-1988 SCHOOL YEAR. If the amount of the maximum levy limitation under subdivision 1 for any district exceeds the product of \$1,700 times the estimated number of total pupil units for that district for the 1987-1988 school year, the levy limitation for that district under subdivision 1 is limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 1:

(a) the product of \$1,700 times the estimated number of total pupil units for the 1987-1988 school year; less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124A.035, subdivision 4, in the school year in which the levy is recognized as revenue.

A levy made by a district under this subdivision shall be construed to be the levy made by that district under subdivision 1 for purposes of statutory cross-reference.

Sec. 9. Minnesota Statutes 1986, section 124A.032, is amended to read:

124A.032 ANNUAL FOUNDATION AID APPROPRIATION.

There is annually appropriated from the general fund to the department of education the amount necessary for foundation aid or general education aid. This amount shall be reduced by the amount of any funds specifically appropriated for the same purpose in any year from any state fund.

Sec. 10. Minnesota Statutes 1986, section 124A.21, is amended to read:

124A.21 ISOLATED SCHOOL AID FOR ST. LOUIS COUNTY DISTRICT.

In the ~~1985-1986 and 1986-1987~~ 1987-1988 school years ~~year~~, a district having more than 2,500 square miles in area and operating six or more secondary schools shall be entitled to additional foundation aid. The additional aid shall equal \$50 times the actual pupil units in ~~each of these~~ the school years year.

Sec. 11. **[124A.22] GENERAL EDUCATION REVENUE.**

Subdivision 1. GENERAL EDUCATION REVENUE. The general education revenue for each district equals the sum of the district's basic revenue, compensatory education revenue, training and experience revenue, and sparsity revenue.

Subd. 2. BASIC REVENUE. The basic revenue for each district equals the

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formula allowance times the actual pupil units for the school year. The formula allowance is \$2,735 for the 1988-1989 school year.

Subd. 3. COMPENSATORY EDUCATION REVENUE. The compensatory education revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 2 for the school year.

Subd. 4. TRAINING AND EXPERIENCE REVENUE. The training and experience revenue for each district equals the greater of zero or the result of the following computation:

(a) Subtract 1.6 from the training and experience index.

(b) Multiply the result in clause (a) by the product of \$700 times the actual pupil units for the school year.

Subd. 5. DEFINITIONS. The definitions in this subdivision apply only to subdivision 6.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades seven through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades seven through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually-traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

Subd. 6. SPARSITY REVENUE. A district's sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

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

(2) the secondary average daily membership of the high school, multiplied by

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(3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by

(4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

Sec. 12. [124A.23] GENERAL EDUCATION LEVY AND AID.

Subdivision 1. GENERAL EDUCATION MILL RATE. The commissioner of revenue shall establish the general education mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The general education mill rate shall be a rate, rounded up to the nearest tenth of a mill, that, when applied to the adjusted assessed valuation for all districts, raises the amount specified in this subdivision. The general education mill rate for the 1989 fiscal year shall be the rate that raises \$1,079,000,000. The general education mill rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Subd. 2. GENERAL EDUCATION LEVY. To obtain general education revenue, a district may levy an amount not to exceed the general education mill rate times the adjusted assessed valuation of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, the general education levy shall be determined according to subdivision 3. The adjusted assessed valuation must be determined each year by the equalization aid review committee according to section 124.2131.

Subd. 3. GENERAL EDUCATION LEVY; DISTRICTS OFF THE FORMULA. If the amount of the general education levy for a district exceeds the district's general education revenue, the amount of the general education levy shall be limited to the following:

(1) the district's general education revenue; plus

(2) the amount of the aid reduction for the same school year according to section 13; minus

(3) payments made for the same school year according to section 124A.035, subdivision 4.

For purposes of statutory cross-reference, a levy made according to this subdivision shall be construed to be the levy made according to subdivision 2.

Subd. 4. GENERAL EDUCATION AID. A district's general education aid is the difference between the general education revenue and the general education levy, multiplied times the ratio of the actual amount levied to the permitted levy.

Subd. 5. USES OF REVENUE. General education revenue may be used during the regular school year and the summer for general and special school purposes.

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Sec. 13. [124A.24] GENERAL EDUCATION LEVY EQUITY.

If a district's general education levy is determined according to section 12, subdivision 3, an amount must be deducted from state aid authorized in chapters 124 and 124A, receivable for the same school year, and from other state payments receivable for the same school year authorized in sections 273.115; 273.116; 273.123, subdivision 6; 273.13, subdivision 15a; and Laws 1983, chapter 342, article 8, section 8. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education mill rate, according to section 12, times the district's adjusted assessed valuation used to determine the general education aid for the same school year; and

(2) the district's general education revenue for the same school year, according to section 11.

However, for fiscal year 1989, the amount of the deduction shall be one-fourth of the difference between clauses (1) and (2); for fiscal year 1990, the amount of the deduction shall be one-half of the difference between clauses (1) and (2); and for fiscal year 1991, the amount of the deduction shall be three-fourths of the difference between clauses (1) and (2).

Sec. 14. [124A.25] SUPPLEMENTAL REVENUE.

Subdivision 1. [1987-1988 REVENUE.] "1987-1988 revenue" means the sum of the following categories of revenue for a district for the 1987-1988 school year:

(1) basic foundation revenue, tier revenue, and declining pupil unit revenue, according to chapter 124A, plus any reduction to second tier revenue, according to Minnesota Statutes 1986, section 124A.08, subdivision 5;

(2) teacher retirement and FICA aid, according to Minnesota Statutes 1986, sections 124.2162 and 124.2163;

(3) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;

(4) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;

(5) interdistrict cooperation aid and levy, according to Minnesota Statutes 1986, sections 124.272 and 275.125, subdivision 8a;

(6) arts education aid, according to Minnesota Statutes 1986, section 124.275;

(7) summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;

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(8) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and

(9) liability insurance levy, according to Minnesota Statutes 1986, section 466.06.

Subd. 2. MINIMUM ALLOWANCE. "Minimum allowance" for a district means:

(1) the district's 1987-1988 revenue, according to subdivision 1; divided by

(2) the district's 1987-1988 actual pupil units, adjusted for the change in pupil unit weighting made in article 3, section 16; plus

(3) \$40.

Subd. 3. REVENUE AMOUNT. If a district's minimum allowance exceeds the amount of its general education revenue per actual pupil unit for a school year, the district shall receive supplemental revenue equal to the amount of the excess times the actual pupil units for the school year.

Subd. 4. SUPPLEMENTAL LEVY. To obtain supplemental revenue, a district may levy an amount not to exceed the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to its general education revenue for the same year.

Subd. 5. SUPPLEMENTAL AID. A district's supplemental aid is the difference between its supplemental revenue and its supplemental levy, times the ratio of the actual amount levied to the permitted levy.

Subd. 6. USES OF REVENUE. Supplemental revenue may be used during the regular school year and the summer for general and special school purposes.

Sec. 15. [124A.26] REDUCTION TO GENERAL EDUCATION REVENUE.

Subdivision 1. REVENUE REDUCTION. A district's general education revenue for a school year shall be reduced if the net unappropriated operating fund balance as of June 30 in the second prior school year exceeds \$600 times the actual pupil units in the second prior year. The amount of the reduction shall equal the lesser of:

(1) the amount of the excess, or

(2) \$150 times the actual pupil units for the school year.

Subd. 2. LEVY REDUCTION. If a district's general education revenue is reduced, the general education levy shall be reduced by the following amount:

(1) the reduction specified in subdivision 1, times

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(2) the lesser of one or the ratio of the district's general education levy to its general education revenue.

Subd. 3. AID REDUCTION. A district's general education aid shall be reduced by an amount equal to the difference between the revenue reduction and the levy reduction.

Sec. 16. [124A.27] RESERVED REVENUE FOR CERTAIN PROGRAMS.

Subdivision 1. REQUIREMENT. An amount equal to 1.85 percent of the basic revenue under section 11, subdivision 2, shall be reserved and may be used only to provide one or more of the programs enumerated in this section. The school board shall determine which programs to provide, the manner in which they will be provided, and the extent to which other money may be used for the programs. Except for the requirements of sections 17 and 18, the remaining general education revenue under section 11 and supplemental revenue under section 14 may be used to provide one or more of the programs enumerated in this section.

Subd. 2. STATE ASSISTANCE. The state board of education and the commissioner of education shall provide assistance to school boards offering the programs enumerated in this section. The state board or commissioner may establish an advisory committee for any program area. Technical assistance shall be provided commensurate with school board and district needs. State board of education rules apply to all programs or portions of programs offered.

Subd. 3. SEPARATE RECORDS. A district offering any program enumerated in this section shall maintain records of the expenditures for each program offered.

Subd. 4. ARTS EDUCATION. A school board may use the reserved revenue to provide a variety of arts education programs for its pupils and staff. The programs may involve staff development, curriculum offerings, and arts activities for all forms of creative and artistic endeavors.

Subd. 5. CHEMICAL ABUSE PREVENTION. A school board may use the reserved revenue to offer a program to prevent chemical abuse among pupils in public and nonpublic schools and area vocational technical institutes.

Subd. 6. GIFTED AND TALENTED. A school board may use the reserved revenue to offer programs for gifted and talented pupils.

Subd. 7. INTERDISTRICT COOPERATION TO EXPAND CURRICULUM. A school board may use the reserved revenue to expand curricular offerings in secondary mathematics, secondary science, foreign languages, and computer usage by entering into cooperation agreements with other school boards. The agreements shall emphasize instruction and minimize administrative costs.

Subd. 8. PROGRAMS OF EXCELLENCE. A school board may use the

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reserved revenue for a secondary academic program designated by the commissioner of education as a program of excellence. The commissioner shall establish criteria for the programs of excellence and may approve applications of not more than 100 nonresident pupils to attend the programs full-time. The district of attendance may count a pupil attending a program as a resident pupil for the purpose of determining aids and levies.

Subd. 9. SUMMER PROGRAMS. A school board may use the reserved revenue to provide summer instructional programs that are offered for credit or required for graduation or that provide academic enrichment or remediation. The reserved revenue may not be used for recreational sports, leisure activities, entertainment, recreational activities, crafts, hobbies, or any other classes of a similar nature. Summer programs for a handicapped pupil shall relate to the pupil's individual education plan.

Subd. 10. LIABILITY INSURANCE. A school board may use the reserved revenue to procure liability insurance, according to section 466.06.

Sec. 17. [124A.28] COMPENSATORY EDUCATION REVENUE.

Subdivision 1. USE OF THE REVENUE. The compensatory education revenue under section 11, subdivision 3, may be used only to meet the special educational needs of pupils whose educational achievement is below the level that is appropriate for pupils of their age. These needs may be met by providing at least some of the following:

(1) remedial instruction in reading, language arts, and mathematics to improve the achievement level of these pupils;

(2) additional teachers and teacher aides to provide more individualized instruction to these pupils;

(3) summer programs that enable these pupils to improve their achievement or that reemphasize material taught during the regular school year;

(4) in-service education for teachers, teacher aides, principals, and other personnel to improve their ability to recognize these pupils and provide appropriate responses to the pupils' needs;

(5) for instruction of these pupils, textbooks, workbooks, periodicals, pamphlets, photographs, reproductions, filmstrips, prepared slides, prerecorded video programs, sound recordings, desk charts, games, study prints and pictures, desk maps, models, learning kits, blocks and cubes, flashcards, instructional computer software programs, pencils, pens, crayons, notebooks, duplicating fluids, and papers;

(6) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to deter-

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mine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services; and

(7) bilingual programs, bicultural programs, and programs for pupils of limited English proficiency.

Subd. 2. SEPARATE ACCOUNTS. Each district that receives compensatory education revenue shall maintain separate accounts to identify expenditures for salaries and programs related to this revenue.

Sec. 18. [124A.29] **RESERVED REVENUE FOR STAFF DEVELOPMENT.**

Of a district's basic revenue under section 11, subdivision 2, an amount equal to \$10 times the number of actual pupil units shall be reserved and may be used only to provide staff development programs, according to article 8, sections 27 and 28. The school board shall determine which programs to provide, the manner in which they will be provided, and the extent to which other money may be used for the programs.

Sec. 19. Minnesota Statutes 1986, section 129B.43, subdivision 1, is amended to read:

Subdivision 1. **AUTHORIZATION.** A school district or group of districts that wishes to receive a grant for may establish an improved learning programs may apply to the council on quality education for approval program. Programs may be approved for one portion of a school population, one or several attendance areas, or one of a group of districts.

Sec. 20. Minnesota Statutes 1986, section 129B.43, subdivision 4, is amended to read:

Subd. 4. **RULES AND RIGHTS.** ~~On recommendation of the council of quality education;~~ The state board of education may waive school district compliance with its rules which would prevent implementation of an improved learning program. Participation in an improved learning program as a principal-teacher, counselor-teacher, or career teacher shall not affect seniority in the district or rights under the applicable collective bargaining agreement.

Sec. 21. Minnesota Statutes 1986, section 275.125, subdivision 4, is amended to read:

Subd. 4. **MISCELLANEOUS LEVY AUTHORIZATIONS.** A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7) (C); as it read in Minnesota Statutes 1974; the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's

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obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; and the amounts necessary to pay the district's obligations under section 122.533; ~~and the amounts necessary to pay the district's insurance premium costs under section 466.06.~~

Sec. 22. Minnesota Statutes 1986, section 466.06, is amended to read:

466.06 LIABILITY INSURANCE.

The governing body of any municipality may procure insurance against liability of the municipality and its officers, employees, and agents for damages resulting from its torts and those of its officers, employees, and agents, including torts specified in section 466.03 for which the municipality is immune from liability. The insurance may provide protection in excess of the limit of liability imposed by section 466.04. ~~If the a municipality other than a school district has the authority to levy taxes, the premium costs for such insurance may be levied in excess of any per capita or millage tax limitation imposed by statute or charter. However, a school district may not levy pursuant to this section for premium costs for motor vehicle insurance protecting against injuries or damages arising out of the operation of district owned, operated, leased, or controlled vehicles for the transportation of pupils for purposes for which state aid is authorized under section 124.223, or for purposes for which the district is authorized to levy under section 275.125, subdivision 5d.~~ Any independent board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly procure liability insurance with respect to the field of its operation. The procurement of such insurance constitutes a waiver of the defense of governmental immunity to the extent of the liability stated in the policy but has no effect on the liability of the municipality beyond the coverage so provided.

Sec. 23. MILL RATE ADJUSTMENT AID.

Subdivision 1. DEFINITIONS. For purposes of this section the following terms have the meanings given them.

"Fiscal year 1988 qualifying mills" means the sum of a district's basic foundation levy, tier levies, declining pupil unit levy, summer program levy, interdistrict cooperation levy and liability insurance levy for the 1987-1988 school year divided by the district's 1985 adjusted assessed valuation.

"Fiscal year 1989 qualifying mills" means the sum of a district's maximum general education levy and supplemental levy for the 1988-1989 school year divided by the district's 1986 adjusted assessed valuation.

"Excess foundation mill increase" is the greater of zero or the result obtained by subtracting the fiscal year 1988 qualifying mills plus 0.002 from the fiscal year 1989 qualifying mills.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. MILL RATE ADJUSTMENT AID. For the 1988-1989 school year a district shall receive mill rate adjustment aid equal to one-half of the excess foundation mill increase times the 1986 adjusted assessed valuation.

Subd. 3. LEVY REDUCTION; MILL RATE ADJUSTMENT AID. For any district that will receive mill rate adjustment aid according to subdivision 2, the general education levy limitation for the 1988-1989 school year shall be reduced by the amount of the mill rate adjustment aid.

Sec. 24. [124A.30] STATEWIDE AVERAGE REVENUE.

By October 1 of each year the commissioner shall estimate the statewide average foundation revenue or general education revenue per actual pupil unit and provide that information to all school districts.

Sec. 25. NONCOMPLIANCE WITH PAY EQUITY.

Subdivision 1. [1987 REPORT.] A school district that employs ten or more people and that did not submit a report according to Minnesota Statutes, section 471.998, shall submit a report by October 1, 1987, to the commissioner of employee relations. The report must include:

(1) a summary of the results of the district's study of its need to establish equitable compensation for its employees;

(2) the amount of the total annual payroll of the district, and the annual cost of implementing equitable compensation; and

(3) the plan for implementing equitable compensation for the employees, including a timetable for stages of implementation. The plan must provide for complete implementation not later than December 31, 1991. The plan does not have to contain a market study.

Subd. 2. TOTAL COST FREEZE. Any district that does not comply with subdivision 1, must not expend for the total costs of district administration and supervision more during the 1987-1988 school year than it did during the 1986-1987 school year.

Administration and supervision costs include all costs related to the school board, office of the superintendent, central office, district support services, and administrative and supervisory staff. It includes all costs related to the administration and supervision of elementary education, secondary education, special education, vocational education, community education, food service, transportation services, building operations and maintenance, and other programs.

It does not include principals, assistant principals, direct costs of classroom teaching, and professional support services for pupils such as library, social work, health, and counseling.

The costs shall be determined according to the uniform financial accounting and reporting categories of district and school administration, district support

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services, and all executive and managerial salaries and their related expenditures. Expenditures related to principals and assistant principals must not be included in any category.

Subd. 3. AID REDUCTION FOR ADMINISTRATION COSTS. By October 1, 1987, the commissioner of employee relations shall certify to the commissioner of education the school districts that have not complied with subdivision 1. For each of these school districts, the commissioner of education shall reduce foundation aid for the 1988-1989 school year by an amount equal to five percent of the district's administration costs for the 1986-1987 school year. If the reduction exceeds the district's foundation aid, the reduction shall be made from other aids paid to the district.

Sec. 26. APPROPRIATION.

Subdivision 1. TO DEPARTMENT OF EDUCATION. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. FOUNDATION AID. For foundation aid there is appropriated:

\$851,283,900 1988,

\$126,482,100 1989.

The appropriation for aid for fiscal year 1988 includes \$121,712,400 for aid for fiscal year 1987 payable in fiscal year 1988 and \$729,571,500 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriation for aid for fiscal year 1989 is for aid for fiscal year 1988 payable in fiscal year 1989.

Subd. 3. GENERAL AND SUPPLEMENTAL EDUCATION AID. For general and supplemental education aid there is appropriated:

\$960,483,600 1989.

The appropriation is for aid for fiscal year 1989 payable in fiscal year 1989.

Subd. 4. TEACHER RETIREMENT AND FICA AID. For teacher retirement and FICA aid there is appropriated:

\$236,700,000 1988,

\$ 35,775,000 1989.

The appropriation for aid for fiscal year 1988 includes \$33,975,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$202,725,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 is for aid for fiscal year 1988 payable in fiscal year 1989.

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The appropriations are based on an aid entitlement of \$238,500,000 for fiscal year 1988.

Subd. 5. SUMMER PROGRAMS. For summer program aid according to Minnesota Statutes, section 124A.033, subdivision 3, there is appropriated:

\$8,177,800 1988.

The appropriation for fiscal year 1988 is for aid for programs in summer 1987.

Sec. 27. REPEALER.

Subdivision 1. JUNE 30, 1987. Minnesota Statutes 1986, sections 124.185; 124.65; 124.66; 124A.02, subdivisions 2, 7, and 14; 124A.03, subdivisions 1, 1a, 3, 4, and 6; 124A.06, subdivision 3a; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivision 5a; 124A.20, subdivision 2; 129B.01; 129B.02; 129B.04; 129B.05; 129B.32, subdivisions 2 and 5; 129B.33; 129B.36; and 275.125, subdivisions 3 and 8a, are repealed June 30, 1987.

Subd. 2. MAY 30, 1988. Minnesota Statutes 1986, section 124A.033, is repealed May 30, 1988.

Subd. 3. JUNE 30, 1988. Minnesota Statutes 1986, sections 124.17, subdivisions 1a and 2d; 124.2161; 124.2162; 124.2163; 124.246; 124.247; 124.272; 124.275; 124A.01; 124A.02, subdivisions 5, 6, 9, 11, 12, and 13; 124A.035, subdivision 1; 124A.06, subdivisions 1, 1a, 1b, 2, and 4; 124A.08, subdivisions 1, 2, 4, and 5; 124A.10, subdivisions 1, 2, and 4; 124A.12, subdivisions 1, 2, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, and 6; 124A.16; 124A.20, subdivisions 1 and 3; 124A.21; 126.031, subdivision 2; 126.60; 126.62; 126.64; 129B.43, subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; and 129B.67 are repealed June 30, 1988.

Subd. 4. EFFECT OF REPEALER. According to Minnesota Statutes, section 645.35, the repeal of the sections listed in this section does not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids payable in fiscal year 1989, that are attributable to the 1987-1988 school year under or by virtue of the sections repealed.

Sec. 28. EFFECTIVE DATE.

Sections 2, 11, 12, 13, 14, 15, 16, 17, and 18 are effective for revenue for the 1988-1989 school year and thereafter.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1986, section 124.223, is amended to read:

124.223 TRANSPORTATION AID AUTHORIZATION.

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

(1) **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;

For the purposes of this clause, a district may designate a licensed day care facility or the residence of a relative as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends.

(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 handicap-

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ped pupils between home and school shall not be subject to any distance requirement for children not yet enrolled in kindergarten or 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 ACADEMIES.** Transportation for residents to and from the Minnesota ~~school~~ state academy for the deaf or the Minnesota ~~braille and sight-saving school~~ state academy for the blind;

(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.

Sec. 2. Minnesota Statutes 1986, section 124.225, subdivision 1, is amended to read:

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

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(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);~~

~~(1) For the purposes of this section, transportation categories for the 1986-1987 and 1987-1988 school year and thereafter years are as follows:~~

~~(1) (i) 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); and~~

~~(2) (ii) 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).~~

(2) For purposes of this section, for the 1988-1989 school year and after:

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(i) regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding the following transportation services provided under section 124.223, clause (1): transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; late transportation home from school for pupils involved in after school activities; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and

(ii) nonregular transportation is transportation services provided under section 124.223, clause (1) that are excluded from the regular category, 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 counseling services and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

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

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

(k) (i) "Base cost" for the 1984-1985 and 1985-1986 base years means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation. Base cost for the 1986-1987 base year and after means the ratio of:

(1) the sum of:

(i) the authorized cost in the base year for regular transportation as defined in clause (b), plus

(ii) the actual cost in the base year for transportation to and from school of secondary pupils who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the actual cost in the base year for transportation costs which are necessary because of extraordinary traffic hazards,

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(2) to the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the number of pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards.

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

Sec. 3. Minnesota Statutes 1986, section 124.225, subdivision 4b, is amended to read:

Subd. 4b. **FORMULA TERMS, 1984-1985 AND AFTER.** (a) To predict the logarithm of the base cost for each district pursuant to subdivision 3 for ~~each school year~~ the 1985-1986 base 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.

(b) To predict the logarithm of the base cost for each district according to subdivision 3 for the 1986-1987 base year and thereafter, the multiple regression formula shall use the following terms for each district:

(1) the logarithm of the lesser of:

(A) 200; or

(B) the quotient obtained by dividing the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

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(iii) the number of pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards,

(C) by the area of the district in square miles;

(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.

Sec. 4. Minnesota Statutes 1986, section 124.225, subdivision 7b, is amended to read:

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~~ 6.0 percent to determine the district's aid entitlement per FTE for the ~~1984-1985~~ 1986-1987 school year, by ~~8.9~~ 4.9 percent to determine the district's aid entitlement per FTE for the ~~1985-1986~~ 1987-1988 school year, and by ~~6.0~~ 4.1 percent to determine the district's aid entitlement per FTE for the ~~1986-1987~~ 1988-1989 school year.

Sec. 5. Minnesota Statutes 1986, section 124.225, subdivision 8a, is amended to read:

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.~~

(a) For the 1986-1987 and 1987-1988 school year and each year thereafter ~~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 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.

(b) For the 1988-1989 school year and thereafter, a district's transportation aid is equal to the sum of its basic transportation aid under subdivision 8b, its

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nonregular transportation aid under subdivision 8i, and its nonregular transportation levy equalization aid under subdivision 8j, minus its contracted services aid reduction under subdivision 8k, minus its basic transportation levy limitation for the levy attributable to that school year under section 275.125, subdivision 5.

(c) 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.

Sec. 6. Minnesota Statutes 1986, section 124.225, subdivision 8i, is amended to read:

Subd. 8i. **NONREGULAR TRANSPORTATION AID.** ~~For the 1984-1985 school year and each year thereafter, (a)~~ A district's nonregular transportation aid shall be determined pursuant according to this subdivision.

(b) For the 1986-1987 and 1987-1988 school years, nonregular transportation aid shall equal ~~(a)~~ (1) 20 percent of the first \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 40 percent of the next \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$20, times ~~(b)~~ (2) the number of total pupil units in the district in the current year.

(c) For the 1988-1989 school year and thereafter, nonregular transportation aid equals (1) 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$30, times (2) the number of total pupil units in the district in the current year.

Sec. 7. Minnesota Statutes 1986, section 124.225, subdivision 10, is amended to read:

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

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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~~ the district's basic transportation levy limitation under section 275.125, subdivision 5, plus

(3) the district's contract services aid reduction under subdivision 8k, plus

(4) the district's nonregular transportation levy limitation under section 275.125, subdivision 5c.

Sec. 8. Minnesota Statutes 1986, section 275.125, subdivision 5, is amended to read:

Subd. 5. **BASIC TRANSPORTATION LEVY.** ~~For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of 2.25 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year. Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation mill rate times the adjusted assessed valuation of the district for the preceding year. The commissioner of revenue shall establish the basic transportation mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The basic transportation mill rate shall be a rate, rounded up to the nearest hundredth of a mill, that, when applied to the adjusted assessed valuation of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation mill rate for the 1987 payable 1988 levies and for transportation aid for the 1988-1989 school year shall be the rate that raises \$71,256,100. The basic transportation mill rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.~~

Sec. 9. Minnesota Statutes 1986, section 275.125, subdivision 5c, is amended to read:

Subd. 5c. **NONREGULAR TRANSPORTATION LEVY.** A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall not exceed the product of:

(a) the district's unreimbursed nonregular transportation revenue determined pursuant to section 124.225, subdivision 8j, clause (a), times

(b) the lesser of

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(i) one, or

(ii) the ratio of the district's adjusted assessed valuation for the preceding year per total pupil unit in the school year to which the levy is attributable, to the equalizing factor for the school year to which the levy is attributable \$83,800.

Sec. 10. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 5e. EXCESS TRANSPORTATION LEVY. A school district may make a levy for excess transportation costs according to this subdivision. The amount of the levy shall be the result of the following computation:

(a) Multiply the base cost computed using data for the current school year according to section 124.225, subdivision 1, paragraph (k), by the sum of the number of secondary pupils transported to and from school in the current year who live more than one mile but less than two miles from the public school which they could attend or the nonpublic school actually attended, plus the number of pupils residing less than one mile from school who were transported to and from school in the current year due to extraordinary traffic hazards.

(b) Add to the result in paragraph (a) the actual cost in the current year of other related services that are necessary because of extraordinary traffic hazards.

Sec. 11. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 5f. BUS PURCHASE LEVY. A school district may levy the amount necessary to eliminate any projected deficit in the reserved fund balance account for bus purchases in its transportation fund as of June 30 of the school year beginning in the calendar year following the calendar year the levy is certified.

Sec. 12. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 5g. CONTRACTED SERVICES LEVY. A school district may levy an amount equal to the aid subtraction computed according to section 124.225, subdivision 8k, for the school year beginning in the year the levy is certified.

Sec. 13. APPROPRIATIONS.

Subdivision 1. TO DEPARTMENT OF EDUCATION. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

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

\$90,477,000 1988,

\$87,334,800 1989.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The appropriation for aid for fiscal year 1988 includes \$12,194,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$78,282,700 for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$13,814,600 for aid for fiscal year 1988 payable in fiscal year 1989 and \$73,520,200 for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$92,097,200 for fiscal year 1988 and \$86,494,300 for fiscal year 1989.

Subd. 3. TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS. For transportation of pupils who attend post-secondary institutions according to Minnesota Statutes, section 123.3514, there is appropriated:

\$75,000 1988,

\$75,000 1989.

The commissioner shall allocate this appropriation among school districts based upon guidelines adopted by the state board of education under Minnesota Statutes, section 123.3514, subdivision 8.

Subd. 4. DESEGREGATION TRANSPORTATION GRANTS. For transportation grants to districts implementing desegregation plans mandated by the state board:

\$5,234,200 1988.

Of this amount, \$1,966,500 shall be allocated to independent school district No. 625, St. Paul; and \$3,267,700 to special school district No. 1, Minneapolis. These amounts may be used only for unreimbursed costs for desegregation transportation during the 1986-1987 and 1987-1988 school years.

Sec. 14. REPEALER.

Minnesota Statutes 1986, sections 124.225, subdivision 1a, and 275.125, subdivision 5d, are repealed.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1986, section 120.03, subdivision 1, is amended to read:

Subdivision 1. Every child who has a hearing impairment, visual handicap, speech or language impairment, physical handicap, other health impairment,

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mental handicap, emotional/behavioral disorder, specific learning disability, or deaf/blind handicap and needs special instruction and services, as determined by the standards of the state board, is a handicapped child. In addition, every child under age five who needs special instruction and services, as determined by the standards of the state board, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a handicapped child.

Sec. 2. Minnesota Statutes 1986, section 120.17, subdivision 1, is amended to read:

Subdivision 1. **SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN.** Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03. School age means the ages of three to Special instruction and services must be provided from birth until September 1 after the handicapped child becomes 21 years for children who are handicapped as defined in section 120.03 and old but shall not extend beyond secondary school or its equivalent. For purposes of this subdivision, the age of a handicapped child shall be the age as of September 1 of the calendar year in which the school year for which the child seeks special instruction and services commences. Every district may provide special instruction and services for handicapped children who have not attained school age. Local health, education, and social service agencies shall refer children from under age three to five who are known to need or suspected of needing special instruction and services to the school district. ~~A school district is encouraged to contract with a developmental achievement center when the center is most efficient for the district and when the center provides continuity of special instruction and services for handicapped children under the age of five and their families.~~ Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full range of programs for education and services for handicapped children. This subdivision does not alter the compulsory attendance requirements of section 120.10.

Sec. 3. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 1b. HIGH SCHOOL DIPLOMA. Upon completion of secondary school or the equivalent, a handicapped pupil who satisfactorily attains the objectives in the pupil's individual education plan shall be granted a high school diploma that is identical to the diploma granted to a nonhandicapped pupil.

Sec. 4. Minnesota Statutes 1986, section 120.17, subdivision 2, is amended to read:

Subd. 2. **METHOD OF SPECIAL INSTRUCTION.** Special instruction and services for handicapped children must be based on the assessment and individual education plan. The instruction and services may be provided by one or more of the following methods:

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(a) in connection with attending regular elementary and secondary school classes;

(b) establishment of special classes;

(c) at the home or bedside of the child;

(d) in other districts;

(e) instruction and services ~~in~~ by special education cooperative centers established under this section, or in another member district of the cooperative center to which the resident district of the handicapped child belongs;

(f) ~~in a state university laboratory school or a University of Minnesota laboratory school;~~

~~(g)~~ in a state residential school or a school department of a state institution approved by the commissioner;

~~(h)~~ (g) in other states;

~~(i)~~ (h) by contracting with public, private or voluntary agencies;

~~(j)~~ (i) for children under age five and their families, programs and services established through collaborative efforts with other agencies ~~or within the district; and~~

(j) for children under age five and their families, programs in which handicapped children are served with nonhandicapped children; and

(k) any other method approved by the commissioner.

Preference shall be given to providing special instruction and services to children under age three and their families in the residence of the child with the parent or primary caregiver, or both, present.

The primary responsibility for the education of a handicapped child shall remain with the district of the child's residence regardless of which method of providing special instruction and services is used. The district of residence must inform the parents of the child about the methods of instruction that are available.

Sec. 5. Minnesota Statutes 1986, section 120.17, subdivision 3, is amended to read:

Subd. 3. **RULES OF THE STATE BOARD.** The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions

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3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, ~~may adopt emergency rules and~~ shall adopt permanent rules for instruction and services for children ~~from under age three to five~~ and their families. Until June 30, 1988, a developmental achievement center ~~contracting with~~ under contract to a school district to provide special instruction and services is eligible for variance from rules relating to personnel licensure. Until June 30, 1988, the licensure variance for a developmental achievement center shall be granted according to the same procedures and criteria used for granting a variance to a school district. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 6. Minnesota Statutes 1986, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. **SCHOOL DISTRICT OBLIGATIONS.** Every district shall ensure that:

(a) (1) all handicapped children are provided the special instruction and services which are appropriate to their needs; The student's needs and the special education instruction and services to be provided shall be agreed upon through the development of an individual education plan. The plan shall address the student's need to develop skills to live and work as independently as possible within the community. By grade nine or age 14, the plan shall address the student's needs for transition from secondary services to post-secondary education and training, employment, and community living;

~~(b) (2)~~ handicapped children ~~from under age three to five~~ and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

~~(c) (3)~~ handicapped children and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment and educational placement of handicapped children;

~~(d) (4)~~ to the maximum extent appropriate, handicapped children, including those in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular educational environment occurs only when and to the extent that the nature or severity of the handicap is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

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(e) (5) in accordance with recognized professional standards, testing and evaluation materials and procedures utilized for the purposes of classification and placement of handicapped children are selected and administered so as not to be racially or culturally discriminatory; and

(f) (6) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

Sec. 7. Minnesota Statutes 1986, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. **PROCEDURES FOR DECISIONS.** Every district shall utilize at least the following procedures for decisions involving identification, assessment and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause (d) at the district's initiative ~~after at least one attempt to obtain this consent through a conciliation conference held pursuant to clause (e);~~

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) Parents, guardians and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides, if ~~after at least one conciliation conference~~ the parent or guardian continues to object to:

(1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

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(2) the proposed placement of their child in, or transfer of their child to a special education program;

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with the person's objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the hearing review officer by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

(1) be in writing;

(2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;

(3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;

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(4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(f) Any local decision issued pursuant to clauses (d) and (e) may be appealed to the hearing review officer within 15 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(h) The commissioner of education, having delegated general supervision of special education to the appropriate staff, shall be the hearing review officer except for appeals in which:

(1) the commissioner has a personal interest in or specific involvement with the student who is a party to the hearing;

(2) the commissioner has been employed as an administrator by the district that is a party to the hearing;

(3) the commissioner has been involved in the selection of the administrators of the district that is a party to the hearing;

(4) the commissioner has a personal, economic, or professional interest in

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the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

(5) the appeal challenges a state or local policy which was developed with substantial involvement of the commissioner; or

(6) the appeal challenges the actions of a department employee or official.

For any appeal to which the above exceptions apply, the state board of education shall name an impartial and competent hearing review officer.

In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(i) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(j) The child's school district of residence, if different from the district where the child actually resides, shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

Sec. 8. Minnesota Statutes 1986, section 120.17, subdivision 5, is amended to read:

Subd. 5. **SCHOOL OF PARENTS' CHOICE.** Nothing in this chapter shall be construed as preventing parents of a handicapped ~~educable~~ child from sending such child to a school of their choice, if they so elect, subject to admission standards and policies ~~to be adopted pursuant~~ according to the provisions of sections 128A.01 to 128A.07 chapter 128A, and all other provisions of chapters 120 to 129.

Sec. 9. Minnesota Statutes 1986, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. **ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.** Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota ~~School~~ state academy for the deaf or the Minnesota ~~Braille and Sight-Saving School~~ state academy for the blind shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which the child's parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivisions 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a

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tuition charge to the child's district of residence for the actual cost of providing the program; provided, however, that effective for the 1983-1984 school year and thereafter, the amount of tuition charged shall not exceed the sum of \$1,000 plus the foundation aid formula allowance of the district for that child, for an entire school year, or a prorated amount based on the portion of the school year for which the child is a resident of the district or is actually in membership in the program. For purposes of this subdivision, "foundation aid formula allowance" shall have the meaning attributed to it in section 124.32, subdivision 1a. The district of the child's residence shall pay the tuition and may claim foundation aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision. All tuition received by the state board shall be deposited in the state treasury.

(c) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(d) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to make a tuition charge for less than the amount specified in clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (c) for providing appropriate educational programs to pupils attending the applicable school.

(e) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to supply staff from the Minnesota ~~School~~ state academy for the deaf and the Minnesota ~~Braille and Sight-Saving School~~ state academy for the blind to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

Sec. 10. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 11a. STATE INTERAGENCY COORDINATING COUNCIL. An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of handicapped children under age seven, a representa-

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tive of each of the commissioners of education, health, and human services, three representatives of public or private providers of services for handicapped children under age five, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one representative of advocacy organizations for handicapped children, and other members knowledgeable about handicapped children under age five. Section 15.059 applies to the council, except that the council is permanent and does not expire. The council shall meet at least quarterly.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary inter-agency programs of early intervention services for handicapped children and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for handicapped children under age five and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable handicapped children to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.

Each year by January 15 the council shall submit its recommendations to the education committees of the legislature, the governor, and the commissioners of education, health, and human services.

Sec. 11. Minnesota Statutes 1986, section 120.17, subdivision 12, is amended to read:

Subd. 12. **INTERAGENCY EARLY LEARNING INTERVENTION COMMITTEE.** A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, shall establish an interagency early ~~learning~~ intervention committee for handicapped children under age five and their families. Members of the committee shall be representatives of local and regional health, education, and county

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human service agencies; developmental achievement centers county boards; school boards; early childhood family education programs; current service providers; parents of young handicapped children; and other private or public agencies as appropriate. The committee shall elect a chair from among its members and shall meet regularly at least quarterly. The committee shall perform the following ongoing duties:

(1) identify current services and funding being provided within the community for handicapped children under the age of five and their families;

(2) establish and evaluate the identification, referral, and community learning systems to recommend, where necessary, alterations and improvements;

(3) facilitate the development of ~~interagency~~ individual education plans and individual service plans when necessary to appropriately serve handicapped children under the age of five and their families and recommend assignment of financial responsibilities to the appropriate agencies;

(4) implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

(5) review and comment on the early learning intervention section of the total special education system for the district and the county social services plan; and

(5) ~~review and comment on the funding sources that currently exist for the services being provided to handicapped children under the age of five and their families in the area~~

(6) facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services.

The departments of education, health, and human services are encouraged to provide assistance to the local agencies in developing cooperative plans for providing services.

Sec. 12. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 14. MAINTENANCE OF EFFORT. A county human services agency or county board shall continue to provide services set forth in their county social service agency plan for handicapped children under age five and their families or as specified in the individual service plan and individual habilitation plan of each child. Special instruction and services for which a handicapped child is eligible under this section are not the responsibility of the local human services agency or county board. It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services not required under this section and to facilitate payment for services from public and private sources. School districts and counties are encouraged to enter into agreements to cooperatively serve and provide funding for handicapped children under age five and their families.

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Sec. 13. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 15. THIRD PARTY PAYMENT. Nothing in this section relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services to a handicapped child.

Sec. 14. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 16. COMMUNITY TRANSITION INTERAGENCY COMMITTEE. A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, shall establish a community transition interagency committee for handicapped youth, beginning at grade nine or age equivalent, and their families. Members of the committee shall consist of representatives from special education; vocational and regular education; community education; post-secondary education and training institutions; parents of handicapped youth; local business or industry; rehabilitation services; county social services; health agencies; and additional public or private adult service providers as appropriate. The committee shall elect a chair and shall meet regularly. The committee shall:

(1) identify current services, programs, and funding sources provided within the community for secondary and post-secondary aged handicapped youth and their families;

(2) facilitate the development of multiagency teams to address present and future transition needs of individual students on their individual education plans;

(3) develop a community plan to include mission, goals, and objectives, and an implementation plan to assure that transition needs of handicapped individuals are met;

(4) recommend changes or improvements in the community system of transition services;

(5) exchange agency information such as appropriate data, effectiveness studies, special projects, exemplary programs, and creative funding of programs; and

(6) prepare a yearly summary assessing the progress of transition services in the community and disseminate it to all adult services agencies involved in the planning and to the commissioner of education by September 1 of each year.

Sec. 15. Minnesota Statutes 1986, section 123.39, subdivision 1, is amended to read:

Subdivision 1. The board may provide for the free transportation of pupils to and from school, and to schools in other districts for grades and departments

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not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. Every driver shall possess all the qualifications required by the rules of the state board of education. In any school district, the board shall arrange for the attendance of all pupils living two miles or more from the school through suitable provision for transportation or through the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. The board shall provide transportation to and from the home of a handicapped child not yet enrolled in kindergarten when special instruction and services under section 120.17 are provided in a location other than in the child's home. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control and management of the school board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 16. Minnesota Statutes 1986, section 124.17, subdivision 1, is amended to read:

Subdivision 1. **PUPIL UNIT.** Pupil units for each resident pupil in average daily membership shall be counted ~~as follows:~~ according to this subdivision.

(1) (a) A handicapped prekindergarten pupil who is enrolled for the entire school year in a program approved by the commissioner, for each handicapped prekindergarten pupil, one-half pupil unit for and has an individual education plan that requires up to 437 hours of assessment and education services in the school year as provided in the pupil's individual education plan or, for is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, a number of pupil units equal to the pupil is counted as the ratio of the number of hours of assessment and 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:

(b) A handicapped prekindergarten pupil who is enrolled for less than the entire school year in a program approved by the commissioner is counted as the greater of (1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year, or (2) the ratio of the number of hours of assessment and education service required in the school year by the pupil's individual education program plan to 875, but not more than one.

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(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(a) for each (d) A handicapped kindergarten pupil; as defined in section 120.03; who is enrolled in a program approved by the commissioner; a number of pupil units equal to is counted as the ratio of the number of hours of assessment and 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 (c) A 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 pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(e) for other elementary pupils; one pupil unit (f) A pupil who is in any of grades one to six is counted as one pupil unit.

(3) in secondary schools, 1-4/10 (g) For the 1987-1988 school year, a pupil who is in any of grades seven to 12 is counted as 1.4 pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils. For the 1988-1989 and later school years, a pupil who is in any of grades seven to 12 is counted as 1.35 pupil units.

Sec. 17. Minnesota Statutes 1986, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. **TEACHERS SALARIES.** Each year 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~~ 61 percent of the salary or ~~\$18,100~~ \$17,000. The portion for a part-time or limited-time teacher shall be the lesser of ~~65~~ 61 percent of the salary or the product of ~~\$18,100~~ \$17,000 times the ratio of the person's actual employment to full-time employment.

Sec. 18. Minnesota Statutes 1986, section 124.32, subdivision 1b, is amended to read:

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 an amount not to exceed the lesser of ~~70~~ 66 percent of the salary or ~~\$19,500~~ \$18,400. The portion for a part-time or limited-time person shall be an

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amount not to exceed the lesser of ~~70~~ 66 percent of the salary or the product of ~~\$19,500~~ \$18,400 times the ratio of the person's actual employment to full-time employment.

Sec. 19. Minnesota Statutes 1986, section 124.32, subdivision 1d, is amended to read:

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 (i), by contract with public, private or voluntary agencies other than school districts, the state shall pay each district ~~55~~ 52 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~~ 52 percent of the difference between the amount of the contract and the summer school revenue allowance of the district attributable to that pupil.

Sec. 20. Minnesota Statutes 1986, section 124.32, subdivision 2, is amended to read:

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~~ 47 percent of the sum actually expended by the district but not to exceed an average of ~~\$50~~ \$47 in any one school year for each handicapped child receiving instruction.

Sec. 21. Minnesota Statutes 1986, section 124.32, subdivision 5, is amended to read:

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~~ 57 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~~ 57 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~~ state academy for the deaf or the Minnesota ~~braille and sight-saving school~~ state academy for the blind.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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.

Sec. 22. Minnesota Statutes 1986, section 124.573, is amended to read:

124.573 CURRENT FUNDING FOR SECONDARY VOCATIONAL EDUCATION.

Subdivision 1. The state shall pay aids for secondary vocational programs on a current funding basis.

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 approved 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 incurred in an approved secondary vocational program for each the 1986-1987 school year. The state shall pay to any district or cooperative center 39 percent of the eligible expenses incurred in an approved secondary vocational program for the 1987-1988 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.

Subd. 2b. SECONDARY VOCATIONAL AID. For 1988-1989 and later school years, a district's or cooperative center's "secondary vocational aid" for secondary vocational education programs for a school year equals the sum of the following amounts:

(a) the greater of zero, or 75 percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or cooperative center's approved secondary vocational education programs, and

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(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in secondary vocational courses; and

(b) 30 percent of approved expenditures for the following:

(1) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under section 124.573, subdivision 3a;

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

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

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

(5) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) specialized vocational instructional supplies.

Subd. 2c. COOPERATIVE CENTERS. In making the computation in subdivision 2b, paragraph (a), clause (2), for a cooperative center, the general education revenue is the average of the sums for each member district.

Subd. 3. **COMPLIANCE WITH RULES.** This Aid shall be paid under this section only for services rendered or for the costs ~~designated in subdivision 2~~ which are incurred in secondary vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board of education. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid. The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The state board of education shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for ~~travel~~ costs incurred by essential, licensed personnel who meet the work experience requirements for

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licensure pursuant to the rules of the state board of education. Licensed personnel means persons holding a valid secondary vocational license issued by the department of education, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district numbers 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the department of education or the state board for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine 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.

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. For the 1986-1987 school year, the state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. For the 1987-1988 school year, the state shall pay each district or cooperative center 35 percent of the amount of a contract entered into under 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.~~

Subd. 4. **ALLOCATIONS; COOPERATIVES, INTERMEDIATE DISTRICTS.** All secondary vocational education aid shall be paid to the district or cooperative center providing the services. All secondary vocational education aid received by a district or center from any source shall be utilized solely for the purposes of secondary vocational education programs.

Sec. 23. Minnesota Statutes 1986, section 124.574, subdivision 2b, is amended to read:

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 an amount not to exceed the lesser of 70 66 percent of the salary or \$19,500 \$18,400. The portion for a part-time or limited-time person shall be the lesser of 70 66 percent of the salary or the product of \$19,500 \$18,400 times the ratio of the person's actual employment to full-time employment.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 24. Minnesota Statutes 1986, section 124.574, subdivision 3, is amended to read:

Subd. 3. **EQUIPMENT, TRAVEL, AND SUPPLIES.** In addition to the provisions of subdivision ~~2~~ 2b, the state shall pay for each school year; ~~except for the 1982-1983 school year:~~

(a) ~~50~~ 47 percent of the costs of necessary equipment for these secondary vocational education programs for handicapped children;

(b) ~~50~~ 47 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers of handicapped children, but not including travel to and from local, regional, district, state or national vocational student organization meetings; and

(c) ~~50~~ 47 percent of the costs of necessary supplies for these secondary vocational education programs for handicapped children, but not to exceed an average of ~~\$50~~ \$45 in any one school year for each handicapped child receiving these services.

Sec. 25. Minnesota Statutes 1986, section 124.574, subdivision 4, is amended to read:

Subd. 4. **AID FOR CONTRACTED SERVICES.** In addition to the provisions of subdivisions ~~2~~ 2b and 3, a school district may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education programs for handicapped children. The formula for payment of aids for these contracts shall be that provided in section 124.32, subdivision 1b. The state board shall promulgate rules relating to 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 6, the district or cooperative center contracting for these services shall be construed to be providing these services. ~~For the purposes of subdivision 8, aid for these contracts shall be distributed on the same basis as aids for salaries, supplies and travel.~~

Sec. 26. Minnesota Statutes 1986, section 126.54, subdivision 1, is amended to read:

Subdivision 1. **GRANTS; PROCEDURES.** ~~For Each~~ For Each fiscal years ~~1983, 1984, and 1985~~ year the state board of education shall make grants to no fewer than six ~~school year~~ American Indian language and culture education programs. At least three programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not

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complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 27. Minnesota Statutes 1986, section 128A.01, is amended to read:

128A.01 LOCATION.

The Minnesota state academy for the deaf and the Minnesota state academy for the blind shall be ~~continued located~~ located at Faribault as residential schools and as a resource center for school districts, and shall be grouped and classed with the educational institutions of the state.

Sec. 28. Minnesota Statutes 1986, section 128A.02, subdivision 2, is amended to read:

Subd. 2. The state board shall promulgate rules regarding the operation of both academies and the individuals in attendance, and shall perform all duties necessary to provide the most beneficial and least restrictive program of education for each child handicapped by visual disability or hearing impairment. The academies shall provide various levels of service, as defined in the rules of the state board of education, for the pupils. Developmental needs of the pupils shall be addressed by the academies. The academies shall provide opportunities for the pupils to be educated with nonhandicapped pupils, according to assessments and individual education plans.

Sec. 29. Minnesota Statutes 1986, section 128A.02, subdivision 4, is amended to read:

Subd. 4. The state board may enter into contracts with other public and private agencies and institutions to provide residential and building maintenance services if it determines that these services could thus be provided in a more efficient and less expensive manner. The state board may also enter into contracts with public and private agencies and institutions, school districts ~~or combinations thereof~~, and educational cooperative service units, and counties to provide respite care and supplementary educational instruction and services, including assessments and counseling.

Sec. 30. **[128A.021] RESOURCE CENTER FOR THE HEARING IMPAIRED AND VISUALLY IMPAIRED.**

A resource center for the hearing impaired, visually impaired, and multiply handicapped pupils is established at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The resource center shall offer such programs as summer institutes for hearing impaired, visually impaired, and multiply handicapped pupils in various regions of the state, workshops for teachers, and leadership development for teachers. Programs offered through the

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resource center shall promote and develop education programs offered by school districts and other organizations and shall provide assistance to school districts and other organizations in developing innovative programs. The resource center may contract with nonprofit organizations to provide programs through the resource center. The advisory council for the academies shall serve as the advisory council for the resource center.

Sec. 31. [128A.09] SERVICE, SEMINAR, AND CONFERENCE FEES.

Subdivision 1. DEPOSIT; CREDIT. Fees and rental income, excluding rent for land and living residences, collected by the academies for services, seminars, and conferences must be deposited in the state treasury and credited to the revolving fund of the academies.

Subd. 2. ADMINISTRATOR'S VOUCHERS. Payment may be made from the revolving fund only according to vouchers authorized by the administrator of the academies. Money in the revolving fund is annually appropriated to the academies to defray expenses of the services, seminars, and conferences.

Sec. 32. Minnesota Statutes 1986, section 136D.27, is amended to read:

136D.27 TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.

Each year the joint school board may each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational technical schools, certify to each participating school district the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for special education and .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under 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. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 33. Minnesota Statutes 1986, section 136D.71, is amended to read:

136D.71 LISTED DISTRICTS MAY FORM INTERMEDIATE DISTRICT.

Notwithstanding any other law to the contrary, two or more of the independent school districts numbered 12 and 16 of Anoka county, independent school

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districts numbered 621, 622, 623, and 624 of Ramsey County, and independent school districts numbered 832, 833, and 834 of Washington County, are hereby authorized to enter into an agreement to establish a special intermediate school district upon majority vote of the full membership of each of the boards of the districts entering into the agreement. When such resolution has been adopted by the board of one of the districts, it shall be published once in a newspaper of general circulation in said district. If a petition for referendum on the question of said district entering into such agreement is filed with the clerk of the said board within 60 days after publication of such resolution, signed by the qualified voters of said district equal to five percent of the number of voters at the last annual school election. No board shall enter into such agreement until the question of whether the district shall enter into the agreement has been submitted to the voters of said district at a special election. Said election shall be conducted and canvassed in accordance with section 123.32.

If a majority of the total number of votes cast on the question within said district is in favor of the question, the board of said school district may thereupon proceed to enter into an agreement to establish the special intermediate school district for purposes herein described. Such school district so created shall be known as northeastern metropolitan intermediate school district, state of Minnesota. The commissioner of education shall assign an appropriate identification number as provided by section 122.03.

Sec. 34. Minnesota Statutes 1986, section 136D.74, subdivision 2, is amended to read:

Subd. 2. **TAX LEVY.** Each year the intermediate school board may ~~in each year for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred~~ certify to each county auditor of each county in which said intermediate school district shall lie, as a single taxing district, ~~the tax levy specified in section 275.125, subdivision 13, clause (2).~~ Additional tax levies may be certified which that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and ~~5~~ .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Said annual tax levies shall be certified pursuant to section 275.07. Upon such certification the county auditor or auditors and other appropriate county officials shall levy and collect such levies and remit the proceeds of collection thereof to the intermediate school district as in the case with independent school districts. Such levies shall not be included in computing the limitations, if any, upon the levy of the intermediate district or any of the participating districts under 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.

Sec. 35. Minnesota Statutes 1986, section 136D.87, is amended to read:

136D.87 TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.

Each year the joint school board may ~~each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be~~

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~~incurred for area vocational technical schools;~~ certify to each participating school district ~~the tax levy specified in section 275.125, subdivision 13, clause (2).~~ Additional tax levies may be certified ~~which~~ that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and ~~\$.7~~ .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under 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. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 36. Minnesota Statutes 1986, section 275.125, subdivision 8c, is amended to read:

Subd. 8c. **SPECIAL EDUCATION LEVY.** Each year, a district, excluding intermediate school district Nos. 287, 916, and 917, may levy an amount that may not exceed ~~70~~ 66 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10 and 124.574, subdivision 2b plus ~~65~~ 61 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.273, subdivision 1b for the year to which the levy is attributable.

For purposes of this subdivision, a special education cooperative or an intermediate school district each year shall allocate an amount equal to ~~70~~ 66 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10 and 124.574, subdivision 2b, plus ~~65~~ 61 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under section 124.273, subdivision 1b for the year to each of the member districts of the cooperative or the intermediate district. The member districts may make a levy in the amount of the costs allocated to them by the cooperative or intermediate district.

Special education cooperatives and intermediate school districts that allocate unreimbursed portions of salaries of special education essential personnel among member districts, for purposes of the member districts making a levy

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under this subdivision, shall provide information to the state department of education on the amount of unreimbursed costs of salaries they allocated to the member districts.

Sec. 37. SPECIAL EDUCATION LEVY ADJUSTMENTS.

The department shall make adjustments to the 1986 payable 1987 levies authorized under Minnesota Statutes 1986, section 275.125, subdivision 8c in accordance with the changes made in this article.

Sec. 38. COMMISSION SPECIAL EDUCATION STUDY.

The sum of \$100,000 is appropriated for fiscal year 1988 from the general fund to the legislative commission on public education for the commission to conduct a comprehensive qualitative and quantitative evaluation and analytical study of special education, financing, and related services. The sum is available until June 30, 1989.

Sec. 39. APPROPRIATIONS.

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

Subd. 2. SPECIAL EDUCATION AID. For special education aid there is appropriated:

\$148,514,500.....1988,

\$152,963,700.....1989.

The appropriation for aid for fiscal year 1988 includes \$21,847,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$126,667,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$22,728,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$130,235,500 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$149,395,600 for fiscal year 1988 and \$153,593,400 for fiscal year 1989.

Subd. 3. SUMMER SPECIAL EDUCATION AID. For special education aid for summer school programs there is appropriated:

\$5,126,300.....1988,

\$5,254,400.....1989.

The appropriation for 1988 is for 1987 summer school programs.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The appropriation for 1989 is for 1988 summer school programs.

Subd. 4. TRAVEL FOR HOME-BASED SERVICES. For aid for teacher travel for home-based services for handicapped children under age five and their families there is appropriated:

\$251,600 1988,

\$370,900 1989.

The appropriation for aid for fiscal year 1988 includes \$35,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$216,500 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$38,100 for aid for fiscal year 1988 payable in fiscal year 1989 and \$332,800 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$254,600 for fiscal year 1988 and \$391,500 for fiscal year 1989.

Subd. 5. RESIDENTIAL FACILITIES AID. For aid pursuant to section 124.32, subdivision 5, there is appropriated:

\$1,494,400.....1988,

\$1,530,500.....1989.

Subd. 6. LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID. For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273, there is appropriated:

\$2,879,900 1988,

\$3,004,700 1989.

The appropriation for aid for fiscal year 1988 includes \$430,700 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,449,200 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$432,100 for aid for fiscal year 1988 payable in fiscal year 1989 and \$2,572,600 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$2,881,300 for fiscal year 1988 and \$3,026,500 for fiscal year 1989.

Subd. 7. AMERICAN INDIAN SCHOLARSHIPS. For American Indian scholarships, according to Minnesota Statutes, section 124.48, there is appropriated:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$1,581,800 1988.

\$1,581,800 1989.

Any unexpended balance remaining in the first year does not cancel but is available for fiscal year 1989.

Subd. 8. AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS. For Indian post-secondary preparation grants, according to Minnesota Statutes, section 124.481, there is appropriated:

\$781,400 1988.

\$781,400 1989.

Subd. 9. AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM AID. For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1, there is appropriated:

\$588,400 1988.

\$588,300 1989.

The appropriation for aid for fiscal year 1988 includes \$88,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$500,100 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$88,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$500,100 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$588,300 for fiscal year 1988 and \$588,300 for fiscal year 1989.

Subd. 10. AMERICAN INDIAN EDUCATION. For certain American Indian education programs in school districts there is appropriated:

\$174,755 1988.

\$174,755 1989.

The appropriation for aid for fiscal year 1988 includes \$26,213 for aid for fiscal year 1987 payable in fiscal year 1988 and \$148,542 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for fiscal year 1989 includes \$26,213 for aid for fiscal year 1988 payable in fiscal year 1989 and \$148,542 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$174,755 for fiscal year 1988 and \$174,755 for fiscal year 1989.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

These appropriations are available for expenditure with the approval of the commissioner of education.

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

Up to the following amounts may be distributed to the following school districts for each fiscal year: \$54,848 to independent school district No. 309-Pine Point School; \$9,685 to independent school district No. 166; \$14,949 to independent school district No. 432; \$14,053 to independent school district No. 435; \$42,163 to independent school district No. 707; and \$39,057 to independent school district No. 38. These amounts shall be expended only for the benefit of American Indian students and for the purpose of meeting established state educational standards or statewide requirements.

These appropriations are available only if there will not be available for the districts enumerated in this subdivision for the applicable school year any operation support funds from the federal Bureau of Indian Affairs pursuant to the Johnson-O'Malley Act, Public Law Number 73-167, or Code of Federal Regulations, title 25, section 273.31, or equivalent money from the same or another source.

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

(1) complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917. For each school year, compliance with Minnesota Statutes, section 121.908, subdivision 3a, shall require the school district to prepare one budget including the amount available to the district pursuant to this subdivision and one budget which does not include these moneys. The budget of that school district for the 1989-1990 school year prepared according to Minnesota Statutes, section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1988-1989 budgets and shall not include any moneys appropriated in this subdivision;

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

(3) compiled accurate daily pupil attendance records.

Prior to approving payment of any amount to a school district pursuant to this subdivision, the commissioner shall review and evaluate each affected district's compliance with clauses (1), (2), and (3), and any other applicable laws, and each affected district's need for the moneys. Each affected district's net unappropriated fund balance in all operating funds as of June 30 of the previous school year shall be taken into consideration.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 11. NETT LAKE LIABILITY INSURANCE. For a grant to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06, there is appropriated:

\$40,000 1988.

The sum is available until June 30, 1989.

Subd. 12. COOK COUNTY INDIAN EDUCATION GRANT. For grants to independent school district No. 166, Cook county, for Indian education at the Grand Portage elementary school there is appropriated:

\$50,000 1988,

\$50,000 1989.

The district must comply with the conditions in subdivision 10.

Subd. 13. SCHOOL BUS PURCHASE. For a grant to independent school district No. 309, Pine Point, to purchase a school bus there is appropriated:

\$38,000.....1988.

Subd. 14. SECONDARY VOCATIONAL EDUCATION AID. For secondary vocational education aid pursuant to Minnesota Statutes, section 124.573, there is appropriated:

\$19,549,600.....1988,

\$12,891,000.....1989.

The appropriation for 1988 includes \$2,972,300 for aid for fiscal year 1987 payable in fiscal year 1988, \$16,577,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for 1989 includes \$2,925,300 for aid for fiscal year 1988 payable in fiscal year 1989, \$9,965,700 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$19,502,600 for fiscal year 1988 and \$11,724,300 for fiscal year 1989.

For purposes of this subdivision, money appropriated for secondary vocational education programs may not be expended for the purpose of discontinuing or converting existing senior secondary school industrial arts education programs.

Subd. 15. SECONDARY VOCATIONAL HANDICAPPED. For aid for secondary vocational education for handicapped pupils according to section 124.574, there is appropriated:

\$4,101,100.....1988,

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$4,281,700.....1989.

The appropriation for 1988 includes \$543,500 for aid for fiscal year 1987 payable in fiscal year 1988 and \$3,557,600 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for 1989 includes \$627,700 for aid for fiscal year 1988 payable in fiscal year 1989, and \$3,654,000 for aid for 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$4,185,300 for fiscal year 1988 and \$4,298,800 for fiscal year 1989.

Sec. 40. **APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF JOBS AND TRAINING. There is appropriated from the general fund to the department of jobs and training the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. PINE POINT UNEMPLOYMENT COMPENSATION. For payment of the obligation of independent school district No. 309, Pine Point, for unemployment compensation there is appropriated:

\$32,000 1988.

The sum is available until June 30, 1989.

Subd. 3. NETT LAKE UNEMPLOYMENT COMPENSATION. For payment of the obligation of independent school district No. 707, Nett Lake, for unemployment compensation there is appropriated:

\$20,000 1988.

The sum is available until June 30, 1989.

Sec. 41. **REPEALER.**

Minnesota Statutes 1986, sections 120.17, subdivision 13 and 124.273, subdivision 2b, are repealed.

Sec. 42. **APPLICATION, NO LOCAL APPROVAL.**

Subdivision 1. DISTRICT NO. 916. Sections 33 and 34 apply to intermediate school district No. 916 and are effective without local approval under Minnesota Statutes, section 645.023.

Subd. 2. DISTRICT NO. 917. Section 35 applies to intermediate district No. 917 and is effective without local approval under Minnesota Statutes, section 645.023.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 43. **EFFECTIVE DATE.**

Sections 1 and 2 are effective July 1, 1988.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1986, section 121.87, subdivision 1, is amended to read:

Subdivision 1. **APPOINTMENT; MEMBERSHIP.** The state board of education ~~may shall~~ appoint a ~~15-member~~ community education advisory task force ~~for the purpose of promoting the furtherance of sections 121.85 to 121.88, to promote the goals of community education and the advancement of to expand~~ educational, recreational and social ~~opportunity opportunities~~ through the maximum ~~utilization use~~ of public school facilities ~~and community resources~~ throughout the state of Minnesota. ~~If appointed,~~ 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.

Sec. 2. Minnesota Statutes 1986, section 121.87, is amended by adding a subdivision to read:

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.

Sec. 3. Minnesota Statutes 1986, section 121.88, subdivision 2, is amended to read:

Subd. 2. **ADVISORY COUNCIL.** Each board shall provide for an advisory council to consist of members who represent: various service organizations;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

churches; ~~private~~ 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.

Sec. 4. Minnesota Statutes 1986, section 121.88, subdivision 7, is amended to read:

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. ~~The department may not exceed the amount appropriated when approving programs and budgets.~~ 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.

Sec. 5. Minnesota Statutes 1986, section 121.88, is amended by adding a subdivision to read:

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 2 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 11.

Sec. 6. Minnesota Statutes 1986, section 123.703, subdivision 3, is amended to read:

Subd. 3. **REPORT.** The state board of education, in cooperation with the state commissioner of health, shall report to the legislature by February 1 of each odd-numbered year on the results of the screening programs in accomplishing the purposes specified in section 123.701. The report shall include information on the rates of children's participation in screening programs, on districts' costs for implementing the various components of the screening program, and

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on any exemptions granted from screening requirements because of financial infeasibility.

Sec. 7. Minnesota Statutes 1986, section 123.705, is amended to read:

123.705 HEALTH SCREENING AID.

Subdivision 1. **AID AMOUNTS.** ~~The department of education state shall pay each school district for the cost of screening services provided pursuant according to sections 123.701 to 123.705: The payment shall not exceed \$15.60 per child screened in fiscal year 1985; \$16.15 per child screened in fiscal year 1986 and an amount equal to \$8.15 per child screened in fiscal year 1987.~~

Sec. 8. Minnesota Statutes 1986, section 124.26, is amended by adding a subdivision to read:

Subd. 1b. PROGRAM REQUIREMENTS. An adult basic and continuing education program is a day or evening program offered by a district that is for people over 16 years of age who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. Tuition and fees may not be charged for instruction subsidized under this section, except for a security deposit to assure return of materials, supplies, and equipment.

Sec. 9. Minnesota Statutes 1986, section 124.26, is amended by adding a subdivision to read:

Subd. 1c. PROGRAM APPROVAL. A district receiving aid under this section must have its program approved by the commissioner according to the following criteria:

- (1) how the needs of all levels of learners will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and funds available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be approved according to the same criteria used for district programs.

Sec. 10. Minnesota Statutes 1986, section 124.26, is amended by adding a subdivision to read:

Subd. 7. ADULT BASIC AND CONTINUING EDUCATION AID. Each district shall receive aid for approved adult basic and continuing education programs equal to 75 percent of the salary for each teacher, counselor, coordinator of volunteers, and non-licensed instructional staff. In addition, the state shall pay aid equal to 75 percent of the expenditures for benefits, contracted services, supplies, and materials. Expenditures for which the district receives federal aid shall not qualify for state aid.

Sec. 11. Minnesota Statutes 1986, section 124.271, subdivision 2b, is amended to read:

Subd. 2b. ~~AID; 1986, 1987, 1988 AND AFTER.~~ (†) (a) Each fiscal year a district which is operating that operates a community education program ~~in compliance with rules promulgated by the state board~~ shall receive community education aid.

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, 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.

(b) For fiscal year 1988 and each year thereafter, the aid shall be an amount equal to the difference obtained by subtracting

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(a) (1) 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) (2) the greater of

(i) \$7,340, or

(ii) \$5.50 times the population of the district.

(c) For fiscal year 1989 and each year thereafter, the aid for a district without an approved youth development plan shall be an amount equal to the difference obtained by subtracting

(1) 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

(2) the greater of

(i) \$7,340, or

(ii) \$5.50 times the population of the district.

(d) For fiscal year 1989 and each year thereafter, the aid for a district with an approved youth development plan under section 5, shall be an amount equal to the difference obtained by subtracting

(1) 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

(2) the greater of

(i) \$8,000, or

(ii) \$6 times the population of the district.

(e) For a district with an approved youth development plan, the greater of 50 cents per capita or \$660 must be used to implement the youth development plan.

(2) (f) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, ~~clause (1) paragraph (a)~~, the district's community education aid under ~~clause (1) paragraphs (a) to (e)~~ of this subdivision shall be reduced by multiplying the aid amount computed pursuant to ~~clause (1) paragraphs (a) to (e)~~ of this subdivision by the ratio of the district's actual levy under section 275.125, subdivision 8, ~~clause (1) paragraph (a)~~, to its maximum permissible levy under section 275.125, subdivision 8, ~~clause (1) paragraph (a)~~. For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125,

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subdivision 8, ~~clause (4) paragraph (a)~~, shall not reflect reductions made pursuant to section 275.125, subdivision 9.

Sec. 12. Minnesota Statutes 1986, section 124.271, subdivision 7, is amended to read:

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~~ \$30,000 or one-half of the ~~amount of the actual expenditures for approved budget programs.~~ 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) paragraph (d)~~, or combinations of sources.

Sec. 13. Minnesota Statutes 1986, section 124.2711, subdivision 1, is amended to read:

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. For fiscal year 1988 and each year thereafter, the "maximum revenue" for early childhood family education programs for a school year means the amount of revenue derived by multiplying \$84.50 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.~~

Sec. 14. Minnesota Statutes 1986, section 275.125, subdivision 8, is amended to read:

Subd. 8. **COMMUNITY EDUCATION LEVY.** ~~(4) (a)~~ Each year, a district ~~which without a youth development plan that~~ has established a community education advisory council ~~pursuant to~~ under section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

(1) \$7,340, or

(2) \$5.50 times the population of the district, or
\$7,340.

(b) Each year, a district with an approved youth development plan, or a district that intends to approve a youth development plan for the 1988-1989

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school year, that has established a community education advisory council under section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

(1) \$8,000, or

(2) \$6 times the population of the district.

(2) (c) In addition to the levy authorized in clause (1) paragraph (a) or (b), each year a district may levy an additional amount for community education programs equal to the difference obtained by subtracting

(a) the sum in fiscal year 1984 of

(i) the district's estimated maximum permissible revenue for fiscal year 1985 from community education aid under section 124.271, subdivision 2b, clause (1); and

(ii) the community education levy authorized in clause (1) of this subdivision; from

(b) the sum in fiscal year 1983 of

(i) the district's maximum permissible revenue from community education aid under Minnesota Statutes 1984, section 124.271, subdivision 2, excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm); and Laws 1982, Third Special Session chapter 1, article 3, section 6; and

(ii) the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduction in the levy pursuant to subdivision 9 amount authorized under Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(3) (d) A district having an approved adult basic and continuing education program, according to section 124.26, may levy an amount not to exceed the amount raised by .1 mill times the adjusted assessed valuation of the district for the preceding year.

(4) (e) A district having an approved program and budget may levy for a handicapped adult program. The levy amount may not exceed the lesser of one-half of the amount of: (1) the approved budget for the program actual expenditures for approved programs for the fiscal year beginning in the calendar year after the levy is certified minus the amount of state aid paid for the same year, or \$25,000 (2) \$30,000 for one program. In the case of a program offered by a group of districts, the levy amount shall be divided among the districts according to the agreement submitted to the department. The proceeds of the levy shall be used only for a handicapped adult program or, if the program is subsequently not offered, for community education programs. For programs not offered, the department of education shall reduce the community education levy by the amount levied the previous year for handicapped adult programs.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

~~(f)~~ (f) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.88 and 129B.06 to 129B.09, and 121.882. A school district may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

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

Sec. 15. [1987 LEVY FOR HANDICAPPED ADULT PROGRAMS.]

Notwithstanding Minnesota Statutes 1986, section 275.125, subdivision 8, clause (4), in 1987 a school district may levy the amount by which the levy for handicapped adult programs for fiscal years 1986, 1987, and 1988 was reduced because of proration of program budgets according to Minnesota Statutes 1986, section 121.88.

Sec. 16. APPROPRIATIONS.

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

Subd. 2. ADULT BASIC AND CONTINUING EDUCATION AID. For adult basic and continuing education aid according to Minnesota Statutes, section 124.26, there is appropriated:

\$3,181,400 1988.

\$4,126,500 1989.

Up to \$200,000 each year may be used for contracts with private, nonprofit organizations for approved programs.

The amount appropriated for aid for fiscal year 1988 includes \$278,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,903,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The amount appropriated for aid for fiscal year 1989 includes \$512,300 for aid for fiscal year 1988 payable in fiscal year 1989 and \$3,614,200 for aid for fiscal year 1989 payable in fiscal year 1989.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The appropriations are based on aid entitlements of \$3,415,700 for fiscal year 1988 and \$4,252,000 for fiscal year 1989.

Subd. 3. ADULT HANDICAPPED PROGRAM AID. For aid for handicapped adult programs according to Minnesota Statutes, section 124.271, there is appropriated:

\$450,000 1988,

\$550,000 1989.

Any unexpended balance remaining from the appropriations in this subdivision for 1988 does not cancel and is available for the second year of the biennium.

Subd. 4. COMMUNITY EDUCATION AID. For community education aid according to Minnesota Statutes, section 124.271, there is appropriated:

\$2,153,100 1988,

\$3,257,500 1989.

The amount appropriated for aid for fiscal year 1988 includes \$260,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$1,893,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The amount appropriated for aid for fiscal year 1989 includes \$334,000 for aid for fiscal year 1988 payable in fiscal year 1989 and \$2,923,500 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$2,227,000 for fiscal year 1988 and \$3,439,300 for fiscal year 1989.

Subd. 5. EARLY CHILDHOOD FAMILY EDUCATION AID. For early childhood family education aid according to Minnesota Statutes, section 124.2711, there is appropriated:

\$7,279,000 1988,

\$8,124,400 1989.

The appropriation for aid for fiscal year 1988 includes \$870,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$6,409,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$1,130,900 for aid for fiscal year 1988 payable in fiscal year 1989 and \$6,993,500 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$7,539,900 for fiscal year 1988 and \$8,227,600 for fiscal year 1989.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 6. HEALTH AND DEVELOPMENTAL SCREENING. For health and developmental screening aid according to Minnesota Statutes, section 123.705, there is appropriated:

\$436,400 1988,

\$429,400 1989.

The appropriation for aid for fiscal year 1988 includes \$65,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$370,600 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$65,400 for aid for fiscal year 1988 payable in fiscal year 1989 and \$364,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$436,000 for fiscal year 1988 and \$428,200 for fiscal year 1989.

Subd. 7. HEARING IMPAIRED SUPPORT SERVICES AID. For payment of support services for hearing impaired persons pursuant to section 121.201, there is appropriated:

\$60,000.....1988,

\$60,000.....1989.

The appropriations are based on aid entitlements of \$60,000 for fiscal year 1988 and \$60,000 for fiscal year 1989.

Sec. 17. REPEALER.

Minnesota Statutes 1986, section 124.26, subdivisions 1 and 6, are repealed.

ARTICLE 5

STATE AGENCY SERVICES

Section 1. APPROPRIATIONS; BOARD OF TEACHING.

Subdivision 1. There is appropriated from the general fund to the board of teaching the sums indicated in this section. Any unexpended balance remaining from the appropriations in this section for 1988 does not cancel and is available for the second year of the biennium.

Subd. 2. ASSESSMENT OF TEACHER PERFORMANCE. For the purposes of designing an assessment procedure for the plan required in Laws 1985, First Special Session chapter 12, article 8, section 48, there is appropriated:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$166,000 1988,

\$166,000 1989.

Subd. 3. EXEMPLARY TEACHER EDUCATION PROGRAMS. For development of exemplary teacher education programs under Minnesota Statutes, section 126.81, and dissemination and replication of program models:

\$135,000 1988,

\$135,000 1989.

Sec. 2. APPROPRIATIONS; DEPARTMENT OF EDUCATION.

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

Subd. 2. OFFICE ON TRANSITION SERVICES. For the interagency office on transition services under Minnesota Statutes, section 120.183 there is appropriated:

\$77,000 1988,

\$77,000 1989.

Subd. 3. EARLY CHILDHOOD FAMILY EDUCATION. For technical assistance to districts implementing early childhood family education programs there is appropriated:

\$31,500 1988,

\$31,500 1989.

Subd. 4. COMMUNITY EDUCATION ADVISORY TASK FORCE. To carry out the responsibilities of the state community education advisory task force there is appropriated:

\$25,000 1988.

The appropriation shall be available until the end of the biennium.

Subd. 5. MANAGEMENT INFORMATION CENTERS. For management information centers according to Minnesota Statutes, section 121.935, subdivision 5, there is appropriated:

\$3,410,700 1988,

\$3,410,700 1989.

The appropriations are based on aid entitlements of \$3,410,700 for fiscal year 1988 and \$3,410,700 for fiscal year 1989. Of this amount, \$356,300 each year is for software support contracts made by the department of education.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 6. ACADEMIC EXCELLENCE FOUNDATION. For the academic excellence foundation according to Minnesota Statutes, section 121.612, there is appropriated:

\$100,000 1988,

\$125,000 1989.

Up to \$25,000 of the appropriation for fiscal year 1988 and up to \$50,000 of the appropriation for fiscal year 1989 may be used for expenses related to developing and implementing a plan for an academic league.

Subd. 7. HEALTH AND WELLNESS CURRICULUM. For development and dissemination of planning materials and guidelines to assist school districts in developing comprehensive health and wellness curriculum, there is appropriated:

\$30,000 1988.

The appropriation is available until June 30, 1989.

The materials and guidelines shall include a kindergarten through 12th grade scope and sequence coordinated with total school curriculum.

Subd. 8. ADMINISTRATORS' ACADEMY. There is appropriated for an administrators' academy:

\$167,300 1988,

\$167,300 1989.

\$24,000 shall be used each year for the school management assessment center at the University of Minnesota.

Subd. 9. EDUCATIONAL EFFECTIVENESS. For educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609 there is appropriated:

\$690,300 1988,

\$690,300 1989.

\$478,900 each year is for contracts for regional effectiveness coordinators.

Subd. 10. STATE PER ASSISTANCE. For state assistance for planning, evaluating, and reporting there is appropriated:

\$428,000 1988,

\$661,000 1989.

Up to \$45,000 each year shall be used for assisting districts with the assurance of mastery program.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Up to \$95,000 each year shall be used to develop and maintain model learner expectations.

Up to \$18,000 each year shall be used for the state curriculum advisory committee.

Up to \$270,000 each year shall be used for the assessment item bank.

Up to \$233,000 of the amount for 1989 shall be used for the local assessment program.

Subd. 11. CURRICULUM AND TECHNOLOGY INTEGRATION. For curriculum and technology integration services there is appropriated:

\$1,405,000 1988,

\$ 722,000 1989.

Up to \$450,000 in fiscal year 1988 and \$317,000 in fiscal year 1989 shall be used for technology services.

Up to \$355,000 each year shall be used for courseware integration centers.

Up to \$50,000 each year may be used for disseminating information about technology innovations identified in the technology demonstration sites.

Up to \$550,000 of the appropriation for 1988 shall be used according to Minnesota Statutes, section 129B.39 to purchase courseware duplication rights including principles of technology courseware.

Subd. 12. COMPREHENSIVE ARTS PLANNING PROGRAM. For technical assistance for the comprehensive arts planning program according to Minnesota Statutes, section 129B.21, there is appropriated:

\$37,500 1988,

\$37,500 1989.

Subd. 13. EDUCATIONAL COOPERATIVE SERVICE UNITS. For educational cooperative service units there is appropriated:

\$748,000 1988,

\$748,000 1989.

The appropriation for aid for fiscal year 1988 includes \$112,200 for aid for fiscal year 1987 payable in fiscal year 1988 and \$635,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$112,000 for aid for fiscal year 1988 payable in fiscal year 1989 and \$635,800 for aid for fiscal year 1989 payable in fiscal year 1989.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The appropriations are based on aid entitlements of \$748,000 for each fiscal year.

Funds from this appropriation may be transmitted to ECSU boards of directors for general operations in amounts of up to \$68,000 per ECSU for each fiscal year; however, the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight may each receive up to \$136,000 for each fiscal year for general operations.

Before releasing funds to the ECSUs, the department of education shall assure that the annual plan of each ECSU explicitly addresses the specific educational services that can be better provided by an ECSU than by a member district. The annual plan must include methods to increase direct services to school districts in cooperation with the state department of education. The ESCU plans for the 1988-1989 school year and after shall be coordinated with the management plan of the department of education that is required in article 10. The department may withhold all or a portion of these funds from an ECSU if the department determines that the ECSU has not been providing services according to its annual plan.

Sec. 3. APPROPRIATIONS; DEPARTMENT OF EMPLOYEE RELATIONS.

There is appropriated from the general fund to the department of employee relations the sum of \$50,000 to develop a plan to allow teachers and school boards the option of participating in a state health benefits program. The department must submit the plan to the legislature by February 3, 1988.

ARTICLE 6

OTHER AIDS AND LEVIES FOR SCHOOL DISTRICTS

Section 1. [123.9362] NOTICE TO DISTRICTS; PRORATION.

In the event the appropriation for nonpublic educational aid under sections 123.931 to 123.947 is not sufficient to meet the required payments in any fiscal year, the department of education must notify the school districts at the earliest possible date of the need to prorate the appropriation among the districts.

Sec. 2. Minnesota Statutes 1986, section 124.195, subdivision 9, is amended to read:

Subd. 9. **PAYMENT PERCENTAGE FOR CERTAIN AIDS.** The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: management information center subsidies, according to section 121.935, reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; ~~reimbursement for transportation to a program of~~

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

~~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 Indian post-secondary preparation grants according to section 124.481; and desegregation grants according to section 24.~~

Sec. 3. [124.217] EXCEPTIONAL NEED AID.

Subdivision 1. ELIGIBILITY. A district is eligible for exceptional need revenue if all of the following apply to the district:

(a) The ratio of the average daily membership of pupils enrolled in the district to the number of licensed staff, measured in full-time equivalents, is greater than 17.

(b) The ratio of the referendum levy certified according to section 124A.02, subdivision 2, to the adjusted assessed valuation is greater than .006.

(c) The ratio of the total levy certified by the district to the adjusted assessed valuation is greater than .05.

(d) The ratio of the adjusted assessed valuation to the actual pupil units is less than \$38,500.

(e) The unappropriated operating fund balance is less than \$100 times the number of actual pupil units.

Before a school board certifies levies to the county auditor, the commissioner shall determine the district's eligibility for exceptional need revenue for the following school year. Eligibility must be based on pupil and staff data from the prior year, levies certified in the prior year, adjusted assessed valuation in the prior year, and fund balances on June 30 of the same year.

Subd. 2. EXCEPTIONAL NEED REVENUE. The exceptional need revenue for each district equals \$75 times the number of actual pupil units.

Subd. 3. EXCEPTIONAL NEED AID. A district's exceptional need aid is the difference between its exceptional need revenue and the exceptional need levy, multiplied times the ratio of the actual amount levied to the amount permitted to be levied.

Sec. 4. [124.244] CAPITAL EXPENDITURE REVENUE.

Subdivision 1. REVENUE AMOUNT. The capital expenditure revenue for each district equals \$153 times its actual pupil units counted according to section 124.17, subdivision 1, for the school year.

Subd. 2. CAPITAL EXPENDITURE LEVY. To obtain capital expenditure revenue, a district may levy an amount not to exceed three mills times the adjusted assessed valuation of the district for the preceding year.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 3. CAPITAL EXPENDITURE AID. A district's capital expenditure aid is the difference between the capital expenditure revenue and the capital expenditure levy. If a district does not levy the entire amount permitted, capital expenditure aid must be reduced in proportion to the actual amount levied.

Subd. 4. USES OF REVENUE. Capital expenditure revenue may be used only for the following purposes:

(1) to acquire land for school purposes;

(2) to acquire or construct buildings for school purposes, if approved by the commissioner of education according to applicable statutes and rules;

(3) to rent or lease buildings for school purposes;

(4) to equip, reequip, improve, and repair school sites, buildings and permanent attached fixtures;

(5) to eliminate barriers or increase access to school buildings by handicapped individuals;

(6) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;

(7) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(8) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(9) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;

(10) for energy audits for school buildings and to make modifications if the audit indicates the costs can be recovered within ten years;

(11) to improve buildings that are leased according to section 123.36, subdivision 10;

(12) to pay special assessments levied against school property but not to pay assessments for service charges;

(13) to pay capital expenditure assessments of an educational cooperative service unit;

(14) to pay principal and interest on state loans for energy conservation according to section 116J.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298;

(15) to purchase or lease computers and related materials, copying machines, and telecommunications equipment;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(16) to purchase or lease equipment for secondary vocational education programs or senior secondary industrial arts programs; and

(17) to purchase textbooks.

Sec. 5. Minnesota Statutes 1986, section 124.245, subdivision 3, is amended to read:

Subd. 3. **HAZARDOUS SUBSTANCE COMPUTATION.** For the 1987-1988 school year, the state shall pay a school district the difference by which an amount equal to \$25 times the total pupil units exceeds the amount raised by two mills times the adjusted assessed valuation used to compute the levy attributable to the same 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.

Sec. 6. Minnesota Statutes 1986, section 124.245, is amended by adding a subdivision to read:

Subd 3a. HAZARDOUS SUBSTANCE PLAN. To receive hazardous substance capital expenditure aid for the 1988-1989 school year or later school years, or to levy under section 275.125, subdivision 11c, a district shall submit to the commissioner of education an application for aid and levy by August 15 in the previous school year. The application shall contain the following:

(a) a plan for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, and cleanup, removal, disposal, and repairs related to storing heating or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;

(b) the estimated cost of the plan by fiscal year; and

(c) other information required by the commissioner.

The commissioner may approve applications based on criteria disseminated to school districts by July 15 in the previous school year.

Sec. 7. Minnesota Statutes 1986, section 124.245, is amended by adding a subdivision to read:

Subd. 3b. HAZARDOUS SUBSTANCE REVENUE AND AID. (a) A district's "hazardous substance revenue" equals the approved cost of the hazardous substance plan for the school year to which the levy is attributable, minus the unexpended portion of levies certified by the district in earlier years under section 275.125, subdivision 11c.

(b) A district's "hazardous substance levy limitation" means its levy limitation computed according to section 275.125, subdivision 11c.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(c) A district's "hazardous substance aid" for 1988-1989 and later school years equals:

(i) the difference between its hazardous substance revenue and its hazardous substance levy limitation for the levy for that school year, multiplied by

(ii) the ratio of the amount actually levied to the amount of its hazardous substance by levy limitation.

(d) Aid paid under 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.

(e) In the event that the aid available for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

Sec. 8. Minnesota Statutes 1986, section 124.246, subdivision 2, is amended to read:

~~Subd. 2. AID.~~ An eligible district shall receive \$1.08 in fiscal years ~~1985, 1986, and 1987 and 1988~~, 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 and 1988~~.

Sec. 9. Minnesota Statutes 1986, section 124.247, subdivision 3, is amended to read:

Subd. 3. AID. A district which establishes a program for gifted and talented students shall receive for the purpose of this program ~~an amount equal to \$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.

Sec. 10. Minnesota Statutes 1986, section 124.252, subdivision 3, is amended to read:

Subd. 3. DISTRICT AID. An eligible district shall receive ~~52 cents in fiscal year 1986 and~~ 54 cents in fiscal year 1987 and each year thereafter 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

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~~\$1,000 in fiscal year 1986 and \$1,040 in fiscal year 1987 and each year thereafter.~~

Sec. 11. Minnesota Statutes 1986, section 124.646, subdivision 1, is amended to read:

Subdivision 1. **SCHOOL LUNCH AID COMPUTATION.** (a) ~~For the 1985-1986~~ Each 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~~ Each 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.

Sec. 12. Minnesota Statutes 1986, section 275.125, subdivision 6e, is amended to read:

Subd. 6e. **DESEGREGATION LEVY.** Each year ~~any district which is implementing a plan for desegregation mandated by the state board of education or under court order,~~ school district No. 625, St. Paul, may levy an amount not to exceed one mill times the adjusted assessed valuation of the district. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155. ~~A~~ If the district which levies pursuant to under this subdivision, it may not place the proceeds of the 1983 payable 1984 levy authorized by subdivision 9a, in the general fund.

Sec. 13. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 6f. EXCEPTIONAL NEED LEVY. To obtain exceptional need revenue, a district may levy an amount not to exceed the lesser of its exceptional need revenue or the result of the following computation:

(a) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the actual pupil units for the year to which the levy is attributable.

(b) Divide the result in paragraph (a) by the ratio of the formula allowance, established in article 1, section 6, subdivision 2, to the general education mill rate, established in article 1, section 7, subdivision 1, for the year to which the levy is attributable.

(c) Multiply the result in paragraph (b) by the district's exceptional need revenue for the year to which the levy is attributable.

Sec. 14. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 6h. MINNEAPOLIS HEALTH INSURANCE SUBSIDY LEVY. Each year special school district No. 1, Minneapolis, may make an additional levy not to exceed the amount raised by .1 mill times the adjusted assessed valuation of the property in the district for the preceding year. In addition, in 1987 the district may levy an amount not to exceed the amount raised by .1 mill times the adjusted assessed valuation of the property in the district for the preceding year for health insurance subsidies for fiscal year 1988. The proceeds may be used only to subsidize health insurance costs for eligible teachers as provided in this section.

"Eligible teacher" means a retired teacher who was a basic member of the Minneapolis teachers retirement fund association, who retired before May 1, 1974, and who is not eligible to receive the hospital insurance benefits of the federal Medicare program of the Social Security Act without payment of a monthly premium. The district shall notify eligible teachers that a subsidy is available. An eligible teacher may submit to the school district a copy of receipts for health insurance premiums paid during the previous 12-month period. The school district shall disburse the health insurance premium subsidy to each eligible teacher in a timely and efficient manner. An eligible teacher may receive a subsidy up to an amount equal to the lesser of 90 percent of the cost of the eligible teacher's health insurance or up to 90 percent of the cost of the number two qualified plan of health coverage for individual policies made available by the Minnesota comprehensive health association under Minnesota Statutes, chapter 62E.

If funds remaining from the previous year's health insurance subsidy levy, minus the previous year's required subsidy amount, are sufficient to pay the estimated current year subsidy, the levy must be discontinued until the remaining funds are estimated by the school board to be insufficient to pay the subsidy.

Sec. 15. Minnesota Statutes 1986, section 275.125, subdivision 11c, is amended to read:

Subd. 11c. HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY. In addition to the levy authorized in subdivisions 11a and 11b, each year a school district may levy an amount not to exceed the amount equal to \$25 times the total pupil units in the year to which the levy is attributable. No levy under this subdivision shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. Each year, a district with a hazardous substance plan approved by the commissioner of education under section 6 may levy an amount equal to the following product:

(a) the district's hazardous substance revenue as defined in section 7 for the year to which the levy is attributable, times

(b) the lesser of one, or the ratio of:

(i) the quotient derived by dividing the adjusted assessed valuation of the district for the year preceding the year the levy is certified by the total pupil units in the district for the school year to which the levy is attributable, to

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(ii) 50 percent of the equalizing factor for the school year to which the levy is attributable.

The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for expenditures necessary for the removal or encapsulation of asbestos from school buildings or property, asbestos related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01.

Sec. 16. Laws 1984, chapter 463, article 6, section 15, subdivision 1, is amended to read:

Subdivision 1. **AUTHORIZATION.** In 1985 and each year thereafter, the newly created district formed by the consolidation of Independent School District No. 694, Buhl, and Independent School District No. 703, Mountain Iron, may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the newly created district, determined as of June 30, 1985, and certified and adjusted by the commissioner. This levy each year may be an amount not to exceed ~~4.5~~ 4.0 mills times the adjusted assessed valuation of the newly created district for the preceding year as determined by the equalization aid review committee. When the cumulative amount of the levies made pursuant to this subdivision equals the total amount of the certified deficit of the newly created district, the levy shall be discontinued.

Sec. 17. Laws 1986, First Special Session chapter 1, article 5, section 9, is amended to read:

[124.196] ~~TEMPORARY CHANGE IN PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.~~

If the commissioner of finance determines that modifications in the payment schedule are required to avoid state short-term borrowing, the commissioner of education shall modify payments to school districts according to this section. The modifications shall begin no sooner than September 1, ~~1986~~ of each fiscal year, and shall remain in effect until no later than May 30, ~~1987~~ of that same fiscal year. In calculating the payment to a school district pursuant to Minnesota Statutes, section 124.195, subdivision 3, the commissioner may subtract the sum specified in that subdivision, plus an additional amount no greater than the following:

(1) the net cash balance in the district's four operating funds on June 30, ~~1986~~ of the preceding fiscal year; minus

(2) the product of \$150 times the number of actual pupil units in the ~~1985-1986 school~~ preceding fiscal year; minus

(3) the amount of payments made by the county treasurer during the preced-

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ing fiscal year ~~1986~~, pursuant to Minnesota Statutes, section 276.11; which is considered revenue for the ~~1986-1987~~ current school year. However, no additional amount shall be subtracted if the total of the net unappropriated fund balances in the district's four operating funds on June 30, ~~1986~~ of the preceding fiscal year, is less than the product of \$350 times the number of actual pupil units in the ~~1985-1986~~ school preceding fiscal year. The net cash balance shall include all cash and investments, less certificates of indebtedness outstanding, and orders not paid for want of funds.

A district may appeal the payment schedule established by this section according to the procedures established in section 7 124.195, subdivision 3a.

Sec. 18. DESEGREGATION COSTS.

By July 1, 1987, districts implementing desegregation plans mandated by the state board of education shall submit plans to the state board for using the desegregation grants authorized under section 19, subdivision 12. The plans must identify costs in the following categories according to the state's uniform accounting and reporting standards: district and school administration; district support services; regular, vocational, and special instruction; instructional support services; pupil support services, including transportation; and site, buildings and equipment. The plans must include information on the methods used to calculate desegregation costs in each category. By August 1, 1987, the state board shall approve or disapprove the plans and award grants to the districts with approved plans.

By February 1, 1988, the state board of education shall make recommendations regarding the funding of desegregation costs to the governor and the education committees of the legislature. The report shall identify desegregation costs in the categories required in the districts' plans according to the state's uniform accounting and reporting standards. The report must include information on the methods used by the districts to calculate desegregation costs in each category.

Sec. 19. APPROPRIATIONS.

Subdivision 1. DEPARTMENT OF EDUCATION. There is appropriated from the general fund, or another named fund, to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. ABATEMENT AID. For abatement aid according to Minnesota Statutes, section 124.214, there is appropriated:

\$6,592,800 1988.

\$6,592,800 1989.

Subd. 3. ARTS EDUCATION AID. For arts education aid according to Minnesota Statutes, section 124.275, there is appropriated:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$1,048,700 1988.

Subd. 4. CAPITAL EXPENDITURE AID. For capital expenditure aid according to Minnesota Statutes, section 124.245, for fiscal year 1988 and section 1 for fiscal year 1989, there is appropriated:

\$ 473,600 1988,

\$31,967,900 1989.

The appropriation for aid for fiscal year 1988 includes \$45,200 for aid for fiscal year 1987 payable in fiscal year 1988 and \$428,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$75,500 for aid for fiscal year 1988 payable in fiscal year 1989 and \$31,892,400 for aid for 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$503,900 for fiscal year 1988 and \$37,520,400 for fiscal year 1989.

Subd. 5. HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE. For hazardous substance capital expenditure aid according to Minnesota Statutes, section 124.245, there is appropriated:

\$50,600 1988,

\$58,700 1989.

The appropriation for aid for fiscal year 1988 includes \$6,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$43,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$7,700 for aid for fiscal year 1988 payable in fiscal year 1989 and \$51,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$51,500 for fiscal year 1988 and \$60,000 for fiscal year 1989.

Subd. 6. CHEMICAL ABUSE PROGRAMS. For aid for chemical abuse programs according to Minnesota Statutes, section 124.246, there is appropriated:

\$1,023,700 1988,

\$ 153,600 1989.

The appropriation for aid for fiscal year 1988 includes \$153,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$870,700 for aid for fiscal year 1988 payable in fiscal year 1988.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The appropriation for aid for fiscal year 1989 includes \$153,600 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$1,024,300 for fiscal year 1988.

Subd. 7. GIFTED AND TALENTED AID. For aid for gifted and talented education programs according to Minnesota Statutes, section 124.247, there is appropriated:

\$1,372,500 1988.

\$ 205,900 1989.

The appropriation for aid for fiscal year 1988 includes \$205,700 for aid for fiscal year 1987 payable in fiscal year 1988 and \$1,166,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$205,900 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$1,372,700 for fiscal year 1988.

Subd. 8. INTERDISTRICT COOPERATION AID. For aid for interdistrict cooperation according to Minnesota Statutes, section 124.272, there is appropriated:

\$2,306,000 1988.

\$ 360,000 1989.

The appropriation for aid for fiscal year 1988 includes \$265,900 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,040,100 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$360,000 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$2,400,100 for fiscal year 1988.

Subd. 9. MAXIMUM EFFORT SCHOOL LOAN FUND. For the maximum effort school loan fund there is appropriated:

\$1,615,200 1988.

\$2,025,100 1989.

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest

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on school loan bonds, as provided in Minnesota Statutes, section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to Minnesota Statutes, section 124.46, subdivision 3. Notwithstanding the provisions of Minnesota Statutes, section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel and revert to the general fund.

Subd. 10. NONPUBLIC PUPIL AIDS. For nonpublic pupil education aids according to Minnesota Statutes, sections 123.931 to 123.947, there is appropriated:

\$8,230,500 1988,

\$8,869,500 1989.

The appropriation for aid for fiscal year 1988 includes \$1,087,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$7,143,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$1,260,500 for aid for fiscal year 1988 payable in fiscal year 1989 and \$7,609,000 for aid for 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$8,403,900 for fiscal year 1988 and \$8,951,700 for fiscal year 1989.

Subd. 11. SCHOOL LUNCH AND FOOD STORAGE AID. For school lunch aid according to Minnesota Statutes, section 124.646, and for food storage and transportation costs for USDA donated commodities there is appropriated:

\$4,625,000 1988,

\$4,625,000 1989.

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of fully-paid lunches served during that school year in order to meet the state revenue matching requirement of the USDA National School Lunch Program.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully-paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

Subd. 12. DESEGREGATION GRANTS. For grants to districts implementing desegregation plans mandated by the state board:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$11,557,300 1988.

Of this amount, \$4,766,500 shall be allocated to independent school district No. 625, Saint Paul; \$5,667,700 to special school district No. 1, Minneapolis; and \$1,123,100 to independent school district No. 709, Duluth.

Subd. 13. EXCEPTIONAL NEED AID. For exceptional need aid there is appropriated:

\$125,700 1989.

The appropriation is for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriation is based on an aid entitlement of \$147,800 for fiscal year 1989.

Subd. 14. TOBACCO USE PREVENTION AID. For tobacco use prevention aid according to Minnesota Statutes, section 124.252, there is appropriated from the public health fund:

\$633,000 1988,

\$659,600 1989.

Sec. 20. REPEALER.

Subdivision 1. JUNE 30, 1987. Minnesota Statutes 1986, section 275.125, subdivisions 11a and 12, are repealed July 1, 1987.

Subd. 2. JUNE 30, 1988. Minnesota Statutes 1986, sections 124.245, subdivisions 1 and 2; and 124.275, are repealed June 30, 1988.

Subd. 3. EFFECT OF REPEALER. According to Minnesota Statutes, section 645.35, the repeal of the sections listed in this section does not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids attributable to the 1987-1988 school year and payable in fiscal year 1989 under or by virtue of the sections repealed.

Sec. 21. EFFECTIVE DATE.

Section 4 is effective for the levies certified in 1987 for the 1988-1989 school year and thereafter.

Sec. 22. LOCAL APPROVAL.

Under Minnesota Statutes, section 645.023, subdivision 1, clause (a), section 16 is effective without local approval unless the voters of independent school district No. 712, Mountain Iron-Buhl, request a referendum on its approval.

The voters may request a referendum by filing a petition with the school

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board of independent school district No. 712. The petition must state the text of section 16 and indicate that those who sign the petition are residents of independent school district No. 712 and are at least 18 years of age. The petition must be signed by a number of persons equal to at least ten percent of the number of persons who cast votes for school board members at the last regular election in school district No. 712.

ARTICLE 7

MISCELLANEOUS

Section 1. Minnesota Statutes 1986, section 118.12, is amended to read:

118.12 INVESTMENT OF TOWN AND SCHOOL DISTRICT FUNDS.

When the town board of any town ~~or the school board of any school district~~ in this state, by a unanimous resolution, deem it advisable, such town board ~~or school board~~ may invest such amount of funds in such town ~~or school~~ treasury as will not, in the opinion of such board, be needed by such town ~~or school district~~ during the fiscal year, in any of the bonds of any county, city, town, school district, drainage or other district created pursuant to law for public purposes in Minnesota, Iowa, Wisconsin, and North and South Dakota, or in bonds of the United States of America, or in the bonds of any city, county, town, school district, drainage or other district created pursuant to law for public purposes in the United States, containing at least 3,500 inhabitants, provided that the total bonded indebtedness of any such municipality or district shall not exceed ten percent of its assessed valuation.

Sec. 2. Minnesota Statutes 1986, section 118.13, is amended to read:

118.13 DEPOSIT OF SECURITIES.

Any town board ~~or school district board~~ investing such surplus funds in such authorized securities as provided in section 118.12 shall deposit such securities for safekeeping with the county treasurer of the county wherein such town ~~or school district~~ is located or with any bank maintaining a safekeeping department. Such county treasurer or bank shall give a receipt for each and all of such securities to the town board ~~or school district board~~, as the case may be, and such county treasurer or bank shall keep such securities for safekeeping until such time as such town board ~~or school district board~~ shall adopt a resolution requesting the county treasurer or bank to turn such securities or any of them over to the treasurer of such town ~~or school district~~.

Sec. 3. Minnesota Statutes 1986, section 118.14, is amended to read:

118.14 EXCLUSION OF INVESTED FUNDS FROM BOND COVERAGE.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The funds invested in such securities and deposited by the town board ~~or school board~~, as provided in section 118.13, shall not be included within the amount of money for which the town treasurer ~~or school treasurer~~ is required by law to give a bond to the town ~~or school district~~.

Sec. 4. Minnesota Statutes 1986, section 120.0752, is amended by adding a subdivision to read:

Subd. 3. [11TH AND 12TH GRADE STUDENTS.] Notwithstanding subdivision 2, an eleventh or twelfth grade pupil who has been enrolled in a district for at least three consecutive years and whose parent or guardian moves to another district, may continue to enroll in the nonresident district upon the approval of the school board of the nonresident district. The approval of the school board of the pupil's resident district is not required. The pupil shall be considered a resident of the district in which that student is enrolled.

Sec. 5. Minnesota Statutes 1986, section 121.11, is amended by adding a subdivision to read:

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.

Sec. 6. Minnesota Statutes 1986, section 121.612, subdivision 3, is amended to read:

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; ~~and~~

~~(f) consideration of the establishment of a Minnesota high school academic league.~~

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

Sec. 7. Minnesota Statutes 1986, section 121.612, is amended by adding a subdivision to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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.

Sec. 8. Minnesota Statutes 1986, section 121.612, subdivision 5, is amended to read:

Subd. 5. REPORT. By February 1, 1984, and February 1, 1985, 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.

Sec. 9. Minnesota Statutes 1986, section 121.612, is amended by adding a subdivision to read:

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.

Sec. 10. Minnesota Statutes 1986, section 121.612, is amended by adding a subdivision to read:

Subd. 7. APPROPRIATION. There is annually appropriated to the academic excellence foundation any and all amounts received by the foundation pursuant to section 9.

Sec. 11. Minnesota Statutes 1986, section 121.935, subdivision 6, is amended to read:

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.

Sec. 12. Minnesota Statutes 1986, section 121.936, subdivision 1, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **MANDATORY PARTICIPATION.** (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting 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 or participating in a state approved pilot test of an alternative financial system shall purchase finance system services from any region if the region of affiliation does not offer alternative system support services 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.~~

Sec. 13. Minnesota Statutes 1986, section 121.912, is amended by adding a subdivision to read:

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.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 14. Minnesota Statutes 1986, section 121.932, subdivision 3, is amended to read:

Subd. 3. **EXEMPTION FROM CHAPTER 14.** Except as provided in section 121.931, subdivision 8, ~~the development of the data element dictionary pursuant to subdivision 1, and the annual data acquisition calendar pursuant to subdivision 2, shall be,~~ 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.

Sec. 15. Minnesota Statutes 1986, section 121.932, is amended by adding a subdivision to read:

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 nonlicensed 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.

Sec. 16. Minnesota Statutes 1986, section 121.934, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** An advisory council to the state board ~~consisting of 11 members~~ appointed by the governor is hereby established. Section 15.059, subdivisions 2, 4, and 5, shall govern membership terms, ~~compensation of members,~~ removal of members, and the filling of membership vacancies ~~shall be as provided in section 15.059.~~ The governor is encouraged to solicit the suggestions of the state board, ~~the governing boards of regional management information centers, and school boards in selecting members of the council.~~

Sec. 17. Minnesota Statutes 1986, section 121.934, subdivision 2, is amended to read:

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; ~~and~~

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(d) one person from the general public; and

(e) 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.

Sec. 18. Minnesota Statutes 1986, section 121.934, subdivision 6, is amended to read:

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

Sec. 19. Minnesota Statutes 1986, section 122.541, subdivision 2, is amended to read:

Subd. 2. **AID; TRANSPORTATION.** A district entering into an agreement permitted in subdivision 1 shall:

(1) Continue to count its resident pupils who are educated in a cooperating district as resident pupils in the calculation of pupil units for all purposes, including the calculation of state aids and levy limitations. Notwithstanding section 124.18, subdivision 2, an agreement permitted by subdivision 1 shall provide for the tuition payments the cooperating districts determine are necessary and equitable to compensate each district for the instruction of nonresident pupils; and

(2) Continue to provide transportation and collect transportation aid for its resident pupils pursuant to sections 123.39, ~~124.222~~ and 124.223, and 124.225. This clause shall not be construed to prohibit a district from providing some or all transportation to its resident pupils by contracting with a district ~~which~~ that has entered the agreement. For purposes of aid calculations pursuant to section ~~124.222~~ 124.225, the commissioner may adjust the base cost per eligible pupil transported to reflect changes in costs resulting from an agreement which provides for a district to discontinue at least one grade.

Sec. 20. Minnesota Statutes 1986, section 123.35, is amended by adding a subdivision to read:

Subd. 16. SCHOOL NURSE. By July 1, 1988, a board of a district with 1,000 pupils or more must employ at least one full-time licensed school nurse. The board may contract with a public health agency for nursing services. The board shall not reduce the number of licensed school nurses that it employed

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during the 1986-1987 school year, except, if the enrollment of the district declines, the district may reduce the equivalent services of licensed school nurses proportionately.

Sec. 21. Minnesota Statutes 1986, section 123.36, subdivision 13, is amended to read:

Subd. 13. **PROCEEDS OF SALE OR EXCHANGE.** Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision.

(1) In districts with outstanding bonds, the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for outstanding bonds which is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property which is sold.

(2) After satisfying the requirements of clause (1), a district with outstanding bonds may deposit proceeds of the sale or exchange in its capital expenditure fund if the amount deposited is used for the following:

~~(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;~~

~~(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;~~

~~(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F;~~

~~(d) (a) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation, if the method for asbestos removal or encapsulation is approved by the department of education;~~

~~(e) (b) for expenditures for the cleanup of polychlorinated biphenyls, if the method for cleanup is approved by the department of education;~~

~~(f) (c) for capital expenditures for the betterment, as defined in section 475.51, subdivision 8, of district-owned school buildings, other than as provided in clauses (b); (e); and (d) clause (a); or~~

~~(g) (d) to replace the building or property sold.~~

The amount of the proceeds used for the purposes specified in clauses (a); and (b); (e); (d); and (e) shall be deducted from the levy limitation computed for the levy authorized in section 275.125, ~~subdivisions 11b and~~ subdivision 11c,

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as applicable, in the first year after the deposit and from levy limitations computed for this levy in succeeding years until the entire amount is deducted.

(3) In a district with outstanding bonds, the amount of the proceeds of the sale or exchange remaining after the application of clauses (1) and (2), which is sufficient to meet when due that percentage of the principal and interest payments for the district's outstanding bonds which is not governed by clause (1), shall be deposited in the debt retirement fund.

(4) Any proceeds of the sale or exchange remaining in districts with outstanding bonds after the application of clauses (1), (2), and (3), and all proceeds of the sale or exchange in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(5) Notwithstanding clauses (2) and (3), a district with outstanding bonds may deposit in its capital expenditure fund and use for any lawful capital expenditure without the reduction of any levy limitation the same percentage of the proceeds of the sale or exchange of a building or property as the percentage of the initial cost of purchasing or constructing the building or property which was paid using revenue from the capital expenditure fund.

(6) Every district which sells or exchanges a building or property shall report to the commissioner in the form and at the time the commissioner prescribes on the disposition of the proceeds of the sale or exchange.

Sec. 22. [123.951] SCHOOL SITE MANAGEMENT AGREEMENT.

A school board may enter into an agreement with a school site management team concerning the governance, management, or control of a school. An initial school site management team shall be appointed by the school board and shall include the school principal, representatives of teachers in the school, representatives of other employees in the school, representatives of parents of pupils in the school, representatives of pupils in the school, representatives of other members in the community, and others determined appropriate by the board. The permanent school site management team shall consist of at least the school principal and representatives elected by each group represented on the initial team.

The school board may delegate any of its powers or duties to the school site management team. Any powers or duties not specifically delegated shall remain with the school board.

Sec. 23. Minnesota Statutes 1986, section 124.05, subdivision 1, is amended to read:

Subdivision 1. ~~At the annual organizational meeting in independent districts and at the annual district meeting in common districts or at other times if necessary, The board district shall designate one or more national or state banks as official depositories for district money; and thereupon shall require the treasurer to deposit all or part of the district money in such bank or banks. Such designation shall be in writing and set forth all the terms and conditions upon~~

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which the deposits are made; signed by the chair and clerk; and made a part of the minutes of the board. Thereupon such bank or banks shall become legal depositories for district money in the manner specified in section 118.005, subdivision 1. If the board shall refuse ~~refuses~~ or fail ~~fails~~ to designate one or more depositories in accordance with this subdivision, the treasurer shall deposit the funds of the district in accordance with the provisions of section 118.005, subdivision 2, and shall file a statement of the selection of the depository with the clerk of the district. The treasurer shall not thereafter be liable for the loss of any funds through the insolvency or default of such depository in the absence of negligence on the treasurer's part in the selection of the depository.

Sec. 24. Minnesota Statutes 1986, section 124.14, subdivision 7, is amended to read:

Subd. 7. **APPROPRIATION TRANSFERS.** If a direct appropriation to the ~~commissioner~~ department of education for any education aids aid or grant 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 of education may transfer the excess to any education aid or grant appropriation that is insufficient to meet the required payment, ~~except that.~~ However, section 124A.032 applies to 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 shall be allocated proportionately 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. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

Sec. 25. Minnesota Statutes 1986, section 124.195, subdivision 8, is amended to read:

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~~ 124.274; and extended leave ~~and part-time teacher aids~~ aid according to chapters 354 and 354A.

Sec. 26. Minnesota Statutes 1986, section 124.273, subdivision 5, is amended to read:

Subd. 5. **NOTIFICATION; AID PAYMENTS.** The department shall inform

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each applicant district of the amount of aid it will receive pursuant to this section within a month after the application deadline; ~~and the department shall pay the aid within 15 days after notifying the district that it will receive aid.~~ Beginning with the 1982-1983 school year, 85 percent of the aid shall be paid within 15 days after the aid notification and the remaining aid to each district shall be paid on or before October 31 of the following school year.

Sec. 27. Minnesota Statutes 1986, section 124A.031, subdivision 4, is amended to read:

Subd. 4. **LOST REVENUE AID.** Each year, based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall determine the distribution to each school district of the amount of revenue lost as a result of the reduction in property taxes provided in section 124.2137. On or before July 15 of each year, the commissioner of revenue shall certify the amounts so determined to the department of education. The department of education shall pay each school district its distribution as part of the foundation aid payment to each district in accordance with the payment dates in ~~subdivision 4~~ section 124.195, as applicable.

Sec. 28. Minnesota Statutes 1986, section 125.03, subdivision 5, is amended to read:

Subd. 5. **TEACHERS; EXAMS.** "Teachers" for the purpose of examination means persons applying for initial teaching licenses ~~or persons applying for additional fields of licensure~~ to provide direct instruction to pupils in prekindergarten, elementary, secondary, and special education programs. It does not mean persons applying for licenses as supervisory or support personnel nor does it mean librarians, school social workers, school psychologists, audio-visual directors or coordinators, or media generalists or supervisors.

Sec. 29. Minnesota Statutes 1986, section 125.05, subdivision 1, is amended to read:

Subdivision 1. **QUALIFICATIONS.** The authority to license teachers as defined in section 125.03, subdivision 1, is vested in the board of teaching except that the authority to license supervisory and support personnel as defined in section 125.03, subdivision 4, is vested in the state board of education. Licenses shall be issued to such persons as the board of teaching or the state board of education finds to be competent for their respective positions. For teachers, as defined in section 125.03, subdivision 5, competency includes successful completion of ~~an examination of academic knowledge in each field of licensure and, for persons applying for initial licenses,~~ an examination of skills in reading, writing, and mathematics for persons applying for initial licenses. Qualifications of teachers and other professional employees except supervisory and support personnel shall be determined by the board of teaching under the rules ~~which~~ it promulgates. Licenses under the jurisdiction of the board of teaching shall be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education shall be issued through the licensing section of the department of education.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 30. Minnesota Statutes 1986, section 125.611, subdivision 11, is amended to read:

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

Sec. 31. Minnesota Statutes 1986, section 125.611, subdivision 12, is amended to read:

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

Sec. 32. Minnesota Statutes 1986, section 125.611, subdivision 13, is amended to read:

Subd. 13. ~~APPLICATIONS AFTER JUNE 30, 1984.~~ ~~The state shall not reimburse the district for any portion of an early retirement incentive for any applications submitted after June 30, 1984. Beginning on July 1, 1984, a teacher meeting the requirements of subdivision 1 may apply to the school board of the employing district for a contract for termination of services, withdrawal from active teaching service, and payment of an early retirement incentive. This application shall be submitted on or before February 1 of the school year at the end of which the teacher wishes to retire. A school board shall approve or deny the application within 30 days after it is received by the board. The amount of the early retirement incentive shall be agreed upon between the teacher and the school board. The early retirement incentive shall be paid by the employing district at the time and in the manner mutually agreed upon by a teacher and the board.~~

Sec. 33. Minnesota Statutes 1986, section 126.02, subdivision 2, is amended to read:

Subd. 2. ~~TRAINING OF TEACHERS~~ TEACHER EDUCATION PROGRAMS. All colleges, schools, and other educational post-secondary institutions ~~giving offering~~ teacher training education programs shall provide courses in physical and health education, training, and instruction ~~and~~. Every pupil attending any college, school, or educational institution in preparation for teaching service student in a teacher education program shall take ~~such~~ health courses.

Sec. 34. [126.201] ADMINISTRATION OF MEDICATION BY SCHOOL PERSONNEL.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

A licensed school nurse or, in the absence of the nurse, a principal or teacher may administer medication prescribed for a pupil under the conditions set forth in this section. Administration of medication by school personnel must only be done according to the written order of a licensed physician and written authorization of a parent. Medication to be administered must be brought to school in a container appropriately labeled by the pharmacy or physician. Medications that are not taken orally or that have the potential of dangerous side effects may be administered only by a licensed school nurse.

Sec. 35. Minnesota Statutes 1986, section 126.56, subdivision 3, is amended to read:

Subd. 3. **FINANCIAL NEED.** Need for financial assistance shall be based on family income, family size, and special necessary expenditures of the family. The higher education coordinating board shall ~~determine~~ review the financial need of each pupil ~~based on to meet the actual charges made~~ costs of attending the summer program, as determined by the institution sponsoring the summer program ~~and~~. The board shall award scholarships within the limits of the appropriation for this section. If the amount appropriated is insufficient ~~to make a full award to each applicant,~~ the board shall allocate the amount appropriated in the manner it determines. ~~Scholarships~~ A scholarship shall not be less than \$100 ~~or more than~~ exceed \$1,000.

Sec. 36. Minnesota Statutes 1986, section 126.56, subdivision 6, is amended to read:

Subd. 6. **INFORMATION.** The higher education coordinating board, in cooperation with the academic excellence foundation, shall assemble and distribute information about scholarships and eligible programs. ~~It may seek nonstate funds to perform its duties.~~

Sec. 37. Minnesota Statutes 1986, section 129B.39, is amended to read:

129B.39 PURCHASE OF COURSEWARE PACKAGE DUPLICATION RIGHTS.

Rights to duplication of courseware packages may be purchased, and volume purchase agreements may be established by the department of education, if the department determines that the courseware packages qualify as high quality according to section 129B.37, and if the courseware packages are available to the state at a lower cost than if purchased by school districts individually. The department shall contract with any company that submits the lowest bid and that has the capability to duplicate and distribute courseware packages obtained by the department under this section. The materials shall be available to districts ~~without at cost except for,~~ including nominal costs of reproduction and distribution. Money from the sale of courseware packages is annually appropriated to the department of education to purchase additional courseware packages according to this section.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 38. Minnesota Statutes 1986, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$150 fee before the person's drivers license is reinstated to be credited as follows:

(1) 50 percent shall be credited to the trunk highway fund;

(2) 25 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account is appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5; and

(3) 25 percent shall be credited to a separate account to be known as the alcohol impaired driver education account. Money in the account is appropriated to the commissioner of education for grants to develop alcohol impaired driver education programs in elementary, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. The commissioner of education shall report to the legislature by January 15, 1988, on the expenditure of grant funds under this clause. Each year the commissioner may use \$100,000 to administer the grant program and other traffic safety education programs.

Sec. 39. Minnesota Statutes 1986, section 275.125, subdivision 9, is amended to read:

Subd. 9. **LEVY REDUCTIONS; TACONITE.** (1) Reductions in levies pursuant to subdivision 10, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.26; 298.23 to 298.28, except an amount distributed under section 298.28, subdivision 4, paragraph (c), clause (ii); 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 477A.15; and 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, or recognized revenue pursuant to section 477A.15; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section and sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 124A.20, subdivision 2, by the greater of the following:

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(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times the ratio of the maximum levy allowed the district under sections 124A.03, subdivision 2, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, and 124A.14, subdivision 5a, to the total levy allowed the district under this section and sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 124A.20, subdivision 2, in the year in which the levy is certified.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 124A.03, subdivision 1, to an amount less than the amount raised by a levy of 12.5 mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2 shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by ~~subdivision 11a~~, article 6, section 4, subdivision 2, and subdivisions 11c and 12a, and the community service levy authorized by ~~subdivisions 8 and 8b~~, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to ~~subdivision 11a~~ article 6, section 4, subdivision 2, and subdivisions 11c and 12a, and for community services pursuant to ~~subdivision 8 and 8b~~. The reduction of the capital expenditure levy and the community services levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124A.035, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the St. Louis county auditor in the following amount by March 15 of each year except 1986, the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section 124A.035, subdivision 5, which is in excess of the foundation aid earned for that fiscal year. The county auditor shall deposit any amounts received pursuant to

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this clause in the St. Louis county treasury for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 40. **APPROPRIATIONS.**

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

Subd. 2. COUNCIL ON QUALITY EDUCATION. For the council on quality education venture fund grants and dissemination according to Minnesota Statutes, sections 129B.01 to 129B.05, there is appropriated:

\$ 63,900 1988.

The appropriation for aid for fiscal year 1988 is for aid for fiscal year 1987 payable in fiscal year 1988.

Subd. 3. EXTENDED LEAVES OF ABSENCE. For the state's obligations according to Minnesota Statutes, sections 354.094 and 354A.091, there is appropriated:

\$196,900 1988.

Subd. 4. COMPREHENSIVE ARTS PLANNING PROGRAM. For grants for the comprehensive arts planning program according to Minnesota Statutes, section 129B.20, there is appropriated:

\$37,500 1988.

\$37,500 1989.

Sec. 41. **APPROPRIATIONS.**

Subdivision 1. HIGHER EDUCATION COORDINATING BOARD. There is appropriated from the general fund to the higher education coordinating board the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. SUMMER PROGRAM SCHOLARSHIPS. For scholarship awards for 1988 and 1989 summer programs according to Minnesota Statutes, section 126.56, there is appropriated:

\$213,700 1988,

\$213,700 1989.

Of this appropriation, the amount required may be used for the higher education coordinating board's costs of administering the program.

Sec. 42. **REVISOR'S INSTRUCTION.**

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

In sections 121.904, 121.912, 121.914, 121.917, 122.531, 123.71, 124.225, 124A.08, 136C.28, and 136C.69, the Revisor of Statutes shall change, in the next edition of Minnesota Statutes, the phrases in column A to the phrases in column B.

Column AColumn BReserved Fund Balances

Appropriated for AVTI Equipment
Appropriated for AVTI Repair
and Betterment
Appropriated for Unemployment
Insurance
Appropriated for Severance Pay
Appropriated for Bus Purchases
Appropriated for Statutory
Operating Debt Reduction
Appropriated for Maintenance
Levy Reduction
Appropriated for Current Use of
Taconite Payments
Appropriated for Encumbrances

Reserved for AVTI Equipment
Reserved for AVTI Repair
and Betterment
Reserved for Unemployment
Insurance
Reserved for Severance Pay
Reserved for Bus Purchases
Reserved for Statutory
Operating Debt Reduction
Reserved for Maintenance
Levy Reduction
Reserved for Current Use of
Taconite Payments
Reserved for Encumbrances

Unreserved Fund Balances

Appropriated for Building
Construction
Unappropriated Statutory
Operating Debt as of
June 30, 1977
Unappropriated from July 1,
1977
Unappropriated

Designated for Building
Construction
Undesignated Statutory
Operating Debt as of
June 30, 1977
Undesignated from July 1,
1977
Undesignated

Sec. 43. **REPEALER.**

Minnesota Statutes 1986, sections 124.05, subdivision 2; 124.185; 124A.031, subdivision 1; 125.611, subdivisions 8, 9, and 10; 354.66, subdivisions 4a and 9; 354A.094, subdivisions 4a and 9; and Laws 1985, First Special Session chapter 12, article 8, section 46, are repealed.

Sec. 44. **EFFECTIVE DATE.**

Sections 35 and 36 are effective the day following final enactment.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

ARTICLE 8

ACCESS TO EXCELLENCE

Section 1. Minnesota Statutes 1986, section 121.609, subdivision 4, is amended to read:

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.

Sec. 2. **[122.91] EDUCATION DISTRICT ESTABLISHMENT.**

Subdivision 1. PURPOSE. The purpose of an education district is to increase educational opportunities for pupils by increasing cooperation and coordination among school districts.

Subd. 2. AGREEMENT. School boards meeting the requirements of subdivision 3 may enter into a written agreement to establish an education district. The agreement and subsequent amendments must be adopted by majority vote of the full membership of each board.

Subd. 3. REQUIREMENTS FOR FORMATION. An education district must have one of the following at the time of formation:

(1) at least five districts;

(2) at least four districts with a total of at least 5,000 pupils in average daily membership; or

(3) at least four districts with a total of at least 2,000 square miles.

Subd. 4. NOTICE AND HEARING. Before entering into an agreement, the school board of each member district shall publish at least once in a newspaper of general circulation in the district a summary of the proposed agreement and its effect upon the district. The board shall conduct a public hearing on the proposed agreement not more than ten days after the notice and at least 30 days before entering into an agreement.

Subd. 5. JOINDER AND WITHDRAWAL. A process for a district to join or withdraw from an education district shall be included in the education district agreement.

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Subd. 6. EDUCATIONAL COOPERATIVE SERVICE UNITS. If requested, educational cooperative service units shall provide assistance to districts in establishing education districts. The assistance may include determination of appropriate boundaries of the education district and development of the agreement. The educational cooperative service units may provide any other services requested by the education district.

Sec. 3. [122.92] EDUCATION DISTRICT BOARD.

The education district board shall be composed of at least one representative appointed by the school board of each member district. The representative shall reside in the school district of the appointing school board. The representative shall serve at the pleasure of the appointing school board and may be recalled by a majority vote of the appointing school board. Each representative shall serve for the term that is specified in the agreement. The board shall select its officers from among its members and shall determine the terms of the officers. The board shall adopt by-laws for the conduct of its business.

Sec. 4. [122.93] POWERS AND DUTIES OF THE BOARD.

Subdivision 1. COORDINATION. An education district board shall coordinate the programs and services of the education district according to the terms of the written agreement. The board shall implement the agreement for delivering educational services needed in the education district.

Subd. 2. PERSONNEL. The board may employ personnel as necessary to provide and support the programs and services of the education district. Education district staff shall participate in retirement programs.

Subd. 3. CONTRACTS. The board may enter into contracts with school districts and other public and private agencies to provide services needed in the education district.

Subd. 4. GENERAL LAW. The board shall be governed, unless specifically provided otherwise, by laws applicable to independent school districts.

Subd. 5. ADVISORY COUNCIL. An advisory council, consisting of representatives from the program areas covered by the agreement, shall be appointed by the education district board.

Subd. 6. REPORT TO MEMBERS. The board shall submit at least an annual report to the member districts and an annual report to the state board of education about the activities of the education district.

Sec. 5. [122.94] EDUCATION DISTRICT AGREEMENT.

Subdivision 1. ESTABLISHMENT. An education district board shall adopt a comprehensive agreement for continuous learning. The agreement must address methods to improve the educational opportunities available in the education district. It must be submitted for review by all educational cooperative service units serving the education district. The education district board shall review

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the agreement annually and propose necessary amendments to the member districts.

Subd. 2. MANDATORY PROVISIONS. The agreement must provide for the following:

(1) coordination of member district and education district programs for handicapped pupils, gifted and talented pupils, secondary vocational education, improved learning, community education, early childhood family education, career education, and low incidence academic programs;

(2) research, planning, and development functions, including acquiring and disseminating research information and developing methods to implement research, such as educational effectiveness programs and improving education based on educational research; and

(3) methods to meet pupil needs for health services, library services, and counseling services.

Subd. 3. OPTIONAL PROVISIONS. The agreement may contain the following:

(1) methods for sharing administrative and management services;

(2) professional development programs;

(3) programs that use learning time available during the summer;

(4) use of technology for education programs and management assistance; or

(5) methods for involving parents in planning education programs.

Subd. 4. EXTENDED YEAR. The agreement may provide opportunities for pupils to receive instruction throughout the entire year and for teachers to coordinate educational opportunities and provide instruction throughout the entire year. Pupils may receive instruction for more than or less than the daily number of hours required by the rules of the state board of education. However, the pupil must receive instruction each year for at least the total number of instructional hours required by statutes and rules. A teacher who is employed for the extended year may develop, in consultation with pupils and parents, individual educational programs for not more than 125 pupils.

Subd. 5. ATTENDANCE IN OTHER DISTRICTS. The agreement may provide for a pupil who is a resident of a member district to enroll in programs or courses offered by another member district or transfer to another member district. A pupil and parent shall consult with a career teacher, counselor, or principal before transferring to another district. The agreement shall specify procedures for reimbursement among the member districts. The district of residence shall count all resident pupils who enroll in programs or courses or transfer to another district as its pupils for the purpose of state aid and levy

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limitations. The agreement shall determine whether transportation is available for pupils enrolled in programs or courses or transferring to another district.

Sec. 6. [122.95] TEACHING POSITIONS.

Subdivision 1. DEFINITION. For the purposes of this section, "teacher" has the meaning given it in section 125.12, subdivision 1, except that it does not include a superintendent.

Subd. 2. FILLING POSITIONS. (a) When an education district board or a member board is filling a position resulting from implementation of the agreement, the board may offer the position to a teacher currently employed by a member district according to the exchange teacher provisions of section 125.13.

(b) If the position is not filled by a currently employed teacher, the board shall offer the position to an available teacher in the order of seniority in fields of licensure on a combined seniority list of all available teachers in the member districts. An available teacher is a teacher in a member district who:

(1) was placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or was terminated according to section 125.17, subdivision 11, not more than one year before the initial formation of an education district as a result of an intention to enter into an education district agreement;

(2) was placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or was terminated according to section 125.17, subdivision 11, as a result of implementing the education district agreement, after the formation of the education district; or

(3) is placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or is terminated according to section 125.17, subdivision 11, as a result of implementing the education district, in the same year the position is filled.

(c) If no currently employed teacher or available teacher accepts the position, the board may fill the position with any other teacher.

(d) Any teacher who has been placed on unrequested leave of absence or who has been terminated has a right to a position only as long as the teacher has a right to reinstatement in a member district under section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11.

Subd. 3. PROBATION AND TERMINATION. Notwithstanding section 125.12, subdivision 3, a teacher who has acquired continuing contract rights in a member district and who transfers employment from a member district to the education district or to another member district does not have to serve a probationary period. A teacher who is terminated or discharged by a member district according to section 125.12, subdivision 6 or 8, or 125.17, subdivision 4, has no right to any position under this section.

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Subd. 4. DETERMINATION OF REASON FOR LEAVE. When a school board that intends to enter into an education district agreement, and at the time a school board that has entered into an education district agreement places a teacher on unrequested leave of absence, according to section 125.12, subdivision 6a or 6b, or terminates a teacher's services under section 125.17, subdivision 11, the board shall make a determination whether the placement or termination is a result of implementing the education district agreement. That determination shall be included in the notice of proposed placement or termination, may be reviewed at a hearing upon request of the teacher, and shall be included in the notice of final action of the board. If the determination is not disputed by the teacher before June 1 or the final date required for action by the board, the teacher shall be deemed to acquiesce in the board's determination.

Sec. 7. [122.96] BONDS FOR EDUCATION DISTRICTS.

Subdivision 1. PURPOSE OF BONDS. The education district board, acting on its own behalf, may issue bonds for the acquisition of secondary school facilities or for funding or refunding related outstanding bonds, warrants, orders, or certificates of indebtedness. The board shall comply with the provisions of chapter 475.

Subd. 2. APPROVAL RESOLUTION. The purpose and the amount of any borrowing shall first be approved by resolution of the board of the education district. When the resolution has been adopted by the board it shall be published once in a newspaper of general circulation in the education district.

Subd. 3. ELECTION. The education district board shall not sell and issue bonds for acquisition purposes until the question of their issuance has been submitted to the voters of the education district at a special election held in and for the education district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the board. The election shall be conducted and canvassed under the direction of the education district board in accordance with section 123.32, insofar as may be applicable.

If a majority of the total number of votes cast on the question within the education district is in favor of the question, the board may proceed with the sale and the issuance of the bonds.

Subd. 4. OBLIGATION FOR PAYMENT. The full faith, credit, and unlimited taxing powers of the education district shall be pledged to the payment of all bonds and certificates of indebtedness. None of the obligations shall be included in the net debt, as defined by section 475.51, subdivision 4, of any member school district.

Subd. 5. TAX LEVIES. The education district board, upon awarding a contract for the sale of the bonds, shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause the taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the education district.

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Subd. 6. TAX-EXEMPT SECURITIES. The bonds are authorized securities within the provisions of section 50.14, and shall be deemed instruments of a public governmental agency.

Sec. 8. Minnesota Statutes 1986, section 123.34, subdivision 9, is amended to read:

Subd. 9. SUPERINTENDENT. All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. Notwithstanding the provisions of sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on seniority or order of employment in any district. If two or more school districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on seniority or order of employment in a contracting district. An individual who holds a position as superintendent in one of the contracting districts, but is not selected to perform the services, may be placed on unrequested leave of absence or may be reassigned to another available position in the district for which the individual is licensed. The superintendent of a district shall perform the following:

- (a) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;
- (b) recommend to the board employment and dismissal of teachers;
- (c) superintend school grading practices and examinations for promotions;
- (d) make reports required by the commissioner of education; and
- (e) perform other duties prescribed by the board.

Sec. 9. [123.3515] SCHOOL DISTRICT ENROLLMENT OPTIONS PROGRAM.

Subdivision 1. ESTABLISHMENT. An enrollment options program for school districts, in which a school district may voluntarily participate, is established. A participating district must include all grade levels offered by the district. By formal resolution, a participating district must agree to:

- (1) allow its resident pupils to enroll in other participating districts;
- (2) accept nonresident pupils from other participating districts; and
- (3) follow the procedures in this section.

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A district shall notify the commissioner each year by September 15 whether it will participate in the program during the following school year. For the 1987-1988 school year, a district must notify the commissioner by July 1, 1987.

Subd. 2. PUPIL APPLICATION. A pupil who resides in a participating district may enroll according to this section in a participating nonresident district. The pupil's parent or guardian must apply to the nonresident district on a form provided by the department of education. The application must be submitted to the nonresident district by December 1 for enrollment during the following school year. For the 1987-1988 school year, an application must be submitted by August 1, 1987.

Subd. 3. NONRESIDENT DISTRICT PROCEDURES. Within ten days of receiving an application, a nonresident district shall notify the resident district that it has received the application. The nonresident district shall notify the parent or guardian and the resident district by February 1 whether the pupil's application has been approved or disapproved. For the 1987-1988 school year, notification must occur by August 10, 1987.

Subd. 4. BASIS FOR APPROVAL. A nonresident district must adopt criteria for approving and disapproving applications. A nonresident district may disapprove an application because of lack of space in the district. It may also disapprove an application for a particular program or school because of lack of space in the program or school. A district that has a desegregation plan may approve and disapprove applications according to subdivision 5.

Subd. 5. RACIAL BALANCE. A school district that has a desegregation plan may limit the number of pupils who transfer into or out of the district. An application to transfer into or out of a desegregation district shall be submitted to that district by November 1 of each year for enrollment during the following school year. For the 1987-1988 school year, an application must be submitted by August 1, 1987. If approval of all of the applications would result in the district being out of compliance with its desegregation plan, the district shall establish the number of majority and minority group pupils who may transfer into or out of the district. The district may approve or disapprove the applications in a manner that will enable compliance with the desegregation plan. The district shall notify the parent or guardian by November 20 whether the pupil's application has been approved or disapproved. For the 1987-1988 school year, notification must occur by August 10, 1987.

Subd. 6. TRANSPORTATION. The nonresident district shall provide transportation within that district for nonresident pupils enrolled under this section. The state shall pay transportation aid to the district according to section 124.225. The resident district is not required to provide or pay for transportation between a pupil's residence and the border of the nonresident district.

A parent or guardian may apply to the nonresident district for reimbursement for transportation costs between the pupil's residence and the border of the nonresident district. The state board shall establish guidelines for reimbursing

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the transportation costs based on financial need. Chapter 14 does not apply to the guidelines.

Subd. 7. CREDITS; GRADUATION. A pupil who has been enrolled in a nonresident district and who has met the district's graduation requirements shall be granted a diploma by that district. The district shall accept credits toward graduation requirements that were awarded by another district.

Subd. 8. INFORMATION. A participating district must make information about the district, schools, programs, policies, and procedures available to all interested people.

Subd. 9. AID. Payment of foundation aid or general education aid for pupils enrolled in a nonresident district must be made according to section 10.

Sec. 10. Minnesota Statutes 1986, section 124A.036, is amended by adding a subdivision to read:

Subd. 5. CERTAIN NONRESIDENTS. The foundation aid for districts must be adjusted for each pupil attending a nonresident district under sections 9 and 34. The adjustments must be made according to this subdivision.

(a) Foundation aid paid to a resident district must be reduced by an amount equal to the formula allowance plus the total tier revenue per actual pupil unit of the resident district times the number of pupil units of pupils enrolled in a nonresident district.

(b) Foundation aid paid to a nonresident district shall be increased by an amount equal to the formula allowance plus the total tier revenue per actual pupil unit of the nonresident district times the number of pupil units of nonresident pupils enrolled in that nonresident district.

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

Sec. 11. Minnesota Statutes 1986, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall adopt rules to license public school teachers and interns subject to chapter 14. The board shall adopt rules for examination of teachers, as defined in section 125.03, subdivision 5. The rules may allow for completion of the examination of skills in reading, writing, and mathematics before entering or during a teacher education program. The board shall adopt rules to approve teacher education programs. The board of teaching shall provide the leadership and shall adopt rules by October 1, 1988 for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teaching education program evaluation to

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assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

These rules shall encourage teacher educators to obtain periodic classroom elementary or secondary teaching experience. The board shall also grant licenses to interns and to candidates for initial licenses ~~and~~. The board shall design and implement an assessment system which requires candidates for initial licensure and first continuing licensure to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels. The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses; The board shall grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. Notwithstanding any law or rule to the contrary, the board shall not establish any expiration date for application for life licenses. With regard to vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of education and the state board of vocational technical education.

Sec. 12. [125.211] RESEARCH ON PROGRAM EFFECTIVENESS.

Subdivision 1. PURPOSE. The legislature recognizes a growing and substantial concern about the effectiveness and breadth of the existing undergraduate curriculum for teacher education students. It also recognizes the absence of definitive research about the most effective curricula to adequately prepare teachers for entrance into the teaching profession. The purpose of this section is to support research on the comparative effectiveness of different teacher education program structures, after new programs have been designed and implemented, and the first graduates are in service.

Subd. 2. RESPONSIBILITY. By July 1, 1989, the board of teaching shall begin to evaluate the effectiveness of pre-baccalaureate, post-baccalaureate, and other alternative program structures for preparing candidates for entrance into the teaching profession. The evaluation shall be conducted by independent research centers or evaluators who are not associated with a Minnesota teacher education institution and shall be longitudinal in nature. By July 1, 1990, the board of teaching shall make a preliminary report on the effectiveness of alternative program structures to the education and finance committees of the legislature.

Sec. 13. [125.231] TEACHER ASSISTANCE THROUGH MENTORSHIP PROGRAM.

Subdivision 1. TEACHER MENTORING PROGRAM. School districts are encouraged to participate in a competitive grant program that explores the potential of various teacher mentoring programs.

Subd. 2. TEACHER MENTORING TASK FORCE. The commissioner shall appoint a teacher mentoring task force including representatives of the two teachers unions, the two principals organizations, school boards association,

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administrators association, board of teaching, parent teacher association, post-secondary institutions, foundations, and the private sector. Representation on the task force by minority populations shall reflect the proportion of minorities in the public schools.

The task force shall:

(1) make recommendations for a system of incentives at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession;

(2) determine ways in which teachers can be empowered through expanding to new and more professional roles; and

(3) develop the application forms, criteria, and procedures for the mentorship program.

Subd. 3. APPLICATIONS. The commissioner of education shall make application forms available by October 1, 1987. By December 1, 1987, a school district, a group of school districts, or a coalition of districts, teachers and teacher education institutions may apply for a teacher mentorship program grant. By January 1, 1988, the commissioner, in consultation with the teacher mentoring task force, shall approve or disapprove the applications. To the extent possible, the approved applications must reflect a variety of mentorship program models, include a variety of coalitions and be geographically distributed throughout the state. The commissioner of education shall encourage the selected sites to consider the use of the assessment procedures developed by the board of teaching.

Subd. 4. CRITERIA FOR SELECTION. At a minimum, applicants must express commitment to:

(1) allow staff participation;

(2) assess skills of both beginning and mentor teachers;

(3) provide appropriate in-service to needs identified in the assessment;

(4) provide leadership to the effort;

(5) cooperate with higher education institutions;

(6) provide facilities and other resources; and

(7) share findings, materials, and techniques with other school districts.

Subd. 5. ADDITIONAL FUNDING. Applicants are required to seek additional funding and assistance from sources such as school districts, post-secondary institutions, foundations, and the private sector.

Subd. 6. REPORT TO THE LEGISLATURE. By January 1, 1988, the

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commissioner of education shall report to the legislature on the teacher mentoring task force recommendations for a system of incentives at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession.

By January 1 of 1989 and 1990, the commissioner of education shall report to the legislature on the design, development, implementation, and evaluation of the mentorship program.

Sec. 14. [125.241] ADMINISTRATORS ACADEMY.

Subdivision 1. SERVICES. An administrators academy is established. The academy shall provide at least the following services:

(1) an administrator assessment that results in an individual professional development plan;

(2) research and development assistance that provides current research and data of interest to administrators; and

(3) brokerage assistance to provide services and resources to help administrators with needs identified in their individual professional development plan.

Subd. 2. GOVERNANCE. The commissioner of education shall appoint a 17-member committee to govern the administrators academy. Eight members must be from among administrators who are receiving or have received the services of the academy. In addition, a representative of each of the following organizations: Minnesota department of education, Minnesota association of school administrators, Minnesota elementary school principals, Minnesota secondary school principals, University of Minnesota, state university system, and a representative from the private colleges must be appointed by the organization each represents. Parents and teachers shall also have representation on the governing board.

Subd. 3. REPORT TO THE LEGISLATURE. The department of education shall report to the legislature by January 1, 1989, on the services provided by the administrators academy.

Sec. 15. [126.22] HIGH SCHOOL GRADUATION INCENTIVES PROGRAM.

Subdivision 1. PURPOSE. The legislature finds that it is critical for persons to obtain at least a high school education to function in today's society. Therefore, the purpose of this section is to provide incentives for and encourage all Minnesota students who have experienced or are experiencing difficulty in the traditional education system to enroll in alternative programs in order to complete their high school education.

Subd. 2. ELIGIBLE STUDENTS. The following students are eligible to participate in the high school graduation incentives program:

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(a) any student who is between the ages of 12 and 16 and who:

(1) is at least two grade levels below the performance level for students of the same age in a locally determined achievement test; or

(2) is at least one year behind in obtaining credits for graduation; or

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

(5) has been absent from attendance at school without lawful excuse for one or more class periods on more than 15 days in the preceding or current school year.

(b) any student who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for students of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for students of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or has been assessed as chemically dependent;

Subd. 3. ELIGIBLE PROGRAMS. Students who are eligible to participate under subdivision 2 may enroll in the following programs:

(a) Any program approved by the state board of education under Minnesota Rules, part 3500.3500 or according to section 121.11, subdivision 12, may enroll students who are eligible to participate under subdivision 2, clause (a), (b) or (c) of this section;

(b) Students eligible to participate under subdivision 2, clause (b) or (c) of this section may enroll in post-secondary courses under section 123.3514; and

(c) Any public secondary education program may enroll any student who is eligible to participate under subdivision 2, clause (a), (b) or (c).

Subd. 4. STUDENT ENROLLMENT. Any eligible student under subdivision 2 may apply to enroll in an eligible program under subdivision 3, using the form specified in section 120.0752, subdivision 2. Notwithstanding section 120.0752, approval of the resident district is not required for an eligible student under subdivision 2 to enroll in a nonresident district which has an eligible program under subdivision 3 or an area learning center established under section 34. A student enrolling in a program in a nonresident district under this section shall be considered a resident of that district.

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Subd. 5. DISSEMINATION OF INFORMATION. A school district shall disseminate information, developed by the department of education, about the high school graduation incentives program to residents in the district who are under the age of 21.

Subd. 6. DESEGREGATION PLANS. Notwithstanding any provision to the contrary, students may not enroll in a nonresident district under this section if their enrollment in another school district would result in a violation of a district's desegregation plan, as mandated and approved by the state board of education.

Sec. 16. [126.23] AID FOR PRIVATE ALTERNATIVE PROGRAMS.

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for high school drop outs or other eligible students under section 15, subdivision 2, the resident district must reimburse the provider an amount equal to at least 50 percent of the formula allowance plus the total tier revenue attributable to that pupil.

Sec. 17. [126.24] CAREER OPTIONS AND DROP-OUT PREVENTION INFORMATION.

Subdivision 1. SALE OF MATERIALS. The department of education may provide career options and drop-out prevention materials and services developed by the secondary vocational education section to school districts and educational agencies in Minnesota and other states. The department may collect reasonable fees for the materials and services.

Subd. 2. APPROPRIATION. There is annually appropriated from the general fund to the department of education any and all amounts received by the department under subdivision 1. Any amount received under this section must be used exclusively for the purpose of developing and distributing materials and services relating to career options and drop-out prevention programs.

Sec. 18. [126.661] PER DEFINITIONS.

Subdivision 1. APPLICABILITY. For the purposes of sections 9 to 14 and section 126.67 the following terms have the meanings given them.

Subd. 2. CURRICULUM. "Curriculum" means written plans for providing learning experiences that lead to the acquisition of knowledge, skills, and attitudes.

Subd. 3. LEARNER OUTCOME. "Learner outcome" means a specific educational goal of the curriculum.

Subd. 4. INSTRUCTION. "Instruction" means methods of providing learning experiences that facilitate pupil progress in attaining outcomes.

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Subd. 5. ESSENTIAL LEARNER OUTCOMES. “Essential learner outcomes” means the specific basic learning experiences that must be provided for all students.

Subd. 6. PER PROCESS. “Planning, evaluating, and reporting process” or “PER process” means a process, described in sections 18 to 23 and 126.67, to establish a cycle for curriculum identification, implementation, review, and improvement that is reported to the community and the state.

Sec. 19. [126.662] PER FINDINGS.

The legislature finds that a process is needed to facilitate decisions by school boards and communities concerning education curriculum planning, evaluation of curriculum, evaluation for improvement of instruction, and determination of the services that can or should be provided by institutions, such as the family, private or public organizations and agencies, in addition to being provided by public education.

Sec. 20. [126.663] PER CURRICULUM ACCOUNTABILITY AND IMPROVEMENT PROCESS.

Subdivision 1. STATE PROCESS. The state board, with the advice of the state curriculum advisory committee, shall adopt a state PER process and standard procedures for district planning, evaluating, and reporting.

Subd. 2. MODEL STATE CORE CURRICULUM. The state board shall adopt a set of learner outcomes that it considers to be essential for each subject area. The department of education, in cooperation with the state curriculum advisory committee, shall develop a validated research-based process to identify a set of learner outcomes that are essential for each subject area.

Subd. 3. MODEL LEARNER OUTCOMES. The department shall develop and maintain sets of learner outcomes in state board identified subject areas that it considers to be model learner outcomes. The department shall make the sets available for use by a district at the option of the district. The sets shall be for pupils in kindergarten to grade 12. The department shall consult with each of the public post-secondary systems and with the higher education coordinating board in developing model learner outcomes appropriate for entry into post-secondary institutions.

Sec. 21. [126.664] TECHNICAL ASSISTANCE.

The commissioner of education shall make technical assistance for planning and evaluation available to school districts. The department shall collect the annual reports from districts, as provided in section 14, subdivision 4, and shall make these reports available, upon request, to any person. If requested, the department shall provide technical assistance to a district developing methods for measuring group or individual pupil progress.

Sec. 22. [126.665] STATE CURRICULUM ADVISORY COMMITTEE.

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The commissioner shall appoint a state curriculum advisory committee of 11 members to advise the state board and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a district curriculum advisory committee. The state committee shall provide information and recommendations about at least the following:

- (1) department procedures for reviewing and approving reports and disseminating information;
- (2) exemplary PER processes;
- (3) recommendations for improving the PER process and reports; and
- (4) developing a continuous process for identifying and attaining essential learner outcomes.

By February 1 of each year, the commissioner, in cooperation with the state curriculum advisory committee, shall prepare a report for the education committees of the legislature. The report shall include the recommendations of the state curriculum advisory committee.

Sec. 23. [126.666] SCHOOL DISTRICT PROCESS.

Subdivision 1. ADOPTING POLICIES. A school board shall adopt each year a written PER policy that includes the following:

- (1) district curriculum goals;
- (2) learner outcomes for each subject area at each grade level that include the essential learner outcomes adopted by the state board under section 11, subdivision 2;
- (3) a process for evaluating each student's progress toward attaining learner outcomes and for identifying strengths and weaknesses of the curriculum;
- (4) a system for establishing a review cycle for all curriculum;
- (5) curriculum and instruction improvement plans; and
- (6) an instruction plan that includes education effectiveness processes developed according to section 121.608 and integration of curriculum and technology developed under section 129B.33.

Subd. 2. CURRICULUM ADVISORY COMMITTEE. Each school board shall establish a curriculum advisory committee to permit active community participation in all phases of the PER process. The advisory committee shall be representative of the community served by the district and include principals, teachers, parents, support staff, and other community residents. Whenever

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er possible, parents and other community residents shall comprise at least two-thirds of the advisory committee. The committee shall make recommendations to the board about the programs enumerated in article 1, section 16, that the committee determines should be offered. The recommendations shall be based on district needs and priorities.

Subd. 3. BUILDING TEAM. A team may be established at each school building to develop and implement an education effectiveness plan to improve curriculum and instruction. The team shall advise the board and the advisory committee about the development of an instruction improvement plan that aligns curriculum, assessment of student progress, and instruction.

Subd. 4. REPORT. By October 1 of each year, the school board shall adopt, using state board standard reporting procedures, a report that includes the following:

(1) learner outcomes adopted for that year;

(2) results of local assessment data, and any additional test data;

(3) the annual school district improvement plans; and

(4) information about progress that has been made toward the improvement plans that were previously adopted by the board.

The school board shall publish the report in the local newspaper with the largest circulation in the district or by mail. The report shall be available for inspection by the public. A copy of the report shall be sent to the commissioner of education by October 15 of each year.

Subd. 5. BIENNIAL EVALUATION; ASSESSMENT PROGRAM. At least once every two years the report shall include an evaluation of the district testing programs, according to the following:

(1) written objectives of the assessment program;

(2) names of tests and grade levels tested;

(3) use of test results; and

(4) implementation of assurance of mastery program.

Sec. 24. Minnesota Statutes 1986, section 126.67, is amended by adding a subdivision to read:

Subd. 2b. DISTRICT ASSESSMENTS. As part of the PER process, each year a district shall, in at least three grades, conduct assessments among at least a sample of pupils for each subject area in that year of the curriculum review cycle. The district's curriculum review cycle for communication, mathematics, science, and social studies shall be more than five years. Assessments may not be conducted in the same curriculum area for two consecutive years. The district may use tests from the assessment item bank, the local assessment

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program developed by the department, or other tests. As they become available, districts shall use state developed measures to assure state progress toward the state core curriculum. Funds are provided for districts that choose to use the local assessment program or the assessment item bank.

Sec. 25. Minnesota Statutes 1986, section 126.67, subdivision 3a, is amended to read:

Subd. 3a. **ASSURANCE OF MASTERY.** Each school board shall adopt a policy establishing a process to assure individual pupil mastery in communications and mathematics. This process shall include at least the following:

(1) procedures, which may include multiple or separate criteria, for the evaluation and identification of nonspecial education pupils and pupils with limited English proficiency who are not making sufficient progress in the mastery of communications and mathematics;

(2) procedures for implementation in grades kindergarten to 12, ~~beginning in the 1986-1987 school year,~~ and requiring evaluation of progress toward mastery at least once during grades K to 3, once during grades 4 to 6, once during grades 7 to 9, and once during grades 10 to 12;

(3) procedures for parent conferences to establish an individualized remediation or modified instruction plan for each pupil who is not making sufficient progress toward mastery of communication or mathematic skills; and

(4) procedures which shall consider and address the special needs of handicapped pupils and pupils with limited English proficiency.

Sec. 26. Minnesota Statutes 1986, section 126.67, subdivision 6, is amended to read:

Subd. 6. **ADDITIONAL TESTING.** The department upon written agreement with local school districts may perform additional testing and evaluation of students. The department may collect a reasonable fee not to exceed the actual cost of services. The department may also sell products and services as a part of the assessment item bank program to public and private entities outside of the state. Money from the sale of these products and services is annually appropriated to the department for the improvement of assessment measures within Minnesota.

Sec. 27. Minnesota Statutes 1986, section 126.70, subdivision 1, is amended to read:

Subdivision 1. **DEVELOPMENT OF PLAN ELIGIBILITY FOR REVENUE.** ~~Each school district is encouraged to develop and adopt a written comprehensive plan for excellence in teaching and curriculum. The plan shall be prepared in consultation with the curriculum advisory committee appointed according to section 126.66, subdivision 3~~ A school board may use the revenue authorized in article 1, section 18, if it establishes a staff development advisory

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committee and adopts a staff development plan according to this subdivision. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include representatives of parents, and administrators. The advisory committee shall develop a staff development plan and submit it to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in article 1, section 18.

Sec. 28. Minnesota Statutes 1986, section 126.70, is amended by adding a subdivision to read:

Subd. 2a. PERMITTED USES. A school board may approve a plan for any of the following purposes:

(1) to participate in the educational effectiveness program according to section 121.609;

(2) to provide in-service education for elementary and secondary teachers to improve the use of technology in education;

(3) to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area;

(4) to use experienced teachers, as mentors, to assist in the continued development of new teachers;

(5) to increase the involvement of parents, business, and the community in education;

(6) for experimental delivery systems;

(7) for in-service education to increase the effectiveness of principals and administrators;

(8) for in-service education or curriculum development for programs for gifted and talented pupils;

(9) for in-service education or curriculum development for cooperative efforts to increase curriculum offerings, as set forth in section 124.272;

(10) for improving curriculum, according to the needs identified under the planning, evaluation, and reporting process set forth in section 126.66;

(11) for in-service education and curriculum development designed to promote sex equity in all aspects of education, with emphasis on curricular areas such as mathematics, science, and technology programs;

(12) for in-service education or curriculum modification for handicapped pupils and low-achieving pupils;

(13) for short-term contracts as described in section 126.72; or

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(14) to employ teachers for an extended year to perform duties directly related to improving curriculum or teaching skills.

Sec. 29. Minnesota Statutes 1986, section 126.72, subdivision 1, is amended to read:

Subdivision 1. **AUTHORIZATION.** ~~As part of a program for excellence in teaching and curriculum,~~ A school board may enter into short-term, limited contracts with classroom teachers employed by the district.

Sec. 30. Minnesota Statutes 1986, section 126.81, subdivision 2, is amended to read:

Subd. 2. **GRANTS FOR EXEMPLARY TEACHER EDUCATION PROGRAMS.** The board of teaching shall award ~~at least three~~ grants to public post-secondary institutions to develop exemplary teacher education programs. The majority of grants shall be awarded for programs that are conducted jointly by an approved teacher education institution and one or more school districts.

Sec. 31. Minnesota Statutes 1986, section 129B.041, subdivision 1, is amended to read:

Subdivision 1. **COPYRIGHT.** Products of projects and programs funded pursuant to sections 129B.01 to 129B.05, including curriculum and instructional materials, computer and telecommunications software, and associated manuals and reports, may be copyrighted by the ~~council~~ department in the name of the state and may be sold. However, the state shall sell the products ~~to all school districts and public agencies in the state~~ at prices that do not exceed the cost of reproduction and distribution. Products sold shall be clearly labeled as products developed pursuant to a grant or loan from the council on quality education.

Sec. 32. Minnesota Statutes 1986, section 129B.041, subdivision 3, is amended to read:

Subd. 3. **REVOLVING FUND.** The education product and loan repayment revolving account is established in the state treasury. ~~Repayment of loans, made according to section 129B.04, subdivision 2, and Sale proceeds up to the cost of reproduction and distribution~~ from the sale of products under this section shall be deposited in this account. All funds in this account are annually appropriated to the department of education and shall be used to reproduce and distribute products of projects and programs funded pursuant to Minnesota Statutes 1986, sections 129B.01 to 129B.05.

Sec. 33. **[129B.11] PROGRAM IMPROVEMENT GRANTS.**

Subdivision 1. PLANS; GRANT AWARDS. The state board of education, with the advice of the state curriculum advisory committee and the advisory committee on technology in education for projects involving technology, shall make grants to groups of school districts to implement plans to improve education. The board may award grants to groups of districts which submit plans that include at least the following:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(1) program and curriculum changes which provide more learning opportunities for students;

(2) demonstration of a local commitment to the plan and, in the case of plans utilizing technology, local financial support including public and private partnerships;

(3) involvement of school district teaching staff in development of the plan;

(4) demonstration that the plan is consistent with school district goals established under section 126.66; and

(5) the structural criteria established in subdivision 2.

The board may establish additional criteria and shall establish time-lines and the grant application procedure for making grants.

Subd. 2. ELIGIBILITY. To be eligible for a grant, a group of districts must meet one of the following criteria:

(1) create a consolidated district according to section 122.23, with the consolidated school district having at least 600 pupils in average daily membership;

(2) establish an education district according to section 2;

(3) form a group of districts that has an agreement under section 122.535 or 122.541 for discontinuing grades when the districts entering into the agreement have a total of at least 240 pupils in average daily membership in grades 10, 11, and 12; or

(4) enter into a joint powers agreement for a technology cooperative where the school districts in the cooperative are contiguous but are significant distances apart so that other forms of cooperation are not practical.

Subd. 3. AMOUNTS. The board may determine the amount of the grant, but a grant shall not exceed \$250,000 for a group of districts.

Sec. 34. [129B.52] AREA LEARNING CENTER ORGANIZATION.

Subdivision 1. GOVERNANCE. A school district may establish an area learning center either by itself or in cooperation with other districts, an ECSU, an intermediate school district, public and private secondary and post-secondary institutions, public agencies, businesses, and foundations. Except for a district located in a city of the first class, a center must serve the geographic area of at least two districts.

Subd. 2. ACCESS TO SERVICES. A center shall have access to the district's regular education programs, technology facilities, and staff. It may contract with individuals or post-secondary institutions. It shall seek the involvement of community education programs, post-secondary institutions, community resources, businesses, and other federal, state, and local public agencies.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 3. NONRESIDENT PUPILS. A pupil who does not reside in the district may attend a center without consent of the school board of the district of residence.

Sec. 35. [129B.53] CENTER PROGRAMS AND SERVICES.

Subdivision 1. PROGRAM FOCUS. The programs and services of a center must focus on academic and learning skills, trade and vocational skills, work experience, and transition services.

Subd. 2. PEOPLE TO BE SERVED. A center shall provide programs for secondary pupils and adults. Secondary pupils to be served are those who are chemically dependent, not likely to graduate from high school, need assistance in vocational and basic skills, can benefit from employment experiences, and need assistance in transition from school to employment. Adults to be served are dislocated homemakers and workers and others who need basic educational and social services. In addition to offering programs, the center shall coordinate the use of other available educational services, social services, and post-secondary institutions in the community. The center may also provide programs for elementary and secondary pupils who are not attending the center to assist them in completing high school.

Subd. 3. RULES EXEMPTION. Notwithstanding any law to the contrary, the center programs must be available throughout the entire year. Pupils in a center may receive instruction for more than or less than the daily number of hours required by the rules of the state board of education. However, a pupil must receive instruction each year for at least the total number of instructional hours required by statutes and rules. A center may petition the state board under Minnesota Rules, part 3500.1000, for exemption from other rules.

Subd. 4. GRADUATION. Upon successful completion of the center program, a pupil is entitled to receive a high school diploma. The pupil may elect to receive a diploma from either the district of residence or the district in which the center is located.

Sec. 36. [129B.54] RESOURCE CENTER FOR OTHER PROGRAMS.

An area learning center must serve as a resource for other districts, educational, community, and business organizations. The center may charge a fee for these services. The following services shall be provided for a region or the state:

- (1) information and research for alternative programs;
- (2) regional or state workshops on awareness, identification, programs, and support for these pupils; and
- (3) recommendations for staff qualifications to ensure the most qualified staff can be selected for the programs.

Sec. 37. [129B.55] CENTER FUNDING.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. OUTSIDE SOURCES. A center may accept:

(1) resources and services from post-secondary institutions serving center pupils;

(2) resources from job training partnership act programs, including funding for jobs skills training for various groups and the percentage reserved for education;

(3) resources from the department of human services and county welfare funding; or

(4) private resources, foundation grants, gifts, corporate contributions, and other grants.

Subd. 2. FOUNDATION REVENUE. Payment of foundation or general education aid for nonresident pupils enrolled in the center must be made according to section 10.

Sec. 38. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 8d. PROGRAM IMPROVEMENT LEVY. In the year a district receives a grant under section 33, it must levy the lesser of .5 mills times the adjusted assessed valuation of the district or an amount equal to its share of the grant. If a group of districts receives a grant, the group shall determine the proportionate share of the grant for each district.

Sec. 39. PLANNING GRANTS FOR FISCAL YEARS 1988 AND 1989.

Subdivision 1. EXISTING PROGRAMS. Up to 20 planning grants of \$5,000 may be awarded for fiscal year 1988 for existing alternative programs. The grants are to prepare a plan for an existing program to become an area learning center by expanding or redesigning its services.

Subd. 2. ELIGIBILITY REQUIREMENTS. To qualify for a planning grant, an existing program must have the following:

(1) an educational program that includes at least some of the programs in section 19, subdivision 2;

(2) outreach activities; and

(3) an established policy of accepting nonresident pupils.

Subd. 3. GRANT AWARDS. The commissioner of education shall award planning grants based on short descriptions of applicants' current and proposed programs. Grant recipients must be geographically disbursed throughout the state.

Subd. 4. PLANS. A grant recipient shall submit a plan to the commissioner by January 1, 1988. The plan must include:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

- (1) the variety of people to be served;
- (2) alternative approaches to services;
- (3) interagency cooperation;
- (4) community, business, parent, and pupil involvement;
- (5) methods to identify potential dropouts;
- (6) outreach activities;
- (7) needs assessment of community services;
- (8) sources of funding;
- (9) services for jobs and employability skills;
- (10) commitments from cooperating agencies, businesses, and others;
- (11) resource services to be provided to other programs and agencies;
- (12) criteria for evaluation, including measuring learner outcomes;
- (13) methods by which the area learning center will provide practical expertise and leadership for other centers; and
- (14) how the program will attempt to meet the requirements.

Sec. 40. [1988 SELECTION OF EXEMPLARY CENTERS.]

Based on the plans, the commissioner of education shall select four sites to be designated exemplary area learning centers. The sites must be geographically distributed throughout the state. The commissioner shall award each site a grant of \$37,500.

Sec. 41. [1989 AND 1990 EVALUATION.]

The commissioner of education shall provide for independent evaluation of the program and cost of the area learning centers during fiscal years 1989 and 1990. A preliminary report shall be submitted to the legislature by February 1, 1989. The final report shall be submitted by February 1, 1990. Both reports must provide information about:

- (1) whether the programs were implemented according to the plan;
- (2) the success of the programs;
- (3) the financial and other resources available to and used by the centers;
- (4) cooperation and coordination among agencies;

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(5) programs that were offered; and

(6) the cost of the programs.

Sec. 42. TASK FORCE FOR TEACHER CENTERS.

An advisory task force is established to assist the board of teaching during fiscal years 1988 and 1989 in various aspects of teacher centers. The advisory task force consists of 15 persons appointed as follows: (1) two elementary, two secondary, and one special area teacher appointed by the Minnesota federation of teachers; (2) two elementary, two secondary, and one special area teacher appointed by the Minnesota education association; (3) one member appointed by the Minnesota school boards association; (4) one member representing the faculty of post-secondary colleges of education appointed by the higher education coordinating board; (5) one member appointed by the board of teaching; (6) one member appointed by the commissioner of education; and (7) one member appointed by the state board of education.

The board of teaching, through the advisory task force, shall prescribe the form and manner of applications for grants for teacher centers. Each application must include the approval of the teachers' exclusive representatives and the school boards of all participating districts.

Upon approval of an application by the advisory task force, the board of teaching shall award a planning grant of not more than \$75,000 for a teacher center. The grant shall be used to develop a final plan of operation for a teacher center. The advisory task force shall recommend the amount of a planning grant based on the number of teachers to be served by the center.

Each grant recipient shall provide information to the board of teaching about how the proceeds of the grant were used. A report about the use of the money shall be submitted by the board of teaching to the state board of education and the education committees of the legislature by January 1, 1988.

Sec. 43. [1988-1989 GRANTS FOR TEACHER CENTERS.]

Subdivision 1. DEFINITION. For the purposes of this section, "teacher" has the meaning given it in section 179A.03, subdivision 2.

Subd. 2. ESTABLISHMENT. During the biennium, a teacher center may be established by one or more school boards and the exclusive representatives of the teachers. A grant from the board of teaching may be used to plan the center. The teacher center shall serve at least ten districts or 3,000 teachers.

Subd. 3. POLICY BOARD MEMBERSHIP. Representatives of exclusive representatives and representatives of the school boards shall mutually determine the composition of the policy board according to the guidelines in this subdivision. A majority of the policy board must be teachers. The number of policy board members from each participating district must be in proportion to the number of teachers in each district. The board shall be composed of

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

elementary, secondary, and special area teachers, parents, and representatives of school boards, post-secondary education, and either business or labor. At least one teacher from each participating district shall be a member of the board.

Subd. 4. BOARD POWERS AND DUTIES. The board shall formulate policy, designate a fiscal agent, control the budget, expend funds to accomplish the purposes of the center, contract for technical and other assistance, and perform other managerial or supervisory activities consistent with the rules of the state board of education. The board may employ staff or contract for consulting services.

Subd. 5. CENTER FUNCTIONS. A teacher center shall perform functions according to this subdivision. The center shall assist teachers, diagnose learning needs, experiment with the use of multiple instructional approaches, assess pupil outcomes, assess staff development needs and plans, and teach school personnel about effective pedagogical approaches. The center shall develop and produce curricula and curricular materials designed to meet the educational needs of pupils being served by applying educational research and new and improved methods, practices, and techniques. The center shall provide programs to improve the skills of teachers to meet the special educational needs of pupils. The center shall provide programs to familiarize teachers with developments in curriculum formulation and educational research, including how research can be used to improve teaching skills. The center shall facilitate sharing of resources, ideas, methods, and approaches directly related to classroom instruction and improve teachers' familiarity with current teaching materials and products for use in their classrooms. The center shall provide in-service programs.

Sec. 44. APPROPRIATIONS.

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

Subd. 2. CENTER PLANNING GRANTS. For area learning center planning grants there is appropriated:

\$100,000 1988.

Subd. 3. EXEMPLARY SITES FOR AREA LEARNING CENTERS. For grants for exemplary sites for area learning centers there is appropriated:

\$150,000 1989.

Subd. 4. INDEPENDENT EVALUATION. For independent evaluation of area learning centers there is appropriated:

\$20,000 1989.

Subd. 5. MENTORSHIP PROGRAMS. There is appropriated for the mentorship programs under section 10:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$250,000 1988.

\$250,000 1989.

Subd. 6. AID FOR PLANNING, EVALUATION, AND REPORTING PROCESS. For aid for the planning, evaluation, and reporting process according to Minnesota Statutes, section 123.7431, there is appropriated:

\$1,014,300 1988.

\$1,021,800 1989.

Subd. 7. PROGRAM IMPROVEMENT GRANTS. For the purposes of awarding program improvement grants under section 33 there is appropriated:

\$1,500,000 1988.

This amount shall be available until the end of the biennium.

Subd. 8. TEACHER CENTERS. For teacher centers there is appropriated:

\$100,000 1988.

\$100,000 1989.

Sec. 45. REPEALER.

Minnesota Statutes 1986, sections 121.20; 126.65; 126.66; 126.67, subdivisions 1, 1a, 2a, 5b, and 9; 126.71; 129B.01; 129B.02; 129B.04; 129B.041, subdivision 4; 129B.43, subdivisions 2, 3, and 6; 129B.05; 129B.35; and 129B.37 are repealed.

Sec. 46. EFFECTIVE DATE.

Section 8 is effective the day following final enactment.

ARTICLE 9

LIBRARIES

Section 1. Minnesota Statutes 1986, section 134.10, is amended to read:

134.10 BOARD VACANCIES; COMPENSATION.

The library board president shall report vacancies in the board to the council or the board of county commissioners. The council or board of county commissioners shall fill the vacancies by appointment for the unexpired term. Library board members shall receive no compensation for their services but may be reimbursed for actual and necessary traveling expenses incurred in the discharge of library board duties and activities or a per diem allowance according to section 375.47 in place of the expenses.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 2. [134.341] COUNTY FINANCIAL SUPPORT.

To ensure the availability of public library service to all people, every county shall provide financial support for public library services at no less than minimum amounts as specified in sections 134.33 and 134.34 and shall participate in the regional public library system to which it is assigned by the state board of education under section 134.34, subdivision 3. Each county board of commissioners shall appoint at least one county resident to serve as a representative on the regional public library system board and may appoint more than one representative under terms and conditions of the regional public library system contract.

Sec. 3. APPROPRIATION.

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

Subd. 2. BASIC SUPPORT GRANTS. For basic support grants pursuant to sections 134.32 to 134.35 for the provision of library service there is appropriated:

\$4,899,700 1988,

\$4,974,800 1989.

The appropriation for 1988 includes \$671,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$4,228,600 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for 1989 includes \$746,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$4,228,600 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$4,974,800 for fiscal year 1988 and \$4,974,800 for fiscal year 1989.

Subd. 3. MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS. For grants pursuant to sections 134.353 and 134.354 to multicounty, multitype library systems there is appropriated:

\$216,800 1988,

\$221,500 1989.

The appropriation for 1988 includes \$28,500 for aid for fiscal year 1987 payable in fiscal year 1988 and \$188,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for 1989 includes \$33,200 for fiscal year 1988 payable in fiscal year 1989 and \$188,300 for aid for fiscal year 1989 payable in fiscal year 1989.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The appropriations are based on aid entitlements of \$221,500 for fiscal year 1988 and \$221,500 for fiscal year 1989.

Subd. 4. ONLINE COMPUTER-BASED LIBRARY CATALOG SYSTEM. For the installation of an online computer-based library catalog system in state agency libraries there is appropriated:

\$250,000.....1988.

This sum shall be available until June 30, 1989.

Sec. 4. EFFECTIVE DATE.

Section 2 is effective beginning with the levies certified in 1989 and for regional library system participation payments beginning January 1, 1990.

ARTICLE 10

STATE AGENCIES'

APPROPRIATIONS FOR EDUCATION

Section 1. SUMMARY BY AGENCY - ALL FUNDS

Department of			
Education	\$ 12,649,300	\$ 12,551,600	\$ 25,200,900
Faribault Academies	\$ 6,390,400	\$ 6,372,400	\$ 12,762,800
School and			
Resource Center			
for the Arts	\$ 2,206,200	\$ 2,649,500	\$ 4,855,700
			APPROPRIATIONS
			Available for the Year
			Ending June 30
			1988
			1989

Sec. 2. DEPARTMENT OF EDUCATION

Subdivision 1. Total			
Appropriation		\$12,649,300	\$12,551,600
Approved Complement	1988	1989	
General Fund	224.0	224.0	
Other	12.5	12.5	
Federal	144.4	144.4	
Total	380.9	380.9	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the senate and house of representatives education committees. During the biennium, the commissioner of education may transfer money among the various object of expenditure categories and activities within each program, unless restricted by executive order.

The commissioner of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The commissioner must report material changes to the senate and house of representatives education committees.

The commissioner of education shall develop an organizational management plan for the department of education for the purpose of implementing state education policies as established by the legislature. The plan must be contained within the existing department budget and complement. The plan must include: (1) methods for effectively implementing legislative education policies; (2) methods of substantially increasing direct services to school district teachers, principals, superintendents, and school boards in meeting legislative requirements and the educational needs of students; and (3) methods of using regional organizations to increase direct services to districts.

The management analysis team of the department of administration shall evaluate the plan and report the findings and recommendations to the house of representatives and senate education committees by January 15, 1988.

The commissioner of education shall pre-

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sent the organizational management plan to the house of representatives and senate education committees for approval by January 15, 1988.

Subd. 2. Educational Services

1988	1989
\$ 7,360,500	\$ 7,313,000

\$20,700 each year is from the trunk highway fund.

\$60,000 each year is from the public health fund.

The commissioner of education shall provide for direct local technical assistance to districts in meeting the curriculum requirements specified in the planning, evaluating, and reporting process. In addition to existing curriculum services, the commissioner shall enter into performance contract agreements for general curriculum specialist services with educational cooperative service units or other regional educational service agencies. 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. The commissioner shall evaluate the performance agreements annually. This assistance shall be provided in conjunction with the educational effectiveness delivery system. \$400,000 in each year is for this purpose.

\$157,500 in fiscal year 1988 and \$67,800 in fiscal year 1989 is for services to school districts related to acquired immune deficiency syndrome.

\$50,000 in fiscal year 1988 and \$75,000 in fiscal year 1989 is for administration of state planning, evaluation and reporting.

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\$75,000 each year is for technical assistance for local staff development plans and administration costs for implementing mentorship programs.

Beginning in fiscal year 1989, responsibility for the education research information service established by the council on quality education is transferred to the interagency resource and information center.

The governor's council on youth is discontinued.

\$198,300 each year is for the secondary vocational student organization center.

Two professional and one clerical complement are transferred from the special education section to the Faribault residential academies and resource center for the purpose of establishing a resource center for hearing-impaired, visually-impaired and multiply handicapped students. \$125,000 is available each year for this purpose.

One professional complement is added in each year in the curriculum services research information service learner outcomes.

The complement of the secondary vocational section is reduced by two each year.

Two complement are transferred from federal to special purpose for the alcohol impaired driver program. \$100,000 each year is available from the alcohol impaired driver account for these complement.

One-half complement each year is for state agency library automation.

One complement is added to the community education section each year for additional responsibilities related to youth.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 3. Administration and
Financial Services

1988	1989
\$5,288,800	\$5,238,600

The commissioner of education shall maintain no more than six total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, or executive assistant.

The commissioner of education shall consolidate within the education aids and levies section all computation, analysis, payment, and data functions for aids and levies for special education, community education, and secondary vocational education. Each year's appropriation includes \$50,000 transferred from educational services for this purpose. One complement each year is transferred from educational services for this purpose.

The state management effectiveness division shall provide risk management analysis, program cost analysis, and school bus safety services. The state aids and levies section is increased by two positions and \$100,000 each year for these purposes.

\$75,000 each year is for management assistance to school districts.

\$60,000 in fiscal year 1988 is for development of program cost analysis capability in the education aids and levies section and a study of program costs under the direction of the legislative commission on public education. Any unexpended balance does not cancel and is available for the second year.

\$1,098,700 for fiscal year 1988 and \$1,100,800 for fiscal year 1989 is for

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education data systems. Any unexpended balance remaining in the first year does not cancel and is available for the second year.

Sec. 3. FARIBAULT RESIDENTIAL ACADEMIES AND RESOURCE CENTER

Total Appropriations			\$2,206,200	\$2,649,500
Approved Complement	1988	1989		
State	185.5	185.5		
Federal	8.0	7.0		
Total	193.5	192.5		

The state board of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The state board must report material changes to the senate and house of representatives education committees.

Three complement and \$125,000 each year are for operation of a resource center for hearing-impaired, visually-impaired and multiply handicapped students.

\$107,600 in 1988 and up to \$107,600 in 1989 is for repairs, replacements, and betterment.

\$53,300 in 1988 and up to \$53,300 in 1989 is for repair and purchase of equipment.

Any unexpended balance remaining from the appropriation in this section in 1988 shall not cancel but is available in 1989.

Sec. 4. SCHOOL AND RESOURCE CENTER FOR THE ARTS

Total Appropriations			\$ 2,206,200	\$ 2,649,500
Approved Complement	1988	1989		
State	15	21		

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 5. Minnesota Statutes 1986, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **UNCLASSIFIED POSITIONS.** Unclassified positions are held by employees who are:

(a) Chosen by election or appointed to fill an elective office;

(b) Heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions and institutions specifically established by law in the unclassified service;

(c) Deputy and assistant agency heads, and one confidential secretary in the agencies listed in subdivision 1a;

(d) The confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(e) Intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(f) Employees in the offices of the governor and of the lieutenant governor, and one confidential employee for the governor in the office of the adjutant general;

(g) Employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(h) Presidents, vice presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges. This paragraph shall not be construed to include the custodial, clerical or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions.

(i) Officers and enlisted persons in the national guard;

(j) Attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(k) Judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

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(l) Members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

(m) Chaplains employed by the state;

(n) Examination monitors and intermittent training instructors employed by the departments of employee relations and commerce;

(o) Student workers; and

(p) Employees unclassified pursuant to other statutory authority.

Sec. 6. Minnesota Statutes 1986, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **ADDITIONAL UNCLASSIFIED POSITIONS.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; energy and economic development; finance; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; public welfare; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; the offices of the secretary of state, state auditor, and state treasurer; ~~and the state board of vocational technical education;~~ and the school and resource center for the arts.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(a) the designation of the position would not be contrary to other law relating specifically to that agency;

(b) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(c) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(d) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(e) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

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(f) the position would be at the level of division or bureau director or assistant to the agency head; and

(g) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 7. Minnesota Statutes 1986, section 129C.10, subdivision 1, is amended to read:

Subdivision 1. **GOVERNANCE.** The board of the Minnesota school ~~of~~ and resource center for the arts and resource center shall consist of 15 persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. At least one member must be appointed from each congressional district.

Sec. 8. Minnesota Statutes 1986, section 129C.10, subdivision 3, is amended to read:

Subd. 3. **POWERS AND DUTIES OF BOARD.** (a) The board has the powers necessary for the care, management, and control of the Minnesota school ~~of~~ and resource center for the arts and resource center and all its real and personal property. The powers shall include, but are not limited to, ~~the following: those listed in this subdivision.~~

~~(1) to~~ (b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the school and resource center;

~~(2) to~~ (c) The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance;

~~(3) to~~ (d) The board may establish or coordinate evening, continuing education, extension, and summer programs through the resource center for teachers and pupils;

~~(4) to develop and pilot test an interdisciplinary education program. An academic curriculum must be offered with special programs in dance, literary arts, media arts, music, theater, and visual arts in both the popular and fine arts traditions;~~

(e) The board may identify pupils in grades 9 to 12 who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) a pilot interdisciplinary academic and arts program for pupils in the

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11th and 12th grades, beginning with 135 pupils in the 11th grade in September 1989, and 135 pupils in the 11th grade and 135 pupils in the 12th grade in September 1990;

(2) intensive arts seminars for one or two weeks for 9th and 10th grade pupils;

(3) summer arts institutes for pupils in grades 9 to 12;

(4) artist mentor and extension programs in regional sites; and

(5) teacher education programs for indirect curriculum delivery.

(5) ~~to~~ (g) The board may determine the location for the Minnesota school of and resource center for the arts and resource center and any additional facilities related to the school, including the authority to lease a temporary facility;

(6) ~~to~~ (h) The board must plan for the enrollment of pupils to ensure statewide access and participation; on an equal basis from each congressional district.

(7) ~~to~~ (i) The board may establish advisory committees as needed to advise the board on policies and issues; and,

(8) ~~to~~ (j) The board may request the commissioner of education for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the arts high school, including a school store, operating in connection with the school; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the arts high school.

(m) The board may provide for transportation of pupils to and from the school and resource center for the arts for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the school and resource center for the arts. When transportation is provided, scheduling of routes, establishment of the

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location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils.

(o) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 9. Minnesota Statutes 1986, section 129C.10, is amended by adding a subdivision to read:

Subd. 3a. ARTS HIGH SCHOOL FUND APPROPRIATION. There is established in the state treasury an arts high school fund. All money collected by the board shall be deposited in the fund. Money in the fund, including interest earned, is annually appropriated to the board for the operation of its services and programs.

Sec. 10. Minnesota Statutes 1986, section 129C.10, subdivision 4, is amended to read:

Subd. 4. **EMPLOYEES.** (a) (1) The board shall appoint a director of the school of and resource center for the arts and resource center who shall serve in the unclassified service.

(2) The board shall employ, upon recommendation of the director, a coordinator of the resource center who shall serve in the unclassified service.

(3) The board shall employ, upon recommendation of the director, up to six department chairs who shall serve in the unclassified service. The chairs shall be licensed teachers unless no licensure exists for the subject area or discipline for which the chair is hired.

(4) The board may employ other necessary employees, upon recommendation of the director.

(5) The board shall employ, upon recommendation of the director, an executive secretary for the director, who shall serve in the unclassified service.

(b) The employees hired under this subdivision and other necessary employees hired by the board shall be state employees in the executive branch.

Sec. 11. Minnesota Statutes 1986, section 129C.10, is amended by adding a subdivision to read:

Subd. 4a. ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY. (a) The board may adopt rules for admission to and discharge from the school and rules regarding the operation of the school and resource center, including transportation of its pupils. Rules covering admission and discharge

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are governed by chapter 14. Rules regarding the operation of the school are not governed by chapter 14.

(b) Proceedings concerning admission to or discharge from the school, a pupil's program at the school, and a pupil's progress at the school are governed by the rules adopted by the board and are not contested cases governed by chapter 14.

Sec. 12. Minnesota Statutes 1986, section 129C.10, subdivision 5, is amended to read:

Subd. 5. **RESOURCE CENTER.** ~~Beginning in the 1985-1986 school year,~~ The resource center shall offer programs that are directed at improving arts education in elementary and secondary schools throughout the state. The programs offered shall include at least summer institutes offered to pupils in various regions of the state, in-service workshops for teachers, and leadership development programs for teachers. The board shall establish a resource center advisory council composed of elementary and secondary arts educators, representatives from post-secondary educational institutions, department of education, state arts board, regional arts councils, educational cooperative service units, school district administrators, parents, and other organizations involved in arts education. The advisory council shall include representatives from a variety of arts disciplines and from various areas of the state. The advisory council shall advise the board about the activities of the center. Programs offered through the resource center shall promote and develop arts education programs offered by school districts and arts organizations and shall assist school districts and arts organizations in developing innovative programs. The board may contract with ~~non-profit~~ arts organizations to provide programs through the resource center. The advisory council shall advise the board on contracts and programs related to the operation of the resource center.

Sec. 13. Minnesota Statutes 1986, section 129C.10, subdivision 6, is amended to read:

Subd. 6. **PUBLIC POST-SECONDARY INSTITUTIONS; PROVIDING SPACE.** Public post-secondary institutions shall provide space for programs offered by the Minnesota school ~~of and resource center for the arts and resource center~~ at no cost to the Minnesota school ~~of and resource center for the arts and resource center~~ to the extent that space is available at the public post-secondary institutions.

Approved June 4, 1987

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