

CHAPTER 124

SCHOOL TAXES, FUNDS, AIDS

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124.01 DEFINITIONS.

Subdivision 1. For purposes of this chapter, the words defined in section 120.02 have the same meaning and the terms defined in sections 124.20 and 124.2121 to 124.2125 have the meanings attributed to them in those sections.

Subd. 2. [Repealed, 1981 c 358 art 1 s 49]

Subd. 3. [Repealed, 1981 c 358 art 1 s 49]

Subd. 4. [Repealed, 1981 c 358 art 1 s 49]

History: 1981 c 358 art 1 s 9

124.11 DATES OF AID PAYMENTS.

Subdivision 1. **Payment schedule through 1982.** Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program for fiscal years through 1982, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each of the months other than October from August through May based upon information available and the final distribution shall be made in October of the following school year.

Subd. 1a. **Payment schedule.** Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in fiscal year 1983, based upon information available, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each month from August through April, except October, and five percent shall be paid in May. The final distribution shall be made in October of the following fiscal year.

Subd. 2a. (a) Through the 1981-1982 school year, ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district

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in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The final payment, adjusted to reflect the actual average daily membership, shall be made in September of the following fiscal year.

(b) Beginning in the 1982-1983 school year, eighty-five percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The final payment, adjusted to reflect the actual average daily membership, shall be made in September of the following fiscal year.

Subd. 2b. (a) Through the 1981-1982 school year, post-secondary vocational supply aid and support services aid shall be paid to districts in equal installments on or before August 1, November 1, February 1, and May 1 of each year. Eighty percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by May 1 of each year.

(b) Beginning in the 1982-1983 school year, the state shall pay to districts 25 percent of post-secondary vocational supply aid and support services aid by August 1, 20 percent by November 1, 20 percent by February 1, and 20 percent by May 1 of each school year. Eighty-five percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by August 1 of each year. The final aid distribution shall be made by October 31 of the following fiscal year.

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

[For text of subd 3, see M.S.1980]

Subd. 4. Estimated elementary and secondary foundation aids shall be paid out on the basis of the latest available information. An October enrollment count shall be obtained from all school districts. Adjustment for final elementary and secondary pupil unit figures shall be made in the final foundation aid distribution in October of the following school year.

Subd. 5. Each year, based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall determine the distribution to each school district of the amount of revenue lost as a result of the reduction in property taxes provided in section 124.213. On or before July 15 of each year, the commissioner of revenue shall certify the amounts so determined to the department of education. The department of education shall pay each school district its distribution as part of the foundation aid payment to each district in accordance with the payment dates in subdivision 1 or 1a, as applicable.

History: 1979 c 334 art 1 s 25; 1981 c 358 art 1 s 8,10,11,12; art 5 s 11-13; 1Sp1981 c 4 art 4 s 28,29

124.14 DISTRIBUTION OF SCHOOL AIDS; APPROPRIATION.

[For text of subd 1, see M.S.1980]

Subd. 2. If the commissioner determines that the amount of state aid distributed to a school district is in error, he is authorized to adjust the amount of aid consistent with this subdivision. If the commissioner determines that the amount of aid is in excess of the school district's entitlement, he is authorized to recover the amount of the excess by any appropriate means. Notwithstanding the fiscal years designated by the appropriation, the excess may be recovered by reducing future aid payments to the school district. Notwithstanding any law to the contrary, if the aid reduced is not of the same type as that overpaid, the school district shall adjust all necessary financial accounts to properly reflect all revenues earned in accordance with the uniform financial accounting and reporting standards pursuant to sections 121.90 to 121.92. Notwithstanding the fiscal years designated by the appropriation, if the commissioner determines that the amount of an aid paid is less than the school district's entitlement, he is authorized to increase such aid from the current appropriation.

Subd. 3. The commissioner shall establish procedures for conducting and shall conduct audits of school district records and files for the purpose of verifying school district pupil counts, levy limitations, and aid entitlements. The commissioner shall establish procedures for selecting and shall select districts to be audited. Disparities, if any, between pupil counts, levy limitations, or aid entitlements determined by audit of school district records and files and data reported by school districts in reports, claims and other documents shall be reviewed by the commissioner who shall order increases or decreases accordingly. Whenever possible, the commissioner shall audit at least 25 districts each year pursuant to this subdivision.

Subd. 3a. If the commissioner audits fewer than 25 school districts in a fiscal year pursuant to subdivision 3, the commissioner shall report the reasons for the number audited to the following legislative committees: house education, house appropriations, senate education, and senate finance.

Subd. 4. A reduction of aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district shall be open to inspection by the state auditor, the state board, or the commissioner for the purpose of audits conducted under this section.

[For text of subd 5, see M.S.1980]

History: 1981 c 358 art 7 s 23-26

124.17 DEFINITION OF PUPIL UNITS.

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

(1) In an elementary school:

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

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

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

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(2) In secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.

Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped pre-kindergarten pupils shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused. However, a pupil, regardless of age, who has been absent from school for 15 consecutive school days during the regular school year or for five consecutive school days during summer school or inter-session classes of flexible school year programs without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this section shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days the schools are in session.

[For text of subds 2a and 2b, see M.S.1980]

Subd. 2c. Notwithstanding subdivision 2, in cases when school is in session but pupils are prevented from attending for more than 15 consecutive school days during the regular school year or five consecutive school days during summer school or inter-session classes of flexible school year programs, because of epidemic, calamity, weather, fuel shortage, or other justifiable cause, the state board, upon application, may allow the district to continue to count these pupils in average daily membership. A lawful employees' strike is not a justifiable cause for purposes of this subdivision.

Subd. 2d. In summer school or inter-session classes of flexible school year programs, membership for pupils shall mean the number of full-time equivalent pupils in the program. This number shall equal the sum for all pupils of the number of classroom hours in the programs for which each pupil is enrolled divided by 1050. Membership in summer school or intersession classes of flexible school year programs shall not include a handicapped pupil whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment.

[For text of subd 3, see M.S.1980]

History: 1981 c 358 art 1 s 13-16

124.20 EDUCATION; STATE AID; SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES.

Subdivision 1. **Programs.** Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, (3) summer school classes in elementary and secondary schools, and (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid under the provisions of this section.

Subd. 2. **Definitions.** For the purposes of computing foundation aid for summer school and inter-session classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer school pupil units" means full-time equivalent pupil units for summer school classes and inter-session classes of flexible school year programs computed under the provisions of section 124.17.

(2) "Summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year.

(3) For summer programs in 1982, "summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times 89 percent of the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year.

(4) "Summer school aid" means aid for summer school and inter-session classes of flexible school year programs.

Subd. 3. **Summer school aid.** Each year a district shall receive summer school aid equal to the difference between

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy pursuant to section 275.125, subdivision 2f certified in the calendar year when the summer school program is offered; times

(b) the district's summer school revenue allowance; and

(2) the levy certified by the district pursuant to section 275.125, subdivision 2f in the calendar year when the summer school program is offered.

History: 1981 c 358 art 1 s 17

124.212 FOUNDATION AID.

Subdivision 1. **Components.** Foundation aid for each school district for each school year shall equal the sum of the following:

- (a) Basic foundation aid;
- (b) Grandfather aid;
- (c) Replacement aid;
- (d) Discretionary aid;
- (e) State school agricultural tax credit aid;
- (f) Minimum aid; and
- (g) Foundation aid for shared time pupils.

Subd. 2. [Repealed, 1981 c 358 art 1 s 49]

Subd. 4. [Repealed, 1981 c 358 art 1 s 49]

Subd. 5. [Repealed, 1981 c 358 art 1 s 49]

Subd. 5a. [Repealed, 1981 c 358 art 1 s 49]

Subd. 6c. [Repealed, 1981 c 358 art 1 s 49]

Subd. 7c. [Repealed, 1981 c 358 art 1 s 49]

Subd. 7d. [Repealed, 1981 c 358 art 1 s 49]

Subd. 8a. [Repealed, 1981 c 358 art 1 s 49]

Subd. 9. [Repealed, 1981 c 358 art 1 s 49]

Subd. 9a. [Repealed, 1981 c 358 art 1 s 49]

Subd. 9b. [Repealed, 1981 c 358 art 1 s 49]

[For text of subs 10 to 11a, see M.S.1980]

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Subd. 11b. **Adjusted assessed valuation; property classification.** In determining adjusted assessed valuation, property which qualifies for the reimbursement specified in section 273.139, subdivision 1, shall be treated as if it were classified as 3b or 3c in the case of homestead property, or as 3d in the case of nonhomestead property.

[For text of subs 12 to 18, see M.S.1980]

Subd. 20. [Repealed, 1981 c 358 art 1 s 49]

Subd. 20a. [Repealed, 1981 c 358 art 1 s 49]

Subd. 21. [Repealed, 1981 c 358 art 1 s 49]

History: 1981 c 358 art 1 s 18,19

124.2121 FOUNDATION AID DEFINITIONS.

Subdivision 1. **Adjusted maintenance cost.** "Adjusted maintenance cost" means the state and local current expense for pupils in elementary and secondary schools, exclusive of transportation, veterans training program, community services, and after reduction for receipts from the sale of authorized items sold to the individual pupil by the school such as lunches, items of personal use, or other items specifically authorized by law or under the procedures set forth in sections 120.71 to 120.76, and after reduction for receipts from extracurricular activities when the school board has assumed direction and control of these activities.

Subd. 2. **Adjusted assessed valuation.** "Adjusted assessed valuation" or "EARC valuation" means the assessed valuation of the taxable property notwithstanding the provisions of section 275.49 of the school district as adjusted by the equalization aid review committee. The adjusted assessed valuation for any given calendar year shall be used to compute levy limitations for levies certified in the succeeding calendar year and aid for the school year beginning in the second succeeding calendar year.

Subd. 3. **Pupil units.** (a) "Actual pupil units" means pupil units identified in section 124.17, subdivision 1, clauses (1) and (2).

(b) "AFDC pupil units" means 98.5 percent of the pupil units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) in the 1980-1981 school year.

(c) "Total pupil units" means actual pupil units plus AFDC pupil units.

(d) "Declining enrollment pupil units" means pupil units identified in Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clause (6).

(e) "Growing enrollment pupil units" means pupil units identified in Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clause (7).

Subd. 4. **Equalizing factor.** "Equalizing factor" means a number equal to the minimum EARC valuation per actual and AFDC pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for each school year and for levies for use in that school year equals the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for that school year.

Subd. 5. **Levy use.** A levy "for use in a particular school year," "attributable to a particular school year," or "recognized as revenue in a particular school year," means the levy certified in the calendar year ending in the school year preceding that particular school year, and payable in the calendar year in which that school year begins.

History: 1981 c 358 art 1 s 20

124.2122 BASIC FOUNDATION AID.

Subdivision 1. **Formula allowance.** "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. The formula allowance shall be \$1,333 for foundation aid for the 1981-1982 school year. The formula allowance shall be \$1,416 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year.

Subd. 2. **Basic maintenance mill rate.** "Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of the basic maintenance levy for use in that school year. The basic maintenance mill rate shall be .021 for the 1980 payable 1981 levy and for foundation aid for the 1981-1982 school year. The basic maintenance mill rate shall be .023 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year.

Subd. 3. **Basic foundation revenue.** A district's basic foundation revenue for each school year shall equal the formula allowance times its total pupil units for that school year.

Subd. 4. **Basic foundation aid.** A district's basic foundation aid for each school year shall equal its basic foundation revenue for that school year, minus the basic maintenance mill rate times the applicable adjusted assessed valuation of the district.

History: 1981 c 358 art 1 s 21; 1Sp1981 c 2 s 5

124.2123 GRANDFATHER FOUNDATION AID.

Subdivision 1. **Grandfather guarantee and allowance.** (a) A district's "basic grandfather amount" shall equal the amount per pupil unit which the district was permitted to levy in 1978 pursuant to Minnesota Statutes 1978, Section 275.125, Subdivisions 6 and 7.

(b) A district's "grandfather guarantee" shall equal its basic grandfather amount times its 1979-1980 actual, declining enrollment and growing enrollment pupil units.

(c) A district's "grandfather allowance" shall equal its grandfather guarantee divided by its 1979-1980 actual pupil units.

(d) A district's "grandfather levy limitation" means its levy limitation computed pursuant to section 275.125, subdivision 6b.

Subd. 2. **Grandfather revenue.** A district's grandfather revenue for any school year shall equal the greater of (a) its grandfather guarantee, or (b) its grandfather allowance times its actual pupil units for the preceding school year.

Subd. 3. **Grandfather aid.** A district's grandfather aid for any school year shall equal its grandfather revenue for that school year minus its grandfather levy limitation for the levy for use in that school year.

History: 1981 c 358 art 1 s 22

124.2124 REPLACEMENT FOUNDATION AID.

Subdivision 1. **Replacement components.** (a) A district's "fluctuating enrollment replacement component" shall equal the amount of additional foundation aid or basic maintenance levy revenue the district would have received for the 1980-1981 school year if declining or growing enrollment pupil units had been

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used in the computation of basic foundation aid for 1980-1981 pursuant to Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (1) or of the 1979 basic maintenance levy limitation pursuant to Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 2b or 2c.

(b) A district's "sparsity replacement component" shall equal the amount of additional aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, Section 124.224 had been effective for 1980-1981.

(c) A district's "basic replacement entitlement" shall equal the sum of its fluctuating enrollment replacement component and its sparsity replacement component, divided by its total pupil units in 1980-1981.

(d) "Replacement inflator" for any school year means the ratio of the foundation aid formula allowance for that school year to \$1,265. For the 1981-1982 school year, however, the replacement inflator shall equal 107 percent.

(e) A district's "replacement allowance" for each school year shall equal its basic replacement entitlement times the replacement inflator for that school year.

(f) A district's "replacement levy limitation" means its levy limitation computed pursuant to section 275.125, subdivision 6c.

Subd. 2. **Replacement revenue.** A district's replacement revenue for any school year shall equal its replacement allowance for that school year times its total pupil units for that school year.

Subd. 3. **Replacement aid.** A district's replacement aid for any school year shall equal its replacement revenue for that school year minus its replacement levy limitation for the levy for use in that school year.

History: 1981 c 358 art 1 s 23

124.2125 DISCRETIONARY AID.

Subdivision 1. **Discretionary allowance; definition.** "Discretionary allowance" means the amount of revenue per pupil unit used to compute discretionary aid for a particular school year and the discretionary levy for use in that school year. The discretionary allowance shall equal the formula allowance for the school year times the ratio of the discretionary mill rate to the basic maintenance mill rate for levies for use in that school year, rounded to the nearest cent. The discretionary allowance for 1981-1982, however, shall equal \$64.48.

Subd. 2. **Discretionary mill rate.** "Discretionary mill rate" means the mill rate used to compute the discretionary levy, the discretionary allowance, and discretionary aid for use in a particular school year. The discretionary mill rate shall equal .001 for 1981-1982 aid. For the 1981 payable 1982 levy and 1982-1983 aid, and for the levy and aid for succeeding years, the discretionary mill rate shall equal .00225 in districts which levy pursuant to section 275.125, subdivision 7a, clause (2), and .001 in districts which levy pursuant to section 275.125, subdivision 7a, clause (3).

Subd. 3. **Discretionary revenue.** A district's discretionary revenue for each school year shall equal its discretionary allowance for that school year times its total pupil units for the preceding school year.

Subd. 4. **Discretionary aid.** A district's discretionary aid for each school year shall equal its discretionary revenue for that year, minus the discretionary mill rate times the applicable adjusted assessed valuation of the district.

History: 1981 c 358 art 1 s 24

124.2126 MINIMUM AID.

Subdivision 1. **Qualification.** A district where the assessed valuation of agricultural land identified in section 273:13, subdivisions 4, 6 and 6a, comprises 60 percent or more of the assessed valuation of the district shall qualify for minimum aid.

Subd. 2. **Guarantee.** A qualifying district's "minimum guarantee" for each school year shall equal \$800 times its total pupil units for that school year, minus its basic foundation aid for that school year.

Subd. 3. **Minimum aid.** A qualifying district's minimum aid for each school year shall equal its minimum guarantee for that school year, minus the sum of:

(1) The amount of the district's state school agricultural tax credit aid for that school year;

(2) The amount by which property taxes of the district for use in that school year are reduced by the homestead credit provisions in section 273.13, subdivisions 6, 7, and 14a;

(3) The amount by which property taxes of the district for use in that school year are reduced by the taconite homestead credit provisions in section 273.135; and

(4) The amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138, subdivision 6.

History: 1981 c 358 art 1 s 25

124.2127 SHARED TIME PUPILS.

Subdivision 1. **Definition; foundation aid.** Shared time pupils are defined as those pupils who attend public school programs for part of the regular school day and who otherwise fulfill the requirements of section 120.10 by attendance at a nonpublic school.

(a) The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which the pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil.

(b) Foundation aid for shared time pupils shall equal the amount which would accrue if shared time pupil units, counted pursuant to section 124.17, subdivision 1, clauses (1) and (2), were added to the district's total pupil units used in determining its foundation aid. Foundation aid for shared time pupils shall be in addition to any other aid to which the district is otherwise entitled and shared time average daily membership shall not be used in the computation of pupil units under section 124.17, subdivision 1, for any purpose other than the computation of shared time foundation aid pursuant to this subdivision.

(c) Foundation aid for shared time pupils shall be paid to the district of the pupil's residence. If a pupil attends shared time classes in another district, the resident district shall pay to the district of attendance an amount of tuition equal to the ratio in clause (a) times the amount of tuition which would be charged and paid for a nonresident public school pupil in a similar circumstance. The district of residence shall not be obligated for tuition except by previous agreement.

(d) Notwithstanding the provisions of clause (c), the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident

for state aid purposes. In this case, state aid shall be paid to the district of attendance and, upon agreement, the district of attendance may bill the resident district for any unreimbursed education costs, but not for unreimbursed transportation costs. The agreement may, however, provide for the resident district to pay the cost of any of the particular transportation categories specified in section 124.225, subdivision 1, and in this case, aid for those categories shall be paid to the district of residence rather than to the district of attendance.

(e) Minutes of enrollment in a public school during which a nonpublic school pupil receives services pursuant to section 123.935 shall not be used in the computation of shared time foundation aid pursuant to this subdivision.

Subd. 2. **Location of services.** Public school programs may be provided to shared time pupils only at a public school building; provided, however, that special instruction and services for handicapped children required pursuant to section 120.17 may also be provided at a neutral site as defined in section 123.932, and diagnostic and health services required pursuant to section 120.17 may also be provided at a nonpublic school building. As used in this subdivision, "diagnostic services" means speech, hearing, vision, psychological, medical and dental diagnostic services and "health services" means physician, nursing or optometric services provided to pupils in the field of physical and mental health.

History: 1981 c 358 art 1 s 26

124.2128 DEDUCTIONS FROM FOUNDATION AID.

Subdivision 1. **Underlevies.** A district's basic foundation, grandfather, replacement or discretionary aid, as applicable, for any school year when the actual amount of the corresponding levy for use in that year is less than the permitted amount, shall be reduced by a percentage equal to the difference between the actual amount and the permitted amount, divided by the permitted amount. This provision shall apply to basic foundation aid only for a school year when the actual amount of the basic maintenance levy for use in that year is less than 95 percent of the permitted amount.

Subd. 2. **Permanent school fund.** The amount of money received by a school district as income from the permanent school fund for any year, shall be deducted from the foundation aid earned by the district for the same year or from aid earned from other state sources.

Subd. 3. **Minimum.** In no event shall the amount payable to any district from state sources for any one year be reduced below the amount payable as apportionment of the school endowment fund pursuant to sections 124.08 to 124.10.

Subd. 4. **County apportionment deduction.** (1) The amount of money apportioned to a school district for each school year pursuant to section 124.10, subdivision 2, which exceeds the amount apportioned to that district pursuant to section 124.10, subdivision 2 for the 1976-1977 school year, shall be deducted from the foundation aid earned by that district for the same year.

(2) In addition to the deduction in clause (1), five-sixths of the amount apportioned pursuant to section 124.10, subdivision 2, shall be deducted from foundation aid for the 1981-1982 school year, but this deduction shall not exceed five-sixths of the amount apportioned for the 1976-1977 school year.

(3) In the 1982-1983 school year and each school year thereafter, the entire amount of money apportioned to a school district for that year pursuant to section 124.10, subdivision 2, shall be deducted from the foundation aid earned by that district for the same year.

Subd. 5. **Taconite deductions.** (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district.

(2) For districts which received payments under sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties or recognized revenue pursuant to section 477A.15; the foundation aid shall be reduced in the October adjustment payment by the difference between the dollar amount of the payments received pursuant to those sections, or revenue recognized pursuant to section 477A.15 in the fiscal year to which the October adjustment is attributable and the amount which was calculated, pursuant to section 275.125, subdivision 9, as a reduction of the levy attributable to the fiscal year to which the October adjustment is attributable. If the October adjustment of a district's foundation aid for a fiscal year is a negative amount because of this clause, the next fiscal year's foundation aid to that district shall be reduced by this negative amount in the following manner: there shall be withheld from each monthly scheduled foundation aid payment due the district in such fiscal year, 15 percent of the total negative amount, until the total negative amount has been withheld. The amount reduced from foundation aid pursuant to this clause shall be recognized as revenue in the fiscal year to which the October adjustment payment is attributable.

Subd. 6. **Discretionary aid fund balance reduction.** A district's discretionary aid for any school year shall be reduced by the amount specified in section 275.125, subdivision 7c.

History: 1981 c 358 art 1 s 27

124.2129 FOUNDATION AID; RESIDENT AND NONRESIDENT DISTRICTS.

Subdivision 1. **Aid to district of residence.** Foundation aids shall be paid to the district of residence unless otherwise specifically provided by law.

Subd. 2. **District without schools.** Any district not maintaining classified elementary or secondary schools shall pay the tuition required in order to enable resident pupils to attend school in another district when necessary, and shall receive foundation aid pursuant to this section on the same basis as other districts. The aid shall be computed as if the pupils were enrolled in the district of residence.

Subd. 3. **Notification of resident district.** Any school district educating children who are residents of another school district shall notify the district of residence within 60 days of the date the child is determined by the district to be a nonresident, but not later than October 1 following the end of the school year in which the child is educated. If the district of residence does not receive a notification from the providing district pursuant to this subdivision, it shall not be liable to that district for any tuition billing received after October 1 of the next school year.

Subd. 4. **State agency and court placements.** If a state agency or a court of the state desires to place a child in a school district which is not the child's district of residence, that agency or court shall, prior to placement, allow the district of residence an opportunity to participate in the placement decision and notify the district of residence, the district of attendance and the commissioner of education

of the placement decision. When a state agency or court determines that an immediate emergency placement is necessary and that time does not permit district participation in the placement decision or notice to the districts and the commissioner of education of the placement decision prior to the placement, the agency or court may make the decision and placement without that participation or prior notice. The agency or court shall notify the district of residence, the district of attendance and the commissioner of education of an emergency placement within 15 days of the placement.

History: 1981 c 358 art 1 s 28

124.213 STATE SCHOOL AGRICULTURAL CREDIT.

Subdivision 1. **Tax reductions.** The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of 18 mills on up to 320 acres of the property. The county auditor shall reduce the tax for school purposes on the next 320 acres classified pursuant to section 273.13, subdivision 6 by an amount equal to the tax levy that would be produced by applying a rate of ten mills on the property. The tax on all other agricultural lands classified pursuant to section 273.13, subdivision 6 shall be reduced by an amount equal to the tax levy that would be produced by applying a rate of eight mills on the property. The tax on the first 320 acres of agricultural land classified pursuant to section 273.13, subdivision 4 and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount that would be produced by applying a rate of ten mills on the property. The tax on timber land classified pursuant to section 273.13, subdivision 8a and agricultural land in excess of 320 acres classified pursuant to section 273.13, subdivision 4 shall be reduced by an amount equal to the tax levy that would be produced by applying a rate of eight mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

Subd. 2. **State aid.** A school district's state school agricultural tax credit aid for each school year shall equal the amount by which property taxes certified in the district for collection in the calendar year ending in that school year are reduced pursuant to subdivision 1.

Subd. 3. **Appropriation.** There is appropriated from the general fund in the state treasury to the department of education the amount necessary to make these payments in fiscal year 1979 and thereafter.

History: 1981 c 358 art 1 s 29; 1Sp1981 c 1 art 2 s 1

124.214 AID ADJUSTMENTS.

[For text of subd 1, see M.S.1980]

Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and whenever the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon such changed valuations, the

county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. In August of each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of (1) the net revenue loss as certified by the county auditor, times (2) the ratio of the sum of the amounts of the district's levy limitations in the preceding October pursuant to section 275.125, subdivision 2a, and subdivisions 5, 6c, and 7a to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. For purposes of this computation, the district's levy limitation pursuant to section 275.125, subdivision 5, shall not include the amounts authorized to be levied for bus purchases or because of extraordinary traffic hazards. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

History: 1981 c 358 art 1 s 30

124.223 TRANSPORTATION AID AUTHORIZATION.

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

(1) **To and from school; between schools.** (a) Through the 1981-1982 school year, transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a nonpublic school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to nonpublic school pupils;

(b) Beginning in the 1982-1983 school year, transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to, from, or between the schools the resident pupils attend pursuant to a program approved by the commissioner of education; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79;

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

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

(4) **Handicapped.** Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school

to other buildings, including hospitals and treatment centers where special instruction or services required by section 120.17 are provided, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to the requirement in clause (1) that the pupil reside at least one mile from school in order for the transportation to qualify for aid;

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

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

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

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

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

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

History: 1981 c 358 art 2 s 2; 1Sp1981 c 2 s 7

124.225 TRANSPORTATION AID ENTITLEMENT.

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

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

(b) "Region" means development region as defined in section 462.384, subdivision 5, except that for purposes of this section, development regions 1 and 2 are one region, development regions 4 and 5 are one region, development regions 6E and 6W are one region, and development regions 7E and 7W are one region.

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

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

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

(iii) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis

at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning.

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

(e) "Transportation category" means a category of transportation service provided to pupils. Each category includes transportation provided during the regular school year and in conjunction with a state board approved summer school program. For purposes of this section, transportation categories are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 1a. **Weighting factors.** For each school year, in computing transportation aid, the department of education shall establish the pupil weighting factors for each transportation category for each region using transportation cost data for the second prior school year. The department shall use the statewide pupil weighting factor for any transportation category for which a region had no experience during the second prior school year.

Subd. 2. [Repealed, 1981 c 358 art II s 14]

Subd. 3. **Formula.** For each school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. A multiple regression formula shall be determined through stepwise multiple regression analysis for each region by the department of education, using the terms specified in subdivision 4a, to maximize the amount of variance accounted for between the total actual authorized cost per weighted FTE for the second preceding school year and the total authorized predicted cost per weighted FTE for the second preceding school year. The formula determined for each region shall be used to determine a total authorized predicted cost per weighted FTE for the second preceding school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 6 and 7a.

Subd. 4. [Repealed, 1981 c 358 art 2 s 14]

Subd. 4a. **Formula terms.** To predict the total authorized cost per weighted FTE for each district pursuant to subdivision 3, each regional multiple regression formula shall use the following terms and their squares for each district in the region:

- (1) The area of the district measured in square miles;
- (2) The district's average daily membership;
- (3) The total number of authorized FTE's transported by the district;
- (4) The total number of authorized FTE's transported by the district in the handicapped, shared time special education, and to and from board and lodging facility transportation categories as a percentage of the total number of authorized FTE's transported by the district;
- (5) The number of authorized FTE's transported by the district in the board and lodging transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (6) The number of authorized FTE's transported by the district in the between schools transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (7) The number of authorized FTE's transported by the district in the shared time regular transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (8) The number of authorized FTE's transported by the district in the secondary vocational center transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (9) The number of authorized FTE's per square mile transported by the district in the regular transportation category;
- (10) The number of authorized FTE's per square mile transported by the district in the handicapped transportation category;
- (11) The number of authorized FTE's transported by the district in the regular transportation category as a percentage of the district's average daily membership;
- (12) An index of the district's shape computed by the department of education based on a comparison of the perimeter of the district to the perimeter of a circle with the same square mile area as the district;

(13) The percentage of the district's square mile area which is classified by the commissioner of energy, planning and development as water-covered or marsh-land;

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

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

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

(17) The percentage of the district's square mile area which is classified by the state planning agency as extractive.

Subd. 5. [Repealed, 1981 c 358 art 2 s 14]

Subd. 6. **Inflation factors.** The total authorized predicted cost per weighted FTE determined for a district under subdivision 3 for 1979-1980 shall be increased by 26 percent. The total authorized predicted cost per weighted FTE determined for a district under subdivision 3 for 1980-1981 shall be increased by 22 percent.

Subd. 7. [Repealed, 1981 c 358 art 2 s 14]

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

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

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

Subd. 8. [Repealed, 1981 c 358 art 2 s 14]

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

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

- (1) the average daily membership in that year is 2,500 or fewer pupils,
- (2) the total actual authorized expenditures exceed the aid entitlement, and
- (3) the actual authorized expenditure per weighted FTE in the handicapped and board and lodging categories exceeds 140 percent of the aid entitlement per weighted handicapped and board and lodging FTE.

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

- (1) the district's actual authorized expenditures for transporting handicapped and board and lodging FTE's and

- (2) 140 percent of the district's aid entitlement for transportation of handicapped and board and lodging FTE's.

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

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

[For text of subd 10, see M.S.1980]

Subd. 11. **Payment schedule through 1982.** Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, for fiscal years through 1982, the state shall pay to each school district 30 percent of its estimated school transportation aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

Subd. 12. **Payment schedule.** Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in fiscal year 1983, the state shall pay each school district its estimated school transportation aid entitlement for the fiscal year according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following fiscal year.

History: 1981 c 356 s 167; 1981 c 358 art 2 s 3-13; 1Sp1981 c 2 s 8

124.245 CAPITAL EXPENDITURE EQUALIZATION AID.

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

(b) In the 1982-1983 school year and each year thereafter, the aid under clause (a) for any district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit which is \$5 higher than the amount specified in clause (a).

(c) If the sum of a district's capital expenditure levy under section 275.125, subdivision 11a, attributable to any school year starting in 1982-1983 and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$90 per pupil unit or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

Subd. 1a. **Special purpose computation.** In the 1982-1983 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this subdivision in any school year, a district must levy the maximum permissible amount pursuant to section 275.125, subdivision 11b for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11b may be used.

Subd. 2. **Pupil units.** As used in this section, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

[For text of subd 3, see M.S.1980]

Subd. 4. **Payment schedule.** Starting in 1982-1983, eighty-five percent of a district's capital expenditure equalization aid for each school year shall be distributed prior to November 1 of that school year. The final aid distribution to each district shall be made prior to November 1 of the following school year.

History: 1981 c 358 art 6 s 18-21

124.246 CHEMICAL USE PROGRAMS.

Subdivision 1. **Eligibility and purpose.** Each school board which adopts a comprehensive policy and procedures to minimize chemical use problems among all pupils in the district, and which submits them to the department of education, shall be eligible for state aid for the following purposes:

(a) inservice training for public and nonpublic school staff,

- (b) prevention programs, including curriculum materials,
- (c) community and parent awareness programs,
- (d) problem identification programs,
- (e) referral programs, and
- (f) aftercare support programs.

The programs shall be for pupils in public elementary, secondary and area vocational-technical schools and nonpublic elementary and secondary schools, and their parents, teachers and staff.

Subd. 2. Aid. An eligible district shall receive \$1 for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational-technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than \$1,000.

Subd. 3. Applications. A district that is eligible for aid shall apply to the commissioner of education by October 1 of each school year on the form supplied by the commissioner.

Subd. 4. Assistance to districts. The department of education shall:

(a) provide technical assistance to districts for maintenance and evaluation of prevention programs, for aftercare support programs and for improved relationships with community agencies,

(b) provide inservice programs emphasizing identified needs of the districts, and

(c) collect information from districts about prevention, awareness, identification, referral, and aftercare support programs.

Subd. 5. Payment schedule. For the 1981-1982 school year, the state shall pay to each school district 100 percent of its chemical use program aid by November 1 of that school year. Beginning in the 1982-1983 school year, and each year thereafter, the state shall pay to each school district 85 percent of its chemical use program aid by November 1 of that school year. The final aid distribution to the district shall be made by November 1 of the following school year.

History: 1981 c 358 art 6 s 22

124.247 PROGRAM FOR THE GIFTED AND TALENTED.

[For text of subds 1 and 2, see M.S.1980]

Subd. 3. Aid. A district which establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to \$16.25, in the 1981-1982 school year, and \$17.50 in the 1982-1983 school year, times the number of gifted and talented students in the district. No more than 5 percent of the students enrolled in the district shall be counted as gifted and talented for the purpose of aid computations pursuant to this subdivision. No more than five percent of the moneys received by a district pursuant to this subdivision may be expended for the purpose of administration of the program for gifted and talented students.

[For text of subd 4, see M.S.1980]

Subd. 5. [Repealed, 1981 c 358 art 7 s 31]

History: 1981 c 358 art 6 s 23

124.251 STATE AID; IMPROVED LEARNING PROGRAMS.

A district which establishes, pursuant to sections 121.501 to 121.507, a principal-teacher, counselor-teacher or career teacher component of an improved learning program approved by the state board of education, shall receive state aid for the purpose of this program in an amount equal to the salary and fringe benefits for the number of days each principal-teacher, counselor-teacher or career teacher works beyond the regular contract period. The daily rate paid shall be the contract rate including fringe benefits earned by the principal-teacher, counselor-teacher or career teacher during the year in which the application is submitted. The state board shall not approve applications or pay aids in excess of the state appropriation for this program. In addition, the board shall make an effort to distribute aid as equally as possible between rural, suburban and urban districts. In addition to other aids or moneys, a school district may use summer school foundation revenue to fund an improved learning program.

History: 1981 c 358 art 6 s 24

124.26 EDUCATION PROGRAMS FOR ADULTS.

Subdivision 1. **Compensation.** For evening schools and continuing education programs for adults established for persons over 16 years of age and not in attendance upon regular day schools, the state shall compensate any district maintaining such programs in accordance with requirements established by the state board from funds appropriated for that purpose, or such funds combined with federal funds insofar as federal funds are available. The state shall pay these aids on a current funding basis. The portion of such compensation from state appropriation shall be 90 percent of the compensation paid each teacher for his services in such programs up to \$8,000 per year based on the costs in that current year. All classes shall be tuition free when taught by teachers subsidized under this section and there shall be no charge for registration, materials and supplies. Evening school and continuing education programs are defined as those public day or evening school programs which are established for persons over 16 years of age not in attendance at the full time elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalency certificate or for academic achievement at the secondary level.

[For text of subd 2, see M.S.1980]

Subd. 3. [Repealed, 1981 c 358 art 4 s 11]

Subd. 4. **Payment schedule through 1982.** For fiscal years through 1982, the state shall pay to each school district 30 percent of its estimated adult education aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution shall be made by October 31 of the following fiscal year.

Subd. 5. **Payment schedule.** Starting in fiscal year 1983, the state shall pay to each school district its estimated adult education aid entitlement according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following fiscal year.

Subd. 6. **Applications; proration.** By August 1 of each fiscal year, the commissioner shall approve or disapprove all applications for funding for that year pursuant to subdivision 1 that were received by the preceding June 1, and shall notify the applicant districts of the decision. In any fiscal year when the total amount requested by districts for approved programs exceeds the amount appro-

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priated, the commissioner shall, to the extent possible, fully fund the programs which were approved by August 1, and shall prorate any remaining funds among programs which are approved after August 1.

History: 1981 c 358 art 4 s 1-4

124.271 COMMUNITY EDUCATION PROGRAMS AID.

Subd. 1a. [Repealed, 1981 c 358 art 4 s 11]

Subd. 2. In fiscal years 1982 and 1983 the state shall pay the greater of 65 cents per capita or \$6,100 to each school district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or \$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2), for use in that year.

Subd. 2a. Beginning in fiscal year 1984, each district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied pursuant to section 275.125, subdivision 8, shall receive in state aid the greater of the following:

(a) \$5 per capita minus the amount raised by .9 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year; or

(b) 75 cents per capita; or

(c) \$7,000.

However the amount of aid shall not exceed the amount certified pursuant to section 275.125, subdivision 8. For purposes of computing the aid limitation pursuant to this subdivision, the amount certified pursuant to section 275.125, subdivision 8, shall not reflect reductions pursuant to section 275.125, subdivision 9.

[For text of subd 3, see M.S.1980]

Subd. 4. Each district providing community education programs pursuant to sections 121.85 to 121.88 shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these community education programs. All funds received pursuant to this section and to the levy authorized in section 275.125, subdivision 8, shall be utilized solely for the purposes of community education programs. These funds may be used to reimburse G.E.D. testing centers for each battery of G.E.D. tests or each individual test administered by that center.

Subd. 5. **Payment schedule through 1982.** All community education program aid shall be distributed by the state aids section of the department of education. For fiscal years through 1982 aid shall be distributed prior to November 1 each year.

Subd. 6. **Payment schedule.** Starting in fiscal year 1983, the state shall pay to each school district 85 percent of its community education program aid for the current fiscal year by November 1. The final aid distribution to each district shall be made by November 1 of the following fiscal year.

History: 1981 c 358 art 4 s 5-9

124.273 LIMITED ENGLISH PROFICIENCY PROGRAMS AID.

Subdivision 1. **Teachers salaries.** (a) For the 1981-1982 school year, the department shall pay a school district 70 percent of the salary, calculated from the

date of hire, of one full time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district, or a pro rata amount thereof for increments of fewer than 45 pupils. Notwithstanding the foregoing, the department shall pay 70 percent of the salary, calculated from the date of hire, of one-half of a full time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled.

(b) Beginning in the 1982-1983 school year, and each year thereafter, the department shall pay a school district 65 percent of the salary, calculated from the date of hire, of one full time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district, or a pro rata amount thereof for increments of fewer than 45 pupils. Notwithstanding the foregoing, the department shall pay 65 percent of the salary, calculated from the date of hire, of one-half of a full time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled.

Subd. 2. **Prohibition.** (a) For the 1981-1982 school year, the department of education shall not pay a school district an amount exceeding 70 percent of the salaries paid to essential instructional personnel employed by the district in its educational program for pupils of limited English proficiency.

(b) Beginning in the 1982-1983 school year, and each year thereafter, the department of education shall not pay a school district an amount exceeding 65 percent of the salaries paid to essential instructional personnel employed by the district in its educational program for pupils of limited English proficiency.

Subd. 3. **Participation of nonpublic school pupils.** In counting the number of pupils of limited English proficiency for purposes of this section, districts may include pupils of limited English proficiency who attend nonpublic schools in the district. A district which counts those pupils and receives aid pursuant to this section shall offer those pupils the same programs on the same terms that it offers to pupils of limited English proficiency who attend the public school. A program provided for a nonpublic school pupil pursuant to this subdivision shall be provided at a public school or a neutral site as defined in section 123.932, subdivision 9. Nonpublic school pupils served by a district's educational program for pupils of limited English proficiency shall be counted for average daily membership pursuant to section 124.2127.

Subd. 4. **Application dates.** (a) A district wishing to receive aid pursuant to this section shall submit an application by October 15, February 15, and June 15 of each year. Aid paid pursuant to this section shall be based on the number of pupils of limited English proficiency enrolled in the district at the time the district submits its first application or the number of additional such pupils enrolled at the time subsequent applications are submitted.

(b) All applications shall be submitted to the department in the manner prescribed by the commissioner. Each application shall include (1) the number of pupils or additional pupils enrolled who meet the criteria in section 126.262, subdivision 2; (2) the number, dates of hire, full time equivalency, and salaries of essential licensed personnel or additional essential licensed personnel employed in the district's educational program for pupils of limited English proficiency who meet the criteria in section 126.262, subdivision 3; and (3) any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section and may share essential instructional personnel employed in educational programs for pupils of limited English proficiency.

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Subd. 5. **Notification; aid payments.** The department shall inform each applicant district of the amount of aid it will receive pursuant to this section within a month after the application deadline, and the department shall pay the aid within 15 days after notifying the district that it will receive aid. Beginning with the 1982-1983 school year, 85 percent of the aid shall be paid within 15 days after the aid notification and the remaining aid to each district shall be paid on or before October 31 of the following school year.

Subd. 6. **Records; audit.** A district which applies for aid pursuant to this section shall maintain records which support the information contained in all of its applications. The commissioner of education may audit these records upon request. A district which receives aid pursuant to this section shall keep such additional records in the manner prescribed by the commissioner to ensure that an educational program for pupils of limited English proficiency is implemented and operated in accordance with sections 126.261 to 126.269.

Subd. 7. **Money from other sources.** A school district providing a program for pupils of limited English proficiency shall be eligible to receive moneys for these programs from other government agencies and from private sources when these moneys are available.

History: 1981 c 358 art 3 s 10

124.32 HANDICAPPED CHILDREN.

Subdivision 1. (a) For the 1981-1982 and 1982-1983 school years, the state shall pay to any district for the employment in its educational program for handicapped children 68.8 percent of the salary of essential personnel for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

(b) Beginning in the 1983-1984 school year and each year thereafter, the state shall pay to any district for the employment in its educational program for handicapped children 70 percent of the salary of essential personnel for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

Subd. 1a. **Foundation aid formula allowance.** For purposes of this section, "foundation aid formula allowance" shall have the meaning attributed to it in section 124.2122, subdivision 1, and "summer school revenue allowance" shall have the meaning attributed to it in section 124.20. For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1, clause (1) or (2).

Subd. 1b. **Contract services.** (1) For special instruction or training and services provided for any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district 60 percent of the difference between the amount of the contract and the foundation aid formula allowance of the district for that pupil or a pro rata portion of the foundation aid formula allowance for pupils who receive services by contract on less than a full time basis.

(2) For special instruction or training and services provided for a pupil by such a contract as part of a summer school program, the state shall pay each district 60 percent of the difference between the amount of the contract and the summer school revenue allowance of the district attributable to that pupil.

[For text of subds 2 to 4, see M.S.1980]

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

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

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

(b) A private, nonsectarian residential facility designed to provide educational services for handicapped children within the state.

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

Subd. 6. **Full state payment.** The state shall pay each district the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following the procedure specified by the commissioner of education, the district may bill the state the actual cost incurred in providing the services including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of the foundation aid formula allowance for the child and the special education aid, transportation aid, and any other aid earned in behalf of the child. The limit set forth in subdivision 4 shall apply to aid paid pursuant to this subdivision.

To the extent possible, the commissioner shall obtain reimbursement from another state for the cost of serving any child whose parent or guardian resides in that state. The commissioner may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states shall be paid to the state treasury and placed in the general fund.

[For text of subds 7 and 8, see M.S.1980]

Subd. 9. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, for school years through 1981-1982, the state shall pay to each school district 30 percent of its estimated special education aid for the school year on or before each of the following dates: September 30, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following year.

Subd. 9a. **Payment schedule.** Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in school

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year 1982-1983, the state shall pay each school district its estimated special education aid for the school year according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following school year.

[For text of subd 10, see M.S.1980]

History: 1981 c 358 art 3 s 11-17; 1Sp1981 c 2 s 10,11

124.38 DEFINITIONS.

[For text of subs 1 to 6, see M.S.1980]

Subd. 7. "Maximum effort debt service levy" means the lesser of:

(1) A levy in whichever of the following amounts is applicable:

(a) In any school district granted a debt service loan after July 31, 1981 or granted a capital loan which is approved after July 31, 1981, a levy in a total dollar amount computed as 16 mills on the adjusted assessed value;

(b) In any school district granted a debt service loan before August 1, 1981 or granted a capital loan which was approved before August 1, 1981, a levy in a total dollar amount computed as 15 mills on the adjusted assessed value, until and unless the district receives an additional loan; or

(2) A levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5-1/2 mills on the market value in each year, until and unless the district receives an additional loan;

(c) In any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan;

(d) In any school district granted a capital loan between July 1, 1977 and June 2, 1981, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of clause (2)(d) may elect instead to determine the amount of its levy according to the provisions of clause (1); provided further that if a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)(d), the liability of the district for the amount of the difference between the amount it levied under clause (2)(d) and the amount it would have levied under clause (1), and for interest on the amount of that difference, shall not be satisfied and discharged pursuant to section 124.43, subdivision 4.

[For text of subs 8 to 14, see M.S.1980]

History: 1981 c 358 art 9 s 1

124.39 FUND ESTABLISHED; DIVISION INTO ACCOUNTS.

[For text of subs 1 to 4, see M.S.1980]

Subd. 5. All moneys deposited to the credit of the loan repayment account and not required for the payment of principal and interest and costs as prescribed in subdivision 4 shall be transferred to the credit of the debt service loan account on July 1 of each year, and those moneys are annually appropriated to that account for the purposes prescribed by the maximum effort school aid law; except that the commissioner may retain in the loan repayment account any amount which the commissioner estimates will not be needed for loans in the fiscal year commencing July 1. Moneys deposited to the credit of the loan repayment account and not required for the transfers or for the payment of principal and interest due on school loan bonds may be invested and reinvested in securities which are general obligations of the United States or the state of Minnesota. When all school loan bonds have been fully paid with interest accrued thereon, the balance remaining in the account shall be transferred to the state bond fund.

History: 1981 c 358 art 9 s 2

124.40 APPROPRIATION.

[For text of subd 1, see M.S.1980]

Subd. 2. Any amounts remaining in the fund on July 1 of each year, including any unused portion of the appropriation made in subdivision 1, shall be available for use by the commissioner in making further debt service loans and capital loans.

[For text of subd 3, see M.S.1980]

History: 1981 c 358 art 9 s 3

124.41 SCHOOL LOANS.

Subdivision 1. **Consideration by commissioner.** The commissioner shall receive and consider applications for and grant or deny loans under sections 124.36 to 124.47.

Subd. 2. **Application forms; rules.** The commissioner, with the assistance of the attorney general or an assistant designated by him, shall prepare forms of applications for debt service loans and capital loans and instruments evidencing the loans. The state board shall promulgate rules to facilitate the commissioner's operations in compliance with sections 124.36 to 124.47. The rules shall be subject to the procedure set forth in sections 15.0411 to 15.0422.

Subd. 3. **Clerk.** The commissioner may employ a clerk to administer the maximum effort school aid law. The clerk shall serve at the commissioner's pleasure and shall be in the unclassified service of the state. The commissioner may fix the clerk's compensation, which shall be paid out of the loan repayment account of the fund.

History: 1981 c 358 art 9 s 4

124.42 DEBT SERVICE LOANS.

Subdivision 1. **Qualification; application; award; interest.** Any school district in which the required levy for debt service in any year will exceed its maximum effort debt service levy by ten percent or by \$5,000, whichever is less, is qualified for a debt service loan hereunder in an amount not exceeding the amount

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applied for, and not exceeding one percent of the net debt of the district, and not exceeding the difference between the required and the maximum effort debt service levy in that year. Applications shall be filed with the commissioner in each calendar year up to and including September 15. The commissioner shall determine whether the applicant is entitled to a loan and the amount thereof, and on or before October 1 shall certify to each applicant district the amount granted and its due date. The commissioner shall notify the county auditor of each county in which the district is located that the amount certified is available and appropriated for payment of principal and interest on its outstanding bonds, and the auditors shall reduce by that amount the taxes otherwise leviable as the district's debt service levy on the tax rolls for that year. Each debt service loan shall bear interest from its date at a rate equal to the average annual rate payable on Minnesota state school loan bonds most recently issued prior to the disbursement of the loan to the district, but in no event less than 3 1/2 percent per annum on the principal amount from time to time remaining unpaid, payable on December 15 of the year following that in which the loan is received and annually thereafter.

Subd. 2. **Note.** Each debt service loan shall be evidenced by a note which shall be executed on behalf of the district by the signatures of its chairman or vice chairman and the school district clerk, shall be dated November 1 of the year in which executed, and shall state its principal amount, interest rate, and that it is payable at the commissioner's office. It shall have printed thereon, or the commissioner shall attach thereto, a grill for entry of the date and amount of each payment and allocations of each payment to accrued interest or principal, and a certificate to be executed by the county auditor of each county in which any portion of the school district is situated, prior to the delivery of the note, stating that the county auditor has entered the debt service loan evidenced thereby in his bond register. The notes shall be delivered to the commissioner not later than November 15 of the year in which executed. The commissioner shall cause a record to be made and preserved showing the obligor district and the date and principal amount of each note.

[For text of subds 3 and 4, see M.S.1980]

History: 1981 c 358 art 9 s 5,6

124.43 CAPITAL LOANS.

Subdivision 1. **Review by commissioner.** (a) To the extent moneys are from time to time available hereunder, the commissioner may, after review and a favorable recommendation by the state board of education, make capital loans to school districts. Proceeds of the loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted. Applications with the accompanying data specified in subdivision 2 shall be filed between October 1 of any year and the following June 1.

(b) Any board which intends to submit an application for a capital loan shall submit a proposal to the commissioner for review and comment pursuant to section 122.90, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. The state board shall not make a favorable recommendation on an application for a capital loan for any facility unless:

(1) the facility receives a favorable review and comment pursuant to section 122.90; and

(2) the state board determines that

(A) the facilities are needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist;

(B) the facilities could not be made available through dissolution and attachment of the district to another district or through pairing, interdistrict cooperation, or consolidation with another district, or through the purchase or lease of facilities from existing institutions within the area. The preference of the school district regarding reorganization shall not be a criterion used by the state board in determining whether the facilities could be made available through reorganization;

(C) the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollment; and

(D) the district's need for the facilities is comparable to needs which comparable districts are meeting through local bond issues.

The state board may recommend that the loan be approved in a reduced amount in order to meet the foregoing criteria. If the state board recommends that a loan not be approved, the commissioner shall not approve the loan, and if the state board recommends that the loan be approved in a reduced amount, the commissioner shall not approve a loan larger than that recommended by the state board.

(c) No loan shall be approved for any district exceeding an amount computed as follows:

(1) The amount voted by the district under subdivision 2;

(2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on the date of approval, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or 24 percent of the adjusted assessed value, whichever is less;

(3) Less the maximum net debt permissible for the district on the date of approval, under the limitation in section 475.53, subdivision 4, or 24 percent of the adjusted assessed value, whichever is less; and

(4) Less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted, as estimated in accordance with subdivision 4, provided that the loan may be approved in an amount computed as provided in clauses (1) to (3), subject to subsequent reduction in accordance with this clause.

Subd. 2. District procedures. The school board of any district desiring a loan shall adopt a resolution stating the amount proposed to be borrowed, the purpose for which the debt is to be incurred, and an estimate of the dates when the facilities for which the loan is requested will be contracted for and completed. The question of authorizing the borrowing of funds for the facilities shall be submitted to the voters of the district at a regular or special election. The question submitted shall state the total amount to be borrowed from all sources. A majority of those voting on the question shall be sufficient to authorize the district to effect the state loan application and also to issue the bonds on public sale in accordance with chapter 475. Applications for loans shall be accompanied by (a) a copy of the resolution, (b) a certificate by the clerk showing the vote at the election, (c) a certificate by the clerk and treasurer showing the then outstanding indebtedness of the district, and (d) a certificate by the county auditor of each county in which a portion of the district lies showing the information in his official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's certificate shall show, as to each outstanding bond issue, the amount originally issued, the purpose

for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications shall be in the form and accompanied by the additional data which the commissioner and state board of education prescribe. When an application is received, the commissioner shall obtain from the commissioner of revenue, and from the public utilities commission when required, the information in their official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

Subd. 3. Award of loans. The commissioner shall examine and consider all applications for capital loans which have been recommended by the state board of education, and if any applicant district is found not qualified it shall be promptly notified thereof. On January 1 and July 1 of each year, the commissioner shall make a determination on all pending applications which have been on file with the commissioner more than one month. If an applicant is qualified in the opinion of the commissioner and the aggregate of the amounts applied for does not exceed the amount available or which can be made available in the capital loan account, all loans so applied for shall be granted, subject to acceptance by the respective districts as specified below. If the aggregate exceeds the amount which is or can be made available, the commissioner shall allot the available amount among the qualified applicant districts, or any of them, according to the commissioner's judgment and discretion based upon their respective needs. The commissioner shall promptly certify to each qualified applicant district the amount, if any, of the capital loan granted to it, subject to adjustment under subdivision 1, clause (4).

Subd. 4. Contract. Each capital loan shall be evidenced by a contract between the school district and the state acting through the commissioner. It shall obligate the state to pay to the district, out of the maximum effort school loan fund, an amount computed as provided in subdivision 1, upon receipt by the commissioner of a certified resolution of the school board reciting that contracts for construction of the facilities for which the loan is granted have been awarded and that bonds of the district have been issued and sold in the amount necessary to pay all costs thereof in excess of the amount of the loan, and estimating the costs. It shall obligate the district to repay the loan out of the excesses of its maximum effort debt service levy over its required debt service levy, including interest at a rate equal to the average annual rate payable on Minnesota state school loan bonds most recently issued prior to the disbursement of the loan to the district, but in no event less than 3 1/2 percent per annum on the principal amount from time to time unpaid. The district shall each year, as long as it is indebted to the state, levy for debt service (a) the amount of its maximum effort debt service levy or (b) the amount of its required debt service levy, whichever is greater, except as the required debt service levy may be reduced by a loan under section 124.42. Whenever the maximum effort debt service levy is greater, the district shall remit to the commissioner within ten days after its receipt of the last regular tax distribution in each year, that portion of the debt service tax collections, including penalties and interest, which exceeded the required debt service levy. The commissioner shall supervise the collection of outstanding accounts due the fund and may, by notice to the proper county auditor require the maximum levy to be made as required hereunder. Interest on capital loans shall be paid on December 15 of the year next following that in which the loan is granted and annually thereafter. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the amount of the maximum effort debt service levy of the district for that year, and the county auditor or auditors shall extend upon the

tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified. If any capital loan is not paid within 30 years after it is granted from maximum effort debt service levies in excess of required debt service levies, the liability of the school district thereon shall be satisfied and discharged and interest thereon shall cease. After a district's capital loan has been outstanding for 20 years, the district shall not issue bonds on the public market except for the purpose of refunding the loan.

Subd. 5. Participation by county auditor; record of contract; payment of loan. Before delivery of any capital loan contract, the school district shall file a copy thereof with the county auditor of each county in which any portion of the district is situated, and shall obtain from each county auditor and furnish to the commissioner a certificate stating that the county auditor has entered the capital loan evidenced thereby in his bond register. As each executed contract is delivered to the commissioner, the commissioner shall cause a record thereof to be made and preserved showing the name and address of the district, the date of the contract, and the amount of the loan initially approved in accordance with subdivision 1. Upon receipt of the resolution required in subdivision 4, the commissioner shall issue a warrant on the capital loan account for the amount which may be disbursed in accordance with subdivision 1, payable on presentation to the state treasurer. On presentation the treasurer shall remit the amount to the district and enter the date and amount in his account with the district. Interest thereon shall accrue from that date.

[For text of subd 6, see M.S.1980]

History: 1981 c 358 art 9 s 7-11

124.474 BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1969.

For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of 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 is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the commissioner of education for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for the payment thereof shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any 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, shall be paid from the maximum effort school loan fund, and the amounts necessary therefor are appropriated from it.

History: 1981 c 358 art 9 s 12

124.476 BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1980.

For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of 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

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finance is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the commissioner of education for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for their payment shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any 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, shall be paid from the maximum effort school loan fund, and the amounts necessary for the expenses are appropriated from it.

History: 1981 c 358 art 9 s 13

124.561 POST-SECONDARY VOCATIONAL-TECHNICAL EDUCATION FUNDING.

[For text of subs 1 and 2, see M.S.1980]

Subd. 2a. **Budgets; allocations.** Before January 1 of each year, each post-secondary vocational technical school shall submit to the state board for vocational education budgets for supplies, support services, equipment, and repair and betterment for the following fiscal year as prescribed in sections 124.5622, 124.5623, 124.5624, and 124.5627. The state board for vocational education shall authorize the allocations of post-secondary vocational supply aid, support services aid, equipment aid, and repair and betterment aid for each district prior to June 1 of each year after a consolidated public hearing held pursuant to subdivision 3a. No district shall increase its operating deficit for post-secondary vocational education during any fiscal year. The state board for vocational education shall promulgate rules which establish the criteria for allocations of post-secondary vocational supply aid, support services aid, equipment aid, and repair and betterment aid. The commissioner, in cooperation with the department of finance, shall establish standards by which post-secondary vocational-technical schools shall submit separate financial requests for post-secondary vocational supply aid, support services aid, equipment aid, and repair and betterment aid.

Subd. 2b. **Component activities.** For the purposes of post-secondary vocational aid allocations "component activities" shall include: regular instruction; related instruction; special needs instruction; research; instructional administration; media/library; pupil personnel services; health services; director's office; institutional services; fixed costs; work study; physical plant; and repair and betterment.

Subd. 3a. **Hearing.** The consolidated public hearing held by the state board pursuant to subdivision 2a shall take place with at least six board members present and shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. Each year the state board shall authorize the allocations of post-secondary vocational supply aid, support services aid, equipment aid, and repair and betterment aid for the following fiscal year at this hearing. Notice of intention to hold the hearing shall be given at least 20 days prior to the date set for the hearing by United States mail to each district submitting a post-secondary vocational school budget, to other interested persons, representatives, and organizations who register their names with the commissioner

of education for that purpose, and in the state register. The department of education shall make available at least one free copy of the proposed allocations of aids to the education committees of the legislature and to any person requesting it. Unless the commissioner determines that the use of an audio magnetic recording device is more appropriate, a court reporter shall keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, provided that the request is in writing and the cost of preparing the transcript is borne by the requesting person. After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the final proposed allocations of aids. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the final proposed allocations. The report shall be available to all affected school districts upon request for at least 15 days before the state board takes final action allocating aids. Any district which is adversely affected by the final proposed allocations of aids may demand and shall be given an opportunity to be heard in support of modification of the proposed allocations of aids at the meeting at which the state board takes final action allocating aids; provided, the state board may place reasonable restrictions on the length of time allowed for testimony.

Subd. 4. [Repealed, 1981 c 358 art 5 s 47]

Subd. 5. **Distribution of moneys.** All moneys, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational-technical education shall be apportioned by the state board for vocational education to the various school districts in accordance with law and shall be distributed by the state aids section of the state department of education. State board approval shall not be required for the adjustment of average daily membership, pursuant to section 124.11, subdivision 2a.

Subd. 6. **Accounting.** Each district providing post-secondary vocational-technical education programs shall establish and maintain, in accordance with section 121.908, separate revenue, expenditure, asset and liability accounts related to these post-secondary vocational-technical education programs within funds separate from all other district funds. All post-secondary vocational aids and all tuition authorized by section 124.565 shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

History: 1981 c 358 art 5 s 14-18

124.562 POST-SECONDARY VOCATIONAL FOUNDATION AID.

[For text of subd 2, see M.S.1980]

Subd. 2a. **Chemical treatment programs.** If a pupil is absent from school for the purpose of participating in a chemical abuse treatment program licensed by the state of Minnesota, he may request the school to keep him on the roll in the educational program in which he is enrolled. Upon the pupil's request the school shall keep him on the roll for the educational program in which he is enrolled and that pupil shall be counted in average daily membership, pursuant to subdivision 2, during the period in which he is participating in a treatment program; provided he shall be counted for a period not to exceed 30 consecutive school days. When this pupil returns to school, the school may count additional hours for membership, not to exceed the number of hours for which he was counted while participating in the treatment program or the number of hours per day the pupil is

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enrolled times 30, whichever is less, if additional hours are needed for the pupil to complete the educational program.

Subd. 3. [Repealed, 1981 c 358 art 5 s 47]

Subd. 4. [Repealed, 1981 c 358 art 5 s 47]

History: 1981 c 358 art 6 s 25

124.5621 POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID.

[For text of subd 1, see M.S.1980]

Subd. 2. "Post-secondary vocational instructional aid" means state funds exclusive of post-secondary vocational equipment aid, repair and betterment aid, supply aid, support services aid and debt service aid paid by the state board for vocational education to local school districts for instructional programs. Post-secondary vocational instructional aid shall be utilized solely for the purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

[For text of subds 3 and 4, see M.S.1980]

Subd. 5. **Instructional program.** "Instructional program" means a post-secondary vocational-technical occupational program as classified with a six-digit number by the United States department of education, excluding special needs programs and related instruction.

Subd. 6. **Instructional program costs.** "Instructional program cost" means the actual expenditures in the base year for an instructional program at an AVTI. These actual expenditures shall be computed as follows:

- (1) instructional salaries; plus
- (2) instructional employee fringe benefits, excluding teachers' retirement and teachers' social security; plus
- (3) expenditures for instructional staff travel for instructional and professional development purposes; plus
- (4) expenditures for purchased services for instructional purposes; plus
- (5) instructional expenditures for student activities; plus
- (6) other instructional expenditures detailed according to the uniform financial accounting and reporting system, not including any expenditures for supplies and equipment; minus
- (7) other instructional revenues detailed according to the uniform financial accounting and reporting system, including student activity fees but not including any revenues from the sale of supplies and equipment.

These actual expenditures shall not include any expenditures or revenues which are included in the AVTI's budgets for post-secondary vocational supply aid, support services aid, equipment aid, or repair and betterment aid.

[For text of subds 7 to 11, see M.S.1980]

Subd. 12. **Instructional aid formula.** In each fiscal year, each district which operates an AVTI shall receive post-secondary vocational instructional aid computed according to the following formula:

- (a) The instructional program allowance for that AVTI in the base year, multiplied by
- (b) The AVTI staff compensation weighting for that AVTI, multiplied by

- (c) 119 percent, multiplied by
- (d) The student growth or decline factor for that AVTI.

[For text of subd 13, see M.S.1980]

History: 1981 c 358 art 5 s 19-22

124.5622 POST-SECONDARY VOCATIONAL SUPPLY AID.

[For text of subds 1 and 2, see M.S.1980]

Subd. 3. Post-secondary vocational supply aid. "Post-secondary vocational supply aid" means state funds, exclusive of post-secondary vocational equipment aid, repair and betterment aid, instructional aid, support services aid and debt service aid, apportioned by the state board for vocational education to local districts for the costs of:

- (a) supplies and materials;
- (b) supplies for resale; and
- (c) rents and leases, excluding those of buildings for school purposes, computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment,

for all instructional programs and support services including related instruction and special needs programs. Post-secondary vocational supply aid shall be utilized solely for the purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

Subd. 4. Budgets; supply aid allocation. Each AVTI shall submit a budget before January 1 of each year detailing estimated costs for the following fiscal year in each applicable component activity of the AVTI's operations for each of the following expenditure categories: rents and leases, supplies and materials, and supplies for resale, for all instructional programs and support services including related instruction and special needs programs. Each budget shall also include anticipated revenues from the sales of supplies and services. A budget submitted pursuant to this section shall not include any expenditures or revenues which are included in the computation of the AVTI's budgets for post-secondary vocational support services aid, equipment aid, or repair and betterment aid. The department of education shall recommend an allocation of supply aid in each component activity for each of the expenditure categories and a total allocation of supply aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department for the distribution of supply aid, authorize an allocation of supply aid for each AVTI, and detail recommended levels of spending in each component activity for each expenditure category through the consolidated public hearing process prescribed in section 124.561, subdivision 3a.

Subd. 5. Report. Before August 1 of each year, the commissioner shall issue a report on the supply aid allocation to each AVTI. This report shall include recommended aid allocations in each component activity for each expenditure category and an explanation comparing the amount of the authorized aid allocation to the budget submitted for each AVTI. This report shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

History: 1981 c 358 art 5 s 23-25

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124.5623 POST-SECONDARY VOCATIONAL SUPPORT SERVICES AID.

[For text of subds 1 and 2, see M.S.1980]

Subd. 3. "Post-secondary vocational support services aid" means state and federal funds, exclusive of post-secondary vocational equipment aid, repair and betterment aid, supply aid, instructional aid and debt service aid, apportioned by the state board for vocational education to local school districts for the costs of support services, including related instruction and special needs programs, enumerated in subdivision 4. Post-secondary vocational support services aid shall be utilized solely for the purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

Subd. 4. **Budgets; support services allocation.** Each AVTI shall submit a budget before January 1 of each year detailing the estimated costs for the following fiscal year in each applicable component activity of the AVTI's operations for each of the following expenditure categories: expenditures for support services personnel salaries, travel and fringe benefits, excluding teachers' retirement and teachers' social security; expenditures for other purchased services; and other support services expenditures, for all support services, including related instruction and special needs programs. Each budget shall also include all other anticipated support services revenues. A budget submitted pursuant to this section shall not include any expenditures for or revenue from the sale of supplies and equipment. A budget submitted pursuant to this section shall not include any expenditures or revenues which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational supply aid, equipment aid, or repair and betterment aid. The department of education shall recommend an allocation of support services aid in each component activity for each of the expenditure categories and a total allocation of support services aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of support services aid for each AVTI, and detail recommended levels of spending in each component activity for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. No aid shall be allocated for any special vocational systemwide support service project or program, excluding regional special needs programs. The estimated amount of each AVTI's net positive unappropriated general fund balance, as of June 30 of the fiscal year during which allocations are made, which exceeds 15 percent of the AVTI's operating expenditures, as defined by the uniform financial accounting and reporting system, for the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations. The estimated amount of each AVTI's tuition revenues for the year in which the aid is paid may be taken into account by the state board in making these allocations.

Subd. 5. Before August 1 of each year, the commissioner shall issue a report on the support services aid allocation to each AVTI. This report shall include the recommended aid allocation in each component activity for each support services expenditure category and an explanation comparing the amount of the authorized aid allocation to the budget submitted for each AVTI. The fund balances and estimated tuition revenues used by the state board in determining the support services aid allocations shall be included. This report shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

History: 1981 c 358 art 5 s 26-28

124.5624 POST-SECONDARY VOCATIONAL EQUIPMENT AID.

Subdivision 1. For the purposes of this section, the words, terms and phrases defined in subdivisions 2 and 3 have the meanings ascribed to them.

Subd. 2. "AVTI" means a post-secondary area vocational-technical institute.

Subd. 3. "Post-secondary vocational equipment aid" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid, debt service aid, and repair and betterment aid apportioned by the state board for vocational education to local school districts for the purpose of

(a) acquisition or purchase of equipment or machinery;

(b) betterment as defined in section 475.51 of equipment or machinery; and

(c) paying leasing fees for computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment,

as necessary for the conduct of post-secondary vocational-technical training. Post-secondary vocational equipment aid shall be utilized solely for the purposes enumerated in this section.

Subd. 4. **Budgets; equipment aid allocation.** Each AVTI shall submit a budget before January 1, 1982, and before January 1 of each year thereafter detailing estimated costs for the following fiscal year in each applicable component activity of the AVTI's operations for each of the following expenditure categories: acquisition of equipment or machinery, betterment of equipment or machinery and rents and leases, for all instructional programs and support services, including special needs programs and related instruction. Each budget shall also include anticipated revenues from the sale of equipment and other capital goods. A budget submitted pursuant to this section shall not include any revenues or expenditures which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational support services aid, supply aid, or repair and betterment aid. The department of education shall recommend an allocation of equipment aid in each applicable component activity of the AVTI's operations for each of the expenditure categories and a total allocation of equipment aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of equipment aid for each AVTI, and detail recommended levels of spending in each component activity for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a.

Subd. 5. **Approval.** All equipment expenditures for AVTI's in excess of \$4,000 shall receive prior approval by the commissioner. This approval shall be sought and given separately from the budget hearing and aid allocation process.

Subd. 6. **Report.** Before August 1, 1982, and before August 1 of each subsequent year, the commissioner shall issue a report on the equipment aid allocation to each AVTI. This report shall include recommended aid allocations in each component activity for each expenditure category and an explanation comparing the amount of the authorized equipment aid allocation to the budget submitted for each AVTI.

Before October 1, 1984, and before October 1 of each subsequent year, the commissioner shall report a five year projection of the replacement needs of fixed assets property for each of the AVTI's.

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

History: 1981 c 358 art 5 s 29; 1Sp1981 c 4 art 4 s 27

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124.5627 POST-SECONDARY VOCATIONAL REPAIR AND BETTERMENT AID.

Subdivision 1. **Scope of definitions.** For the purposes of this section, the words, terms and phrases defined in subdivisions 2 and 3 have the meanings ascribed to them.

Subd. 2. **AVTI.** "AVTI" means a post-secondary area vocational-technical institute.

Subd. 3. **Repair and betterment aid.** (a) **Definition.** "Post-secondary vocational repair and betterment aid" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid, debt service aid, and equipment aid, apportioned by the state board for vocational education to local school districts for the purpose of reconstruction, improvement, remodeling and repair of the existing AVTI buildings and grounds, and renting or leasing buildings for school purposes, as necessary for the conduct of post-secondary vocational-technical training.

(b) **Prohibition.** Post-secondary vocational repair and betterment aid shall be utilized solely for the purposes enumerated in this section. The use of post-secondary vocational repair and betterment aid shall be governed by the provisions of section 121.21, subdivision 4a. Post-secondary vocational repair and betterment aid shall not be utilized for the acquisition or betterment of equipment or machinery.

Subd. 4. **Budgets; aid allocation.** Each AVTI shall submit a budget before January 1, 1982 and before January 1 of each subsequent year detailing estimated costs for the following fiscal year for rents and leases and for each repair and betterment project proposed by the AVTI. A budget submitted pursuant to this section shall not include any revenues or expenditures which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational support services aid, supply aid, or equipment aid. The department of education shall recommend an allocation of repair and betterment aid for rents and leases and for each project proposed by the AVTI as well as a total allocation of repair and betterment aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of repair and betterment aid for each AVTI, and detail recommended levels of spending for rents and leases and for each project proposed by the AVTI, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. The amount of each AVTI's estimated net positive unappropriated capital fund balance, as of June 30 of the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations. The allocation of post-secondary vocational repair and betterment aid by the state board shall not constitute approval of a project by the state board for the purposes of section 121.21, subdivision 4a.

Subd. 5. **Report.** Before August 1, 1982 and before August 1 of each subsequent year, the commissioner shall issue a report on the repair and betterment aid allocation to each AVTI. This report shall include recommended aid allocations for rents and leases and for each repair and betterment project proposed by an AVTI and an explanation comparing the amount of the authorized repair and betterment aid allocation to the budget submitted for each AVTI. The fund balances used by the state board in determining the repair and betterment aid allocation shall be included.

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

History: 1981 c 358 art 5 s 30

124.565 POST-SECONDARY VOCATIONAL EDUCATION TUITION.

[For text of subd 1, see M.S.1980]

Subd. 3. **Resident tuition.** Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil shall be the amount per quarter set by the state board for vocational education for each quarter the pupil is enrolled. The state board for vocational education shall be exempt from the rulemaking requirements of chapter 15 for setting tuition charges. A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

Subd. 4. **Nonresident tuition.** Unless covered by a higher education reciprocity agreement relating to nonresident tuition, entered into by the Minnesota higher education coordinating board and approved by the state board for vocational education, tuition at a post-secondary vocational-technical school for a pupil who is not a resident of Minnesota shall be the amount per quarter set by the state board for vocational education. The state board for vocational education shall be exempt from the rulemaking requirements of chapter 15 for setting tuition charges. A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

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

Subd. 7. **Veteran's exemption.** A veteran who is a Minnesota resident shall be exempt from the tuition required by subdivision 3 until the veteran has completed the lesser of (a) 440 post-secondary vocational-technical school days, or the equivalent as determined by the state board for vocational education, or (b) one post-secondary vocational-technical school program.

"Veteran" for the purpose of this subdivision means a person who served in the active military service in any branch of the armed forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

History: 1981 c 358 art 5 s 31-34

124.566 [Repealed, 1981 c 358 art 5 s 47]

124.571 [Repealed, 1981 c 358 art 5 s 47]

124.572 CURRENT FUNDING FOR ADULT VOCATIONAL EDUCATION.

[For text of subds 1 and 2, see M.S.1980]

Subd. 3. This aid shall be paid only for services rendered or for travel costs incurred in adult vocational education programs approved for funding by the commissioner of education. Rules shall be adopted by the state board providing criteria to be applied by the commissioner in approving programs for funding pursuant to this section including: economic impact of the program, legislative mandate for the program, employment opportunities in the occupational area, and

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proven contribution of the program. All programs shall be operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for an adult vocational education program to qualify for this aid. Rules relating to adult vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference.

Subd. 3a. In any fiscal year when moneys requested for programs approved for funding are more than the amount appropriated, the commissioner of education shall, to the extent possible, continue full funding for programs which are approved by July 1 for aid for even numbered years or by the preceding March 1 for aid for odd numbered years. The commissioner shall prorate any remaining moneys among programs which are approved for funding after these dates.

[For text of subds 4 to 7, see M.S.1980]

Subd. 8. **Payment schedule through 1982.** Through the 1981-1982 school year, the state shall pay to each school district 30 percent of its estimated adult vocational education aid for the school year on or before the following dates: August 31, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All adult vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.

Subd. 8a. **Payment schedule.** Beginning in the 1982-1983 school year, the state shall pay to each school district its estimated adult vocational education aid in the following manner: 30 percent by August 31, 30 percent by December 31, and 25 percent by March 31. The final aid distribution shall be made by October 31 of the following school year. All adult vocational education aids shall be computed and distributed by the state aids section of the department of education.

[For text of subds 9 and 10, see M.S.1980]

History: 1981 c 358 art 5 s 35-38

124.573 CURRENT FUNDING FOR SECONDARY VOCATIONAL EDUCATION.

[For text of subd 1, see M.S.1980]

Subd. 2. **Salaries, equipment and travel.** In the 1981-1982 school year and each year thereafter, the state shall pay to any district or cooperative center 45 percent of the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs. In addition, the state shall pay 45 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers, 45 percent of the costs of necessary travel by secondary vocational education teachers accompanying students to and from vocational student organization meetings held within the state for educational purposes, and 45 percent of the costs of necessary equipment for these programs. No secondary vocational equipment aid shall be paid beginning with the 1982-1983 school year. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source, and in no event shall a district or center receive a total amount of state aid pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries, equipment and travel which exceeds 100 percent of the amount of its expenditures for salaries, equipment and travel in the program.

[For text of subd 3, see M.S.1980]

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

[For text of subd 4, see M.S.1980]

Subd. 5. **Payment schedule through 1982.** Through the 1981-1982 school year, the state shall pay to each school district and center 30 percent of its estimated secondary vocational education aid for salaries and travel for the school year on or before the following dates: August 31, December 31 and March 31. The state shall pay 90 percent of a district's estimated secondary vocational education aid for equipment for the school year on or before August 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All secondary vocational education aids shall be computed and distributed by the state aids section of the state department of education.

Subd. 6. **Payment schedule.** Beginning in the 1982-1983 school year, the state shall pay to each school district and cooperative center its estimated secondary vocational education aid for salaries and travel in the following manner: 30 percent by August 31, 30 percent by December 31, and 25 percent by March 31. The final aid distribution shall be made by October 31 of the following school year. All secondary vocational education aids shall be computed and distributed by the state aids section of the department of education.

History: 1981 c 358 art 5 s 39-42

124.574 SECONDARY VOCATIONAL EDUCATION FOR HANDICAPPED CHILDREN.

[For text of subd 1, see M.S.1980]

Subd. 2. **Salaries.** (a) For the 1981-1982 and 1982-1983 school years the state shall pay to any district or cooperative center 65 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district or center's secondary vocational education programs for handicapped children.

(b) Beginning in the 1983-1984 school year and each year thereafter, the state shall pay to any district or cooperative center 70 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district or center's secondary vocational education programs for handicapped children.

[For text of subd 3, see M.S.1980]

Subd. 4. **Aid for contracted services.** In addition to the provisions of subdivisions 2 and 3, a school district may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education programs for handicapped children. The formula for payment of aids for these contracts shall be that provided in section 124.32,

subdivision 1b. The state board shall promulgate rules relating to approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 6, the district or cooperative center contracting for these services shall be construed to be providing these services. For the purposes of subdivision 8, aid for these contracts shall be distributed on the same basis as aids for salaries, supplies and travel.

[For text of subs 5 to 7, see M.S.1980]

Subd. 8. **Distribution.** All aid pursuant to this section shall be distributed at the same times and in the same manner as provided in section 124.573, subdivisions 5 and 5a. Aid for supplies shall be distributed at the same time as aid for salaries and travel.

History: 1981 c 358 art 5 s 43-45

124.646 SCHOOL LUNCH AID.

Subdivision 1. **Aid computation.** (a) For the 1981-1982 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 5.5 cents for each full paid student lunch served to students in the district.

(b) For the 1982-1983 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 5.9 cents for each full paid student lunch served to students in the district.

[For text of subs 2 and 3, see M.S.1980]

History: 1981 c 358 art 6 s 26

124.71 TAX AND AID ANTICIPATION BORROWING; DEFINITIONS.

Subdivision 1. School district as used in sections 124.71 to 124.76 means any school district in the state of Minnesota, however organized and wherever located.

Subd. 2. Commissioner as used in sections 124.71 to 124.76 means the commissioner of education of the state of Minnesota.

History: 1981 c 1 s 3

124.72 APPLICATION OF LIMITING TAX LEGISLATION.

Notwithstanding the provisions of section 471.69 or section 471.75, or of any other provision of law which by per capita limitation, mill rate limitation, or otherwise, limits the power of a school district to incur any debt or to issue any warrant or order, a school district has the powers in sections 124.71 to 124.76 specifically conferred upon it and all powers incident and necessary to carrying out the purposes of sections 124.71 to 124.76.

History: 1981 c 1 s 4

124.73 AUTHORITY TO BORROW MONEY, LIMITATIONS.

Subdivision 1. The board of any school district may borrow money upon negotiable tax anticipation certificates of indebtedness, in the manner and subject to the limitations set forth in sections 124.71 to 124.76, for the purpose of anticipating general taxes theretofore levied by the district for school purposes, but the aggregate of such borrowing under this subdivision shall never exceed 50 percent of such taxes which are due and payable in the calendar year, and as to which taxes no penalty for nonpayment or delinquency has attached.

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Subd. 2. The board may also borrow money in the manner and subject to the limitations set forth in sections 124.71 to 124.76 in anticipation of receipt of state aids for schools as defined in Minnesota Statutes and of federal school aids to be distributed by or through the state department of education. The aggregate of such borrowings under this subdivision shall never exceed 75 percent of such aids which are receivable by said school district in the school year (from July 1 to June 30) in which the money is borrowed, as estimated and certified by the commissioner.

History: 1981 c 1 s 5

124.77 [Repealed, 1981 c 1 s 7]

124.78 [Repealed, 1981 c 1 s 7]

124.781 LIMITATION ON TAX ANTICIPATION BORROWING.

Except as approved by the commissioner, a district may not issue certificates of indebtedness pursuant to sections 124.71 to 124.76, for a larger proportion of its total anticipated tax or aid revenues than it borrowed against such revenues which were received in calendar 1973 with respect to tax revenues and in the 1972-1973 school year with respect to aid revenues.

History: 1981 c 1 s 6