

## CHAPTER 499—H.F.No. 2121

*An act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies; imposing a tax; modifying appropriations; appropriating money; amending Minnesota Statutes 1990, sections 120.17, subdivisions 2, 3a, 8a, 16, and by adding a subdivision; 121.148, subdivision 3; 121.16, subdivision 1; 121.935, by adding a subdivision; 122.23, subdivisions 12, 13, 13a, and 16; 122.241, subdivision 3; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, 2c, and by adding subdivisions; 122.532, subdivision 2; 123.33, subdivision 7; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding subdivisions; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.155, subdivision 1; 124.243, subdivisions 2, 6, and by adding a subdivision; 124.244, subdivision 1; 124.2725, subdivisions 13 and 14; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494, subdivisions 2, 4, and 5; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 125.18, subdivision 1; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.69, subdivision 3; 136D.22, subdivision 1; 136D.27, subdivision 2; 136D.74, subdivision 2a; 136D.75; 136D.82, subdivision 1; 136D.87, subdivision 2; 205A.10, subdivision 2; and 275.125, subdivision 14a, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 13.40, subdivision 2; 120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, 1b, and 3; 124.155, subdivision 2; 124.19, subdivisions 1 and 7; 124.195, subdivisions 2 and 3a; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2605; 124.2615, subdivision 2; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding a subdivision; 124.479; 124.493, subdivision 3; 124.646, subdivision 4; 124.84, subdivision 3; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.23; 126.70; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.72, subdivision 1; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivisions 1 and 6; 275.125, subdivisions 6j and 11g; 298.28, subdivision 4; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, section 67, subdivision 3; 7, sections 37, subdivision 6, and 41, subdivision 4; 8, sections 14 and 19, subdivision 6; 9, sections 75 and 76; and 11, section 23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 124; 124A; 126; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 124.274; 124A.02, subdivision 24; 124A.23, subdivisions 2, 2a, and 3; 124A.26, subdivisions 2 and 3; 124A.27; 124A.28; 124A.29, subdivi-*

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sion 2; 125.03, subdivision 5; 126.071, subdivisions 2, 3, and 4; 128A.022, subdivisions 5 and 7; 128A.024, subdivision 1; 134.34, subdivision 2; 136D.74, subdivision 3; and 136D.76, subdivision 3; Minnesota Statutes 1991 Supplement, sections 123.35, subdivision 19; 124.2727, subdivisions 1, 2, 3, 4, and 5; 124.646, subdivision 2; 124A.02, subdivisions 16 and 23; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 126.071, subdivision 1; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; and 604, article 8, section 12; Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; 6, sections 4, 20, 22 to 26, 28, 30 to 33, 41 to 45, 60, and 64; 7, section 35.

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

## ARTICLE 1

### GENERAL EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, 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 sections 124.2721, subdivision 3; 124.575, subdivision 3; and 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 May, 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 ~~37.0~~ an amount equal to the levy recognized as revenue in June of the prior year plus 50.0 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) ~~37.0~~ 50.0 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 reserved fund balance accounts for unemployment insurance and bus purchases;

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(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 sections 124.2725, subdivision 15, 124.4945, and 275.125, subdivisions 4 and 6a, and Laws 1975, chapter 261, section 4, article 6, section 13; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, 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 1991 Supplement, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. **COOPERATION LEVY RECOGNITION.** (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

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

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year; or

(2) ~~37.0~~ 50.0 percent of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of ~~transition~~ homestead and agricultural credit aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 3. Minnesota Statutes 1990, section 122.531, subdivision 2, is amended to read:

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Subd. 2. **VOLUNTARY DISSOLUTION; REFERENDUM LEVIES REVENUE.** As of the effective date of the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 122.22, the authorization for all referendum ~~levies~~ revenues previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, is canceled. However, if all of the territory of any independent district is included in the enlarged district, and if the adjusted net tax capacity of taxable property in that territory comprises 90 percent or more of the adjusted net tax capacity of all taxable property in an enlarged district, ~~the board of the enlarged district may levy the increased amount previously approved by a referendum in the preexisting independent district upon all taxable property in the enlarged district~~ district's referendum revenue shall be determined as follows:

If the referendum revenue previously approved in the preexisting district is authorized as a tax rate, the referendum revenue in the enlarged district is the tax rate times the net tax capacity of the enlarged district. If referendum revenue previously approved in the preexisting district is authorized as revenue per actual pupil unit, the referendum revenue shall be the revenue per actual pupil unit times the number of actual pupil units in the enlarged district. If referendum revenue in the preexisting district is authorized both as a tax rate and as revenue per actual pupil unit, the referendum revenue in the enlarged district shall be the sum of both plus any referendum revenue in the preexisting district authorized as a dollar amount. Any new referendum ~~levy~~ revenue shall be ~~certified~~ authorized only after approval is granted by the voters of the entire enlarged district in an election pursuant to section 124A.03, subdivision 2.

Sec. 4. Minnesota Statutes 1990, section 122.531, subdivision 2a, is amended to read:

Subd. 2a. **CONSOLIDATION; MAXIMUM AUTHORIZED REFERENDUM LEVIES REVENUES.** As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, or if the plan for consolidation makes no provision concerning referendum ~~levies~~ revenues, the authorization for all referendum ~~levies~~ revenues previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision shall be recalculated as provided in this subdivision. The referendum ~~levy~~ revenue authorization for the newly created district shall be the ~~local~~ net tax capacity rate that would raise an amount equal to the combined dollar amount of the referendum ~~levies~~ revenues authorized by each of the component districts for the year preceding the consolidation, unless the referendum ~~levy~~ revenue authorization of the newly created district is subsequently modified pursuant to section 124A.03, subdivision 2. If the referendum ~~levy~~ revenue authorizations for each of the component districts were limited to a specified number of years, the referendum ~~levy~~ revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum ~~levy~~ revenue authorization of any component district is not limited to a specified number of

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years, the referendum levy revenue authorization for the newly created district shall not be limited to a specified number of years.

Sec. 5. Minnesota Statutes 1990, section 122.531, subdivision 2b, is amended to read:

Subd. 2b. **ALTERNATIVE METHOD.** As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, the authorization for all referendum levies revenues previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision shall be combined as provided in this subdivision. The referendum levy revenue authorization for the newly created district may be any ~~local tax rate~~ allowance per actual pupil unit provided in the plan for consolidation, but may not exceed the ~~local tax rate~~ allowance per actual pupil unit that would raise an amount equal to the combined dollar amount of the referendum levies revenues authorized by each of the component districts for the year preceding the consolidation. If the referendum levy revenue authorizations for each of the component districts were limited to a specified number of years, the referendum levy revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum levy revenue authorization of any component district is not limited to a specified number of years, the referendum levy revenue authorization for the newly created district shall not be limited to a specified number of years. The referendum levy revenue authorization for the newly created district may be modified pursuant to section 124A.03, subdivision 2.

Sec. 6. Minnesota Statutes 1990, section 124.155, subdivision 1, is amended to read:

Subdivision 1. **AMOUNT OF ADJUSTMENT.** Each year state aids and credits enumerated in subdivision 2 payable to any school district, education district, or secondary vocational cooperative for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, education district, or secondary vocational cooperative recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e. For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, shall not include any amount levied pursuant to ~~section~~ sections 124A.03, subdivision 2, and 275.125, subdivisions 5, 6e, 6i, 6k, and 24; article 6, sections 29 and 36; article 12, section 25; and section 20 of this article. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

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Sec. 7. Minnesota Statutes 1991 Supplement, section 124.195, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) The term "cumulative amount guaranteed" means the sum of the following:

(1) one-third of the final adjustment payment according to subdivision 6; plus

(2) the product of

(i) the cumulative disbursement percentage shown in subdivision 3; times

(ii) the sum of

85 percent of the estimated aid and credit entitlements paid according to subdivision 10; plus

100 percent of the entitlements paid according to subdivisions 8 and 9; plus the other district receipts; plus

the final adjustment payment according to subdivision 6.

(c) The term "payment date" means the date on which state payments to school districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, ~~the payment shall be made on the immediately preceding business day.~~ If a payment date falls on a Sunday, ~~the payment shall be made on the immediately following business day.~~ If a payment date falls on or a weekday which is a legal holiday, the payment shall be made on the immediately ~~preceding~~ following business day. The commissioner of education may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

Sec. 8. Minnesota Statutes 1991 Supplement, section 124.195, subdivision 3a, is amended to read:

Subd. 3a. **APPEAL.** The commissioner in consultation with the commissioner of finance may revise the payment dates and percentages in subdivision 3 for a district if it is determined that there is an emergency or there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness or if the commissioner determines that excessive

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short-term borrowing costs will be incurred by a district, because of the increase in the levy recognition percentage from 37 percent to 50 percent according to sections 1 and 2, and the district can document substantial harm to instructional programs due to these costs. The commissioner shall establish a process and criteria for school districts to appeal the payment dates and percentages established in subdivision 3.

**Sec. 9. [124.197] SHORT-TERM BORROWING COST REIMBURSEMENT AID.**

Subdivision 1. FROM 1993 AND THEREAFTER. Beginning in fiscal year 1993, the commissioner of education shall pay aid to eligible school districts to reimburse them for costs of short-term borrowing.

Subd. 2. DOCUMENTATION. Short-term borrowing cost reimbursement aid shall only be paid to a school district providing documentation to the commissioner of education demonstrating that it engaged in short-term borrowing during the fiscal year for which it is requesting reimbursement. The commissioner shall determine and define specific data that districts must provide and establish the due date for submission. Any district not submitting required data by the due date will be excluded from the aid calculations for that year.

Subd. 3. DEFINITION. For purposes of this section, "cash need" equals the difference between estimated cumulative expenditures and estimated cumulative receipts calculated in a manner consistent with sections 124.155 and 124.195, less the amount of cash balance determined according to section 124.196.

Subd. 4. COMPUTATION. The maximum short-term borrowing cost reimbursement aid for a fiscal year shall be the smaller of:

(1) documented short-term borrowing costs; or

(2) the sum of the products of:

(i) a semimonthly short-term borrowing interest rate estimated by the commissioner of finance, times

(ii) the positive semimonthly differences between:

(a) the cash need estimated in a manner consistent with sections 124.155 and 124.195, assuming the revenue recognition percent specified in section 121.904, subdivisions 4a and 4e, is 50 percent; and the schedules and criteria for aid and credit payments in section 124.195; and

(b) the cash need estimated in a manner consistent with sections 124.155 and 124.195, assuming the revenue recognition percent specified in section 121.904, subdivision 4a, is 37 percent; the schedules and criteria for aid and credit payments in section 124.195. The cash need calculations required for determining the short-term borrowing cost reimbursement aid are to be based

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on the data used in accordance with the state aid payment calculations required by section 124.195 for the May 30 payment period. The commissioner of education may adjust the May 30 data for updated information as is appropriate.

Subd. 5. PAYMENT. The short-term borrowing cost reimbursement aid shall be paid in full to eligible districts on or before June 30 of each fiscal year.

Subd. 6. APPROPRIATION. There is annually appropriated to the commissioner of education the amount needed to pay short-term borrowing cost reimbursement aid as established in this section.

**Sec. 10. [124A.029] REFERENDUM AND DESEGREGATION REVENUE CONVERSION.**

Subdivision 1. REVENUE CONVERSION. Except as provided under subdivision 4, the referendum authority under section 124A.03 and the levy authority under section 275.125, subdivisions 6e and 6i, of a school district must be converted by the department according to this section.

Subd. 2. ADJUSTMENT RATIO. For assessment years 1991, 1992, and 1993, the commissioner of revenue must determine for each school district a ratio equal to:

(1) the net tax capacity for taxable property in the district determined by applying the property tax class rates for assessment year 1990 to the market values of taxable property for each assessment year, divided by

(2) the net tax capacity of the district for the assessment year.

Subd. 3. RATE ADJUSTMENT. The department shall adjust a school district's referendum authority for a referendum approved before July 1, 1991, excluding authority based on a dollar amount, and the levy authority under section 275.125, subdivisions 6e and 6i, by multiplying the sum of the rates authorized by a district under section 124A.03 and the rates in section 275.125, subdivisions 6e and 6i, by the ratio determined under subdivision 2 for the assessment year for which the revenue is attributable. The adjusted rates for assessment year 1993 shall apply to later years for which the revenue is authorized.

Subd. 4. PER PUPIL REVENUE OPTION. A district may, by school board resolution, request that the department convert the levy authority under section 275.125, subdivisions 6e and 6i, or its current referendum revenue, excluding authority based on a dollar amount, authorized before July 1, 1991, to an allowance per pupil. The district must adopt a resolution and submit a copy of the resolution to the department by July 1, 1992. The department shall convert a district's revenue for fiscal year 1994 and later years as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 124A.03 or 275.125, subdivisions 6e and 6i, for fiscal year 1993 by the district's 1992-1993 actual pupil units. A district's

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maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's actual pupil units for that year. If a district has referendum authority under section 124A.03 and levy authority under section 275.125, subdivisions 6e and 6i, and the district requests that each be converted, the department shall convert separate revenue allowances for each. However, if a district's referendum revenue is limited to a dollar amount, the maximum revenue under section 124A.03 must not exceed that dollar amount. If the referendum authority of a district is converted according to this subdivision, the authority expires July 1, 1997, unless it is scheduled to expire sooner.

Sec. 11. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 1c, is amended to read:

Subd. 1c. **REFERENDUM ALLOWANCE LIMIT.** Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1992; or
- (2) the district's referendum allowance for fiscal year 1993;
- (3) ~~35~~ 30 percent of the formula allowance for ~~that~~ the fiscal year for which it is attributable; or
- (4) for a district that held a successful referendum levy election in calendar year 1991, 35 percent of the formula allowance for the fiscal year to which it is attributable.

Sec. 12. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. **REFERENDUM REVENUE.** (a) The revenue authorized by section 124A.22, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased revenue per actual pupil unit, the estimated ~~net tax capacity~~ referendum tax rate as a percentage of market value in the first year it is to be levied, and that the revenue shall be used to finance school operations. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot shall designate the specific number of years, not to exceed five, for which the referendum authorization shall apply. The ballot may contain

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a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of ....., School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer at the address listed on the school district's current year's assessment roll, a notice of the referendum and the proposed revenue increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

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(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first class mail at least 20 days before the referendum.

Sec. 13. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2a, is amended to read:

Subd. 2a. **SCHOOL REFERENDUM LEVY; MARKET VALUE.** Notwithstanding the provisions of subdivision 2, a school referendum levy approved after November 1, 1992, for taxes payable in 1993 and thereafter, shall be levied against the market value of all taxable property. Any referendum levy amount subject to the requirements of this subdivision shall be certified separately to the county auditor under section 275.07.

~~The ballot shall state the maximum amount of the increased levy as a percentage of market value; the amount that will be raised by that new school referendum tax rate in the first year it is to be levied; and that the new school referendum tax rate shall be used to finance school operations.~~

~~If approved, the amount provided by the new school referendum tax rate applied to the market value for the year preceding the year the levy is certified, shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.~~

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision.

Sec. 14. Minnesota Statutes 1991 Supplement, section 124A.03, is amended by adding a subdivision to read:

Subd. 2b. REFERENDUM DATE. In addition to the referenda allowed in subdivision 2, clause (g), the commissioner may authorize a referendum for a different day.

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(a) The commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

(b) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 15. Minnesota Statutes 1991 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. **GENERAL EDUCATION TAX RATE.** The commissioner of revenue shall establish the general education tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises \$916,000,000 for fiscal year 1993 and ~~\$961,800,000~~ \$969,800,000 for fiscal year 1994 and later fiscal years. The general education tax rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.

Sec. 16. Minnesota Statutes 1991 Supplement, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. **REVENUE REDUCTION.** A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the prior school year exceeds \$600 times the fund balance pupil units in the prior year. For purposes of this subdivision ~~only~~ and section 124.243, subdivision 2, fund balance pupil units means the number of resident pupil units in average daily membership, including shared time pupils, according to section 124A.02, subdivision 20, plus

(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus

(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. 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.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

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Sec. 17. Minnesota Statutes 1990, section 124A.26, is amended by adding a subdivision to read:

Subd. 1a. ALTERNATIVE REDUCTION CALCULATION. For any district where the ratio of (1) the number of nonpublic students ages 5 to 18, according to the report required under section 120.102, to (2) the total number of residents in the district ages 5 to 18 as counted according to the annual fall school census is greater than 40 percent, the district's net unappropriated operating fund balance for that year for the purpose of calculating the fund balance reduction under this section is equal to the sum of the district's net unappropriated fund balance in the general, transportation, and food service funds.

Sec. 18. Minnesota Statutes 1991 Supplement, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. **STAFF DEVELOPMENT AND PARENTAL INVOLVEMENT PROGRAMS.** (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$15 times the number of actual pupil units shall be reserved and may be used only to provide staff time for peer review under section 125.12 or 125.17 or staff development programs for, including outcome-based education, according to under section 126.70, subdivisions 1 and 2a. Staff development revenue may be used only for staff time for peer review or outcome-based education activities. The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities ~~that implement outcome-based education.~~

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 124C.61. A district may use up to \$1 of the \$5 times the number of actual pupil units for promoting parental involvement in the PER process.

Sec. 19. Minnesota Statutes 1991 Supplement, section 126.70, is amended to read:

#### 126.70 STAFF DEVELOPMENT PLAN.

Subdivision 1. **ELIGIBILITY FOR REVENUE.** A school board may use the revenue authorized in section 124A.29 ~~for staff time for peer review under section 125.12 or 125.17, or~~ if it establishes ~~an outcome-based~~ a staff development advisory committee and adopts a staff development plan ~~on outcome-based education according to under~~ this subdivision. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include parents and administrators. The advisory committee shall develop a staff development plan ~~containing proposed outcome-based education activities and that includes~~ related expenditures and shall submit the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section

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124A.29. ~~Copies of approved plans must be submitted to the commissioner. Districts must submit approved plans to the commissioner.~~

Subd. 2. **CONTENTS OF THE PLAN.** The plan may include:

- (1) procedures the district will use to analyze ~~outcome-based~~ education needs;
- (2) ~~integration methods for integrating education needs~~ with in-service and curricular efforts already in progress;
- (3) ~~education goals to be achieved~~ and the means to be used achieve the goals; and
- (4) procedures for evaluating progress toward meeting education needs and goals.

Subd. 2a. **PERMITTED USES.** A school board may approve a plan to accomplish any of the following purposes:

- (1) foster readiness for ~~outcome-based education by increasing knowledge and understanding of and commitment to outcome-based education~~ learning;
- (2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs ~~through outcome-based education~~;
- (3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning ~~plans~~ goals and by encouraging pupils and their parents to assume responsibility for their education;
- (4) design and develop ~~outcome-based education~~ programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;
- (5) evaluate the effectiveness of ~~outcome-based~~ education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators; and
- (6) provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers.

Sec. 20. **LOW FUND BALANCE LEVY.**

(a) For 1992 taxes payable in 1993, a district meeting the qualifications in paragraph (b) may levy an amount not to exceed \$40 times the number of actual pupil units in the district in fiscal year 1993.

(b) a district qualifies for a levy under this section if:

(1) its net unappropriated operating fund balance on June 30, 1991, divided by its actual pupil units for fiscal year 1993 is less than \$85;

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(2) its adjusted net tax capacity used to compute fiscal year 1993 general education revenue divided by its fiscal year 1993 actual pupil units is less than \$2,100; and

(3) it does not have referendum levy authority under Minnesota Statutes, section 124A.03.

#### Sec. 21. APPROPRIATION REDUCTIONS.

For fiscal year 1993, appropriations to the department of education in Laws 1991, chapter 265, and appropriations for any property tax aid or credit paid to school districts from the state's general fund pursuant to Minnesota Statutes, chapter 273, shall be reduced by a combined total of \$182,700,000 in a manner consistent with Minnesota Statutes, section 124.155, subdivision 2.

#### Sec. 22. LEVY RECOGNITION DIFFERENCES.

For each school district that levies under Minnesota Statutes, section 124A.03, the commissioner of education shall calculate the difference between:

(1) the amount of the levy, under Minnesota Statutes, section 124A.03, that is recognized as revenue for fiscal year 1993 according to section 1; and

(2) the amount of the levy, under Minnesota Statutes, section 124A.03, that would have been recognized as revenue for fiscal year 1993 had the percentage according to section 1 not been increased.

The commissioner shall reduce other aids due the district by the amount of the difference.

#### Sec. 23. BORROWING AGAINST LEVIES.

The limit for borrowing money upon negotiable tax anticipation certificates of indebtedness, according to Minnesota Statutes, section 124.73, subdivision 1, is increased from 50 to 75 percent for certificates or warrants issued before July 1, 1993.

#### Sec. 24. EFFECTIVE DATES.

Section 12 is effective retroactively to February 1, 1992, applies to any referendum conducted in 1992 and thereafter, and supersedes any enactment affecting school district referendum levies during the 1992 legislative session to the extent any enactment is to the contrary.

Sections 13 and 14 are effective the day following final enactment.

Section 16 is effective the day following final enactment and applies to 1991-1992 and later school years.

Section 17 is effective retroactively to July 1, 1990, and applies to 1990-1991 and later school years.

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## ARTICLE 2

## TRANSPORTATION

Section 1. Minnesota Statutes 1990, section 123.39, subdivision 8d, is amended to read:

Subd. 8d. School districts may provide bus transportation along regular school bus routes when space is available for participants in early childhood family education programs and learning readiness program if these services do not result in an increase in the district's expenditures for transportation. The costs allocated to these services, as determined by generally accepted accounting principles, shall be considered part of the authorized cost for regular transportation for the purposes of section 124.225.

Sec. 2. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 5i. TRANSPORTATION LEVY FOR LATE ACTIVITY BUS. (a) A school district may levy an amount equal to the lesser of:

(1) the actual cost of late transportation home from school, between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494, for pupils involved in after school activities for the school year beginning in the year the levy is certified; or

(2) two percent of the district's regular transportation revenue for that school year according to section 124.225, subdivision 7d, paragraph (a).

(b) A district that levies under this section must provide late transportation home from school for students participating in any academic-related activities provided by the district if transportation is provided for students participating in athletic activities.

(c) A district may levy under this subdivision only if the district provided late transportation home from school during fiscal year 1991.

## ARTICLE 3

## SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 2, is amended to read:

Subd. 2. **METHOD OF SPECIAL INSTRUCTION.** (a) 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)~~ (1) connection with attending regular elementary and secondary school classes;

~~(b)~~ (2) establishment of special classes;

~~(c)~~ (3) at the home or bedside of the child;

~~(d)~~ (4) in other districts;

~~(e)~~ (5) instruction and services 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)~~ (6) in a state residential school or a school department of a state institution approved by the commissioner;

~~(g)~~ (7) in other states;

~~(h)~~ (8) by contracting with public, private or voluntary agencies;

~~(i)~~ (9) for children under age five and their families, programs and services established through collaborative efforts with other agencies;

~~(j)~~ (10) for children under age five and their families, programs in which handicapped children are served with nonhandicapped children; and

~~(k)~~ (11) any other method approved by the commissioner.

(b) 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.

(c) 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.

(d) Paragraphs (e) to (i) may be cited as the "blind persons' literacy rights and education act."

(e) The following definitions apply to paragraphs (f) to (i).

"Blind student" means an individual who is eligible for special educational services and who:

(1) has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than 20 degrees; or

(2) has a medically indicated expectation of visual deterioration.

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"Braille" means the system of reading and writing through touch commonly known as standard English Braille.

"Individualized education plan" means a written statement developed for a student eligible for special education and services pursuant to this section and section 602(a)(20) of part A of the Individuals with Disabilities Education Act, 20 United States Code, section 1401(a).

(f) In developing an individualized education plan for each blind student the presumption must be that proficiency in Braille reading and writing is essential for the student to achieve satisfactory educational progress. The assessment required for each student must include a Braille skills inventory, including a statement of strengths and deficits. Braille instruction and use are not required by this paragraph if, in the course of developing the student's individualized education program, team members concur that the student's visual impairment does not affect reading and writing performance commensurate with ability. This paragraph does not require the exclusive use of Braille if other special education services are appropriate to the student's educational needs. The provision of other appropriate services does not preclude Braille use or instruction. Instruction in Braille reading and writing shall be available for each blind student for whom the multidisciplinary team has determined that reading and writing is appropriate.

(g) Instruction in Braille reading and writing must be sufficient to enable each blind student to communicate effectively and efficiently with the same level of proficiency expected of the student's peers of comparable ability and grade level.

(h) The student's individualized education plan must specify:

(1) the results obtained from the assessment required under paragraph (f);

(2) how Braille will be implemented through integration with other classroom activities;

(3) the date on which Braille instruction will begin;

(4) the length of the period of instruction and the frequency and duration of each instructional session;

(5) the level of competency in Braille reading and writing to be achieved by the end of the period and the objective assessment measures to be used; and

(6) if a decision has been made under paragraph (f) that Braille instruction or use is not required for the student:

(i) a statement that the decision was reached after a review of pertinent literature describing the educational benefits of Braille instruction and use; and

(ii) a specification of the evidence used to determine that the student's ability to read and write effectively without Braille is not impaired.

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(i) Instruction in Braille reading and writing is a service for the purpose of special education and services under section 120.17.

(j) Paragraphs (e) to (i) shall not be construed to supersede any rights of a parent or guardian of a child with a disability under federal or state law.

Sec. 2. Minnesota Statutes 1990, section 120.17, subdivision 3a, is amended to read:

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

(1) all ~~handicapped children~~ students with disabilities 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 9 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 participation, recreation, and leisure and home living. The plan must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded;

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

(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;

(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;

(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

(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. 3. Minnesota Statutes 1991 Supplement, section 120.17, subdivision 3b, is amended to read:

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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 (e) at the district's initiative;

(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) The commissioner shall establish a mediation process to assist parents, school districts, or other parties to resolve disputes arising out of the identification, assessment, or educational placement of handicapped children. The mediation process must be offered as an informal alternative to the due process hearing provided under clause (e), but must not be used to deny or postpone the opportunity of a parent or guardian to obtain a due process hearing.

(e) Parents, guardians, and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted by and in the school district responsible for assuring that an appropriate program is provided in accordance with state board rules, if 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;

(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;

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(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.

(f) The decision of the hearing officer pursuant to clause (e) 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 (g).

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;

(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.

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(g) Any local decision issued pursuant to clauses (e) and (f) may be appealed to the hearing review officer within 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district responsible for assuring that an appropriate program is provided in accordance with state board rules.

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 independent decision based on an impartial review of the local decision and the entire record within ~~60~~ 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.

(h) 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.

(i) The commissioner of education shall select an individual who has the qualifications enumerated in this paragraph to serve as the hearing review officer:

- (1) the individual must be knowledgeable and impartial;
- (2) the individual must not have a personal interest in or specific involvement with the student who is a party to the hearing;
- (3) the individual must not have been employed as an administrator by the district that is a party to the hearing;
- (4) the individual must not have been involved in the selection of the administrators of the district that is a party to the hearing;
- (5) the individual must not have a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

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(6) the individual must not have substantial involvement in the development of a state or local policy or procedures that are challenged in the appeal; and

(7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, the state department of education, the state board of education, or a parent advocacy organization or group.

(j) 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.

(k) 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.

(l) The child's school district of residence, a resident district, and providing district shall receive notice of and may be a party to any hearings or appeals under this subdivision.

Sec. 4. Minnesota Statutes 1990, section 120.17, subdivision 8a, is amended to read:

Subd. 8a. **RESIDENCE OF CHILD UNDER SPECIAL CONDITIONS.** The legal residence of a handicapped child placed in a foster facility for care and treatment when: (1) parental rights have been terminated by court order; (2) parent or guardian is not living within the state; ~~or~~ (3) no other school district residence can be established, or (4) parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections; shall be the school district in which the child resides. The school board of the district of residence shall provide the same educational program for such child as it provides for all resident handicapped children in the district.

Sec. 5. Minnesota Statutes 1991 Supplement, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. **STATE INTERAGENCY COORDINATING COUNCIL.** An interagency coordinating council of at least 15 members but not more than 25 is established, in compliance with Public Law Number 102-119, section 682. The members ~~and the chair~~ shall be appointed by the governor. Council members shall elect the council chairperson. The representative of the commissioner of education may not serve as the chairperson. The council shall be composed of at least three five parents, including persons of color, of children with disabilities under age ~~seven~~ with handicaps 12, including at least three parents of a child with a disability under age seven, three representatives of public or private pro-

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viders of services for children with disabilities under age five ~~with handicaps~~, including a special education director, county social service director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with ~~handicaps~~, at least one representative of a school district or a school district cooperative, and other members knowledgeable about children disabilities under age five ~~with handicaps~~, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, and jobs and training, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly. ~~A representative of each of the commissioners of education, health, and human services shall attend council meetings as a nonvoting member of the council.~~

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with ~~handicaps~~ disabilities 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 children under age five with ~~handicaps~~ disabilities 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 children with handicaps to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.~~

Each year by January 15 June 1, the council shall submit its recommendations recommend to the governor and the commissioners of education, health, and human services, commerce, and jobs and training policies for a comprehensive and coordinated system.

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Sec. 6. Minnesota Statutes 1990, section 120.17, is amended by adding a subdivision to read:

**Subd. 11b. RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL DISTRICTS.**

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 children with handicaps to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.

Sec. 7. Minnesota Statutes 1990, section 120.17, subdivision 16, is amended 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 with disabilities, beginning at grade 9 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; adults with disabilities who have received transition services if such persons are available; parents of ~~handicapped~~ youth with disabilities; 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 with disabilities 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 with disabilities are met;

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

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

(6) following procedures determined by the commissioner, prepare a yearly summary assessing the progress of transition services in the community and disseminate it including follow-up of individuals with disabilities who were provided transition services to determine post-school outcomes. The summary must be disseminated to all adult services agencies involved in the planning and to the commissioner of education by ~~September~~ October 1 of each year.

Sec. 8. Minnesota Statutes 1991 Supplement, section 120.181, is amended to read:

**120.181 TEMPORARY PLACEMENTS FOR CARE AND TREATMENT  
PLACEMENT OF NONHANDICAPPED PUPILS; EDUCATION AND  
TRANSPORTATION.**

The responsibility for providing instruction and transportation for a non-handicapped pupil who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, and who is temporarily placed for care and treatment for that illness or disability, shall be determined ~~in the following manner:~~ as provided in this section.

(a) The school district of residence of the pupil shall be the district in which the pupil's parent or guardian resides or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) Prior to the placement of a pupil for care and treatment, the district of residence shall be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, shall notify the district of residence of the emergency placement within 15 days of the placement.

(c) When a nonhandicapped pupil is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence shall provide instruction and necessary transportation for the pupil. The district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the state board of teaching.

(d) When a nonhandicapped pupil is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed shall provide instruction for the pupil and necessary transportation within that district

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while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district shall bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. When a nonhandicapped pupil is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil shall send timely written notice of the placement to the district of residence. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the state board of teaching.

(e) The district of residence shall ~~receive general education aid for~~ include the pupil in its residence count of pupil units and pay tuition and other instructional costs, excluding transportation costs, as provided in section 124.18 to the district providing the instruction. Transportation costs shall be paid by the district providing the transportation and the state shall pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision shall be included in the handicapped transportation category.

Sec. 9. Minnesota Statutes 1990, section 124.331, subdivision 1, is amended to read:

Subdivision 1. **PURPOSE.** The purpose of sections 124.331 to 124.333 is to improve the education of public school pupils by:

(1) working toward reducing instructor-learner ratios and increasing the amount of individual attention given each learner in kindergarten ~~and~~ through grade ~~+ 3~~ to help each learner develop socially and emotionally and in knowledge, skills, and attitudes; and

(2) improving program offerings.

Sec. 10. Minnesota Statutes 1990, section 124.331, subdivision 3, is amended to read:

Subd. 3. **STATE REVENUE CRITERIA.** Revenue available under section 124.332 is to enable a district to work to achieve the district's instructor-learner ratios in kindergarten ~~and~~ through grade ~~+ 3~~ established by the curriculum advisory committee in each district, and to prepare and use an individualized learning plan for each learner in kindergarten ~~and~~ through grade ~~+ 3~~. A district must not increase the districtwide instructor-learner ratios in grades ~~2~~ 4 through 8 as a result of reducing instructor-learner ratios in kindergarten ~~and~~ through grade ~~+ 3~~.

A district's curriculum advisory committee, as part of the policy under section 126.666, must develop a districtwide plan to work to achieve the instructor-learner ratios in kindergarten ~~and~~ through grade ~~+ 3~~ adopted by the school board of the district, and to prepare and use an individualized learning plan for each learner in kindergarten ~~and~~ through grade ~~+ 3~~. If the school board of a

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school district determines that the district has achieved and is maintaining the instructor-learner ratios specified by the district's curriculum advisory committee, and has prepared and is using individualized learning plans, the school board must direct the school district to use the aid it receives under section 124.332 to work to improve program offerings throughout the district, or the education district of which the district is a member, based upon a plan developed by the district's curriculum advisory committee.

Sec. 11. Minnesota Statutes 1991 Supplement, section 125.62, subdivision 6, is amended to read:

Subd. 6. **ELIGIBILITY FOR SCHOLARSHIPS AND LOANS.** The following Indian people are eligible for scholarships:

(1) a student, including a teacher aide employed by a district receiving a joint grant, who intends to become a teacher and who is enrolled in a post-secondary institution receiving a joint grant;

(2) a licensed employee of a district receiving a joint grant, who is enrolled in a master of education program; and

(3) a student who, after applying for federal and state financial aid and an Indian scholarship according to section 124.48, has financial needs that remain unmet. Financial need shall be determined according to the uniform congressional methodology for needs determination or as otherwise set in federal law.

A person who has actual living expenses in addition to those addressed by the uniform congressional methodology for needs determination, or as otherwise set in federal law, may receive a loan according to criteria established by the state board. A contract shall be executed between the state and the student for the amount and terms of the loan.

Sec. 12. Minnesota Statutes 1991 Supplement, section 245A.03, subdivision 2, is amended to read:

Subd. 2. **EXCLUSION FROM LICENSURE.** Sections 245A.01 to 245A.16 do not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

(4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;

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(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten ~~regular and~~ special education in a school as defined in section 120.101, subdivision 4, and programs serving children in combined special education and regular prekindergarten programs that are operated or assisted by the commissioner of education ~~or a school as defined in section 120.101, subdivision 4;~~

(6) nonresidential programs for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building or present on property that is contiguous with the physical facility where the nonresidential program is provided;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1990;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs whose primary purpose is to provide, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

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(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance; or

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules.

~~For purposes of clause (5), the department of education, after consulting with the department of human services, shall adopt standards applicable to pre-school programs administered by public schools that are similar to Minnesota Rules, parts 9503.005 to 9503.0175. These standards are exempt from rulemaking under chapter 14.~~

Sec. 13. Laws 1991, chapter 265, article 3, section 39, subdivision 16, is amended to read:

Subd. 16. **INDIAN TEACHER PREPARATION GRANTS.** For joint grants to assist Indian people to become teachers:

\$190,000	.....	1992
\$190,000	.....	1993

~~Up to~~ Initially \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

~~Up to~~ Initially \$40,000 each year is for a joint grant to each of the following:

- (1) Bemidji state university and the Red Lake school district;
- (2) Moorhead state university and a school district located within the White Earth reservation; and
- (3) Augsburg college and the Minneapolis school district.

Money not used for students at one location may be transferred for use at another location.

Any unexpended balance remaining the first year does not cancel but is available in the second year.

#### Sec. 14. **BASE ADJUSTMENT.**

Upon request of a school district that is eligible for and receives alternative delivery revenue under Minnesota Statutes, section 124.322, the commissioner of education shall adjust the district's revenue base and revenue for fiscal years 1992 and 1993 to reflect any new service requirements imposed upon the district. The adjustments shall be made to the district's aid and levy. However the adjustment must not result in a reduction in state aid to any other district.

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**Sec. 15. ALLOCATION OF FUNDS.**

In the Northwest ECSU region, the commissioner of education shall allocate federal funds for the regional special education low incidence plans in a manner consistent with the recommendation of a majority of the school boards in the region. The allocation method must provide access for all districts in the region to the services supported by the funds.

**Sec. 16. STATE INTERAGENCY COORDINATING COUNCIL REPORT.**

The state interagency coordinating council shall appoint a task force composed of council members and representatives of all affected state and local agencies, including county boards and school districts, to study and report to the education committees of the legislature by February 15, 1993, the short- and long-term fiscal impact to the state of providing a comprehensive and coordinated system of services to infants and toddlers with disabilities from birth through age two and their families.

**Sec. 17. COUNCIL TO REVIEW DEPARTMENT OF HUMAN SERVICES RULE.**

The early childhood care and education council shall appoint a task force composed of council members and affected early childhood service providers to study and recommend to the human services and education committees of the legislature by February 15, 1993, education program standards and licensure procedures for programs subject to licensure under Minnesota Rules, parts 9503.0005 to 9503.0175.

**Sec. 18. REPEALER.**

Minnesota Statutes 1990, sections 126.071, subdivisions 2, 3, and 4; 128A.022, subdivisions 5 and 7; and 128A.024, subdivision 1; and Minnesota Statutes 1991 Supplement, section 126.071, subdivision 1, are repealed.

**Sec. 19. APPROPRIATION.**

There is appropriated from the general fund to the department of education \$25,000 for fiscal year 1993 for a grant to independent school district No. 518, Worthington, for planning the construction of new residential facilities for the Lakeview program for students with disabilities. The grant must be matched with money from nonstate sources.

**Sec. 20. EFFECTIVE DATE.**

Sections 5, 6, and 14 are effective the day following final enactment.

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## ARTICLE 4

## EARLY CHILDHOOD, COMMUNITY, AND ADULT EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1, is amended to read:

Subdivision 1. Every school board shall provide for a mandatory program of early childhood developmental screening for children who are four years old and older but who have not entered kindergarten or first grade in a public school. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood family education programs, or by other existing programs. This screening examination is a mandatory ~~prerequisite to enrolling~~ requirement for a student to ~~in~~ continue attending kindergarten or first grade in a public school. A child need not submit to developmental screening provided by a school board if the child's health records indicate to the school board that the child has received comparable developmental screening from a public or private health care organization or individual health care provider. The school districts are encouraged to reduce the costs of preschool developmental screening programs by utilizing volunteers in implementing the program.

Sec. 2. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. A child must not be enrolled ~~in this state~~ in kindergarten or first grade in a public school ~~until~~ unless the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening not later than 30 days after the first day of attendance. If a child is transferred from one kindergarten to another or from one first grade to another, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Sec. 3. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1b, is amended to read:

Subd. 1b. (a) A screening program shall include at least the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, the child's height and weight, review of any special family circumstances that might affect development, identification of additional risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. The school district and the person performing or supervising the screening shall provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice shall clearly

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state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to read and comprehend the written notice, the school district and the person performing or supervising the screening must convey the information in another manner. The notice shall also inform the parent or guardian that a child need not submit to the school district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider. The notice shall be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and shall be given again at the screening location.

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. No developmental screening program shall provide laboratory tests, ~~a health history~~ or a physical examination to any child. The school district shall request from the public or private health care organization or the individual health care provider the results of any laboratory test, ~~health history~~ or physical examination within the 12 months preceding a child's scheduled screening.

(c) If a child is without health coverage, the school district shall refer the child to an appropriate health care provider.

(d) A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, ~~and~~ laboratory tests, and health history. State aid shall not be paid for additional components.

Sec. 4. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 3, is amended to read:

Subd. 3. The school board shall inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state's requirement that a child receive developmental screening ~~before enrolling in~~ not later than 30 days after the first day of attending kindergarten or first grade in a public school.

Sec. 5. Minnesota Statutes 1991 Supplement, section 124.19, subdivision 7, is amended to read:

Subd. 7. **ALTERNATIVE PROGRAMS.** (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 124C.49.

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(c) In addition to the requirements in paragraph (b), to receive general education revenue for a pupil in an alternative program that has an independent study component, a school district must meet the requirements in this paragraph.

The school district must develop with the pupil a continual learning plan for the pupil. A district must allow a minor pupil's parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year.

General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full school year, or its equivalent.

General education revenue for a pupil in an approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by the product of the number of instructional days required for that year and six; ~~but not more than one; except as otherwise provided in section 121.585.~~ Average daily membership for a pupil must not exceed one, unless:

(1) a pupil participates in a learning year program under section 121.585;

(2) a pupil's regular graduating class has already graduated; or

(3) a pupil needs additional course credits in order to graduate on time.

For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

Sec. 6. Minnesota Statutes 1991 Supplement, section 124.2601, subdivision 6, is amended to read:

Subd. 6. **AID GUARANTEE.** Any adult basic education program that receives less state aid under ~~subdivision subdivisions 3 and 7~~ than from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

Sec. 7. Minnesota Statutes 1991 Supplement, section 124.2605, is amended to read:

#### 124.2605 GED TEST FEES.

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The commissioner of education shall pay 60 percent of the ~~costs of a GED test taken by fee that is charged to~~ an eligible individual for the full battery of a GED test, but not more than \$20 for an eligible individual.

Sec. 8. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 25. LEVY FOR CERTAIN CHILDREN IN EXTENDED DAY PROGRAMS. A school district that offers an extended day program according to section 121.88, subdivision 10, may levy for the additional costs of providing services to children with disabilities who participate in the extended day program.

Sec. 9. Laws 1991, chapter 265, article 4, section 30, subdivision 11, is amended to read:

Subd. 11. **GED AND LEARN TO READ ON TV.** For statewide purchase of broadcast costs, publicity, and coordination of the GED on TV series and the learn to read on TV series:

\$100,000	.....	1992
\$100,000	.....	1993

The department may contract for these services.

~~Up to \$10,000 of this appropriation for each fiscal year is available to contract for these services.~~

Sec. 10. **EFFECTIVE DATE.**

Section 5 is effective July 1, 1992, and applies to 1992-1993 and later school years. Section 9 is effective the day following final enactment.

## ARTICLE 5

### FACILITIES

Section 1. Minnesota Statutes 1990, section 121.148, subdivision 3, is amended to read:

Subd. 3. **NEGATIVE REVIEW AND COMMENT.** (a) If the commissioner submits a negative review and comment for a proposal according to section 121.15, ~~the school board must not proceed with construction. the following steps must be taken:~~

(1) the commissioner must notify the school board of the proposed negative review and comment and schedule a public meeting within 60 days of the notification within that school district to discuss the proposed negative review and comment on the school facility; and

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(2) the school board shall appoint an advisory task force of up to five members to advise the school board and the commissioner on the advantages, disadvantages, and alternatives to the proposed facility at the public meeting. One member of the advisory task force must also be a member of the county facilities group.

(b) After attending the public meeting, the commissioner shall reconsider the proposal. If the commissioner submits a negative review and comment, the school board may appeal that decision to the state board of education. The state board of education may either uphold the commissioner's negative review and comment or instruct the commissioner to submit a positive or unfavorable review and comment on the proposed facility.

(c) A school board may not proceed with construction if the state board of education upholds the commissioner's negative review and comment or if the commissioner's negative review and comment is not appealed.

Sec. 2. Minnesota Statutes 1990, section 124.243, subdivision 2, is amended to read:

Subd. 2. **CAPITAL EXPENDITURE FACILITIES REVENUE.** Capital expenditure facilities revenue for a district equals the lesser of:

~~(1) \$130~~ \$128 times its actual pupil units for the school year; or

(2) the difference between \$400 times the actual pupil units for the school year and A district's capital expenditure facilities revenue for a school year shall be reduced if the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year. For the purpose of determining revenue for the 1989-1990 and the 1990-1991 school years, the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year is zero exceeds \$270 times the fund balance pupil units in the prior year as defined in section 124A.26, subdivision 1. If a district's capital expenditure facilities revenue is reduced, the reduction equals the lesser of (1) the amount that the unreserved balance in the capital expenditure facilities account on June 30 of the prior year exceeds \$270 times the fund balance pupil units in the prior year, or (2) the capital expenditure facilities revenue for that year.

Sec. 3. Minnesota Statutes 1990, section 124.243, is amended by adding a subdivision to read:

Subd. 2a. EXCEPTION TO FUND BALANCE REDUCTION. A district may apply to the commissioner for approval for an unreserved fund balance in its capital expenditure facilities account that exceeds \$270 per fund balance pupil unit for a period not to exceed three years. If the commissioner approves the district's application, the district's capital expenditure facilities revenue shall not be reduced according to subdivision 2. The commissioner may approve a district's application for an exception only if the use of the district's capital expenditure facilities funds are consistent with plans adopted according to subdivision 1.

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Sec. 4. Minnesota Statutes 1990, section 124.243, subdivision 6, is amended to read:

Subd. 6. **USES OF REVENUE.** Capital expenditure facilities 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, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to ~~equip, reequip, improve, and repair school sites; and~~ equip or reequip school buildings with permanent attached fixtures;
- (5) for a surplus school building that is used substantially for a public non-school purpose;
- (6) to eliminate barriers or increase access to school buildings by handicapped individuals;
- (7) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) 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;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123.36, subdivision 10;
- (13) to pay special assessments levied against school property but not to pay assessments for service charges;
- (14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298; and
- (15) to purchase or lease interactive telecommunications equipment.

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

Sec. 5. Minnesota Statutes 1990, section 124.244, subdivision 1, is amended to read:

Subdivision 1. **REVENUE AMOUNT.** The capital expenditure equipment revenue for each district equals ~~\$65~~ \$63 times its actual pupil units counted according to section 124.17, subdivision 1, for the school year.

Sec. 6. Minnesota Statutes 1990, section 124.431, is amended by adding a subdivision to read:

Subd. 1a. CAPITAL LOANS ELIGIBILITY. Beginning July 1, 1992, a district is not eligible for a capital loan unless the district's estimated net debt tax rate after debt service equalization aid would be more than 20 percent of adjusted net tax capacity.

Sec. 7. Minnesota Statutes 1991 Supplement, section 124.479, is amended to read:

**124.479 BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.**

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$45,065,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

~~No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, sections 2 to 7, are sold and issued and the authorized project contracts have been initiated or abandoned.~~

Sec. 8. Minnesota Statutes 1990, section 124.493, subdivision 1, is amended to read:

Subdivision 1. **APPROVAL BY COMMISSIONER.** To the extent money is available, the commissioner of education may approve ~~not more than two pilot~~ projects from applications submitted under section 124.494. The grant money must be used only to acquire, construct, remodel or improve the building or site of a cooperative secondary facility under contracts to be entered into within 15 months after the date on which each grant is awarded.

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Sec. 9. Minnesota Statutes 1991 Supplement, section 124.493, subdivision 3, is amended to read:

Subd. 3. **APPLICATIONS COOPERATION AND COMBINATION.** Districts that ~~apply for~~ receive a cooperative secondary facilities grant after May 1, 1991, shall:

(1) submit a plan as set forth in section 122.242 for approval by the state board of education; and

(2) ~~comply with the provisions of sections 122.243 to 122.247, applicable to combined districts~~ hold a referendum on the question of combination no later than four years after a grant is awarded under section 124.493, subdivision 1.

The districts are ~~not~~ eligible for cooperation and combination revenue under section 124.2725. ~~Sections 124.494, 124.4945, and 124.4946 do not apply to districts applying for a grant after May 1, 1991, except for provisions in the sections relating to acquiring, constructing, remodeling, or improving a building or site of a cooperative secondary facility.~~

Sec. 10. Minnesota Statutes 1990, section 124.494, subdivision 2, is amended to read:

Subd. 2. **REVIEW BY COMMISSIONER.** (a) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel or improve the secondary facility. The commissioner must not approve an application for an incentive grant for any secondary facility unless the facility receives a favorable review and comment under section 121.15 and the following criteria are met:

(1) a minimum of three or more districts, with kindergarten to grade 12 enrollments in each district of no more than 1,200 pupils, enter into a joint powers agreement;

(2) a joint powers board representing all participating districts is established under section 471.59 to govern the cooperative secondary facility;

(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;

(4) at least ~~240~~ 198 pupils would be served in grades 10 to 12, ~~320~~ 264 pupils would be served in grades 9 to 12, or ~~480~~ 396 pupils would be served in grades 7 to 12;

(5) no more than one superintendent is employed by the joint powers board as a result of the cooperative secondary facility agreement;

(6) a statement of need is submitted, that may include reasons why the cur-

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rent secondary facilities are inadequate, unsafe or inaccessible to the handicapped;

(7) an educational plan is prepared, that includes input from both community and professional staff;

(8) a combined seniority list for all participating districts is developed by the joint powers board;

(9) an education program is developed that provides for more learning opportunities and course offerings, including the offering of advanced placement courses, for students than is currently available in any single member district; ~~and~~

(10) a plan is developed for providing instruction of any resident students in other districts when distance to the secondary education facility makes attendance at the facility unreasonably difficult or impractical.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 125.611, for any teacher or administrator, as defined under section 125.12, subdivision 1, who is placed on unrequested leave as a result of the cooperative secondary facility agreement.

(c) For the purpose of paragraph (a), clause (8), each school district must be considered to have started school each year on the same date.

(d) The districts may develop a plan that provides for the location of social service, health, and other programs serving pupils and community residents within the cooperative secondary facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

Sec. 11. Minnesota Statutes 1990, section 124.494, subdivision 4, is amended to read:

Subd. 4. **AWARD OF GRANTS.** The commissioner shall examine and consider all applications for grants, and if any joint powers district is found not qualified, the commissioner shall promptly notify that joint powers board. On July 1 of 1989, the commissioner shall make awards to no more than two qualified applicants whose applications have been on file with the commissioner more than one month. On July 1, 1992, the commissioner shall make awards to no more than two groups of districts. Notwithstanding section 124.494, subdivision 4, the first grant shall be made to the group of districts consisting of independent school districts No. 240, Blue Earth; No. 225, Winnebago; No. 219, Elmore; and No. 218, Delevan, if that group has submitted an application and if the application has been approved. The second grant, if money remains, shall be made to the group of districts that make up the Grant county project, if that group has submitted an application and if that application has been approved. Applications must be filed on or before June 1, 1992, for the July 1, 1992, grant award

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consideration. A grant award is subject to verification by the joint powers districts as specified in subdivision 6. A grant award must not be made until the site of the secondary facility has been determined. If the total amount of the approved applications exceeds the amount that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers district the amount, if any, of the grant awarded to it.

Sec. 12. Minnesota Statutes 1990, section 124.494, subdivision 5, is amended to read:

Subd. 5. **REFERENDUM; BOND ISSUE.** Within ~~90~~ 180 days after being awarded a grant under subdivision 4, the joint powers board shall submit the question of authorizing the borrowing of funds for the secondary facility to the voters of the joint powers district at a special election, which may be held in conjunction with the annual election of the school board members of the member districts. The question submitted shall state the total amount of funding needed from all sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to accept the grant and to issue the bonds on public sale in accordance with chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education. If the question is approved by the voters, the commissioner shall notify the approved applicant districts that the grant amount certified under subdivision 4 is available and appropriated for payment under this subdivision. If a majority of those voting on the question do not vote in the affirmative, the grant must be canceled.

Sec. 13. Minnesota Statutes 1991 Supplement, section 124.84, subdivision 3, is amended to read:

Subd. 3. **LEVY AUTHORITY.** The district may levy up to ~~\$150,000 each year for two years~~ \$300,000 under this section, as approved by the commissioner. The approved amount may be levied over five or fewer years.

Sec. 14. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For purposes of this section, the required debt service levy of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations, excluding obligations under section 124.2445, of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, minus

(2) the amount of any surplus remaining in the debt service fund when the obligations and interest on them have been paid debt service excess for that

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school year calculated according to the procedure established by the commissioner.

Sec. 15. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 2, is amended to read:

Subd. 2. **ELIGIBILITY.** ~~To be eligible for debt service equalization revenue, the following conditions must be met~~ The following portions of a district's debt service levy qualify for debt service equalization:

(1) the required debt service levy of a district must exceed the amount raised by a level of eight percent times the adjusted net tax capacity of the district debt service for repayment of principal and interest on bonds issued before July 2, 1992;

(2) debt service for bonds refinanced after July 1, 1992, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and

(3) debt service for bond issues approved bonds issued after July 1, 1990 1992, the for construction project must projects that have received a positive review and comment according to section 121.15; if (3) the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, for new projects; and if (4) the bond schedule must be has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule. The criterion in section 124.431, subdivision 2, paragraph (a), clause (2), shall be considered to have been met if the district in the fiscal year in which the bonds are authorized at an election conducted under chapter 475:

(i) serves an average of at least 66 pupils per grade in the grades to be served by the facility; or

(ii) is eligible for sparsity revenue.

Districts identified in Laws 1990, chapter 562, article 11, section 8, do not need to meet the criteria of section 124.431, subdivision 2, to qualify.

Sec. 16. Minnesota Statutes 1991 Supplement, section 124.95, is amended by adding a subdivision to read:

Subd. 2a. NOTIFICATION. A district eligible for debt service equalization revenue under subdivision 2 must notify the commissioner of the amount of its intended debt service levy calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

Sec. 17. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 3, is amended to read:

Subd. 3. **DEBT SERVICE EQUALIZATION REVENUE.** (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals

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the required debt service levy minus the amount raised by a levy of ~~12~~ ten percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Sec. 18. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 4, is amended to read:

Subd. 4. **EQUALIZED DEBT SERVICE LEVY.** To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year ~~to which the levy is attributable~~ prior to the year the levy is certified; ~~or to~~

(2) 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Sec. 19. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 5, is amended to read:

Subd. 5. **DEBT SERVICE EQUALIZATION AID.** A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. ~~A district's debt service equalization aid must not be prorated.~~ If the amount of debt service equalization aid actually appropriated for the fiscal year in which this calculation is made is insufficient to fully fund debt service equalization aid, the commissioner shall prorate the amount of aid across all eligible districts.

Sec. 20. **[124.961] DEBT SERVICE APPROPRIATION.**

\$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. \$17,000,000 in fiscal year 1994 and \$21,000,000 in fiscal year 1995 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. These amounts must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 21. **[124.962] 1993 and 1994 APPROPRIATIONS.**

Notwithstanding section 124.95, subdivision 6, one-half of the aid appropriation in section 20 for fiscal year 1993 shall be paid to districts on March 15, 1993. One-half of the appropriation for fiscal year 1993 shall cancel to the general fund. Notwithstanding section 124.95, subdivision 6, of the appropriation

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for fiscal year 1994 in section 20, \$3,000,000 shall be paid to districts on September 15, 1993, and the remaining appropriation for fiscal year 1994 shall be paid according to section 124.95, subdivision 6.

Sec. 22. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

**Subd. 11h. EXTRA CAPITAL EXPENDITURE LEVY FOR CERTAIN LEASE PURCHASES.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 11d, a district, as defined in this subdivision, may:

(1) purchase real property under an installment contract or may lease real property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(3) The district may terminate the installment contract or lease purchase agreement at the end of any fiscal year during its term.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 11d, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

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(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

Sec. 23. Minnesota Statutes 1991 Supplement, section 373.42, subdivision 2, is amended to read:

Subd. 2. **MEMBERSHIP.** A county facilities group consists of at least one representative from the county board, one representative from each city located within the county, one representative from each school district located within the county, up to three representatives of townships selected by the county board, and two other members selected by the county board. Under this section, a school district is located within a county if it has an administrative office or a facility or a planned facility under section 121.15 in the county.

Sec. 24. Laws 1991, chapter 265, article 5, section 18, is amended to read:

**Sec. 18. BONDS FOR CERTAIN CAPITAL FACILITIES.**

In addition to other bonding authority, with approval of the commissioner, independent school districts No. 393, LeSueur, No. 508, St. Peter, ~~and~~ No. 734, Henderson, No. 392, Le Center, and No. 2071, Lake Crystal-Wellcome Memorial, may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including equipping school buildings, improving handicap accessibility to school buildings, and bringing school buildings into compliance with fire codes.

Before a district issues bonds under this subdivision, it must publish notice of the intended projects, related costs, and the total amount of district indebtedness.

A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board's action. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before the petition is filed with the school board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

The bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with 50 percent of current and anticipated revenue for capital facilities under this section or a successor section for the current year plus projected revenue not greater than the current year for the next ten years. Once finally authorized, the district must set aside 50 percent of the current year's revenue for capital facilities under this section or a successor section each year in a separate account until all principal and interest on the bonds is paid. The district must annually transfer this amount from its capital fund to the debt redemption fund. The bonds must be paid off within ten years of issuance.

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The bonds must be issued in compliance with Minnesota Statutes, chapter 475, except as otherwise provided in this section.

Sec. 25. Laws 1991, chapter 265, article 5, section 23, is amended to read:

**Sec. 23. MAXIMUM EFFORT CAPITAL LOAN DEBT REDEMPTION EXCESS.**

(a) Notwithstanding Minnesota Statutes, section 124.431, subdivision 11, or any other law to the contrary, a school district having an outstanding capital loan that has an excess amount in the debt redemption fund as calculated according to Minnesota Statutes, section 124.431, subdivision 11, may apply to the commissioner for an adjustment to the amount of excess owed to the state. The commissioner ~~may~~ shall reduce the excess that a district owes the state if a district's capital loan is outstanding and if the commissioner determines that any of the following conditions apply:

(1) a district is likely to incur a substantial property tax delinquency that will adversely affect the district's ability to make its scheduled bond payments;

(2) a district's agreement with its bondholders or its taxpayers could be impaired; ~~or~~

(3) the district's tax capacity per pupil is less than one-tenth of the equalizing factor as defined in Minnesota Statutes, section 124A.02, subdivision 8; or

(4) the district would have qualified for a capital loan during calendar year 1990 or 1991.

(b) The amount of the excess that may be forgiven may not exceed \$200,000 \$260,000 in a single year for any district.

(c) Any amount reduced shall be excluded from the determination of debt excess under Minnesota Statutes, section 475.61. The amount retained by the district may be used for cash flow purposes until the last year the district levies for debt service for outstanding bonds.

Sec. 26. Laws 1991, chapter 265, article 5, section 24, subdivision 4, is amended to read:

Subd. 4. **HEALTH AND SAFETY AID.** For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,560,000	.....	1992
\$11,351,000	.....	1993

The 1992 appropriation includes \$1,650,000 for 1991 and \$9,910,000 for 1992.

The 1993 appropriation includes \$1,748,000 for 1992 and \$9,603,000 for 1993.

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For fiscal year 1993, total health and safety revenue may not exceed \$58,800,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. The criteria may not discriminate between the number of pupils in and the geographic location of school districts.

\$60,000 of the fiscal year 1993 appropriation shall be used to contract with the state fire marshal to provide the services required under Minnesota Statutes, section 121.502. This amount is in addition to the amount in Laws 1991, chapter 265, article 11, section 23, subdivision 3.

**Sec. 27. HEALTH AND SAFETY PLAN; RICHFIELD.**

Notwithstanding other law, independent school district No. 280, Richfield, to pay off its pre-1989 fire safety loan from the city of Richfield, may revise the health and safety part of the district's capital plan to include the principal and interest on the loan payment, now funded by the facilities part, with the result that the loan principal and interest will be paid off before July 1, 1995.

**Sec. 28. DULUTH BONDING.**

Subdivision 1. BONDING AUTHORIZATION. To provide funds for the acquisition and betterment, as defined in Minnesota Statutes, section 475.51, subdivisions 7 and 8, of existing and new facilities, independent school district No. 709 may, by two thirds majority plus one vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1992 and 1993 as provided in this section. The aggregate principal amount of any bonds issued under this section for calendar years 1992 and 1993 may not exceed \$9,600,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. As with other bonds issued by independent school district No. 709, Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. If the school board proposes to issue bonds under this section, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the city of Duluth. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to five percent of the people registered to vote in the last general election in the school district is filed with the recording officer. If such a petition is filed, no bonds shall be issued under this section unless authorized by a majority of the electors voting on the question at the next general or special election called to decide the issue. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding limit of chapter 124 or any other law other than Minnesota Statutes, section 475.53, subdivision 4, as made applicable to independent school district No. 709 by Laws 1973, chapter 266.

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Subd. 2. TAX LEVY FOR DEBT SERVICE. To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 709 shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

**Sec. 29. LAKE SUPERIOR, VIRGINIA, GRAND RAPIDS SCHOOL DISTRICT BONDS.**

Subdivision 1. AUTHORIZATION. Independent school district No. 381, Lake Superior, may issue bonds in an aggregate principal amount not exceeding \$779,500, and independent school district No. 318, Grand Rapids, may issue, subject to the requirement of subdivision 8, bonds in an aggregate principal amount not exceeding \$5,600,000, and independent school district No. 706, Virginia, may issue bonds in an aggregate principal amount not exceeding \$5,000,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. They may spend the proceeds of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.

Subd. 2. APPROPRIATION. There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to Minnesota Statutes, section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 80 percent of the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.

Subd. 3. DISTRICT OBLIGATIONS. Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision 2, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.64. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

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Subd. 4. DISTRICT LEVY. The school board shall by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, sections 298.23 to 298.28, a direct annual ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet when due 20 percent of the principal and interest payments on the bonds. A copy of the resolution shall be filed, and the necessary taxes shall be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, section 475.61.

Subd. 5. LEVY LIMITATIONS. Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 6. BONDING LIMITATIONS. Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 7. TERMINATION OF APPROPRIATION. The appropriation authorized in subdivision 2 shall terminate upon payment or maturity of the last of those bonds.

Subd. 8. GRAND RAPIDS REQUIREMENT FOR ISSUING BONDS. Independent school district No. 318, Grand Rapids, may not issue any bonds according to the authority in subdivision 1 unless the district expends at least \$100,000 of the proceeds of the bonds for capital improvements for the industrial technology program at Big Fork.

Subd. 9. LOCAL APPROVAL. This section is effective for independent school district No. 381 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 318 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 706 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

#### Sec. 30. FUND BALANCE LIMIT EXCEPTION.

Notwithstanding Minnesota Statutes, section 124.243, subdivision 2, the capital expenditure facilities revenue for special school district No. 6, South St. Paul, for fiscal years 1992, 1993, and 1994 must not be reduced because of the district's fund balance.

#### Sec. 31. LEVY AND AID ADJUSTMENTS.

The department of education shall adjust the levy limits and aid payments for special school district No. 6, South St. Paul, according to section 30. Adjustment to the school district levy may be spread over three years.

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### Sec. 32. TAXPAYER NOTIFICATION.

Subdivision 1. APPLICABILITY. This section applies only to newly authorized bonding authority granted under Laws 1990, chapter 604, article 8, section 9, and applies only to such bonds issued for calendar years 1993 to 1996.

Subd. 2. NOTICE. (a) A school board must prepare a notice of the public meeting on the proposed sale of all or any of the bonds and mail the notice to each postal patron residing within the school district. The notice must be mailed at least 15 days but not more than 30 days before the meeting. Notice of the meeting must also be posted in the administrative office of the school district and must be published twice during the 14 days before the meeting in the official newspaper of the city in which the school district is located.

(b) The notice must contain the following information:

(1) the proposed dollar amount of bonds to be issued;

(2) the dollar amount of the levy increase necessary to pay the principal and interest on the newly authorized bonds;

(3) the estimated levy amount and net tax capacity rate necessary to make the debt service payments on any existing outstanding debt;

(4) the projected effects on individual property types; and

(5) the required levy and principal and interest on all outstanding bonds in addition to the bonds proposed under clause (1).

(c) To comply with paragraph (b), clause (4), the notice must show the projected annual dollar increase and net tax capacity rate increase for a representative range of residential homestead, residential nonhomestead, apartments, and commercial-industrial properties located within each state senate district in the school district.

Subd. 3. BOND AUTHORIZATION. A school board may vote to issue bonds for calendar years 1993 to 1996 only after complying with the requirements of subdivision 2.

### Sec. 33. CAPITAL LOAN USES.

Notwithstanding any other law to the contrary, independent school district No. 885, St. Michael-Albertville, may recognize an amount not to exceed \$325,000 from its maximum effort capital loan as capital expenditure equipment revenue. This amount is available to the district and does not return to the state.

### Sec. 34. LEVY ADJUSTMENT.

The department of education shall adjust the 1992 levy for taxes payable in 1993 for each school district by the amount of debt service equalization aid entitlement for fiscal year 1993.

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**Sec. 35. INSTRUCTION TO THE REVISOR.**

The revisor of statutes, in the 1992 edition of Minnesota Statutes, shall codify Laws 1990, chapter 610, article 1, section 45, as Minnesota Statutes, section 124.478, notwithstanding any law to the contrary.

**Sec. 36. REPEALER.**

Laws 1990, chapter 604, article 8, section 12, is repealed the day following final enactment.

Section 22 is repealed July 1, 1995. Levies may continue to be made under section 22 until installment contracts and lease purchase agreements have been satisfied.

**Sec. 37. EFFECTIVE DATE.**

Sections 8, 9, 10, 11, 25, 30, 31, 32, 33, and 36 are effective the day following final enactment.

Section 3 is effective the day following final enactment and applies to 1991-1992 and later school years.

Section 1 is effective July 1, 1992, and applies to school facilities projects submitted to the commissioner on or after July 1, 1992.

Section 4 is effective July 1, 1993.

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**ARTICLE 6****ORGANIZATION AND COOPERATION**

Section 1. Minnesota Statutes 1991 Supplement, section 121.932, subdivision 2, is amended to read:

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

Sec. 2. Minnesota Statutes 1991 Supplement, section 121.932, subdivision 5, is amended 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

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district shall send the essential data to the ESV regional computer center to which it belongs, or where it shall be edited and transmitted to the department in the form and format prescribed by the department.

Sec. 3. Minnesota Statutes 1991 Supplement, section 121.935, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** Any group of two or more independent, special or common school districts may with the approval of the state board pursuant to sections 121.931 and 121.937 create a regional management information center pursuant to section 123.58 or 471.59 to provide computer services to school districts. A regional management information center shall not come into existence until the first July 1 after its creation is approved by the state board or until it can be accommodated by state appropriations, whichever occurs first. Each member of the ~~center board~~ of a center created after June 30, 1991, shall be a current member of a member school board.

Sec. 4. Minnesota Statutes 1991 Supplement, 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 obligations, as defined in section 475.51, for computer hardware. 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 obligation. The district is not liable for any additional outstanding regional obligations that occur after written notice is given to transfer or use an alternative finance system. A regional management information center must not charge a district for transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state. ~~If a district transfers to another regional center, the center shall transfer to the district within 90 days after the end of the fiscal year the district's per actual pupil share of the center's unreserved fund balance in each fund. The fund balance shall be determined as of June 30 preceding the year the district transfers.~~

Sec. 5. Minnesota Statutes 1991 Supplement, section 122.22, subdivision 9, is amended to read:

Subd. 9. An order issued under subdivision 8, clause (b), shall contain the following:

(a) A statement that the district is dissolved unless the results of an election held pursuant to subdivision 11 provide otherwise;

(b) A description by words or plat or both showing the disposition of territory in the district to be dissolved;

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(c) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district to be dissolved;

(d) A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding preexisting bonded indebtedness by any territory from the dissolving district which is attached to it;

(e) An effective date for the order. The effective date ~~shall be at least three months after the date of the order, and~~ shall be July 1 of an odd-numbered year unless the school board and the exclusive representative of the teachers in each affected district agree to an effective date of July 1 of an even-numbered year. The agreement must be in writing and submitted to the commissioner of education; and

(f) Other information the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the order by mail upon the clerk of the district to be dissolved and upon the clerk of each district to which the order attaches any territory of the district to be dissolved and upon the auditor of each other county in which all or any part of the district to be dissolved or any district to which the order attaches territory lies, and upon the commissioner.

Sec. 6. Minnesota Statutes 1991 Supplement, section 122.23, subdivision 2, is amended to read:

Subd. 2. (a) Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation.

(b) The resolution or petition may propose the following:

(1) that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, ~~as provided in subdivision 16a;~~ or that the taxable property in the newly created district will be taxable for the payment of all or a portion of the bonded debt previously incurred by any component district as provided in subdivision ~~16b~~ 16;

(2) that obligations for a capital loan or an energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding in a preexisting district as of the effective date of consolidation remain solely with the preexisting district that obtained the loan, or that all or a portion of the loan obligations will be assumed by the newly created or enlarged district and paid by the newly cre-

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ated or enlarged district on behalf of the preexisting district that obtained the loan;

(3) that referendum levies previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued;

(4) that the board of the newly created district consist of ~~seven~~ the number of members determined by the component districts, which may be six or seven members elected according to subdivision 18, or any number of existing school board members of the component districts, and a method to gradually reduce the membership to six or seven; or

(5) that separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts be established. If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall forthwith prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected.

(c) The plat shall show:

(1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(3) The boundaries of any proposed separate election districts, and

(4) Other pertinent information as determined by the county auditor.

Sec. 7. Minnesota Statutes 1990, section 122.23, subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the school board shall, within ten days of the election, notify the county auditor who shall, within ten days of the notice or of the expiration of the period during which an election can be called, issue an order setting a date for the effective date of the change. The effective date shall be ~~at least three months after the day when the date must be set; and shall be~~ July 1 of an odd-numbered year, unless an even-numbered year is agreed upon according to subdivision 13a. The auditor shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. The school board shall similarly notify the county auditor if the election fails. The proceedings are then terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected.

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Sec. 8. Minnesota Statutes 1990, section 122.241, subdivision 3, is amended to read:

Subd. 3. **COMBINATION REQUIREMENTS.** Combining districts must be contiguous and meet one of the following requirements at the time of combination:

(1) at least two districts with at least 400 resident pupils enrolled in grades 7 through 12 in the combined district and projections, approved by the department of education, of enrollment at least at that level for five years;

(2) at least two districts; if either:

(i) both of which the districts qualify for secondary sparsity revenue under section 124A.22, subdivision 6, and have an average isolation index over 23; or

(ii) the combined district qualifies for secondary sparsity revenue; or

(3) at least three districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district; or

(4) at least two districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district if either district is located on the border of the state.

A combination under clause (2), (3), or (4) must be approved by the state board of education. The state board shall disapprove a combination under clause (2), (3), or (4) if the combination is educationally unsound or would not reasonably enable the districts to fulfill statutory and rule requirements.

Sec. 9. Minnesota Statutes 1991 Supplement, section 122.242, subdivision 9, is amended to read:

Subd. 9. **FINANCES.** The plan must state:

(1) whether debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether all or a portion of the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds;

(2) whether obligations for a capital loan or energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding at the time of combination remain solely with the district that obtained the loan, or whether all or a portion of all the loan obligations will be assumed by the combined district and paid by the combined district on behalf of the district that obtained the loan;

(3) the treatment of debt service levies and referendum levies;

(4) whether the cooperating or combined district will levy for reorganization operating debt according to section 121.915, clause (1); and

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(5) ~~two-, five-, and ten-year~~ two- and five-year projections, prepared by the department of education upon the request of any district, of revenues, expenditures, and property taxes for each district if it cooperated and combined and if it did not.

Sec. 10. Minnesota Statutes 1991 Supplement, section 122.243, subdivision 2, is amended to read:

Subd. 2. **VOTER APPROVAL.** A referendum on the question of combination shall be conducted during the first or second year of cooperation for districts that cooperate according to section 122.241, or no more than 18 months before the effective date of combination for districts that do not cooperate. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. ~~If a question is submitted, the second referendum must be conducted on a date before October 1.~~ If the referendum fails again, the districts shall modify their cooperation and combination plan. A third referendum may be conducted ~~on any date before October 1.~~ If a second or third referendum is conducted after October 1, the newly combined district may not levy under section 124.2725 until the following year. Referendums shall be conducted on the same date in all districts.

Sec. 11. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

**Subd. 2d. CONSOLIDATION; REFERENDUM LEVY COMPUTATION.** The levy part of the referendum revenue authorized under subdivision 2a or 2b may be levied against all taxable property in the newly created district as provided in this subdivision. If the entire amount of the referendum levy in each of the component districts had been levied against the net tax capacity of all taxable property in the district, the referendum levy for the newly created district must be levied against the net tax capacity of all taxable property in the newly created district. If the entire amount of the referendum levy in each of the component districts had been levied against the market value of all taxable property in the district, the referendum levy for the newly created district must be levied against the market value of all taxable property in the newly created district. If a part of the referendum levy in one or more of the component districts was levied against the net tax capacity of all taxable property in the district and a part of the referendum levy in one or more of the component districts had been levied against the market value of all taxable property in the district, and the plan for consolidation so provides, or the plan for consolidation makes no provision concerning referendum levies, the entire amount of the referendum levy for the newly created district must be levied against the net tax capacity of all taxable property in the newly created district. Alternatively, if a portion of the referendum levy in one or more of the component districts had been levied against the net tax capacity of all taxable property in the district and a portion of the referendum levy in one or more of the component districts was levied

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against the market value of all taxable property in the district, and the plan for consolidation so provides, the entire amount of the referendum levy for the newly created district must be levied against the market value of all taxable property in the newly created district.

Sec. 12. Minnesota Statutes 1991 Supplement, section 122.531, subdivision 4a, is amended to read:

Subd. 4a. **REORGANIZATION OPERATING DEBT LEVIES.** (a) A district that is ~~cooperating~~ receives revenue under section 124.2725 for cooperation or has combined according to sections 122.241 to 122.248 may levy to eliminate reorganization operating debt as defined in section 121.915, clause (1). The amount of the debt must be certified over a period of five years. After the effective date of combination according to sections 122.241 to 122.248, the levy may be certified and spread ~~only~~ either

(1) only on the property in the combined district that would have been taxable in the preexisting district that incurred the debt, or

(2) on all of the taxable property in the combined district.

(b) A district that has reorganized according to section 122.22 or 122.23 may levy to eliminate reorganization operating debt as defined in section 121.915, clause (2). The amount of debt must be certified over a period not to exceed five years and may be spread either ~~only~~

(1) only on the property in the newly created or enlarged district which was taxable in the preexisting district that incurred the debt, or

(2) on all of the taxable property in the newly created or enlarged district.

Sec. 13. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

**Subd. 9. LEVY FOR SEVERANCE PAY OR EARLY RETIREMENT INCENTIVES.** The school board of a newly created or enlarged district, according to section 122.22 or 122.23, may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the dissolution or consolidation, if the commissioner of education approves the incentives and the amount to be levied. The amount may be levied over a period of up to five years and shall be spread in whole or in part on the property of a preexisting district or the newly created or enlarged district, as determined by the school board of the newly created or enlarged district.

Sec. 14. Minnesota Statutes 1990, section 122.532, subdivision 2, is amended to read:

Subd. 2. (a) As of the effective date of ~~any~~ a consolidation in which a district is divided or the dissolution of ~~any~~ a district and its attachment to ~~one~~ two or more existing districts, each teacher employed by an affected district shall be

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assigned to the newly created or enlarged district ~~in which is located the building where that teacher was primarily employed prior to the consolidation or dissolution and attachment~~ on the basis of a ratio of the pupils assigned to each district according to the new district boundaries. The district receiving the greatest number of pupils must be assigned the teacher with the greatest seniority, and the remaining teachers must be alternately assigned to each district until the district receiving the fewest pupils has received its ratio of teachers who will not be retiring before the effective date of the consolidation or dissolution.

(b) Notwithstanding paragraph (a), the school board and the exclusive representative of teachers in each school district involved in the consolidation or dissolution and attachment may negotiate a plan for assigning teachers to each newly created or enlarged district.

Sec. 15. Minnesota Statutes 1991 Supplement, section 124.2721, subdivision 3b, is amended to read:

Subd. 3b. **LEVY.** Beginning with the levy attributable to fiscal year 1994 and thereafter, the education district levy for a school district is equal to the following:

(1) the sum of the education district revenue according to subdivision ~~2~~ 2a for all member school districts of the education district, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the education district divided by the number of actual pupil units in the education district to ~~the~~ an amount ~~in clause (1)~~ equal to \$50 divided by 1.87 percent, times

(3) the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the education district.

Sec. 16. Minnesota Statutes 1990, section 124.2725, subdivision 13, is amended to read:

Subd. 13. **REVENUE FOR EXTENDED COOPERATION.** If the state board disapproves of the plan according to section 122.243, subdivision 1, or if a second referendum fails under section 122.243, subdivision 2, cooperation and combination revenue shall equal ~~\$60~~ \$50 times the actual pupil units. Cooperation and combination aid must be reduced by an amount equal to the aid paid under subdivision 6 plus the difference between the aid paid under subdivision 5 for the first two years of the agreement and the aid that would have been paid if the revenue had been ~~\$60~~ \$50 times the actual pupil units. If the aid is insufficient to recover the entire amount, the department of education shall reduce other aids due the district to recover the entire amount. The cooperation and combination levy shall be reduced by an amount equal to the difference between the levy for the first two years of the agreement and the levy that would have

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been authorized if the revenue had been \$60 \$50 times the actual pupil units. A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2721 and 124.575.

Sec. 17. Minnesota Statutes 1990, section 124.2725, subdivision 14, is amended to read:

Subd. 14. **CESSATION OF REVENUE.** At any time the districts cease cooperating, aid shall not be paid and the authority to levy ceases. If a district ceases to cooperate for all or a portion of a fiscal year for which a levy has been certified under subdivision 3, the department of education shall adjust the next levy certified by the district by an amount in proportion to the part of the fiscal year that the district did not cooperate.

Sec. 18. Minnesota Statutes 1991 Supplement, section 124.2727, subdivision 6, is amended to read:

Subd. 6. **ALTERNATIVE LEVY AUTHORITY.** (a) For fiscal years prior to fiscal year 1996, an intermediate school district may levy, as a single taxing district, according to this paragraph, an amount that may not exceed the greater of:

(1) five-sixths of the levy certified for special education and secondary vocational education for taxes payable in 1989; or

(2) the lesser of (i) \$50 times the actual pupil units in each participating district for the fiscal year to which the levy is attributable, or (ii) 1.43 percent of the adjusted net tax capacity. The levy shall be certified according to section 275.07. Upon such certification, the county auditors shall levy and collect the levies and remit the proceeds of the levy to the intermediate school district. The levies shall not be included in computing the limitation upon the levy of any of the participating districts.

(b) ~~Five-sixths~~ Five-elevenths of the proceeds of the levy shall be used for special education. ~~Six-elevenths~~ of the proceeds of the levy shall be used for secondary vocational education.

(c) ~~To levy according to paragraph (a); a majority of the full membership of the school board of each member of the intermediate school district shall adopt a resolution in August of any year stating its decision not to levy according to this section and authorizing the intermediate district to levy according to paragraph (a). Any member district may adopt a resolution by the following February 1 or February 1 of any subsequent year to levy as a school district the amount authorized by this section. The resolution may or may not also contain the school board's decision to withdraw from the intermediate school district or to cease participating in or providing financial support for any of the services or activities of the intermediate school district. Upon withdrawal from or cessation of participation in or support for the services or activities of the intermediate district, the board of the intermediate district shall pay to the district \$50 times the number of actual pupil units in the school district, or a prorated amount if the member district ceases participation in or providing financial support for any activities or services of the intermediate district. When a school district joins or withdraws from an intermediate school district after July 1, 1991, the~~

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department of education shall recalculate the levy certified for taxes payable in 1989, for the purpose of determining the levy amount authorized under paragraph (a), clause (1), to reflect the change in membership of the intermediate school district. The department shall recalculate the levy as though the intermediate school district had certified the maximum permitted levy for taxes payable in 1989.

This subdivision expires July 1, 1995.

Sec. 19. Minnesota Statutes 1991 Supplement, section 124.2727, is amended by adding a subdivision to read:

Subd. 7. CERTIFICATES OF INDEBTEDNESS. After a levy has been certified according to subdivision 6 or 7, an intermediate school board may issue and sell certificates of indebtedness in anticipation of the collection of levies, but in aggregate amounts that will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 20. Minnesota Statutes 1990, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. **CONTRACT DEADLINE AND PENALTY.** (a) The following definitions apply to this subdivision:

“Public employer” means:

- (1) a school district; and
- (2) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or 136D, or 268A, or section 275.125.

“Teacher” means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of technical colleges.

(b) Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers shall both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:

- (1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and

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(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

For a district that reorganizes according to section 122.22 or 122.23, effective July 1 of an odd-numbered year, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers both sign a collective bargaining agreement on or before the March 15 following the effective date of reorganization. This extension is available only in the calendar year following the effective date of reorganization.

(c) The reduction shall equal \$25 times the number of actual pupil units:

(1) for a school district, that are in the district during that fiscal year; or

(2) for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in the programs. The department of education shall reduce general education aid; if general education aid is insufficient or not paid, the department shall reduce other state aids.

(d) Reductions from aid to school districts and public employers other than school districts shall be returned to the general fund.

Sec. 21. Minnesota Statutes 1990, section 136D.22, subdivision 1, is amended to read:

Subdivision 1. **BOARD.** The agreement shall provide for a joint school board representing the parties to the agreement. The agreement shall specify the name of the board, the number and manner of election or appointment of its members, their terms and qualifications, and other necessary and desirable provisions. ~~Each member of the board shall be a school board member of a school district that is a party to the agreement.~~

Sec. 22. Minnesota Statutes 1991 Supplement, section 136D.22, subdivision 3, is amended to read:

Subd. 3. **LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT MEMBERSHIP.** (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for to be a participating district in an intermediate school district for a time period ~~in excess of one fiscal year~~ longer than that set forth in this subdivision. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) ~~This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before June 5, 1991. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 5, 1991; except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on June 5,~~

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1991, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased:

(e) ~~To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or To withdraw from the an intermediate district, the a school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or Withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year, unless the withdrawing school district and the intermediate district agree to a different date. The intermediate board shall file a copy of the withdrawal resolution with the county auditors of the counties in which the intermediate district is located in whole or in part.~~

~~(d)~~ (c) In addition to the requirements of section 136D.281, before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this ~~paragraph~~ subdivision and before any election required by chapter 475 is conducted. The resolution shall also be adopted within a time sufficient to allow the intermediate board and the school board of a participating district to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The intermediate board shall notify each participating school board of a participating school district of the contents of the resolution. Within 120 60 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt; or

~~(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or~~

~~(3) its intention to withdraw from the intermediate district.~~

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. ~~A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) (2) is not liable for the bonded indebtedness or other debt as proposed by the board of the intermediate district. Failure of a school board to adopt a resolution within the required time period shall constitute concurrence with issuing bonds or incurring other debt.~~

~~(e) After June 5, 1991~~ (d) Except as provided in paragraph (c), a school dis-

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trict is that withdraws from the intermediate district remains liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation bonds are retired or the debt is discharged and only according to the payment schedule in effect at the time the school board of the intermediate district provides notice of withdrawal to the school board intermediate district, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

(e) For the purposes of this subdivision, "other debt" means a contractual obligation for which the intermediate district does not have specific authority to levy, except for the levy authorized for special education and secondary vocational education according to section 124.2727, and for which money is not appropriated in the current year's budget. It includes tax and aid anticipation certificates of indebtedness and warrants; however, the procedures for the issuance of tax and aid anticipation certificates and warrants shall be the same as those provided in chapters 124 and 475.

Sec. 23. Minnesota Statutes 1991 Supplement, section 136D.71, subdivision 2, is amended to read:

**Subd. 2. LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT MEMBERSHIP.** (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for to be a participating district in an intermediate school district for a time period in excess of one fiscal year longer than that set forth in this subdivision. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before June 5, 1991. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 5, 1991, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on June 5, 1991, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or To withdraw from the an intermediate district, the a school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or Withdrawal shall be effective June 30 of the same year or;

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at the option of the school board, June 30 of the following fiscal year, unless the withdrawing school district and the intermediate district agree to a different date. The intermediate board shall file a copy of the withdrawal resolution with the county auditors of the counties in which the intermediate district is located in whole or in part.

(d) (c) In addition to the requirements of section 136D.741, before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph subdivision and before any election required by chapter 475 is conducted. The resolution shall also be adopted within a time sufficient to allow the intermediate board and the school board of a participating district to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The intermediate board shall notify each participating school board of a participating school district of the contents of the resolution. Within ~~120~~ 60 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt; or
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- ~~(3)~~ (2) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. ~~A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) (2) is not liable for the bonded indebtedness or other debt as proposed by the board of the intermediate district. Failure of a school board to adopt a resolution within the required time period shall constitute concurrence with issuing bonds or incurring other debt.~~

(e) ~~After June 5, 1991 (d) Except as provided in paragraph (c), a school district is that withdraws from the intermediate district remains liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation bonds are retired or the debt is discharged and only according to the payment schedule in effect at the time the school board of the intermediate district provides notice of withdrawal to the school board intermediate district, except that the payment schedule may be~~

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altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

(e) For the purposes of this subdivision, "other debt" means a contractual obligation for which the intermediate district does not have specific authority to levy, except for the levy authorized for special education and secondary vocational education according to section 124.2727, and for which money is not appropriated in the current year's budget. It includes tax and aid anticipation certificates of indebtedness and warrants; however, the procedures for the issuance of tax and aid anticipation certificates and warrants shall be the same as those provided in chapters 124 and 475.

Sec. 24. Minnesota Statutes 1991 Supplement, section 136D.72, subdivision 1, is amended to read:

Subdivision 1. **MEMBERS.** The district shall be operated by a school board consisting of at least one member from each of the school districts within the special intermediate school district. Board members ~~shall be members of the school boards of the respective school districts~~ and shall be appointed by their respective school boards. Members shall serve at the pleasure of their respective school boards and may be subject to recall by a majority vote of the school board. They shall report at least quarterly to their boards on the activities of the intermediate district.

Sec. 25. Minnesota Statutes 1990, section 136D.75, is amended to read:

**136D.75 STATE BOARD APPROVAL TO RUN TECHNICAL COLLEGE, ISSUE BONDS.**

Prior to the commencement of the operation of any technical college, the intermediate school board shall obtain the approval of the state board of education. Prior to the issuance of any bonds contemplated by sections 136D.71 to 136D.77 for post-secondary technical education, written approval by the state board of ~~education~~ technical colleges shall be obtained.

Sec. 26. Minnesota Statutes 1991 Supplement, section 136D.76, subdivision 2, is amended to read:

Subd. 2. **JOINDER.** ~~An independent school district must receive the approval of the state board of education and the state board of technical colleges to become a participant in the intermediate school district. Thereafter, Upon approval of the majority vote of its~~ the school district board and of the intermediate school board and without the requirement for an election, independent school district No. 138 of Chisago and Isanti counties and independent school district No. 141 of Chisago and Washington counties, and any other independent school district adjoining the territory embraced in the intermediate school district may become a participant in the intermediate school district and be gov-

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erned by the provisions of sections 136D.71 to 136D.77 thereafter. The net tax capacity of the property within the geographic confines of such district shall become proportionately liable for any indebtedness issued, outstanding or authorized of the intermediate school district.

Sec. 27. Minnesota Statutes 1990, section 136D.82, subdivision 1, is amended to read:

Subdivision 1. **BOARD.** The agreement shall provide for a joint school board representing the parties to the agreement. The agreement shall specify the name of the board, the number and manner of election or appointment of its members, their terms and qualifications, and other necessary and desirable provisions. **Each member of the board shall be a school board member of a school district that is a party to the agreement.**

Sec. 28. Minnesota Statutes 1991 Supplement, section 136D.82, subdivision 3, is amended to read:

Subd. 3. **LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT MEMBERSHIP.** (a) ~~No school district shall be required by an agreement or otherwise to participate in or provide financial support for to be a participating district in an intermediate school district for a time period in excess of one fiscal year longer than that set forth in this subdivision.~~ Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) ~~This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before June 5, 1991. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 5, 1991, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on June 5, 1991, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.~~

(c) ~~To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or To withdraw from the an intermediate district, the a school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or Withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year, unless the withdrawing school district and the intermediate district agree to a different date. The intermediate board shall file a copy of the withdrawal resolution with the county auditors of the counties in which the intermediate district is located in whole or in part.~~

(d) ~~(c) In addition to the requirements of section 136D.88, before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed~~

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financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this ~~paragraph subdivision~~ and before any election required by chapter 475 is conducted. The resolution shall also be adopted within a time sufficient to allow the intermediate board and the school board of a participating district to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The intermediate board shall notify each ~~participating~~ school board of a participating school district of the contents of the resolution. Within ~~120~~ 60 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt; or
- (2) ~~its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or~~
- (3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. ~~A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support.~~ A school board adopting a resolution according to clause ~~(3)~~ (2) is not liable for the bonded indebtedness or other debt ~~as~~ proposed by the board of the intermediate district. Failure of a school board to adopt a resolution within the required time period shall constitute concurrence with issuing bonds or incurring other debt.

~~(e) After June 5, 1991 (d) Except as provided in paragraph (c), a school district is that withdraws from the intermediate district remains liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation bonds are retired or the debt is discharged and only according to the payment schedule in effect at the time the school board of the intermediate district provides notice of withdrawal to the school board intermediate district, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.~~

(e) For the purposes of this subdivision, "other debt" means a contractual obligation for which the intermediate district does not have specific authority to levy, except for the levy authorized for special education and secondary vocational education according to section 124.2727, and for which money is not appropriated in the current year's budget. It includes tax and aid anticipation

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certificates of indebtedness and warrants; however, the procedures for the issuance of tax and aid anticipation certificates and warrants shall be the same as those provided in chapters 124 and 475.

Sec. 29. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 8f. SPECIAL COOPERATION LEVY. (a) This subdivision does not apply to an education district, intermediate school district, secondary vocational cooperative, special education cooperative, or a joint powers district that received a grant for a cooperative secondary facility. A school district may levy under this subdivision for taxes payable in 1993, 1994, and 1995 if it:

- (1) has more than 30,000 actual pupil units;
  - (2) is not a member of intermediate school district No. 287, 916, or 917;
  - (3) provides special education services to at least 3,200 resident and 100 nonresident pupils;
  - (4) develops model curricula for use by nonresident special education pupils;
  - (5) consults with other school districts on developing individual education plans for nonresident special education pupils on a regular or emergency basis;
  - (6) provides secondary vocational programs to resident and nonresident at-risk youths;
  - (7) provides pregnant teen and teen parent programs to resident and nonresident pupils; and
  - (8) provides staff development programs and material for teachers in other districts.
- (b) The levy may not exceed \$50 times the number of actual pupil units in the district.

A school district may recognize 50 percent of the proceeds of the levy in the fiscal year it is certified.

(c) The proceeds of the levy shall be used for special education and secondary vocational education.

Sec. 30. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 11g, is amended to read:

Subd. 11g. EXTRA CAPITAL EXPENDITURE LEVY FOR INTERACTIVE TELEVISION. A school district with its central administrative office located within economic development region one, two, three, four, five, six, seven, eight, nine, and ten may levy up to the greater of .5 percent of the

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adjusted net tax capacity of the district or \$20,000 for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 11d shall apply to the levy authority in this subdivision.

Sec. 31. Laws 1991, chapter 265, article 6, section 67, subdivision 3, is amended to read:

Subd. 3. **JULY 1, 1993.** Minnesota Statutes 1990, sections 121.935, subdivision 5; ~~121.94~~ 122.91, subdivision 7; 122.945, subdivision 4; 124.2721, subdivision 3a; and 124.535, subdivision 3a.

**Sec. 32. REORGANIZATION OPERATING DEBT FOR CERTAIN DISTRICTS.**

Notwithstanding Minnesota Statutes, section 121.915, if independent school districts No. 237, Spring Valley; and No. 236, Wykoff, conduct a successful referendum in 1992 on the question of combination, the reorganization operating debt for independent school districts No. 237, Spring Valley; and No. 236, Wykoff, shall be calculated according to Minnesota Statutes, section 121.915, except that the debt may be calculated as of June 30, 1993.

**Sec. 33. PREK-12 AND COMMUNITY EDUCATION SERVICE DELIVERY SYSTEM.**

Subdivision 1. PURPOSE. The purpose of this section is to design and implement a statewide delivery system for educational services that will reduce the number of different cooperative organizations and the multiple levels of administration that accompany those organizations.

Subd. 2. SCOPE OF THE SYSTEM. (a) A new statewide delivery system shall be designed and implemented by July 1, 1995, for all prekindergarten through grade 12 and community education services provided by the organizations enumerated in this paragraph:

- (1) the Minnesota department of education;
- (2) educational cooperative service units established under Minnesota Statutes, section 123.58;
- (3) intermediate school districts established under Minnesota Statutes, chapter 136D;
- (4) education districts established under Minnesota Statutes, section 122.91;
- (5) regional management information centers established under Minnesota Statutes, section 121.935; and
- (6) secondary vocational cooperatives established under Minnesota Statutes, section 123.351.

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Subd. 3. REQUIREMENTS FOR THE SYSTEM. The new statewide delivery system must provide for no more than three organizations for education service delivery;

- (1) a school district, as defined in Minnesota Statutes, chapter 123;
- (2) an area education organization to provide those programs and services most efficiently and effectively provided through a joint effort of school districts; and
- (3) a state level administrative organization comprised of a state board of education and a state department of education with central and regional delivery centers.

Subd. 4. LOCAL SCHOOL DISTRICT PLANNING. School districts shall develop a plan for the efficient and effective delivery of educational programs and services within the new education delivery system. The plan developed by the districts must contain the components enumerated in this subdivision:

- (1) a description of the necessary services to be provided by the school district, the area education organization, and the central and regional delivery centers of the department of education described in subdivision 3;
- (2) a specification of the optimal number of school districts and number of pupils that an area education organization and regional center of the department of education should serve;
- (3) a method for determining the boundaries of area education organizations and regional centers of the department;
- (4) a description of how services provided in the area education organizations should be funded; and
- (5) a determination of the role of the school district, the area education organization, and the central and regional centers of the department in ensuring that health and other social services necessary to maximize a pupil's ability to learn are provided to pupils.

Subd. 5. SCHOOL DISTRICTS. The school districts shall make a final report to the legislature by July 1, 1994. The final report must contain recommendations for the design of an education service delivery system in accordance with this section and recommendations for legislation required to implement the system.

#### Sec. 34. COOPERATION REVENUE.

Subdivision 1. Notwithstanding any other law to the contrary, if the members of a joint school district that received a cooperative secondary facilities grant under section 124.494 on or before May 1, 1991, meet the requirements of Minnesota Statutes 1990, sections 122.241 to 122.246, they shall be eligible for revenue under Minnesota Statutes, section 124.2725.

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Subd. 2. The authority in subdivision 1 expires if the members of the joint school district have not combined according to Minnesota Statutes 1990, section 122.244, by July 1, 1996.

**Sec. 35. LAC QUI PARLE COOPERATION LEVY.**

(a) Joint school district No. 6011, Lac Qui Parle Valley, may certify a levy on all the taxable property in the joint district for costs associated with the establishment of the joint district. The levy authorized under this section must not exceed \$400,000 in total and must be certified in equal amounts over each year of a five-year period.

(b) Notwithstanding paragraph (a), if the members of joint school district No. 6011 do not combine under Minnesota Statutes, section 122.244 by July 1, 1996, authority to levy under this section ceases.

**Sec. 36. INTERMEDIATE LEVY INCREASE.**

Notwithstanding any law to the contrary, to restore a portion of the revenue reduction imposed by Laws 1991, chapter 265, article 6, section 60, paragraph (b), an intermediate school district may levy in 1992 for taxes payable in 1993 up to an amount equal to one-sixth of the 1990 payable 1991 levy for special education and secondary vocational education certified by the intermediate school district times 21/27.

**Sec. 37. SECONDARY VOCATIONAL COOPERATIVE LEVY ADJUSTMENT FOR FISCAL YEAR 1993.**

Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.575, subdivision 3, in 1991 for taxes payable in 1992 may levy in 1992 for taxes payable in 1993 up to an amount equal to:

(1) the amount of aid calculated for fiscal year 1993 under Minnesota Statutes, section 124.575, subdivision 4, for the secondary vocational cooperative to which the school district belonged, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the secondary vocational cooperative.

The amount of levy permitted under this section shall be transferred to the secondary vocational cooperative according to Minnesota Statutes, section 124.575, subdivision 3a.

**Sec. 38. EDUCATION DISTRICT LEVY ADJUSTMENT FOR FISCAL YEAR 1993.**

Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.2721, subdivision 3, in 1991 for taxes payable in 1992 may levy in 1992 for taxes payable in 1993 up to an amount equal to:

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

(1) the amount of aid calculated for fiscal year 1993 under Minnesota Statutes, section 124.2721, subdivision 4, for the education district to which the school district belonged, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the education district.

The amount of the levy permitted under this section shall be transferred to the education district board according to Minnesota Statutes, section 124.2721, subdivision 3a.

**Sec. 39. REPEALER.**

Subdivision 1, JUNE 1991. Minnesota Statutes 1990, section 136D.76, subdivision 3; Minnesota Statutes 1991 Supplement, sections 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2, are repealed as of June 1, 1991.

Subd. 2, JULY 1, 1992. Minnesota Statutes 1990, section 136D.74, subdivision 3; Laws 1991, chapter 265, article 6, section 64; Laws 1991, chapter 265, article 6, sections 4, 20, 22 to 26, 28, 30 to 33, and 41 to 45, are repealed.

Subd. 3. EXPIRATION. Minnesota Statutes 1990, chapter 136D, as amended, sections 121.935, 122.91 to 122.95, 123.351, 123.358, and 124.575, and Minnesota Statutes 1991, sections 124.2721 and 124.2727 expire as of July 1, 1995.

**Sec. 40. EFFECTIVE DATE.**

Sections 18, 22, 23, and 28 are effective retroactively to June 1, 1991.

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**ARTICLE 7**

**OTHER PROGRAM FUNDING**

Section 1. Minnesota Statutes 1991 Supplement, section 121.912, subdivision 6, is amended to read:

**Subd. 6. ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.**  
(a) A school district that has reorganized according to section 122.22, 122.23, or sections 122.241 to 122.248 may make permanent transfers between any of the funds in the newly created or enlarged district with the exception of the debt redemption fund. Fund transfers under this section may be made only during the year following the effective date of reorganization.

(b) A district that has conducted a successful referendum on the question of combination under section 122.243, subdivision 2, may make permanent transfers between any of the funds in the district with the exception of the debt redemption fund for up to one year prior to the effective date of combination under sections 122.241 to 122.248.

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Sec. 2. Minnesota Statutes 1991 Supplement, section 124.2615, subdivision 2, is amended to read:

Subd. 2. **AMOUNT OF AID.** A district is eligible to receive learning readiness aid if the program plan as required by subdivision 1 has been approved by the commissioner of education. ~~For fiscal year 1992,~~ The aid is equal to:

(1) \$200 for fiscal year 1992 and \$300 for fiscal year 1993 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) \$100 for fiscal year 1992 and \$300 for fiscal year 1993 times the result of;

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1).

For fiscal year ~~1993~~ 1994 and thereafter, a district shall receive learning readiness aid equal to:

(1) \$500 times the number of all participating eligible children; plus

(2) \$200 times the number of participating eligible children identified according to section 121.831, subdivision 8.

Sec. 3. Minnesota Statutes 1990, section 124.85, subdivision 4, is amended to read:

Subd. 4. **DISTRICT ACTION.** A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ten years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ten years. Notwithstanding section 121.912, a district annually may transfer from the general fund to the capital expenditure fund an amount up to the amount saved in energy and operation costs as a result of guaranteed energy savings contracts.

Sec. 4. [124A.697] TITLE.

Sections 4 to 8 may be cited as the "Minnesota education finance act of 1992."

Sec. 5. [124A.70] BASIC INSTRUCTIONAL AID.

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

Subdivision 1. BASIC OUTCOMES. Basic outcomes are defined as learner outcomes that must be achieved as a requirement for graduation, specified in rule by the state board of education. Basic outcomes are those outcomes that have standards of achievement determined by the state board.

Subd. 2. AID AMOUNT. Basic instructional aid is equal to the aid allowance times the number of pupil units for the school year. The aid allowance for fiscal year 2000 and thereafter is zero.

Subd. 3. SPECIAL NEED AID. Each district shall receive special need aid equal to zero times the number of actual pupil units for the school year times the district's special need index.

Subd. 4. COST DIFFERENTIAL AID. Each district shall receive aid equal to zero times the number of actual pupil units for the school year times its cost differential index. This aid is only available if the district has implemented a career teacher program.

Subd. 5. AID USES. Aid received under this section may only be used to deliver instructional services needed to assure that all pupils in the district achieve basic outcomes through the following uses:

(1) salaries and benefits for licensed and nonlicensed instructional staff used to instruct or direct instructional delivery or provide academic instructional support services;

(2) instructional supplies and resources including, but not limited to, curricular materials, maps, individualized instructional materials, test materials, and other related supplies;

(3) tuition payments to other service providers for direct instruction or instructional materials; and

(4) computers, interactive television, and other technologically related equipment used in the direct delivery of instruction.

#### Sec. 6. [124A.71] ELECTIVE INSTRUCTIONAL REVENUE.

Subdivision 1. ELECTIVE OUTCOMES. Elective outcomes are defined as learner outcomes that may be offered to students that are not defined as basic outcomes. The standards of achievement of elective outcomes are determined by the local school board.

Subd. 2. REVENUE. Elective instructional revenue is equal to the elective instructional revenue allowance times the number of pupil units for the school year. The revenue allowance for fiscal year 2000 and thereafter is zero.

Subd. 3. LEVY. Elective instructional levy is equal to elective instructional revenue times the lesser of one or the ratio of:

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(1) net tax capacity divided by the number of pupil units for the year the revenue is attributable, divided by

(2) the equalizing factor.

Subd. 4. AID. Elective instructional aid is equal to elective instructional revenue minus elective instructional levy. If a district levies less than the authorized amount, the aid shall be reduced proportionately.

Subd. 5. REVENUE USE. Elective instructional revenue may only be used for the following purposes:

(1) salaries and benefits for licensed and nonlicensed instructional staff used to instruct or direct instructional delivery;

(2) instructional supplies and resources including, but not limited to, curricular materials, maps, individualized instructional materials, test materials, and other related supplies;

(3) tuition payments to other service providers for direct instruction or instructional materials;

(4) computers, interactive television, and other technologically related equipment used in the direct delivery of instruction;

(5) instructional support services including staff development, curriculum development, and other instructional support services;

(6) pupil support services including health, counseling, and psychological services;

(7) administrative costs that are not to exceed five percent of the operating budget for the year; and

(8) school district facility operations and maintenance.

#### Sec. 7. [124A.72] LOCAL DISCRETIONARY REVENUE.

Subdivision 1. LOCAL DISCRETIONARY REVENUE. Local discretionary revenue is available for districts to implement programs to offer outcomes or to cover other district operating expenditures not provided according to sections 4 and 5.

Subd. 2. REVENUE. A district's local discretionary revenue is equal to the amount authorized according to section 124A.03. Revenue may not exceed zero times the actual pupil units for the year the revenue is attributable.

Subd. 3. LEVY. Local discretionary levy is equal to local discretionary revenue times the lesser of one or the ratio of:

(1) net tax capacity divided by the number of pupil units for the year the revenue is attributable, divided by

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(2) the equalizing factor.

Subd. 4. AID. Local discretionary aid is equal to local discretionary revenue minus local discretionary levy. If a district levies less than the authorized amount, the aid shall be reduced proportionately.

## Sec. 8. [124A.73] EDUCATION TRUST FUND.

Subdivision 1. CREATION. The commissioner shall deposit to the credit of the education trust fund all money available to the credit of the trust. The commissioner shall maintain the trust as a separate fund to be used only to pay money as provided by law to school districts or to repay advances made from the general fund, as provided under subdivision 4.

Subd. 2. APPROPRIATION. The money to be paid by law from the education trust fund is appropriated annually.

Subd. 3. ESTIMATES; REDUCTION OF PAYMENTS. (a) At the beginning of each fiscal year, the commissioner, in consultation with the commissioner of revenue, shall estimate for the fiscal year:

(1) the amount of revenues to be deposited in the trust fund and other law; and

(2) the payments authorized by law to be made out of the trust.

(b) If the estimated payments exceed the estimated receipts of the trust fund, the appropriations from the trust to each program are proportionately reduced, unless otherwise provided by law.

Subd. 4. GENERAL FUND ADVANCE. If the money in the trust fund is insufficient to make payments on the dates provided by law, but the commissioner estimates receipts for the fiscal year will be sufficient, the commissioner shall advance money from the general fund to the trust fund necessary to make the payments. On or before the close of the biennium, the trust shall repay the advances with interest, calculated at the rate of earnings on invested treasurer's cash, to the general fund.

## Sec. 9. [124C.62] SUMMER HEALTH CARE INTERNS.

Subdivision 1. SUMMER INTERNSHIPS. The commissioner of education shall award grants to hospitals and clinics to establish a summer health care intern program for pupils who intend to complete high school graduation requirements and who are between their junior and senior year of high school. The purpose of the program is to expose interested high school pupils to various careers within the health care profession.

Subd. 2. CRITERIA. (a) The commissioner, with the advice of the Minnesota medical association and the Minnesota hospital association, shall establish criteria for awarding grants to hospitals and clinics.

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(b) The criteria must include, among other things:

(1) the kinds of formal exposure to the health care profession a hospital or clinic can provide to a pupil;

(2) the need for health care professionals in a particular area; and

(3) the willingness of a hospital or clinic to pay one-half the costs of employing a pupil.

(c) The Minnesota medical association and the Minnesota hospital association must provide the commissioner, by January 31, 1993, with a list of hospitals and clinics willing to participate in the program and what provisions those hospitals or clinics will make to ensure a pupil's adequate exposure to the health care profession, and indicate whether a hospital or clinic is willing to pay one-half the costs of employing a pupil.

Subd. 3. GRANTS. The commissioner shall award grants to hospitals and clinics meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing a pupil in a hospital or clinic during the course of the program. No more than five pupils may be selected from any one high school to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.

#### **Sec. 10. [126.239] ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.**

Subdivision 1. TRAINING PROGRAMS FOR TEACHERS. A secondary teacher assigned by a school district to teach an advanced placement or international baccalaureate course may participate in a training program offered by the college board or International Baccalaureate North America, Inc. The state may pay a portion of the tuition, room, and board costs a teacher incurs in participating in a training program. The commissioner of education shall determine application procedures and deadlines, and select teachers to participate in the training program. The procedures determined by the commissioner shall, to the extent possible, ensure that advanced placement and international baccalaureate courses become available in all parts of the state and that a variety of course offerings are available in school districts. This subdivision does not prevent teacher participation in training programs offered by the college board or International Baccalaureate North America, Inc., when tuition is paid by a source other than the state.

Subd. 2. SUPPORT PROGRAMS. The commissioner shall provide support programs during the school year for teachers who attended the training programs and teachers experienced in teaching advanced placement or international baccalaureate courses. The support programs shall provide teachers with opportunities to share instructional ideas with other teachers. The state may pay the costs of participating in the support programs, including substitute teachers, if necessary, and program affiliation costs.

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Subd. 3. SUBSIDY FOR EXAMINATION FEES. The state may pay all or part of the fee for advanced placement or international baccalaureate examinations for pupils in public and nonpublic schools whose circumstances make state payment advisable. The state board of education shall adopt a schedule for fee subsidies that may allow payment of the entire fee for low-income families, as defined by the state board. The state board may also determine the circumstances under which the fee is subsidized, in whole or in part. The state board shall determine procedures for state payments of fees.

Subd. 4. INFORMATION. The commissioner shall submit the following information to the education committees of the legislature each year by January 1:

(1) the number of pupils enrolled in advanced placement and international baccalaureate courses in each school district;

(2) the number of teachers in each district attending training programs offered by the college board or International Baccalaureate North America, Inc.;

(3) the number of teachers in each district participating in support programs;

(4) recent trends in the field of advanced placement and international baccalaureate programs;

(5) expenditures for each category in this section; and

(6) other recommendations for the state program.

Sec. 11. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 6j, is amended to read:

Subd. 6j. LEVY FOR CRIME RELATED COSTS. For taxes levied in 1991 and subsequent years, payable in 1992 ~~only~~ and subsequent years, each school district may make a levy on all taxable property located within the school district for the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to \$1 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for reimbursing the cities and counties who contract with the school district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools; and (2) to teach drug abuse resistance education curricula pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (f) in the elementary schools; and (3) to pay the costs incurred for the salaries and benefits of peace officers and sheriffs whose primary responsibilities are to investigate controlled substance crimes under chapter 452. The school district must initially attempt to contract for these services with the police

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department of each city or the sheriff's department of the county within the school district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations and must be disregarded in computing any overall levy limitations under sections 275.50 to 275.56 of the participating cities or counties.

Sec. 12. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 6k. HEALTH INSURANCE LEVY. (a) A school district may levy the amount necessary to make employer contributions for insurance for retired employees under this subdivision. Notwithstanding section 121.904, 50 percent of the amount levied 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.

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

(1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on the day before the effective date of this section;

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

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

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

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

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

(c) An employee who is eligible both for the health insurance benefit under this subdivision and for an early retirement incentive under a collective bargaining agreement or personnel plan established by the employer must select either the early retirement incentive provided under the collective bargaining agreement personnel plan or the incentive provided under this subdivision, but may not receive both. For purposes of this subdivision, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer

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payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

(d) An employee who retires under this subdivision using the rule of 90 must not be included in the calculations required by section 356.85.

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

(f) If a school district levies according to this subdivision, it may not also levy according to article 6, section 9, for eligible employees.

Sec. 13. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

**Subd. 24. RETIRED EMPLOYEE HEALTH BENEFITS LEVY.** For taxes payable in 1993 and 1994 only, a school district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992. The total amount of the levy each year may not exceed \$300,000.

Notwithstanding section 121.904, 50 percent of the proceeds of this levy shall be recognized in the fiscal year in which it is certified.

Sec. 14. Laws 1991, chapter 265, article 8, section 14, is amended to read:

**Sec. 14. NONOPERATING FUND TRANSFERS.**

~~On~~ By June 30, 1992, and by June 30, 1993, a school district may permanently transfer money from the capital expenditure fund ~~and facilities or equipment accounts~~ and from the debt redemption fund, to the extent the transferred money is not needed for principal and interest payments on bonds outstanding at the time of transfer, to the transportation fund, capital expenditure fund, or the debt redemption fund. A transfer may not be made from the capital expenditure facilities or equipment accounts that results in a deficit account balance in either account or a deficit in the combined account balance for facilities and equipment as of June 30, 1992, or as of June 30, 1993. No levies and no state

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aids shall be reduced as a result of a transfer. Each district transferring money according to this section from the capital expenditure facilities or equipment accounts shall report to the commissioner of education a report of on each transfer. A district may not transfer money from the debt redemption fund to the capital expenditure fund or to the transportation fund without prior approval from the commissioner of education. The commissioner shall approve a transfer from the debt redemption fund only if the district retired its bonded indebtedness during fiscal year 1992 or 1993 or the district's 1991 payable 1992 or 1992 payable 1993 debt service levy was reduced to zero according to Minnesota Statutes, section 475.61, subdivision 3. The commissioner of education shall report to the chairs of the education funding divisions of the house of representatives and the senate the aggregate transfers, by fund, made by school districts.

**Sec. 15. COMPLEMENT.**

The complement of the department of education is increased by .5 for fiscal year 1993 for coordinating the advanced placement and international baccalaureate training programs.

**Sec. 16. OPERATING DEBT LEVY FOR LAKE SUPERIOR SCHOOL DISTRICT.**

Subdivision 1. OPERATING DEBT ACCOUNT. On July 1, 1992, independent school district No. 381, Lake Superior, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1992.

Subd. 2. LEVY. For taxes payable in each of the years 1993 through 1997, the district may levy an amount up to 20 percent of the balance in the account on July 1, 1992. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

Subd. 3. NO LOCAL APPROVAL. Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), this section is effective without local approval.

**Sec. 17. OPERATING DEBT LEVY FOR COLERAINE SCHOOL DISTRICT.**

Subdivision 1. OPERATING DEBT ACCOUNT. On July 1, 1992, independent school district No. 316, Coleraine, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1992.

Subd. 2. LEVY. For taxes payable in each of the years 1993 through 1997, the district may levy an amount up to 20 percent of the balance in the account on July 1, 1992. The balance in the account shall be adjusted each year by the

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amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

Subd. 3. NO LOCAL APPROVAL. Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), this section is effective without local approval.

**Sec. 18. FUND TRANSFER; NASHWAUK-KEEWATIN.**

Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, on June 30, 1992, independent school district No. 319, Nashwauk-Keewatin, may permanently transfer \$40,000 from the bus purchase account to the capital expenditure fund without making a levy reduction.

**Sec. 19. FUND TRANSFER; LESTER PRAIRIE.**

Notwithstanding any law to the contrary, on June 30, 1992, independent school district No. 424, Lester Prairie, may transfer \$100,000 from its general fund to its capital expenditure fund to purchase computer and interactive television equipment that the district is leasing.

**Sec. 20. FUND TRANSFER; ELLENDALE-GENEVA.**

Notwithstanding any other law to the contrary, on June 30, 1992, independent school district No. 762, Ellendale-Geneva, may transfer \$100,000 from its general fund to its capital expenditure fund to purchase computer equipment.

**Sec. 21. FUND TRANSFER; RANDOLPH.**

Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, on June 30, 1992, independent school district No. 195, Randolph, may permanently transfer money from any operating fund other than the community service fund and any nonoperating fund other than the debt redemption fund to the general fund.

**Sec. 22. NETT LAKE; CARRYFORWARD.**

The appropriations for grants to Nett Lake for unemployment compensation payments and insurance premiums contained in Laws 1991, chapter 265, article 8, section 19, subdivision 14, do not cancel and the balances are available in fiscal year 1993.

**Sec. 23. APPROPRIATION.**

(a) Money appropriated in Laws 1990, chapter 562, article 12, section 2, for a summer health intern program does not cancel but is available to the commissioner for the fiscal year ending June 30, 1993, as specified in this section:

(1) \$12,000 is available for the operating expenses of the Minnesota education in agriculture leadership council; and

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(2) the remaining amount is available for purposes of section 3.

(b) Up to ten percent of the amount in paragraph (a), clause (2) may be used by the commissioner to secure services of vocational licensed instructors or other health personnel to coordinate and facilitate the internship program.

**Sec. 24. APPROPRIATION; GRANT FOR SCIENCE AND MATH.**

\$150,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of education to supplement a grant from the National Science Foundation. The appropriation is for a systemic initiative in science and mathematics education.

**Sec. 25. LEARNING READINESS AID.**

The department of education shall report to the education committees of the legislature by January 1, 1993, a formula for learning readiness aid for school districts. The formula shall take into consideration the number of participating eligible children in school districts, provide incentives to districts to conduct outreach activities, encourage all eligible children to participate, and provide adequate services to individual children based on each child's needs.

**Sec. 26. ICE ARENA LEVY.**

(a) Each year, an independent school district operating and maintaining an ice arena, may levy for the net operational costs of the ice arena. The levy may not exceed the net actual costs of operation of the arena for the previous year. Net actual costs are defined as operating costs less any operating revenues.

(b) Any school district operating and maintaining an ice arena must demonstrate to the satisfaction of the office of monitoring in the department of education that the district will offer equal sports opportunities for male and female students to use its ice arena, particularly in areas of access to prime practice time, team support, and providing junior varsity and younger level teams for girls' ice sports and ice sports offerings.

**Sec. 27. DEPARTMENT STUDY.**

Subdivision 1. WORK WITH DISTRICTS. The department of education shall work with school districts to determine the required educational services and costs of the services needed to establish the allowances in sections 5 to 8. The department may establish a representative sample of districts to include in the research. The department shall evaluate the inclusion of revenue provided under Minnesota Statutes, sections 124.311, 124.32, 124.332, 124.573, and 124.574, in the allowance. The department shall report to the education committees of the legislature on the progress of the study on February 1 of each year.

Subd. 2. INDEX. The department shall evaluate and develop a cost differential index for each school district. The index shall distinguish the prices and costs of resources needed to provide instructional services over which a local board may exercise discretion from those prices and costs of resources over which the district cannot exercise discretion.

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Subd. 3. ANOTHER INDEX. The department shall evaluate and develop a special need index for each school district. The department may consider the number of children in the district that are eligible for aid to families with dependent children or for free and reduced lunches and any other indicators determined to significantly affect the ability of a child to achieve adopted outcomes.

**Sec. 28. APPROPRIATIONS.**

Subdivision 1. DEPARTMENT OF EDUCATION. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS. For the state advanced placement and international baccalaureate programs, including training programs, support programs, and examination fee subsidies:

<u>\$300,000</u>	<u>.....</u>	<u>1993</u>
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**Sec. 29. APPROPRIATION.**

There is appropriated from the general fund to the department of education \$20,000 for fiscal year 1993 to continue the programming of Laws 1990, chapter 562, article 7, section 24, subdivision 3. \* (This section was vetoed by the governor.)

**Sec. 30. REPEALER.**

Minnesota Statutes 1990, section 124.274; and Laws 1990, chapter 562, article 12, are repealed.

**Sec. 31. REPEALER.**

Minnesota Statutes 1990, sections 124A.02, subdivision 24; 124A.23, subdivisions 2 and 3; 124A.26, subdivisions 2 and 3; 124A.27; 124A.28; and 124A.29, subdivision 2; and Minnesota Statutes 1991 Supplement, sections 124A.02, subdivisions 16 and 23; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; and 124A.29, subdivision 1, are repealed effective June 30, 1999; Laws 1991, chapter 265, article 7, section 35, is repealed.

**Sec. 32. EFFECTIVE DATE.**

Sections 1, 9, 14, 18, 19, 20, 21, 22, 23, and 30 are effective the day following final enactment. Sections 4 to 8 are effective for revenue for fiscal year 2000.

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## ARTICLE 8

## MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 121.16, subdivision 1, is amended to read:

Subdivision 1. The department shall be under the administrative control of the commissioner of education which office is established. The commissioner shall be the secretary of the state board. The commissioner shall be appointed by the state board with the approval of the governor under the provisions of section 15.06. For purposes of section 15.06, the state board is the appointing authority.

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and the rules of the state board may provide and be held responsible for the efficient administration and discipline of the department. The commissioner shall make recommendations to the board and be charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

Sec. 2. Minnesota Statutes 1991 Supplement, section 121.585, subdivision 3, is amended to read:

Subd. 3. **HOURS OF INSTRUCTION.** Pupils participating in a program must be able to receive the same total number of hours of instruction they would receive if they were not in the program. If a pupil has not completed the graduation requirements of the district after completing the minimum number of secondary school hours of instruction, the district may allow the pupil to continue to enroll in courses needed for graduation.

For the purposes of section 120.101, subdivision 5, the minimum number of hours for a year determined for the appropriate grade level of instruction shall constitute 170 days through the 1994-1995 school year and the number of days of instruction required under section 120.101, subdivision 5b thereafter. Hours of instruction that occur after the close of the instructional year in June shall be attributed to the following fiscal year.

Sec. 3. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 9. FINANCIAL SERVICES. Regional management information centers may provide financial management information services to cities, counties, towns, or other governmental units at mutually negotiated prices.

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Sec. 4. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 12. SERVICES. Educational cooperative service units may provide administrative, purchasing, and data processing services to cities, counties, towns, or other governmental units at mutually negotiated prices.

Sec. 5. Minnesota Statutes 1990, section 123.744, as amended by Laws 1991, chapter 265, article 9, section 41, as reenacted, is amended to read:

**[123.744] SCHOOL BOARDS; STUDENT MEMBERS.**

The board of directors of any school district shall appoint a student to serve as an advisory member to the school board or shall establish a youth advisory council to make formal and informal recommendations to the school board. If a student advisory member is appointed to the board, the student shall serve as an advisory member to the board only while attending school in the district; ~~and shall not receive any compensation or be reimbursed.~~ The board may reimburse the student advisory member for any expenses incurred the student incurs while serving in this capacity on the board.

A student advisory member shall be permitted to attend school board meetings, to be furnished with agenda materials, to introduce items for inclusion in the agenda, and to participate in discussion but shall not be entitled to vote.

If a youth advisory council is established, the board shall meet with council members at least three times per year to discuss education matters and board actions affecting the district student population.

Neither the student member nor youth advisory council members may participate in any closed discussion concerning the negotiation or implementation of a collective bargaining agreement and must not be present at a closed meeting permitted under section 471.705, subdivision 1a or 1d.

Sec. 6. Minnesota Statutes 1991 Supplement, section 124.646, subdivision 4, is amended to read:

Subd. 4. **SCHOOL FOOD SERVICE FUND.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each school district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the

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district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program; including the costs attributable to the superintendent and the financial manager must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department of education.

(d) Capital expenditures for the purchase of food service equipment must be made from the capital fund and not the food service fund, unless two conditions apply:

(1) the unreserved balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased; and

(2) the department of education has approved the purchase of the equipment.

(e) If the two conditions set out in paragraph (d) apply, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Sec. 7. Minnesota Statutes 1990, section 124C.61, is amended to read:

#### 124C.61 PARENTAL INVOLVEMENT PROGRAMS.

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

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

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

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

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

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

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

(1) program goals;

(2) means for achieving program goals;

(3) methods for informing parents or guardians, in a timely way, about the program;

(4) strategies for ensuring the full participation of parents or guardians, including those parents or guardians who lack literacy skills or whose native language is not English, including involvement from parents or guardians of color;

(5) procedures for coordinating the program with kindergarten through grade 12 curriculum, with parental involvement programs currently available in the community, with the PER process under sections 126.661 to 126.67, and with other education facilities located in the community;

(6) strategies for training teachers and other school staff to work effectively with parents and guardians;

(7) procedures for parents or guardians and educators to evaluate and report progress toward program goals; and

(8) a mechanism for convening a local community advisory committee composed primarily of parents or guardians to advise a district on implementing a parental involvement program.

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

(1) educational opportunities for families that enhance children's learning development;

(2) educational programs for parents or guardians on families' educational responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;

(4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family involvement programs;

(6) parent resource centers;

(7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;

(8) reports to parents on children's progress;

(9) use of parents as classroom volunteers, tutors, and aides; ~~or~~

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

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

(12) involvement in a district's curriculum advisory committee or a school building team under section 126.666.

Sec. 8. Minnesota Statutes 1990, section 125.05, subdivision 1, is amended to read:

Subdivision 1. **QUALIFICATIONS AUTHORITY TO LICENSE.** (a) The authority to board of teaching shall license teachers, as defined in section 125.03, subdivision 1, is vested in the board of teaching except that the authority to for supervisory personnel, as defined in section 125.03, subdivision 4.

(b) The state board of education shall license supervisory personnel as defined in section 125.03, subdivision 4; is vested in the state board of education. The authority to

(c) The state board of technical colleges, according to section 136C.04, shall

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license post-secondary vocational and adult vocational teachers, support personnel, and supervisory personnel in technical colleges is vested in the state board of technical colleges according to section 136C.04, subdivision 9. Licenses must be issued to persons 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 skills in reading, writing, and mathematics for persons applying for initial licenses. Qualifications of teachers and other professional employees except supervisory personnel must be determined by the board of teaching under the rules it adopts.

(d) Licenses under the jurisdiction of the board of teaching and the state board of education must be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education must be issued through the licensing section of the department of education.

Sec. 9. Minnesota Statutes 1990, section 125.05, is amended by adding a subdivision to read:

Subd. 1a. TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS. (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board if that person seeks to qualify for an initial teaching license to provide direct instruction to pupils in kindergarten, elementary, secondary, or special education programs.

(c) Before admission to a pilot internship program, the board shall require a person to successfully complete an examination of general pedagogical knowledge. Before granting a first continuing license to participants in the pilot projects, the board shall require a person to successfully complete a supervised and assessed internship in a professional development school and an examination of licensure-specific teaching skills. The board shall determine effective dates for the examination of general pedagogical knowledge, the internship, and examinations of licensure-specific skills.

Sec. 10. Minnesota Statutes 1990, section 125.05, is amended by adding a subdivision to read:

Subd. 1b. PILOT PROJECTS. (a) The board of teaching shall develop pilot projects on restructuring teacher preparation and licensure in Minnesota. The pilot projects shall evaluate models that require, as a condition for licensure, a year long internship following completion of an approved teacher preparation program. The pilot projects shall require supervision and assessment of interns according to guidelines adopted by the board. The board shall, through

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an independent contractor selected in consultation with the advisory task force established in section 125.185, subdivision 4a, evaluate the effectiveness of the restructured licensure model in comparison to other models of preparing and licensing teachers, including models that provide internships within existing preparation programs.

(b) The board shall submit an appropriation request to the 1993 legislature to begin the pilot projects. The board shall, during the 1993-1995 biennium, identify sites for the pilot projects, create professional development schools, and prepare staff at the pilot sites. The board shall also assist colleges and universities participating in the pilot projects to redesign teacher education programs.

(c) The pilot projects shall be operational and begin admitting candidates for licensure in 1995.

(d) The board shall present an evaluation of the pilot projects and recommendations regarding statewide implementation of the restructured licensure model to the education committees of the legislature by January 15, 1998. The evaluation must be done by an independent contractor and must include the comments and recommendations of the advisory task force.

(e) It is the intent of the legislature that if the restructured licensure model proves effective, the model will be implemented statewide by the year 2000. The board shall not implement a statewide restructured licensure program without specific legislative authorization.

(f) The board shall, after consulting with the advisory task force, establish the qualifications for interns in the pilot projects and the requirements for an intern license.

Sec. 11. Minnesota Statutes 1990, section 125.05, is amended by adding a subdivision to read:

Subd. 1c. SUPERVISORY AND COACH QUALIFICATIONS. The state board of education shall issue licenses under its jurisdiction to persons the state board finds to be qualified and competent for their respective positions under the rules it adopts.

Sec. 12. Minnesota Statutes 1990, section 125.05, subdivision 7, is amended to read:

Subd. 7. **LIMIT ON FIELDS OF LICENSURE.** Unless the action of the board of teaching is approved by specific law, the board may not, after July 1, 1989:

- (1) develop additional fields of licensure;
- (2) divide existing fields of licensure; or
- (3) extend any licensure requirements to any duties that could be performed on March 15, 1989, without a license.

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The board may establish fields for provisional licensure, but shall submit each field to the legislature for approval. If approval by specific law is not obtained within one year after the provisional license is established, the board shall discontinue the field of provisional licensure.

The board may study ways to reconfigure its licensure system to develop and propose flexibility within the existing licensure structure. The board may not proceed under chapter 14 until it reports the results of its study to the education committees of the legislature and obtains authorization by specific law, as required by this subdivision.

Sec. 13. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 4b. APPLICABILITY. Subdivision 4a does not apply to a school district that has formally adopted a review process for continuing contract teachers that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 14. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

Subd. 3b. APPLICABILITY. Subdivision 3a does not apply to a school district that has formally adopted a review process for nonprobationary teachers that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 15. Minnesota Statutes 1991 Supplement, section 125.185, subdivision 4, is amended to read:

Subd. 4. **LICENSE AND RULES.** (a) The board shall adopt rules to license public school teachers and interns subject to chapter 14.

~~(b) The board shall adopt rules for examination of teachers, as defined in section 125.03, subdivision 5. The rules may allow for requiring successful completion of the an examination of skills in reading, writing, and mathematics before entering or during being admitted to a teacher education preparation program.~~

~~(c) The board shall adopt rules to approve teacher education preparation programs.~~

~~(d) 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 teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.~~

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(e) The board shall adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than July 1, 1999.

(f) Until July 1, 1998, the board may select schools to be pilot professional development schools according to initial criteria adopted by the board. Initial criteria are not subject to chapter 14. Upon specific legislative authorization to implement a statewide restructured licensure program, the board shall adopt rules to approve or disapprove professional development schools.

These rules (g) The board shall require adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain a periodic exposure to the elementary or secondary teaching environment.

(h) The board shall ~~also~~ grant licenses to interns and to candidates for initial licenses.

(i) The board shall design and implement an assessment system which requires ~~candidates~~ a candidate for an initial licensure license and first continuing ~~licensure license~~ to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(j) The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(k) 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.

(l) With regard to post-secondary 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 technical colleges.

Sec. 16. Minnesota Statutes 1991 Supplement, section 125.185, subdivision 4a, is amended to read:

Subd. 4a. ~~Notwithstanding section 125.05, or any other law to the contrary, the authority of the board of teaching and the state board of education to approve teacher education programs and to issue teacher licenses expires on June 30, 1996. Any license issued by the board of teaching or the state board of education after July 1, 1991, must expire by June 30, 1996.~~

The board of teaching, in cooperation with the state board of education and the higher education coordinating board, shall develop policies and corresponding goals for making teacher ~~education~~ preparation curriculum more consistent with the purpose of state public education. The revised teacher ~~education~~ preparation curriculum must be consistent with the board of teaching rules required

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under subdivision 4 for redesigning teacher ~~education preparation~~ programs to implement a research-based, results-oriented curriculum. The revised teacher ~~education preparation~~ curriculum ~~may~~ shall include, upon specific legislative authorization to implement a statewide restructured licensure program, a requirement that teacher ~~education preparation~~ programs contain a one-year ~~mentorship program supervised and assessed internship in a professional development school approved by the board~~. The ~~mentorship internship~~ program must provide ~~students the interns~~ with elementary or secondary teaching experience and appropriate professional support and evaluation from licensed classroom teachers, including ~~mentor teachers~~. By February 1, 1992, the board of teaching shall provide the education committees of the legislature with detailed written guidelines, strategies, and programs to implement the revised teacher education curriculum. By February 1, 1993, The board of teaching and the state board of education shall adopt rules under chapter 14 that are consistent with the guidelines, strategies, and programs provided to the legislature in 1992, including amending board rules governing the issuing, expiring, and renewing of teacher licenses. The board shall not implement a statewide restructured licensure program without specific legislative authorization.

The board of teaching shall appoint an advisory task force to advise the board on implementing the restructured teacher preparation and licensure system. The task force shall consist of 25 members. Each of the following organizations shall select a member to serve on the task force: inter-faculty organization, University of Minnesota, Minnesota private college council, Minnesota association of colleges for teacher education, Minnesota education association, Minnesota federation of teachers, Minnesota association of teacher educators, Minnesota association of school administrators, Minnesota association of secondary school principals, Minnesota association of elementary school principals, Minnesota vocational association, Minnesota congress of parents, teachers, and students, Minnesota school boards association, education cooperative service units, the state university system, the Minnesota state university student association, the Minnesota association of private college students, the University of Minnesota student senate, and the Minnesota business partnership. In addition, the board shall appoint one member of the board of teaching to the task force. The task force shall include three ex officio members representing the commissioner of education, the state board of education, and the higher education coordinating board. Expenses incurred by task force members shall be reimbursed by the organizations they represent.

During the pilot period of the plan, the advisory task force shall meet at least six times each year and advise the board on restructuring the teacher preparation and licensure system.

The board of teaching shall, after consulting with the advisory task force, submit a progress report on implementing the restructured teacher preparation and licensure system to the education committees of the legislature by January 1 of each year. Before fully implementing the restructured system, the board of teaching shall include a report on the pilot period.

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The task force shall continuously monitor the progress of the pilot projects developed under section 125.05, subdivision 1b, and assist the board in addressing policy questions implicated in restructuring the teacher preparation and licensure system, including:

(1) what impact the restructured system has on low income or place-bound persons;

(2) how the restructured system ensures the ethnic and cultural diversity of the teaching force;

(3) what the cost implications of the restructured system are for students, public and private teacher preparation institutions, and the state;

(4) what the status of teacher interns under the restructured system is with respect to licensure, tenure, and retirement and other employment benefits;

(5) what the relationship is between teacher preparation institutions and internship programs under the restructured system; and

(6) what the comparative costs and benefits are of a restructured program and existing teacher preparation programs with an internship component.

The higher education coordinating board shall assist the state's teacher preparation institutions in developing teacher ~~education~~ preparation curriculum for their students that is consistent with the guidelines, programs, and strategies approved by the legislature. ~~The institutions must use the revised teacher education curriculum to instruct their students beginning in the 1996-1997 school year.~~

The board of teaching shall disapprove a teacher preparation institution that has not implemented the revised teacher preparation curriculum by the 1996-1997 academic year.

Sec. 17. Minnesota Statutes 1990, section 127.46, is amended to read:

#### 127.46 SEXUAL HARASSMENT AND VIOLENCE POLICY.

Each school board shall adopt a written sexual harassment and sexual violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted ~~in~~ throughout each school building and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual harassment and violence policy with students and school employees.

Sec. 18. Minnesota Statutes 1990, section 128C.01, subdivision 4, is amended to read:

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Subd. 4. **BOARD.** (a) The league must have a ~~21-member~~ 20-member governing board.

(1) ~~The commissioner of education, or the commissioner's representative, is a nonvoting member.~~

(2) The governor must appoint four members according to section 15.0597. Each of the four appointees must be a parent. At least one of them must be an American Indian, an Asian, a Black, or a Hispanic.

(3) (2) The Minnesota association of secondary school principals must appoint two of its members.

(4) (3) The remaining 14 members must be selected according to league bylaws.

(b) The terms, compensation, removal of members, and the filling of membership vacancies are governed by section 15.0575.

Sec. 19. Minnesota Statutes 1990, section 128C.02, is amended by adding a subdivision to read:

Subd. 6. ANNUAL REPORT. The board annually shall prepare a written report containing the information about the league that the commissioner is required to obtain and review under section 128C.20. The board shall present copies of the report in a timely manner to the education committees of the legislature.

Sec. 20. Minnesota Statutes 1990, section 136C.69, subdivision 3, is amended to read:

Subd. 3. **LEVY.** (a) A member district that has transferred a technical college facility to the joint board may levy upon all taxable property in the member district, the following:

(1) in the first levy certified after the transfer, 75 percent of the amount of the district's most recent service fee allocation;

(2) in the second levy certified after the transfer, 50 percent of the amount of the district's service fee allocation under clause (1); and

(3) in the third levy certified after the transfer, 25 percent of the amount of the district's service fee allocation under clause (1).

(b) The proceeds of the levy may be placed in the general fund or any other fund of the district. Any unexpended portion of the proceeds so received must not be considered in the net undesignated fund balance of the member district for the three fiscal years to which the levy is attributable.

(c) Notwithstanding section 121.904, 50 percent of the proceeds of this levy shall be recognized in the fiscal year in which it is certified.

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Sec. 21. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 6, is amended to read:

Subd. 6. **PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.** Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3, 124A.03, subdivision 2, ~~or~~ 124B.03, subdivision 2, or 275.125, subdivision 14a, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a;

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified; and

(7) if not included in the certified levy, any additional amount levied pursuant to section 275.51, subdivision 7, paragraph (b).

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the

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reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.

By August 1, the county auditor shall notify the clerk of each school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with those elected by or assigned to the counties and school districts in which the city is located.

The hearing dates so elected or assigned must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Sec. 22. Minnesota Statutes 1990, section 275.125, subdivision 14a, is amended to read:

**Subd. 14a. LEVY FOR LOCAL SHARE OF TECHNICAL COLLEGE CONSTRUCTION.** (a) The definitions in section 136C.02 apply to this subdivision. "Construction" includes acquisition and betterment of land, buildings, and capital improvements for technical colleges.

(b) A district maintaining a technical college may levy for its share of the cost of construction of technical college facilities as provided in this subdivision.

(c) The construction must be authorized by a specific legislative act pursuant to section 136C.07, subdivision 5, after January 1, 1980. The act must require the state to pay part of the cost of technical college construction and the district to pay part of the cost.

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

(e) ~~By the August 1~~ Before a district certifies the first levy pursuant to this subdivision, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose and duration of the proposed levy and the amount of the proposed levy in dollars and in terms of the local tax rate. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the ~~number of registered voters who voted in of~~ the district at the most recent regular school board election on the day the petition is filed with the school board, the board shall call a referendum on the proposed levy. ~~The referendum shall be held on a date set by the school board, but no later than the September 20 before the levy is certified ten days prior to the adoption of the final property tax levy under section 275.065. The referendum shall be considered a referendum to increase taxes under section 275.065, subdivision 6.~~ The question on the ballot shall state the amount of the proposed levy in terms of the local tax rate and in dollars in the first year of the proposed levy.

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

Sec. 23. Minnesota Statutes 1991 Supplement, section 298.28, subdivision 4, is amended to read:

Subd. 4. **SCHOOL DISTRICTS.** (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion

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of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, 1990, and 1991, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). In 1992 and 1993, the amount distributed per ton shall be the same as that determined for distribution in 1991. In 1994, the amount distributed per ton shall be equal to the amount per ton distributed in 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. On July 15, 1995, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. Each district shall receive the product of:

(i) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 1g, in the previous year, plus the amount certified pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

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If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the north-east Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money ~~only~~ for early childhood programs or for outcome-based learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 24. Minnesota Statutes 1991 Supplement, section 364.09, is amended to read:

#### 364.09 EXCEPTIONS.

(a) This chapter shall not apply to the practice of law enforcement, to fire protection agencies, to eligibility for a private detective or protective agent license, to eligibility for a family day care license, a family foster care license, a home care provider license, ~~to eligibility for a license issued or renewed by the board of teaching or state board of education, or~~ to eligibility for school bus driver endorsements. This chapter also shall not apply to eligibility for a license issued or renewed by the board of teaching or state board of education or to eligibility for juvenile corrections employment where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district.

(c) Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

Sec. 25. Laws 1990, chapter 366, section 1, subdivision 2, is amended to read:

Subd. 2. The superintendent of schools of special school district No. 1, Minneapolis, may appoint a person to each of the ~~following~~ positions in clauses (1) to (7) and more than one person to the positions in clauses (8) and (9) to perform the duties and services the superintendent may direct:

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- (1) administrator/licensed personnel;
- (2) administrator/nonlicensed personnel;
- (3) administrative assistant finance and operations;
- (4) manager of transportation operations;
- (5) director of finance;
- (6) administrative assistant/research and development; ~~and~~
- (7) director of affirmative action;
- (8) parent liaison; and
- (9) public school nurse.

Sec. 26. Laws 1991, chapter 265, article 8, section 19, subdivision 6, is amended to read:

Subd. 6. **SCHOOL LUNCH AND FOOD STORAGE AID.** For school lunch aid according to Minnesota Statutes, section 124.646, and Code of Federal Regulations, title 7, section 210.17, and for food storage and transportation costs for United States Department of Agriculture donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates and for school milk aid according to Minnesota Statutes, section 124.648:

\$5,925,000	.....	1992
\$5,925,000	.....	1993

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each free, reduced, and fully paid federally reimbursable 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.

Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.

Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

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**Sec. 27. SEVERANCE PAY.**

Employees of the Hibbing technical college who are over the age of 50 and have more than 20 years of combined experience with independent school district No. 701 or Hibbing technical college as of July 1, 1992, shall have no loss in severance pay benefits due to the formation of a technical college district according to Minnesota Statutes, section 136C.71.

**Sec. 28. STUDY.**

(a) The Minnesota council on disabilities may conduct a study of the health needs of Minnesota students from birth to age 21 who are medically fragile or technology dependent. The council shall have the power to make grants, from money appropriated to it, to organizations or individuals in order to obtain assistance in conducting the study. The department of education may cooperate with the council in conducting the study.

(b) The study must result in:

(1) a working definition of the conditions labeled "medically fragile" and "technology dependent";

(2) an unduplicated census of children defined as medically fragile or technology dependent served by school districts;

(3) an unduplicated census of children defined as medically fragile or technology dependent served by licensed hospitals and nursing homes;

(4) identification of personnel and all other resources available to school districts to serve these children;

(5) identification of resources needed but not available to school districts to serve these children;

(6) recommended guidelines for serving the educational and support needs of these children;

(7) recommendations for appropriate training of educational and support staff to serve these children; and

(8) recommendations for better coordination of education, health, and social services to children and their families.

(c) The council is encouraged to involve representatives of the following groups:

(1) children who are medically fragile or technology dependent and their families;

(2) relevant professionals and paraprofessionals serving these children, including nurses, social workers, and teachers;

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(3) advocates for children and families; and

(4) other relevant groups as determined by the commissioner.

(d) A preliminary report must be made to the legislature by February 1, 1993, and a final report must be made by February 1, 1994.

**Sec. 29. REENACTMENT.**

Minnesota Statutes 1990, section 123.744, as amended by Laws 1991, chapter 265, article 9, section 41, is reenacted.

**Sec. 30. PEER REVIEW MANDATE DELAY.**

Laws 1991, chapter 265, article 9, sections 45, 46, 47, 48, 52, 53, 54, and 55, are effective July 1, 1994, notwithstanding Laws 1991, chapter 265.

**Sec. 31. RECOMMENDATIONS ON BINDING ARBITRATION.**

As an alternative to the bargaining deadline and aid penalty in Minnesota Statutes, section 124A.22, subdivision 2a, the legislative commission on employee relations must evaluate and make recommendations to the legislature regarding the use of binding arbitration as a method to resolve negotiations at impasse between exclusive representatives for teachers and school boards. The report must be submitted by January 15, 1993.

**Sec. 32. LEGISLATIVE COMMITMENT TO A RESULTS-ORIENTED GRADUATION RULE.**

The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board of education shall use its rulemaking authority granted under Minnesota Statutes, section 121.11, subdivision 12, to adopt a statewide, results-oriented graduation rule according to the timeline in section 34. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in the rule.

**Sec. 33. STATE BOARD GRADUATION RULE.**

The state board of education shall report to the education committees of the legislature a progress report about the proposed high school graduation rule by February 1, 1993, and a final report about the proposed rule by January 1, 1994. Notwithstanding Minnesota Statutes, section 121.11, subdivision 12, the state board of education may continue its proceedings to adopt a graduation rule but must not take final action under Minnesota Statutes, sections 14.131 to 14.20 to adopt the rule before July 1. The 180-day time limit in Minnesota Statutes, section 14.19, does not apply to the rule.

**Sec. 34. BOARD OF TEACHING TO APPOINT LICENSING TASK FORCE.**

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The board of teaching shall appoint a task force composed of board members and representatives of support personnel, including school counselors, school psychologists, school nurses, school social workers, media generalists and media supervisors, to study and recommend to the education committees of the legislature by February 15, 1993, the appropriate role for the board in licensing support personnel and whether support personnel should be required to successfully complete:

- (1) an examination of skills in reading, writing, and mathematics;
- (2) other examinations required of teachers; or
- (3) a supervised and assessed internship in a professional development school.

Expenses incurred by task force members shall be reimbursed by the organizations they represent.

Sec. 35. **REPEALER.**

Minnesota Statutes 1990, section 125.03, subdivision 5, is repealed.

Sec. 36. **EFFECTIVE DATES.**

Section 1 is effective the first Monday of January, 1995. Section 6 is effective retroactive to the beginning of the 1991-1992 school year. Section 25 is effective the day after the governing body of special school district No. 1, Minneapolis, complies with Minnesota Statutes, section 645.021, subdivision 3.

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ARTICLE 9

CHOICE PROGRAMS

Section 1. Minnesota Statutes 1991 Supplement, section 120.062, subdivision 8a, is amended to read:

Subd. 8a. **EXCEPTIONS TO DEADLINES.** Notwithstanding subdivision 4, the following pupil application procedures apply:

(a) Upon agreement of the resident and nonresident school districts, a pupil may submit an application to a nonresident district after January 15 for enrollment beginning the following school year.

(b) If, as a result of entering into, modifying, or terminating an agreement ~~under section 122.541 or 122.535~~ between school boards, a pupil is assigned after December 1 to a different school for enrollment beginning at any time, the pupil, the pupil's siblings, or any other pupil residing in the pupil's residence may submit an application to a nonresident district at any time before July 1 for enrollment beginning the following school year.

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(c) A pupil who becomes a resident of a school district after December 1 may submit an application to a nonresident district on January 15 or any time after that date for enrollment beginning any time before the following December 1.

(d) If the commissioner of education and the commissioner of human rights determine that the policies, procedures, or practices of a school district are in violation of Title VI of the Civil Rights Act of 1964 (Public Law Number 88-352) or chapter 363, any pupil in the district may submit an application to a nonresident district at any time for enrollment beginning at any time.

For exceptions under this subdivision, the applicant, the applicant's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application and notice procedures in subdivisions 4 and 6, except that the application and notice deadlines do not apply.

Sec. 2. Minnesota Statutes 1990, section 123.33, subdivision 7, is amended to read:

Subd. 7. The board shall superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study. The board may enter into an agreement with a post-secondary institution for secondary or post-secondary nonsectarian courses to be taught at a secondary school ~~or a~~ nonsectarian post-secondary institution, or another location.

Sec. 3. Minnesota Statutes 1991 Supplement, section 123.3514, subdivision 4, is amended to read:

Subd. 4. **AUTHORIZATION; NOTIFICATION.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered ~~at~~ by that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used by the institution.

**Sec. 4. REENACTMENT.**

Minnesota Statutes 1990, section 123.3514, subdivisions 6 and 6b, as amended by Laws 1991, chapter 265, article 9, sections 38 and 39, are reenacted.

Sec. 5. Laws 1991, chapter 265, article 9, section 75, is amended to read:

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**Sec. 75. REPEALER.**

Minnesota Statutes 1990, sections 120.105; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivision 3; 121.937, subdivision 2; 122.43, subdivision 1; ~~123.3514, subdivisions 6 and 6b~~; and 123.73, are repealed. Minnesota Rules, parts 3560.0030, subparts 2(A), 4, and 5; 3560.0040, subparts 2 and 4; and 3560.0060, are repealed.

~~Minnesota Statutes 1990, section 123.744, is repealed.~~ Laws 1988, chapter 703, article 1, section 23, as amended by Laws 1989, chapter 293, section 81; and Laws 1989, chapters 293, section 82, and 329, article 9, section 30, are repealed.

Sec. 6. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 4e. COURSES ACCORDING TO AGREEMENTS. An eligible pupil, according to subdivision 4, may enroll in a nonsectarian course taught by a secondary teacher or a post-secondary faculty member and offered at a secondary school, or another location, according to an agreement between a school board and the governing body of an eligible public post-secondary system or an eligible private post-secondary institution, as defined in subdivision 3. All provisions of this section shall apply to a pupil, school board, school district, and the governing body of a post-secondary institution, except as otherwise provided.

Sec. 7. Minnesota Statutes 1990, section 123.3514, subdivision 6, as amended by Laws 1991, chapter 265, article 9, section 38, as reenacted, is amended to read:

Subd. 6. FINANCIAL ARRANGEMENTS. At the end of each school year For a pupil enrolled in a course under this section, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions make payments according to this subdivision for courses that were taken for secondary credit. The amount of tuition reimbursement shall equal the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course taken by the secondary pupil; or

(2) an amount equal to the difference between the basic revenue of the district for that pupil and an amount computed by multiplying the basic revenue of the district for that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:

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(1) ~~12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus~~

(2) ~~for a pupil who attends a secondary school part time, the formula allowance, according to section 124.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.~~

If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in the average daily membership only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at a post-secondary institution for secondary credit.

The department shall not pay any tuition reimbursement or other costs of make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

For fiscal year 1993 and thereafter, A public post-secondary system or private post-secondary institution shall be reimbursed according to receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

The department of education shall pay to each public post-secondary system and to each private institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an overpayment has been made, the system or institution shall promptly remit the amount due.

For fiscal year 1993 and thereafter, A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section ~~124.22~~ 124A.22, subdivision 2, times 1.3; or

(2) for a pupil who attends a secondary school part time, ~~88 percent of the product of~~ the formula allowance, according to section ~~124.22~~ 124A.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

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Sec. 8. Minnesota Statutes 1990, section 123.3514, subdivision 6b, as amended by Laws 1991, chapter 265, article 9, section 39, as reenacted, is amended to read:

Subd. 6b. **FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.** At the end of each school year For a pupil enrolled in a course according to this section, the department of education shall pay the tuition reimbursement amount to the post-secondary institutions make payments according to this subdivision for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid. The amount of the tuition reimbursement equals the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program taken by the pupil; or

(2) an amount equal to the difference between the adult high school graduation aid attributable to that pupil and an amount computed by multiplying the adult high school graduation aid by the ratio of the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:

(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus

(2) for a pupil who attends a secondary school part time, the adult high school graduation aid times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in average daily membership as computed under section 120.17, subdivision 1, only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at the post-secondary institution for secondary credit.

The department must not pay any tuition reimbursement or other costs of make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

For fiscal year 1993 and thereafter, A public post-secondary system or private post-secondary institution shall be reimbursed according to receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

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(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

The department of education shall pay to each public post-secondary system and to each private institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an overpayment has been made, the system or institution shall promptly remit the amount due.

For fiscal year 1993 and thereafter, A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the ~~adult high school graduation aid~~ general education formula allowance times .65, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, ~~88 percent of the product of the adult high school graduation aid~~ general education formula allowance times .65, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 9. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

**Subd. 6c. FINANCIAL ARRANGEMENTS FOR COURSES PROVIDED ACCORDING TO AGREEMENTS.** The agreement between a school board and the governing body of a public post-secondary system or private post-secondary institution shall set forth the payment amounts and arrangements, if any, from the school board to the post-secondary institution. No payments shall be made by the department of education according to subdivision 6 or 6b. For the purpose of computing state aids for a school district, a pupil enrolled according to subdivision 4e shall be counted in the average daily membership of the school district as though the pupil were enrolled in a secondary course that is not offered in connection with an agreement. Nothing in this subdivision shall be construed to prohibit a public post-secondary system or private post-secondary institution from receiving additional state funding that may be available under any other law.

Sec. 10. Minnesota Statutes 1991 Supplement, section 123.3514, subdivision 11, is amended to read:

**Subd. 11. PUPILS AT A DISTANCE 40 MILES OR MORE FROM AN ELIGIBLE INSTITUTION.** A pupil who is enrolled in a secondary school that is located 40 miles or more from the nearest eligible institution may request that

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the resident district offer at least one accelerated or advanced academic course within the resident district in which the pupil may enroll for post-secondary credit. A pupil may enroll in a course offered under this subdivision for either secondary or post-secondary credit according to subdivision 5.

A district must offer an accelerated or advanced academic course for post-secondary credit if one or more pupils requests such a course under this subdivision. The district may decide which course to offer, how to offer the course, and whether to offer one or more courses. The district must offer at least one such course in the next academic period and must continue to offer at least one accelerated or advanced academic course for post-secondary credit in later academic periods.

Sec. 11. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 11a. PUPILS LESS THAN 40 MILES FROM AN ELIGIBLE INSTITUTION. A pupil enrolled in a secondary school that is located less than 40 miles from the nearest eligible institution may enroll in a post-secondary course provided at the secondary school.

Sec. 12. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 2a. ADDITIONAL ELIGIBLE PUPILS. In addition to the eligible pupils under subdivision 2, clauses (a), (b), and (c), the following pupils are eligible:

- (1) victims of physical or sexual abuse;
- (2) pupils who have experienced mental health problems; and
- (3) pupils who have experienced homelessness any time within a six-month period prior to the date of requesting a transfer to an eligible program.

Sec. 13. Minnesota Statutes 1991 Supplement, section 126.23, is amended to read:

#### 126.23 AID FOR PRIVATE ALTERNATIVE PROGRAMS.

If a pupil enrolls in a ~~nonsectarian~~ an alternative program, eligible under section 126.22, subdivision 3, paragraph (d), or subdivision 3a, operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least 88 percent of the basic revenue of the district for each pupil attending the program full time. For a pupil attending the program part time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may

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not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made to a district or program for a pupil under this section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8.

**Sec. 14. [135A.18] AUTHORIZATION FOR AGREEMENTS.**

The governing board of a public post-secondary system may enter into an agreement with a school board to provide a nonsectarian course taught by secondary teachers or post-secondary faculty members to an eligible pupil, as defined in section 123.3514, subdivision 4, and offered at a secondary school or another location.

**Sec. 15. EFFECTIVE DATE.**

Section 3 is effective retroactively to July 1, 1991, and applies to the 1991-1992 and later school years. Sections 10 and 11 are effective July 1, 1993.

Sections 6 and 14 are effective retroactively to July 1, 1991.

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**ARTICLE 10**

**LIBRARIES**

Section 1. Minnesota Statutes 1991 Supplement, section 13.40, subdivision 2, is amended to read:

**Subd. 2. PRIVATE DATA; RECORDS OF BORROWING LIBRARY BORROWERS.** That portion of The following data maintained by a library which links are private data on individuals and may not be disclosed for other than library purposes except pursuant to a court order:

(1) data that link a library patron's name with materials requested or borrowed by the patron or which links that link a patron's name with a specific subject about which the patron has requested information or materials is classified as private, under section 13.02, subdivision 12, and shall not be disclosed except pursuant to a valid court order; or

(2) data in applications for borrower cards, other than the name of the borrower.

Sec. 2. Minnesota Statutes 1990, section 134.34, subdivision 1, is amended to read:

Subdivision 1. **LOCAL SUPPORT LEVELS.** A regional library basic system support grant shall be made to any regional public library system where there are at least three participating counties and where each participating city and county, ~~except in the first year of participation as provided in section~~

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~~134.33~~, is providing for public library service support the lesser of (a) ~~an amount equivalent to 0.33 percent of the adjusted gross tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1990~~ and an amount equivalent to ~~41.82~~ percent of the adjusted net tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1991 and later years or (b) a per capita amount calculated under the provisions of this subdivision. The per capita amount is established for calendar year ~~1990~~ 1993 as ~~\$3.62~~ \$7.62. In succeeding calendar years, the per capita amount shall be increased by a percentage equal to one-half of the percentage by which the total state adjusted net tax capacity of property as determined by the commissioner of revenue for the second year preceding that calendar year increases over that total adjusted net tax capacity for the third year preceding that calendar year. The minimum level of support shall be certified annually to the participating cities and counties by the department of education. A city which is a part of a regional public library system shall not be required to provide this level of support if the property of that city is already taxable by the county for the support of that regional public library system. In no event shall the department of education require any city or county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for a regional library basic system support grant. This section shall not be construed to prohibit a city or county from providing a higher level of support for public libraries than the level of support specified in this section.

Sec. 3. Minnesota Statutes 1990, section 134.34, is amended by adding a subdivision to read:

Subd. 4a. SUPPORT GRANTS. In state fiscal years 1993, 1994, and 1995, a regional library basic system support grant also may be made to a regional public library system for a participating city or county which meets the requirements under paragraph (a) or (b).

(a) The city or county decreases the dollar amount provided by it for operating purposes of public library service if the amount provided by the city or county is not less than the amount provided by the city or county for such purposes in the second preceding year.

(b)(1) The city or county provided for operating purposes of public library services an amount exceeding 125 percent of the state average percentage of the adjusted net tax capacity or 125 percent of the state average local support per capita; and

(2) the local government aid distribution for the current calendar year under chapter 477A has been reduced below the originally certified amount for payment in the preceding calendar year, if the dollar amount of the reduction from the previous calendar year in support for operating purposes of public library services is not greater than the dollar amount by which support for operating

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purposes of public library service would be decreased if the reduction in support were in direct proportion to the local government aid reduction as a percentage of the previous calendar year's revenue base as defined in section 477A.011, subdivision 27. Determination of a grant under paragraph (b) shall be based on the most recent calendar year for which data are available.

The city or county shall file a report with the department of education indicating the dollar amount and percentage of reduction in public library operating funds.

Sec. 4. **REPEALER.**

Minnesota Statutes 1990, section 134.34, subdivision 2, is repealed.

Sec. 5. **EFFECTIVE DATE.**

Section 2 is effective January 1, 1993.

Section 3 is effective the day following final enactment.

Section 4 is effective January 1, 1993.

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**ARTICLE 11**

**STATE AGENCIES**

Section 1. Minnesota Statutes 1991 Supplement, 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 state academy for the deaf or the Minnesota 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, subdivision 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 tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged shall not exceed the basic revenue of the district for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 124A.22, subdivision 2. The district of the child's residence shall pay the tuition and may claim general education aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition

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paid pursuant to this subdivision. Tuition received by the state board, except for tuition received under clause (c), shall be deposited in the state treasury as provided in clause (g).

(c) In addition to the tuition charge allowed in clause (b), the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, if that aide is required by the child's individual education plan. Tuition received under this clause must be used by the academies to provide the required service.

(d) 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.

(e) Notwithstanding the provisions of clauses (b) and (d), 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 (d) for providing appropriate educational programs to pupils attending the applicable school.

(f) Notwithstanding the provisions of clauses (b) and (d), the state board may agree to supply staff from the Minnesota state academy for the deaf and the Minnesota 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.

(g) On May 1 of each year, the state board shall count the actual number of Minnesota resident kindergarten and elementary students and the actual number of Minnesota resident secondary students enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The state board shall deposit in the state treasury an amount equal to all tuition received less:

(1) the total number of students on May 1 less 175, times the ratio of the number of kindergarten and elementary students to the total number of students on May 1, times the general education formula allowance; plus

(2) the total number of students on May 1 less 175, times the ratio of the number of secondary students on May 1 to the total number of students on May 1, times 1.3, times the general education formula allowance.

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(h) The sum provided by the calculation in clause (g), subclauses (1) and (2), must be deposited in the state treasury and credited to the general operation account of the academy for the deaf and the academy for the blind.

(i) There is annually appropriated to the department of education for the Faribault academies the tuition amounts received and credited to the general operation account of the academies under this section. A balance in an appropriation under this paragraph does not cancel but is available in successive fiscal years.

Sec. 2. Minnesota Statutes 1990, section 124C.07, is amended to read:

**124C.07 COMPREHENSIVE ARTS PLANNING PROGRAM.**

The department of education shall prescribe the form and manner of application by one or more school districts to be designated as a site to participate in the comprehensive arts planning program. Up to 30 sites may be selected. The department of education shall designate sites in consultation with the Minnesota alliance for arts in education, the Minnesota center for arts education, and the Minnesota state arts board.

Sec. 3. Minnesota Statutes 1990, section 124C.08, subdivision 2, is amended to read:

Subd. 2. **CRITERIA.** The department of education, in consultation with the ~~Minnesota alliance for arts in education~~ comprehensive arts planning program state steering committee, shall establish criteria for site selection. Criteria shall include at least the following:

(1) a willingness by the district or group of districts to designate a program chair for comprehensive arts planning with sufficient authority to implement the program;

(2) a willingness by the district or group of districts to create a committee comprised of school district and community people whose function is to promote comprehensive arts education in the district;

(3) commitment on the part of committee members to participate in training offered by the department of education;

(4) a commitment of the committee to conduct a needs assessment of arts education;

(5) commitment by the committee to evaluating its involvement in the program;

(6) a willingness by the district to adopt a long-range plan for arts education in the district;

(7) no previous involvement of the district in the comprehensive arts planning program, unless that district has joined a new group of districts; and

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(8) location of the district or group of districts to assure representation of urban, suburban, and rural districts and distribution of sites throughout the state.

Sec. 4. Minnesota Statutes 1990, section 124C.09, is amended to read:

**124C.09 DEPARTMENT RESPONSIBILITY.**

The department of education, in cooperation with the Minnesota alliance for arts in education ~~and~~, the Minnesota state arts board, and the Minnesota center for arts education shall provide materials, training, and assistance to the arts education committees in the school districts. The department may contract with the Minnesota alliance for arts in education for its involvement in providing services, including staff assistance, to the program.

Sec. 5. Minnesota Statutes 1990, section 128A.09, is amended by adding a subdivision to read:

**Subd. 3. CONTRACTS; FEES; APPROPRIATION.** The state board may enter into agreements for the academies to provide respite care and supplemental educational instruction and services including assessments and counseling. The agreements may be made with public or private agencies or institutions, school districts, education cooperative service units, or counties. The board may authorize the academies to provide conferences, seminars, nondistrict and district requested technical assistance, and production of instructionally-related materials.

Sec. 6. Minnesota Statutes 1990, section 128A.09, subdivision 2, is amended to read:

**Subd. 2. FEES; APPROPRIATION.** ~~Income from fees for conferences, seminars, nondistrict technical assistance, and production of instructionally-related materials received under section 5~~ must be deposited in the state treasury and credited to a revolving fund of the academies. Money in the revolving fund for fees from conferences, seminars, ~~nondistrict technical assistance, and production of instructionally-related materials~~ and other services is annually appropriated to the academies to defray expenses of ~~the conferences, seminars, technical assistance, and production of materials~~ those services. Payment from the revolving fund for conferences and other fees may be made only according to vouchers authorized by the administrator of the academies.

Sec. 7. Laws 1991, chapter 265, article 7, section 41, subdivision 4, is amended to read:

**Subd. 4. OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.** For entering into contracts for outcome-based education programs according to section 37:

\$675,000	.....	1992
\$675,000	.....	1993

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\$55,000 each year is for evaluation and administration of the program.

A balance in the first year does not cancel but is available in the second year.

Sec. 8. Laws 1991, chapter 265, article 11, section 23, subdivision 1, is amended to read:

Subdivision 1. **DEPARTMENT OF EDUCATION.** (a) The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.

(b) The amounts that may be spent for each program are specified in the following subdivisions.

(c) The approved complement is:

	1992	1993
General Fund	258.5	<del>258.5</del> <u>214.5</u>
Federal	135.6	<del>135.6</del> <u>137.7</u>
Other	28.9	<del>28.9</del> <u>25.3</u>
Total	423.0	<del>423.0</del> <u>377.5</u>

(d) 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 education finance division of the education committee of the house of representatives and the education funding division of the education committee of the senate. During the biennium, the commissioner may transfer money among the various objects of expenditure categories and activities within each program, unless restricted by executive order.

(e) The commissioner of education may transfer complement among funds if necessary and must provide a listing of the transfers to the commissioner of finance at the end of each fiscal year. Material changes must be approved by the commissioner of finance and reported to the house education finance division and the senate education funding division.

(f) The expenditures of federal grants and aids as shown in the biennial budget document are approved and shall be spent as indicated.

(g) The commissioner shall continue to enforce Minnesota Statutes, section 126.21, and other civil rights laws as they apply to programs supervised by the commissioner. This function must not be performed by the same person who, with funding under a federal grant, is providing technical assistance to school districts in implementing nondiscrimination laws.

(h) It is the policy of the legislature to maximize the delivery of educational services to students. If a reduction in the number of employees of the department of education is necessary, the commissioner must make the reduction to personnel based on the following:

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(1) Compute a ratio for each category of management, supervisory, line, and support personnel equal to:

(i) the salaries paid to personnel in each category, for the fiscal year ending June 30, 1991, divided by

(ii) the total salaries paid to employees in the department for the fiscal year ending June 30, 1991.

(2) Reduce the personnel budget in each category of personnel by an amount equal to the total budget reduction determined by the department for personnel reduction, times the ratio computed in clause (1).

(3) The total budget reduction is the difference between the general fund appropriation for the department and the amount recommended by the governor.

#### Sec. 9. LAND TRANSFER.

Subdivision 1. PERMITTED. (a) Notwithstanding Minnesota Statutes, chapters 94 and 103F or any other law to the contrary, the state of Minnesota may convey the land described in paragraph (b) to independent school district No. 656, Faribault.

(b) The land which may be conveyed under paragraph (a) is legally described in general as follows:

All that part of the Southeast Quarter of the Southwest Quarter (SE 1/4 of SW 1/4) and all that part of the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4), all in Section 29, Township 110 North, Range 20 West, in the City of Faribault, Rice County, Minnesota, owned by the state of Minnesota or any department or division thereof.

or

All that part of the Northwest Quarter of the Southwest Quarter (NW 1/4 of SW 1/4) of Section 28, and of the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) of Section 29, all in Township 110 North, Range 20 West, Rice County, Minnesota, owned by the State of Minnesota or any department or division thereof.

(c) A more precise legal description in substantial conformance with the description in paragraph (b) must be provided by the grantee in the instruments of conveyance. Both the precise legal descriptions and the instruments of conveyance must be approved as to form by the attorney general.

Subd. 2. CONSIDERATION. The consideration for the conveyance permitted by subdivision 1 is the amount at which the parcel or parcels are appraised by a qualified state appraiser who is appointed by agreement of the parties.

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Subd. 3. APPROPRIATION. The proceeds of the sale are appropriated to the department of education for the use of the state academies for whose account the sale is made and may be used for capital improvements at the academies.

Subd. 4. PURPOSE. The land permitted to be conveyed under subdivision 1 is to be used as part of a site for an elementary school.

#### Sec. 10. APPROPRIATIONS REDUCTION.

The general fund appropriations in Laws 1991, chapter 265, are reduced for the fiscal years indicated for the programs shown by the following amounts:

	1992	1993
<u>Transportation Aid</u>	(\$1,468,200)	(259,100)
<u>Summer Special Education Aid</u>	(23,100)	
<u>Individualized Learning and Development Aid</u>	(401,200)	(70,800)
<u>Assurance of Mastery</u>	(11,300)	(2,000)
<u>Special Programs Equalization Aid</u>		(1,000,000)
<u>Adult Basic Education Aid</u>		(200,000)
<u>Capital Expenditure Facilities Aid</u>		(940,800)
<u>Capital Expenditure Equipment Aid</u>		(955,100)
<u>Health and Safety Aid</u>	(1,147,500)	(202,500)
<u>Secondary Vocational Cooperative Aid</u>	(5,700)	(1,000)
<u>Educational Cooperative Service Units</u>		(15,000)
<u>Management Information Centers</u>		(136,000)
<u>Nonpublic Pupil Aid</u>	(146,500)	(25,800)
<u>Teacher Mentorship</u>		(10,000)
<u>Educational Effectiveness</u>		(30,000)
<u>State PER Assistance</u>		(24,000)
<u>Department of Education</u>		(140,000)

The commissioner of education may allocate the reduction in the department among the department's programs. The reduction may not be made from the Faribault academies.

#### Sec. 11. REPEALER.

Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 128A.022, subdivisions 5 and 7; and 128A.024, subdivision 1, are repealed.

#### Sec. 12. EFFECTIVE DATE.

Sections 1, 7, 9, and 10 are effective the day following final enactment.

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## ARTICLE 12

## NONCONTROVERSIAL AND TECHNICAL CHANGES

Section 1. Minnesota Statutes 1991 Supplement, section 120.064, subdivision 4, is amended to read:

Subd. 4. **FORMATION OF SCHOOL.** (a) A sponsor may authorize one or more licensed teachers under section ~~215.182~~ 125.05, subdivision ~~2~~ 1, to form and operate an outcome-based school subject to approval by the state board of education. The teachers shall organize and operate a school as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.

(b) Before a teacher may begin to form and operate a school, the sponsor must file an affidavit with the state board of education stating its intent to authorize an outcome-based school. The affidavit must state the terms and conditions under which the sponsor would authorize an outcome-based school. The state board must approve or disapprove the sponsor's proposed authorization within 30 days of receipt of the affidavit. Failure to obtain state board approval precludes a sponsor from authorizing the outcome-based school that was the subject of the affidavit.

(c) The teachers authorized to organize and operate a school shall hold an election for members of the school's board of directors. All staff members employed at the school and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school must be a majority of the members of the board of directors.

(d) The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school.

Sec. 2. Minnesota Statutes 1990, section 122.23, subdivision 12, is amended to read:

Subd. 12. The school board shall determine the date of the election, the number of boundaries of voting precincts, and the location of the polling places where voting shall be conducted, and the hours the polls will be open. The school board shall also provide official ballots which shall be used exclusively and shall be in the following form:

For consolidation ....

Against consolidation ....

The school board shall appoint ~~three~~ three election judges for each polling place who shall act as clerks of election. ~~The school board may pay these election judges not to exceed \$1 per hour.~~ The ballots and results shall be certified to the school board who shall canvass and tabulate the total vote cast for and against the proposal.

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Sec. 3. Minnesota Statutes 1990, section 122.23, subdivision 13a, is amended to read:

Subd. 13a. **CONSOLIDATION IN AN EVEN-NUMBERED YEAR.** Notwithstanding subdivision 13, school districts may consolidate ~~during effective July 1 of~~ during effective July 1 of an even-numbered year if the school board and the exclusive bargaining representative of the teachers in each affected district agree to the effective date of the consolidation. The agreement must be in writing and submitted to the commissioner of education.

Sec. 4. Minnesota Statutes 1990, section 122.23, subdivision 16, is amended to read:

Subd. 16. As of the effective date of the consolidation, the bonded debt of all component districts shall be paid according to the plan for consolidation proposed in the approved plan; ~~pursuant to the provisions of subdivision 16a or 16b; as applicable and according to this subdivision.~~

(a) If the plan for consolidation so provides, the bonded debt of all component districts shall be paid according to levies previously made for that debt under chapter 475. In this case, the obligation of the taxable property in the component districts with reference to the payment of such bonded debt is not affected by the consolidation.

(b) If the plan for consolidation makes no provision for the disposition of bonded debt, all the taxable property in the newly created district is taxable for the payment of any bonded debt incurred by any component district in the proportion which the net tax capacity of that part of a preexisting district which is included in the newly created district bears to the net tax capacity of the entire preexisting district as of the time of the consolidation.

(c) If the plan for consolidation so provides, all the taxable property in the newly created district will be taxable for a portion of the bonded debt incurred by any component district prior to the consolidation.

Apportionment required under paragraphs (b) and (c) shall be made by the county auditor and shall be incorporated as an annex to the order of the commissioner dividing the assets and liabilities of the component parts. This subdivision shall not relieve any property from any tax liability for payment of any bonded obligation but taxable property in the newly created district becomes primarily liable for the payment of bonded debts to the extent of the proportion stated.

Sec. 5. Minnesota Statutes 1990, section 122.247, subdivision 1, is amended to read:

Subdivision 1. **REFERENDUM LEVIES REVENUES.** The referendum ~~levy revenue~~ authorization of the combined district shall be one of the methods set forth in section 122.531, subdivision 2a, 2b, or 2c, and must be consistent

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with the plan adopted according to section 122.242, and any subsequent modifications.

Sec. 6. Minnesota Statutes 1990, section 122.531, subdivision 1a, is amended to read:

Subd. 1a. **INVOLUNTARY DISSOLUTION REFERENDUM LEVIES REVENUE**. As of the effective date of the involuntary dissolution of a district and its attachment to one or more existing districts pursuant to sections 122.32, or 122.41 to 122.52, the authorization for any referendum ~~levy~~ revenue previously approved by the voters of the dissolved district in that district pursuant to section 124A.03, subdivision 2, or its predecessor or successor provision, is canceled. The authorization for any referendum ~~levy~~ revenue previously approved by the voters of a district to which all or part of the dissolved district is attached shall not be affected by the attachment and shall apply to the entire area of the district as enlarged by the attachment.

Sec. 7. Minnesota Statutes 1990, section 122.531, subdivision 2c, is amended to read:

Subd. 2c. If the plan for consolidation provides for discontinuance of referendum ~~levies~~ revenue previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, the newly created district shall not ~~make receive a~~ referendum ~~levy~~ revenue unless the voters of the newly created district authorize a referendum ~~levy~~ revenue pursuant to section 124A.03, subdivision 2.

Sec. 8. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

Subd. 19a. **LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.** (a) No school district shall be required by any type of formal or informal agreement, including a joint powers agreement, or otherwise to participate in or provide financial support for the purposes of the agreement for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred as a result of any agreement before July 1, 1993. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in

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the agreement, the school board shall adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The governing body responsible for implementing the agreement shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or
- (3) its intention to terminate participation in the agreement.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 9. Minnesota Statutes 1991 Supplement, section 124.155, subdivision 2, is amended to read:

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Subd. 2. **ADJUSTMENT TO AIDS.** (a) The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (~~a~~) (1) general education aid authorized in sections 124A.23 and 124B.20;
- (~~b~~) (2) secondary vocational aid authorized in section 124.573;
- (~~c~~) (3) special education aid authorized in section 124.32;
- (~~d~~) (4) secondary vocational aid for handicapped children authorized in section 124.574;
- (~~e~~) (5) aid for pupils of limited English proficiency authorized in section 124.273;
- (~~f~~) (6) transportation aid authorized in section 124.225;
- (~~g~~) (7) community education programs aid authorized in section 124.2713;
- (~~h~~) (8) adult education aid authorized in section 124.26;
- (~~i~~) (9) early childhood family education aid authorized in section 124.2711;
- (~~j~~) (10) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;
- (~~k~~) (11) education district aid according to section 124.2721;
- (~~l~~) (12) secondary vocational cooperative aid according to section 124.575;
- (~~m~~) (13) assurance of mastery aid according to section 124.311;
- (~~n~~) (14) individual learning and development aid according to section 124.331;
- (~~o~~) (15) homestead credit under section 273.13 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;
- (~~p~~) (16) agricultural credit under section 273.132 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;
- (~~q~~) (17) homestead and agricultural credit aid and disparity reduction aid authorized in section 273.1398, subdivision 2; ~~and~~
- (~~r~~) (18) attached machinery aid authorized in section 273.138, subdivision 3; ~~and~~
- (19) alternative delivery aid authorized in section 124.322.

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(b) The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 10. Minnesota Statutes 1991 Supplement, section 124.19, subdivision 1, is amended to read:

Subdivision 1. **INSTRUCTIONAL TIME.** Every district shall maintain school in session or provide instruction in other districts for at least 170 days through the 1994-1995 school year and the number of days required in section 120.101, subdivision 4b 5b thereafter, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed five days through the 1994-1995 school year and for subsequent school years the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision ~~4b~~ 5b. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 11. Minnesota Statutes 1991 Supplement, section 124.214, subdivision 2, is amended to read:

Subd. 2. **ABATEMENTS.** Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according

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to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of:

(1) the net revenue loss as certified by the county auditor, times

(2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding year according to the following:

(i) section 124A.23 if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

(ii) section 275.125, subdivisions 5 and 5c, if the district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections; ~~and~~

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

(b) to the total amount of the district's certified levy in the preceding October, plus or minus auditor's adjustments.

Sec. 12. Minnesota Statutes 1991 Supplement, section 124.214, subdivision 3, is amended to read:

Subd. 3. **EXCESS TAX INCREMENT.** If a return of excess tax increment is made to a school district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid and levy limi-

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tations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(a) An amount must be subtracted from the school district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the school district, times

(2) the ratio of:

(A) the sum of the amounts of the school district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(i) section 124A.23, if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

(ii) section 275.125, subdivisions 5 and 5c, if the school district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections; ~~and~~

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

(B) to the total amount of the school district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(b) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

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- (1) the amount of the distribution of excess increment, and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district shall use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

This subdivision applies only to the total amount of excess increments received by a school district for a calendar year that exceeds \$25,000.

Sec. 13. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 8a. SUPPLEMENTAL LEVY. To obtain supplemental revenue, a district may levy an amount not more than 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, excluding training and experience revenue and supplemental revenue, for the same year.

Sec. 14. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 8b. SUPPLEMENTAL AID. A district's supplemental aid equals its supplemental revenue minus its supplemental levy times the ratio of the actual amount levied to the permitted levy.

Sec. 15. Minnesota Statutes 1990, section 124A.23, subdivision 3, is amended to read:

**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, excluding training and experience revenue and supplemental revenue, the amount of the general education levy shall be limited to the following:

- (1) the district's general education revenue, excluding training and experience revenue and supplemental revenue; plus
- (2) the amount of the aid reduction for the same school year according to section 124A.24; 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.

Sec. 16. Minnesota Statutes 1991 Supplement, section 124A.23, subdivision 4, is amended to read:

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Subd. 4. **GENERAL EDUCATION AID.** A district's general education aid is the sum of the following amounts:

(1) the product of (i) the difference between the general education revenue, excluding training and experience revenue and supplemental revenue, and the general education levy, times (ii) the ratio of the actual amount levied to the permitted levy;

(2) ~~the product of (i) the difference between the supplemental revenue and the supplemental levy; times (ii) the ratio of the actual amount levied to the permitted levy~~ training and experience aid according to section 124A.22, subdivision 4b;

(3) supplemental aid according to section 11;

(4) shared time aid according to section 124A.02, subdivision 21; and

~~(4)~~ (5) referendum aid according to section 124A.03.

Sec. 17. Minnesota Statutes 1991 Supplement, section 124A.24, is amended to read:

**124A.24 GENERAL EDUCATION LEVY EQUITY.**

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapters 124 and 124B, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education tax rate, according to section 124A.23, times the district's adjusted net tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding training and experience revenue and supplemental revenue, for the same school year, according to section 124A.22.

However, for fiscal year 1992, the amount of the deduction shall be four-sixths of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-sixths of the difference between clauses (1) and (2).

Sec. 18. Minnesota Statutes 1990, section 124A.26, subdivision 2, is amended to read:

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

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(1) the reduction specified in subdivision 1, times

(2) the lesser of one or the ratio of the district's general education levy to its general education revenue, excluding training and experience revenue and supplemental revenue.

Sec. 19. Minnesota Statutes 1990, section 125.18, subdivision 1, is amended to read:

Subdivision 1. A teacher who holds a license ~~from the department, according to chapter 125 or 136C,~~ and a contract for employment ~~in by a public school district or other organization providing public education~~ may be granted a sabbatical leave by the board employing ~~such person~~ the teacher under rules promulgated by ~~such~~ the board.

Sec. 20. Minnesota Statutes 1990, section 136D.27, subdivision 2, is amended to read:

Subd. 2. **PROHIBITED LEVIES.** Notwithstanding section 136D.24 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by ~~subdivision 1,~~ sections 124.2727, 124.83, subdivision 4, 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Sec. 21. Minnesota Statutes 1990, section 136D.74, subdivision 2a, is amended to read:

Subd. 2a. **PROHIBITED LEVIES.** Notwithstanding ~~subdivisions 2 and subdivision 4,~~ section 136D.73, subdivision 3, or any other law to the contrary, the intermediate school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by ~~subdivision 1,~~ sections 124.2727, 124.83, subdivision 4, 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the intermediate school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Sec. 22. Minnesota Statutes 1990, section 136D.87, subdivision 2, is amended to read:

Subd. 2. **PROHIBITED LEVIES.** Notwithstanding section 136D.84 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by ~~subdivision 1,~~ sections 124.2727, 124.83, subdivision 4, 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

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Sec. 23. Minnesota Statutes 1990, section 205A.10, subdivision 2, is amended to read:

Subd. 2. **ELECTION, CONDUCT.** A school district election must be by secret ballot and must be held and the returns made in the manner provided for the state general election, as far as practicable. The vote totals from an absentee ballot board established pursuant to section 203B.13 may be tabulated and reported by the school district as a whole rather than by precinct. For school district elections not held in conjunction with a statewide election, the school board shall appoint election judges as provided in section 204B.21, subdivision 2. The provisions of sections 204B.19, subdivision 5; 204C.15; 204C.19; 206.63; 206.64, subdivision 2; 206.74, subdivision 3; 206.75; ~~and 206.83; and 206.86, subdivision 2~~, relating to party balance in appointment of judges and to duties to be performed by judges of different major political parties do not apply to school district elections not held in conjunction with a statewide election.

Sec. 24. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 1, is amended to read:

Subdivision 1. **PROPOSED LEVY.** Notwithstanding any law or charter to the contrary, on or before September 1, each taxing authority, other than a school district, shall adopt a proposed budget and each taxing authority shall certify to the county auditor the proposed or, in the case of a town, the final property tax levy for taxes payable in the following year. If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by charter to the county auditor by September 1, the city shall be deemed to have certified its levies for those taxing jurisdictions. For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns, counties, school districts, and special taxing districts. The commissioner of revenue shall determine what constitutes a special taxing district for purposes of this section. Intermediate school districts that levy a tax under chapter 124 or 136D, joint powers boards established under sections 124.491 to 124.495, and common school districts No. 323, Franconia, and No. 815, Prinsburg, are special taxing districts for purposes of this section.

Sec. 25. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 23. LEVY ADJUSTMENT FOR ENACTED CHANGES. Whenever a change enacted in law changes the levy authority for a school district or an intermediate school district for a fiscal year after the levy for that fiscal year has been certified by the district under section 275.07, the department of education shall adjust the next levy certified by the district by the amount of the change in levy authority for that fiscal year resulting from the change. Notwithstanding section 121.904, the entire amount for fiscal year 1992 and 50 percent for fiscal years thereafter of the levy adjustment must be recognized as revenue in the fiscal year the levy is certified, if sufficient levy resources are available under gener-

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ally accepted accounting principles in the district fund where the adjustment is to occur. School districts that do not have sufficient levy resources available in the fund where the adjustment is to occur shall recognize in the fiscal year the levy is certified an amount equal to the levy resources available. The remaining adjustment amount shall be recognized as revenue in the fiscal year after the levy is certified.

Sec. 26. Laws 1991, chapter 265, article 7, section 37, subdivision 6, is amended to read:

Subd. 6. **CONTRACT FUNDS.** ~~Any unexpended~~ Contract funds awarded to a school, school district, or group of districts in ~~one fiscal year do not cancel but are available in the next fiscal year~~ shall be used only for outcome-based education purposes and activities specified in the contract. Any of the contract funds unexpended in the first fiscal year shall be available to the award recipient in the second fiscal year for the same purposes and activities.

Sec. 27. Laws 1991, chapter 265, article 9, section 76, is amended to read:

Sec. 76. **EFFECTIVE DATE.**

Section 123.38, subdivision 2b, is effective the day following final enactment and applies to the 1990-1991 school year and thereafter. Sections 123.33, subdivision 1; and 123.3514, subdivision 4 are effective the day following final enactment and apply to 1991-1992 and later school years.

Sections 122.895; 123.35, subdivision 20; 125.09, subdivision 4; 128C.01, subdivision 5; 214.10, subdivision 9 are effective the day following final enactment. Section 122.41 is effective July 1, 1992. Section 120.062, subdivision 8a, paragraphs (b) and (c), are effective retroactively to December 1, 1990. ~~Sections 123.3514, subdivision 4; and Section 124.17, subdivision 1c are is~~ effective retroactively to July 1, 1990. Section 281.17 is effective for taxes deemed delinquent after December 31, 1991. Sections 125.12, subdivisions 3a and 4a; and 125.17, subdivisions 2a and 3a are effective July 1, 1993. Sections 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and 8; 121.936, subdivisions 1, 2, and 4; and 121.937, subdivision 1, are effective July 1, 1993.

Under Minnesota Statutes, section 123.34, subdivision 9, a contract executed before July 1, 1991, between a superintendent and a school board that continues in effect beyond June 30, 1991, shall continue until terminated under those terms that were lawful at the time the contract was executed.

Sections 15 to 30 are effective July 1, 1993. Section 74 is effective the day following final enactment.

Sec. 28. **REENACTMENT.**

Minnesota Statutes 1990, section 120.105 repealed by Laws 1991, chapter 265, article 9, section 75 is reenacted and remains in effect without interruption.

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

Sec. 29. **INSTRUCTION TO REVISOR.**

In addition to the recodification of subdivisions of Minnesota Statutes, section 275.125, required by Laws 1991, chapter 130, section 37, the revisor of statutes, in the 1992 edition of Minnesota Statutes, shall recodify in the education code all subdivisions of Minnesota Statutes, section 275.125, added by any chapter of Laws 1991 or Laws 1992, notwithstanding any law to the contrary.

Sec. 30. **REPEALER.**

(a) Minnesota Statutes 1991 Supplement, section 123.35, subdivision 19, is repealed effective July 1, 1993.

(b) Minnesota Statutes 1991 Supplement, section 124.646, subdivision 2, is repealed effective the day following final enactment.

(c) Minnesota Statutes 1990, section 124A.23, subdivision 2a; and Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; and 6, section 60, are repealed effective July 1, 1992.

Sec. 31. **EFFECTIVE DATE.**

Section 8 is effective July 1, 1993. Section 25 is effective retroactively to May 1, 1991, and applies beginning with adjustments to the 1991 payable 1992 levy for fiscal year 1992.

Presented to the governor April 17, 1992

Signed by the governor April 29, 1992, 7:43 a.m.

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**CHAPTER 500—S.F.No. 512**

*An act relating to agriculture; regulating noxious weeds; changing eligibility for agricultural chemical response compensation; imposing penalties; amending Minnesota Statutes 1990, section 18E.02, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1990, sections 18.171 to 18.189; 18.192; 18.201; 18.211 to 18.315; and 18.321 to 18.323; Minnesota Statutes 1991 Supplement, section 18.191.*

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

Section 1. **[18.75] PURPOSE.**

It is the policy of the legislature that residents of the state be protected from the injurious effects of noxious weeds on public health, the environment, public roads, crops, livestock, and other property. Sections 2 to 14 contain procedures for controlling and eradicating noxious weeds on all lands within the state.

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